THIS PLAN HAS BEEN AMENDED. SEE INSIDE FRONT COVER.

COOPERATIVE OFFERING PLAN
A PLAN FOR COOPERATIVE OWNERSHIP OF
THE RESIDENTIAL UNIT OF THE RENAISSANCE CONDOMINIUM

THE RENAISSANCE

LOCATED AT
130 MALCOLM X BOULEVARD
NEW YORK, NEW YORK 10026

Total Cash Amount of Offering	**$ 1,842,000**
(Based on 160,955 Shares allocated to 240 Apartments)	
Mortgage Indebtedness	**$ 46,307,594**
Total Offering Price	**$ 48,149,594**

APARTMENT CORPORATION

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION
130 Malcolm X Boulevard
New York, New York 10026

SPONSOR AND SELLING AGENT

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC
c/o Suna/Levine Industries, Inc.
42-09 235th Street
Douglaston, New York 11363
212-427-1700

Date of acceptance of this Plan for filing is June 2, 2000.

THIS PLAN CONSTITUTES SPONSOR'S ENTIRE OFFER TO SELL THESE COOPERATIVE APARTMENTS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY COOPERATIVE APARTMENT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (iv).

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SPECIAL RISKS

1. The Down Payment required to be made by a Purchaser at the time a Purchase Agreement is signed is 50% of the Purchase Price. The amount of the Down Payment is required pursuant to the terms of the financing for the Project. The Down Payment may be retained by Sponsor as liquidated damages in the event of an uncured default by Purchaser under the Purchase Agreement and Sponsor's subsequent termination of the Purchase Agreement. See Part I, Section L of the Plan entitled "Procedure to Purchase and Close" for further information.

2. The Purchase Agreement that Purchaser shall be required to sign to purchase an Apartment is not contingent upon Purchaser obtaining a loan to finance the purchase. Accordingly, if Purchaser applies for and is denied a loan, and if Purchaser fails to close under the Purchase Agreement, Purchaser may forfeit the Down Payment paid under the Purchase Agreement as liquidated damages. See Part I, Section L of the Plan entitled "Procedure to Purchase and Close" for further information.

3. The Purchase Agreement that Sponsor is utilizing with respect to sales pursuant to this Plan imposes on Purchasers the obligation to pay the New York State Real Estate Transfer Tax due in connection with the sale of an Apartment. In the absence of such a contractual provision, payment of the New York State Real Estate Transfer Tax ordinarily would be a seller's obligation. Sponsor advises Purchasers, however, that it is customary in the City of New York for this obligation to be imposed upon purchasers by sponsors in purchase agreements for the sale of residential cooperative apartments. See Part I, Section L of the Plan entitled "Procedure to Purchase and Close," for further information.

4. In order to facilitate move-in and occupancy of the Residential Unit by as many Purchasers as possible by the Cooperative Conversion Date, Sponsor will permit Purchasers to "pre-close" under their Purchase Agreements and take occupancy of their Apartments pursuant to Interim Leases prior to the date the Plan is declared effective. After the Plan is declared effective, and prior to the Cooperative Conversion Date, Sponsor may require Purchasers to pre-close and take occupancy of their Apartments pursuant to Interim Leases. Purchaser's failure to pre-close after the Plan has been declared effective will be a default under the Purchase Agreement, entitling Sponsor to terminate the Purchase Agreement and retain Purchaser's Down Payment. See Part I, Section L of "Procedure to Purchase and Close" for further information.

5. The re-sale of Apartments by Tenant-Shareholders is subject to the satisfaction of certain requirements, including without limitation, income eligibility of prospective purchasers. Purchasers under this Offering Plan and prospective purchasers of Apartments from Tenant-Shareholders must complete the Purchaser Eligibility Documents, forms of which are contained in Part II of this Plan, and be approved by both the NYC Housing Development Corporation (**"HDC"**) and the NYC Department of Housing Preservation and Development (**"HPD"**). See Part I, Section L of the Plan entitled "Procedure to Purchase and Close" and Section Q entitled "Summary of Proprietary Lease," for further information.

6. Pursuant to the terms of the HDC Subordinate Note, upon the sale by a Tenant-Shareholder of the Shares attributable to Tenant-Shareholder's Apartment, Tenant-Shareholder must remit to the Apartment Corporation, HDC Resale Profits, if any, received by the Tenant-Shareholder upon such assignment. The HDC Resale Profits shall be delivered by the Apartment Corporation to HDC which shall apply same in reduction of the then outstanding principal balance of the HDC Subordinate Note. Once the HDC Subordinate Note has been paid in full, upon the sale by a Tenant-Shareholder of the Shares attributable to Tenant-Shareholder's Apartment, Tenant-Shareholder must remit to the Apartment Corporation 50% of

the HPD Apartment Resale Profits, if any, received by the Tenant-Shareholder upon such sale. Such payments shall be delivered by the Apartment Corporation to HPD which shall apply same in reduction of the then outstanding principal balance of the HPD Note. Once the HPD Note has been paid in full, a Tenant-Shareholder selling the Shares attributable to Tenant-Shareholder's Apartment must remit to the Apartment Corporation 50% of the HPD Apartment Resale Profits, if any, received by Tenant-Shareholder upon such sale. Such payments shall be delivered by the Apartment Corporation to HPD which shall apply same in reduction of the then outstanding principal balance of the HPD PM Note. See Part I, Section Q of the Plan entitled "Summary of Proprietary Lease" and Section P entitled "Terms of Mortgages and Regulatory Agreements," for further information.

7. Sponsor will make an application on behalf of the Apartment Corporation for partial exemption from real estate taxes pursuant to Section 421(a) of the Real Property Tax Law ("**Section 421-a Benefits**"). The firm of Sheldon Lobel, P.C., Sponsor's Real Estate Tax Counsel, has received a Declaratory Ruling from the New York City Department of Housing Preservation and Development ("**HPD**"), that the Project will, upon completion, be eligible for Section 421-a Benefits. Sponsor's Real Estate Tax Counsel anticipates that Sponsor's application for Section 421-a Benefits will be effective as of the anticipated July 1, 2001 Cooperative Conversion Date, though the benefits might not appear of record until some time after that date. In the event Section 421-a Benefits are not effective on or before the Cooperative Conversion Date, the Plan will be amended to reflect said fact. If Section 421-a Benefits are not granted or if Sponsor's application is denied for any reason, then the real estate tax obligation for the Residential Unit will be based on the Residential Unit's total assessed valuation as determined by the New York City Department of Finance, multiplied by the then applicable tax rate and Maintenance payments would be higher than if the benefits had been granted. See Part I, Section K of the Plan entitled "Real Estate Tax Benefits" for further information.

8. No regular debt service is payable with respect to the HPD Note or the HPD PM Note. Instead, provided the Apartment Corporation complies with the HPD Regulatory Agreement and makes certain payments to HPD in the amount of HPD Apartment Resale Profits, HPD Residential Unit Resale Profits or Residential Unit Refinancing Profits, should any be received, the outstanding principal amount of the HPD Note and the HPD PM Note, will expire at the end of the 35th year of their respective terms. Although the matter is not free from doubt, Sponsor is advised that the HPD Note and the HPD PM Note should be viewed for income tax purposes as grants to the Partnership as agent for the Apartment Corporation and, based on certain factual assumptions that the Sponsor believes to be correct, and based on certain legal authority, should be exempt from income taxation. An analysis of this position is contained in the Attorneys Income Tax Opinion contained in Part I, Section J of the Plan. However, if the Internal Revenue Service ("**IRS**") disagrees with this characterization and analysis, or asserts that some of the factual assumptions are incorrect, then the IRS could assert that the entire HPD Note and the entire HPD PM Note are income to the Apartment Corporation upon their advance. If the IRS were to view the advance as income to the Apartment Corporation, this would leave the Apartment Corporation with a substantial income tax liability. Alternatively, the IRS could argue that the HPD Note and the HPD PM Note should be treated as debt, a portion of which is treated for income tax purposes as being forgiven each year or upon expiration, possibly giving rise to cancellation of indebtedness income for the Apartment Corporation. This could both be taxable to the Apartment Corporation and not qualify as "good" income for the 80% gross income test, possibly causing the Apartment Corporation to fail such test and not qualify as a cooperative corporation for income tax purposes for such year. If the Apartment Corporation were not to qualify as a cooperative corporation for income tax purposes for a particular tax year, (a) a Tenant-Shareholder would not be entitled to deduct for Tenant-Shareholder's personal income tax purposes, the amounts paid by Tenant-Shareholder to the Apartment Corporation within that tax year representing Tenant-Shareholder's proportionate share of

(i) real estate taxes and (ii) mortgage interest allowable to the Apartment Corporation as a deduction and paid by the Apartment Corporation in that year, and (b) the ability of a Tenant-Shareholder who sells that year, an Apartment used by Tenant-Shareholder as a primary residence, to exclude from income certain gain on the sale of the Apartment, would be adversely affected. These considerations are more fully described in the "Attorneys Income Tax Opinion" contained in Part I, Section J of the Plan.

9. Individual Apartments will not be provided with washers and dryers. However, there will be a laundry room on the second floor of the Building for use by Tenant-Shareholders, with laundry facilities operated by a laundry facility operator. In addition, approximately 85 of the Apartments offered under this Plan (as specified in the Addendum to the Architect's Report contained in Part II of this Offering Plan), will contain plumbing and electrical connections for a washer/dryer in a closet in the Apartment to facilitate installation of a washer/dryer should the Tenant-Shareholder of that Apartment elect to do.

OFFERING PLAN

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

PART I

A. INTRODUCTION

The Project: An Overview

Central Harlem Partnership Plaza, LLC (the "**Sponsor**") is constructing on land located on the east side of Malcolm X Boulevard between 116th Street and 117th Street, New York, New York (the "**Land**"), a mixed-use residential and retail/parking project (the "**Project**"). The Land currently is owned by the NYC Partnership Housing Development Fund Company, Inc. (the "**Partnership**"). The Partnership acquired the Land from The City of New York as of April 8, 1999, pursuant to a Land Disposition Agreement with the City of New York dated the same date (the "**LDA**"). Sponsor is developing the Project on the Land pursuant to a Site Development Agreement it entered into with the Partnership dated April 8, 1999 as well (the "**SDA**").

Acquisition of the Land by the Partnership and development of the Project by Sponsor, is pursuant to an initiative called the "***Alliance for Neighborhood Commerce Home Ownership Revitalization***" (the "**ANCHOR Initiative**"), a joint effort by The City of New York with the NYC Partnership being undertaken with various developers throughout The City of New York. The ANCHOR Initiative uses various Federal, State and City loans, grants and guarantees to encourage development of affordable home ownership opportunities jointly with development of retail opportunities in residential neighborhoods, based on the understanding that such targeted local development providing homes, jobs, and services and goods to residents will stabilize and anchor communities and promote their growth and development.

In accordance with the LDA, SDA and various other Project documents, upon acquisition of the Land, the Partnership submitted the Land to the Condominium Act, thereby establishing the Project as a 2-unit condominium (each, a "**Unit**") with certain Common Elements as well (collectively, the "**Condominium**"). One unit of the Condominium is referred to as the "**Residential Unit**" and the other unit of the Condominium is referred to as the "**Commercial Unit.**" Each Unit includes an undivided percentage ownership interest with the other Unit in the Common Elements.

Sponsor is constructing the Project in accordance with its obligations under the LDA, SDA and other Project documents.

Upon completion of construction of the Residential Unit, legal title to the Residential Unit will be conveyed by the Partnership to Renaissance Housing Development Fund Corporation (the "**Apartment Corporation**"), which currently holds beneficial ownership of the Residential Unit. The Apartment Corporation will own and operate the Residential Unit as a limited-income, limited equity cooperative housing project for its Tenant-Shareholders, as more fully described in this Offering Plan. The date on which fee title to the Residential Unit is conveyed to the Apartment Corporation is referred to in this Offering Plan as the "**Cooperative Conversion Date.**"

Upon completion of construction of the Commercial Unit, fee title to the Commercial Unit will be conveyed by the Partnership to Sponsor who will own and operate it as a Commercial Unit, in which storefront spaces will be leased to retail tenants and parking facilities will be leased to a parking operator, as more fully described below.

The Condominium

The Condominium was established by recording a declaration of condominium together with the Condominium By-laws (collectively, the "**Condominium Declaration**") in the Office of the City Register, New York County on June 4, 1999. Simultaneously with the recording of the Condominium Declaration, Tax Lot Drawings prepared by Sponsor's Architect showing the anticipated structure of the Condominium as it will look upon completion of construction and identifying both the anticipated Common Elements and the boundaries of the Units were filed with the City as well. Upon completion of construction of the Project and prior to conveyance of the Residential Unit to the Apartment Corporation, the Tax Lot Drawings will be amended to show the "as-built" Project.

The Condominium contains, in addition to the Residential Unit and the Commercial Unit, certain areas and facilities that are common to both Units. These are known as "**Common Elements**," and they are identified in detail in the Declaration.

In accordance with the Condominium Declaration, certain Common Elements may be limited in use to one or the other Unit. Such areas are called "**Limited Common Elements**." Specific Residential Limited Common Elements are anticipated to include the landscaped courtyard area on the roof over the second floor of the Building. Limited Common Elements appurtenant to the Residential Unit are called "**Residential Limited Common Elements**." Limited Common Elements are more particularly identified in the Declaration.

Ownership of a Unit includes a proportionate undivided ownership interest in the Common Elements as well. Such interest is known as a Unit's "**Common Interest**." Thus when the Apartment Corporation owns the Residential Unit, such ownership includes the Common Interest appurtenant to the Residential Unit. The specific Common Interest appurtenant to each Unit is listed in the Condominium Declaration.

The Condominium will be managed by its Board of Managers. The Apartment Corporation, as the Residential Unit Owner, will appoint two Residential Unit Representatives to the Board of Managers and Sponsor, as the Commercial Unit Owner, will appoint one Commercial Unit Representative to the Board of Managers. The Board of Managers will meet from time to time to address issues related to operation of the Condominium.

The Residential Unit

The Apartment Corporation, as owner of the Residential Unit, will be known as the "**Residential Unit Owner**." The Residential Unit will contain 241 residential apartments (each an "**Apartment**" and collectively, the "**Apartments**"). Shares of the Apartment Corporation will be allocated to 240 of the Apartments and offered for sale under this Offering Plan (the "**Shares**"). One Apartment will not have any Shares allocated to it and will be for use and occupancy of the Building superintendent.

The Residential Unit will contain a landscaped courtyard on the roof of the second floor of the Building, which courtyard will be for the exclusive use of residents of the Residential Unit. The portion of the Building on which the courtyard will be contained is a Residential Limited Common Element.

The Commercial Unit

Sponsor, as owner of the Commercial Unit, will be known as the "**Commercial Unit Owner**." The Commercial Unit is anticipated to contain several retail stores, including without limitation or representation, a grocery store, a national chain drug store, a women's clothing store, a pet food store and a video rental store, as well as an indoor parking garage and an outdoor parking area. The foregoing is not a representation or warranty as to the use or occupancy of all or any portion of the Commercial Unit. The owner of the Commercial Unit shall have the right to use the Commercial Unit for any legally permitted use.

The parking portion of the Commercial Unit is anticipated to include at least 170 parking spaces to be allocated between indoor and outdoor parking facilities. Residents of the Residential Unit will have priority with respect to monthly leases for 80 parking spaces in the Commercial Unit's parking facility on a first-come, first-served basis. If more than 80 residents of the Residential Unit desire to lease parking spaces, the parking operator shall have the discretion to enter into leases with residents beyond the 80 initial parking space lessees, or to place them on a waiting list, even if additional spaces are available for monthly lease. The parking operator is anticipated to be a party unrelated to Sponsor. Fees for use of the parking facilities will be set by the parking operator and not by Sponsor. Sponsor makes no representation with respect to fees or policies with respect to the parking facilities in the Commercial Unit, or as to whether any particular Tenant-Shareholder will be able to procure a parking space.

The Apartment Corporation and Sale of Its Corporate Shares

The Apartment Corporation is a New York corporation formed pursuant to Article 11 of the Private Housing Finance Law and Section 402 of the Business Corporation Law. Its Shares are offered for sale by Sponsor pursuant to this Offering Plan.

All Shares of the Apartment Corporation currently are owned by Sponsor, except for one block of Shares which is owned by Suna/Levine Industries, Inc. ("**Suna/Levine**"), the managing member of Sponsor. All Shares are allocated to Apartments. To buy Shares, a Purchaser must sign a Purchase Agreement and complete the Purchaser Eligibility Documents, forms of which are contained in Part II of this Plan. The Purchase Agreement and Purchaser Eligibility Documents will be reviewed for eligibility of the Purchaser by HDC and HPD, as described in Part I, Section L of this Plan entitled "Procedure to Purchase and Close." If a purchaser is approved by HDC and HPD, Sponsor will execute the Purchase Agreement and return it to Purchaser.

Purchasers will not be required to close under their Purchase Agreements, and Shares will not be issued to Purchasers, until after the Plan is declared effective and a temporary or permanent Certificate of Occupancy covering the Residential Unit has been obtained by Sponsor and legal title to the Residential Unit has been conveyed to the Apartment Corporation. However, a "pre-closing" procedure prior to the date the Plan has been declared effective is contemplated and will be required in certain instances after the Plan is declared effective but prior to the Cooperative Conversion Date, as described in Part I, Section L of the Plan entitled "Procedure to Purchase and Close."

As mentioned above, the date on which legal title to the Residential Unit is conveyed to the Apartment Corporation is referred to as the "**Cooperative Conversion Date**." The date upon which closing of title to Shares allocated to an individual Apartment occurs is referred to as the "**Apartment Closing**

Date." The Apartment Closing Date for Purchasers who pre-close and who are not financing their purchase, generally will be deemed to have occurred as of the Cooperative Conversion Date.

The Residential Unit will contain 241 separate Apartments. Shares will be allocated to 240 of the Apartments. One Apartment will be reserved for the Building superintendent. Shares will not be allocated to the superintendent's Apartment and that Apartment will not be sold under the Plan.

Under this Offering Plan, Shares may be sold and Proprietary Leases may be assigned only to individuals who are "eligible" pursuant to the HDC Regulatory Agreement and the HPD Regulatory Agreement. Restrictions on individuals who seek to qualify as eligible purchasers pursuant to the HDC Regulatory Agreement and the HPD Regulatory Agreement also will apply to resales made by Tenant-Shareholders. Restrictions are described in Part I, Section Q of this Plan entitled "Summary of the Proprietary Lease." Additional restrictions binding on Tenant-Shareholders in connection with resales of their Apartments are found in Part I, Section L, entitled "Procedure to Purchase and Close."

Sometimes in this Plan reference is made to the "purchase of an Apartment" or the "sale of an Apartment," rather than to the purchase or sale of the Shares and assignment of the Proprietary Lease attributable to the Apartment. Use of such expressions is for convenience only, and should not be construed to mean that the Purchaser actually is buying the Apartment.

Cooperative Ownership and Operation

The following is a summary of important points about cooperative ownership with respect to the Project:

(a) As of Purchaser's Apartment Closing Date, Purchaser will become a Tenant-Shareholder and will own the Shares of the Apartment Corporation allocated to Tenant-Shareholder's Apartment. Also as of Purchaser's Apartment Closing Date, Purchaser will become the lessee under the Proprietary Lease for the Apartment to which the Shares are allocated. The Proprietary Lease governs the Tenant-Shareholder's use, financing, and sale of Tenant-Shareholder's Apartment. A summary of some provisions of the Proprietary Lease is set forth in Part I, Section Q of the Plan entitled "Summary of Proprietary Lease." A copy of the anticipated form of Proprietary Lease is set forth in Part II of this Plan.

(b) A Tenant-Shareholder may sell Tenant-Shareholder's Apartment only in accordance with the requirements of the Proprietary Lease. These requirements include, without limitation, that Purchaser satisfy certain eligibility requirements and that the consent of HDC and HPD to the proposed purchaser be obtained. See Part I, Section Q of the Plan entitled "Summary of Proprietary Lease" and the Proprietary Lease itself for further details.

(c) Each Tenant-Shareholder will have the right to vote annually for the Board of Directors of the Apartment Corporation. The Board of Directors will conduct the affairs of the Apartment Corporation and supervise operation of the Residential Unit. The Board of Directors also will appoint Residential Unit Representatives to the Board of Managers of the Condominium in accordance with the Condominium Declaration.

(d) A copy of the Apartment Corporation's By-laws, which govern the operation of the Apartment Corporation, are contained in Part II of this Plan.

(e) Each Tenant-Shareholder will be obligated to pay Maintenance to the Apartment Corporation on a monthly basis to cover Tenant-Shareholder's proportionate share of the cost of operating the Residential Unit and the Apartment Corporation's share of Condominium Common Charges. The Apartment Corporation, in turn, will pay the expenses of operating the Residential Unit and will pay to the Board of Managers of the Condominium, the Apartment Corporation's share of the Condominium Common Charges. A Tenant-Shareholder also will be responsible for payment of any special assessments levied by the Apartment Corporation. The estimated annual Maintenance charge for each Apartment for the first year of cooperative operation is set forth in Schedule A in Part I, Section E of this Plan.

(f) Each Tenant-Shareholder will be responsible, at Tenant-Shareholder's expense, for maintenance and repair of the interior walls, floors and ceilings, and electrical, plumbing, gas and heating fixtures, appliances and equipment within Tenant-Shareholder's Apartment, including, without limitation, refrigerator, range, oven and other appliances.

Sponsor's Offer to Sell

The Shares of the Apartment Corporation are offered under this Plan to individuals 18 years of age and older who satisfy the eligibility requirements of this offering. Under no circumstances is this offering being made in any state or jurisdiction where it is unlawful.

The prices allocated to the various Apartments offered under this Plan are found in Part I, Section E of this Plan. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW. The agreement to purchase the Apartment Corporation's Shares is called a "Purchase Agreement". A form of the Purchase Agreement may be found in Part II of this Plan.

The purpose of this Offering Plan is to set forth all of the material terms of the offering. Parts I and II together constitute the entire Offering Plan and contain all of the detailed terms of the transaction. This Plan may be amended from time to time by amendment filed with the New York State Department of Law. Any such amendment will be served upon each Purchaser who has signed a Purchase Agreement, and will become part of this Offering Plan.

All documents referred to in this Offering Plan are important. Copies of the Plan, all documents referred to in the Plan, and all exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge, and for copying at a reasonable charge, to prospective purchasers and their attorneys at the On-Site Sales Office, when the On-Site Sales Office is open.

THE PURCHASE OF A COOPERATIVE APARTMENT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

B. DEFINITIONS

Definitions of certain important terms used in this Plan are set forth below.

"**Acquisition Cost**": The total amount of cash and non-cash consideration paid by a Tenant-Shareholder to acquire the Shares attributable to an Apartment, plus Permitted Expenses incurred by Tenant-Shareholder in acquiring the Shares, plus the cost of Tenant-Shareholder's properly documented capital improvements to the Apartment up to a maximum of $2,500, plus in the case of a Tenant-Shareholder who acquires the Shares pursuant to this Offering Plan, the sum of $1,000. "Acquisition Cost" is used in the calculation of a Tenant-Shareholder's HDC Resale Profits required to be paid to HDC by the Apartment Corporation pursuant to the HDC Subordinate Note.

"**Aggregate Annual Household Income**": The annual household income of the proposed purchaser of an Apartment calculated in accordance with the Income Determination Procedures, which includes the annual household income of the proposed purchaser and any other person who is expected to reside in the Apartment. Annual household income includes gross pay, overtime pay, part-time pay, bonuses, commissions, tips, dividends, interest, royalties, trust income, net rental income, Veterans Administration compensation, pensions, social security benefits, unemployment compensation, alimony, child support, public assistance, sick pay, business activity income, investment income, and other income, as calculated in accordance with the requirements of the HDC Regulatory Agreement. "Aggregate Annual Household Income" is a factor in determining the income-eligibility of a potential purchaser of an Apartment both under the Offering Plan and in the event of resale of an Apartment by a Tenant-Shareholder.

"**Allowable Fees**": A term used in the calculation of HPD Residential Unit Resale Profits, means reasonable attorneys' fees and disbursements, reasonable brokerage fees, title policy fees, survey expenses, recording fees, municipal search fees, usual and reasonable fees and expenses in connection with financing or satisfying a mortgage on the Residential Unit, transfer and stamp taxes, and any processing fees imposed by the Board of Managers in connection with the transaction, all as more fully described in the HPD Note and in the HPD PM Note.

"**Apartment**": A residential apartment in the Residential Unit.

"**Apartment Closing Date**": The date as of which a Purchaser under this Plan closes under a Purchase Agreement, becomes the Tenant-Shareholder under a Proprietary Lease for an Apartment and acquires the Shares allocated to that Apartment.

"**Apartment Corporation**": Renaissance Housing Development Fund Corporation, a New York corporation formed under Article 11 of the Private Housing Finance Law and Section 402 of the Business Corporation Law, whose Shares together with Proprietary Leases appurtenant thereto, are offered for sale pursuant to this Plan.

"**Apartment Corporation By-laws**": The document governing operation of the Apartment Corporation, pursuant to which the Board of Directors is elected and governs.

"**Attorney General**": The New York State Attorney General who heads the Department of Law.

"**Board of Directors**" or "**Board**": The governing body of the Apartment Corporation.

"**Board of Managers**": The governing body of the Condominium.

"**Building**": The structure being erected by Sponsor on the Land and all alterations and replacements made to the Building.

"**City Register's Office**": The New York County office of the Register of The City of New York.

"**Commercial Unit**": The Unit identified in the Condominium Declaration and the Tax Lot Drawings as the Commercial Unit, together with the Common Interest appurtenant to the Unit.

"**Commercial Unit Owner**": The owner in fee simple absolute of the Commercial Unit.

"**Commercial Unit Representative**": A representative to the Board of Managers of the Condominium appointed by the Commercial Unit Owner in accordance with the Condominium Declaration to represent the Commercial Unit and the Commercial Unit Owner in matters concerning the Condominium.

"**Common Charges**": The annual assessments established by the Board of Managers payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses.

"**Common Elements**": Those facilities and areas of the Condominium that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or systems of the Property or normally in common use.

"**Common Expenses**": All costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance, labor, service contracts and establishment of reserves for repairs and replacements.

"**Common Interest**": The proportionate undivided interest in the Common Elements allocated and appurtenant to a Unit, as set forth in the Condominium Declaration. Said interest is expressed as a numerical percentage. The total Common Interest in the Condominium equals 100%.

"**Condominium**": The Renaissance Condominium comprising the Residential Unit, the Commercial Unit and the Common Elements, located on Malcolm X Boulevard between 116th Street and 117th Street, New York, New York, as established by the Condominium Declaration and Tax Lot Drawings.

"**Condominium By-laws**": The By-laws of the Condominium, which are attached as a schedule to the Condominium Declaration, as same may be amended from time to time.

"**Cooperative Conversion Date**": The date on which legal title to the Residential Unit is conveyed to the Apartment Corporation.

"Condominium Declaration": The Declaration dated April 8, 1999 establishing the Condominium made by the Partnership as Declarant and recorded June 4, 1999 in Reel 2886, Page 1620 in the City Register's Office, together with all schedules and exhibits thereto, as same may be amended from time to time.

"Department of Buildings": The Department of Buildings of The City of New York.

"Department of Law": The New York State Department of Law, headed by the Attorney General.

"Down Payment": The portion of the Purchase Price deposited by a Purchaser upon the execution of a Purchase Agreement.

"HDC": New York City Housing Development Corporation.

"HDC Commitment": HDC's written commitment to Sponsor, the Partnership and the Apartment Corporation, dated February 25, 1999 as amended by amendment dated June 24, 1999, to provide construction and permanent financing for the Residential Unit, as same may be further amended from time to time.

"HDC First Mortgage": The first mortgage on the Residential Unit, which mortgage will secure a permanent loan in the anticipated principal amount of $31,615,000, which loan is anticipated to be made by HDC to the Apartment Corporation as of the Cooperative Conversion Date, as same may be modified or extended.

"HDC Note": The note evidencing the loan to be secured by the HDC First Mortgage, as same may be modified or extended.

"HDC Regulatory Agreement": Regulatory Agreement entered into as of June 25, 1999 by the Partnership, the Apartment Corporation, Sponsor and HDC and thereafter recorded in the City Register's Office, as same may be amended from time to time.

"HDC Resale Profits": 50% of the Net Appreciation, if any, received by a Tenant-Shareholder upon the sale of the Shares owned by that Tenant-Shareholder, payable by the Tenant-Shareholder to the Apartment Corporation and thereafter payable by the Apartment Corporation to HDC in accordance with the HDC Subordinate Note and HDC Regulatory Agreement.

"HDC Subordinate Mortgage": The second mortgage on the Residential Unit, which mortgage will secure a permanent loan in the anticipated principal amount of $6,935,000, which loan is anticipated to be made by HDC to the Apartment Corporation as of the Cooperative Conversion Date, as same may be modified or extended.

"HDC Subordinate Note": The note evidencing the loan to be secured by the HDC Subordinate Mortgage, as same may be modified or extended.

"HPD": New York City Department of Housing Preservation and Development.

"**HPD Apartment Resale Profits**": The amount by which the Total Consideration that a Tenant-Shareholder receives upon the transfer of the Shares attributable to Tenant-Shareholder's Apartment exceeds the original cash purchase price paid by Tenant-Shareholder in acquiring the Shares (excluding the proportionate share of the Underlying Mortgages allocable to the Shares), minus the following: the reasonable costs incurred by Tenant-Shareholder in acquiring the Shares and the reasonable costs incurred by Tenant-Shareholder in selling the Shares, in each case including reasonable attorneys fees and disbursements, reasonable brokerage fees, title search and title policy fees, reasonable processing fees of the Apartment Corporation, transfer and stamp taxes, usual and reasonable fees and expenses in connection with financing or satisfying a cooperative share loan, including, without limitation, credit report fees, legal fees, points, etc., and in the case of Purchasers under the Offering Plan, contributions to capital. In accordance with the HPD Note and the HPD PM Note, 50% of HPD Apartment Resale Profits is payable to HPD once the HDC Subordinate Note is fully satisfied.

"**HPD Mortgage**": The third mortgage on the Residential Unit, which mortgage will secure a permanent loan in the principal amount of $6,000,000 and which loan is anticipated to be made by HPD to the Apartment Corporation as of the Cooperative Conversion Date, as same may be modified or extended.

"**HPD Note**": The note evidencing the loan to be secured by the HPD Mortgage, as same may be modified or extended.

"**HPD PM Mortgage**": The fourth mortgage on the Residential Unit, entitled "Second Amended and Restated Purchase Money Mortgage A," in the amount of $1,757,594 securing the Apartment Corporation's purchase money obligation for the Residential Unit to HPD, anticipated to be assigned to the Apartment Corporation on the Cooperative Conversion Date, as same may be modified or extended.

"**HPD PM Note**": The note entitled "Second Amended and Restated Purchase Money Note A," evidencing the Apartment Corporation's purchase money obligation for the Residential Unit to HPD, anticipated to be entered into by the Apartment Corporation on the Cooperative Conversion Date, as same may be modified or extended.

"**HPD Regulatory Agreement**": Amended and Restated Regulatory Agreement entered into as of June 25, 1999 by the Partnership, the Apartment Corporation and the City of New York acting by and through HPD, and thereafter recorded in the City Register's Office, as same may be further amended from time to time.

"**HPD Residential Unit Refinancing Profits**": The amount by which any loan received by the Apartment Corporation (or any subsequent owner of the Residential Unit), for refinancing of a mortgage on the Residential Unit exceeds the then outstanding unamortized principal amount of the refinanced mortgage, less reasonable attorneys fees and disbursements, lender's fees, title policy fees, survey expenses, municipal search fees, mortgage recording tax and recording fees incurred by the seller of the Residential Unit in the refinancing of a mortgage on the Residential Unit, and the cost of improvements anticipated to be paid within one year of the refinancing from refinancing proceeds.

"**HPD Residential Unit Resale Profits**": Resale Consideration minus (i) Seller's Equity plus (ii) Allowable Fees.

"**Income Determination Procedures**": Calculation of the Aggregate Annual Household Income of a potential purchaser of an Apartment in a manner consistent with the standards for determination of income under Section 8 of the United States Housing Act of 1937 as amended, as more fully described in the HDC Regulatory Agreement.

"**Land**": The land bounded by Malcolm X Boulevard on the west, 117th Street on the north, 116th Street on the south and adjacent property on the east, on which the Project is being constructed.

"**Land Disposition Agreement**" or "**LDA**": Agreement entered into by the City of New York acting by and through HPD and the Partnership, dated April 8, 1999 with respect to disposition of the Land and development of the Project, recorded on June 4, 1999 in Reel 2886, Page 1157 in the City Register's Office, as same may be amended from time to time.

"**Limited Common Elements**": A Common Element of the Condominium that serves a specified Unit and thus is restricted in use to the owner and occupants of that Unit.

"**Maintenance**": Monthly rent payable by Tenant-Shareholders to the Apartment Corporation for operating expenses of the Residential Unit, including but not limited to, real estate taxes, debt service, insurance, and the Residential Unit's proportionate share of Common Expenses.

"**Managing Agent**": The managing agent engaged by the Apartment Corporation to manage the Residential Unit.

"**Net Appreciation**": The amount by which Net Sales Proceeds received by a Tenant-Shareholder upon the sale of the Shares attributable to Tenant-Shareholder's Apartment, exceeds Tenant-Shareholder's Acquisition Cost for the Shares. The proportionate share of the Underlying Mortgages allocable to the Shares attributable to Tenant-Shareholder's Apartment, is not deemed part of consideration received or paid by a Tenant-Shareholder for the Shares, for the purposes of computing Net Appreciation. "Net Appreciation" is used in the calculation of a Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HDC pursuant to the HDC Subordinate Note.

"**Net Sales Proceeds**": The total amount of cash and non-cash consideration received by a Tenant-Shareholder from a purchaser in exchange for the sale and conveyance of the Shares allocated to Tenant-Shareholder's Apartment, less the Permitted Expenses incurred by Tenant-Shareholder in connection with such sale. "Net Sales Proceeds" is used in the calculation of a Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HDC pursuant to the HDC Subordinate Note.

"**Offering Plan**": This Offering Plan as same may be amended from time to time.

"**On-Site Sales Office**": The office of Sponsor with respect to the Project located in or near the Building.

"**Partnership**": The NYC Partnership Housing Development Fund Company, Inc., who holds legal title to the Property during construction.

"Permitted Expenses": The following costs in connection with a Tenant-Shareholder's sale or purchase of Shares: reasonable attorneys fees and disbursements, reasonable brokerage fees, title insurance fees, reasonable processing fees of the Apartment Corporation and fees of the Apartment Corporation's agents and attorneys related to such sale or purchase, recording fees, state and local transfer taxes, stamp taxes, and usual and reasonable fees and expenses in connection with financing or satisfaction of cooperative share loans, including without limitation, credit report fees, legal fees, appraisal fees and loan origination fees, as set forth in the HDC Subordinate Note. The term "Permitted Expenses" is used in the calculation of a Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HDC pursuant to the HDC Subordinate Note.

"Plans and Specifications": The plans and specifications for the Project prepared by Sponsor's Architect which (to the extent required by law) are filed with, and approved by, the Department of Buildings and other municipal agencies or authorities having jurisdiction, as same may be amended from time to time.

"Project": The mixed-use residential and retail/parking complex being constructed by Sponsor on the Land.

"Property": The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.

"Proprietary Lease": The lease between the Apartment Corporation, as Lessor and a Tenant-Shareholder, as Lessee, permitting occupancy of an Apartment to which Shares have been allocated.

"Purchase Agreement": A written agreement to purchase the Shares and appurtenant Proprietary Lease allocated to an Apartment.

"Purchase Price": The cash purchase price for an Apartment set forth in a Purchase Agreement.

"Purchaser": The individual(s) named as purchaser in a Purchase Agreement under this Offering Plan to buy the Shares allocated to an Apartment.

"Purchaser Eligibility Documents": Purchaser's Affidavit, Purchaser's Income Eligibility Worksheet, Acquisition Cost Worksheet and Seller's Affidavit, forms of which are contained in Part II of this Plan.

"Real Estate Tax Counsel": Sheldon Lobel, P.C., 9 East 40th Street, New York, NY 10016.

"Resale Consideration": A term used in the calculation of HPD Residential Unit Resale Profits, means the amount by which the cash and non-cash consideration which the Apartment Corporation, as owner of the Residential Unit, receives on a transfer of the Residential Unit, including cash, real property, personal property and the principal of any purchase money mortgage which the purchaser of the Residential Unit gives to secure any unpaid portion of the purchase price, exceeds the then outstanding unamortized principal amounts of mortgages assumed by the purchaser of the Residential Unit, as more fully described in the HPD Note and HPD PM Note.

"**Residential Unit**": The Unit identified in the Condominium Declaration and Tax Lot Drawings as the Residential Unit, together with the Common Interest appurtenant to the Unit.

"**Residential Unit Owner**": The owner in fee simple absolute of the Residential Unit.

"**Residential Unit Representative**": A representative to the Board of Managers of the Condominium appointed by the Apartment Corporation, as the Residential Unit Owner, in accordance with the Condominium Declaration, to represent the Residential Unit in matters concerning the Condominium.

"**Section 421-a Benefits**": Partial exemption from real estate taxes, pursuant to Section 421-a of the Real Property Law of the State of New York, anticipated to be applicable to the Residential Unit.

"**Seller's Equity**": A term used in the calculation of HPD Residential Unit Resale Profits, means the sum of the following, all as more fully described in the HPD Note and in the HPD PM Note: (i) the amount paid by the seller of the Residential Unit to acquire the Unit, (ii) the amount paid by the seller of the Residential Unit since acquiring the Unit towards amortization of all mortgages encumbering the Unit, and (iii) seller's reasonable, appropriate and actually expended costs for capital improvements on the Residential Unit, together with associated capitalized costs, up to 2½% of the replacement cost of improvements on the Residential Unit.

"**Shares**": The issued corporate stock of the Apartment Corporation allocated to Apartments and offered for sale under this Offering Plan.

"**Site Development Agreement**" or "**SDA**": Agreement between the Partnership and Sponsor dated April 8, 1999, respecting development of the Project, as same may be amended from time to time.

"**SONYMA Commitment**": Commitment by the State of New York Mortgage Agency ("**SONYMA**") dated October 30, 1998 as amended by amendment dated April 19, 1999, to insure the HDC First Mortgage as of the Cooperative Conversion Date, upon the satisfaction of certain requirements and conditions, as same may be further amended from time to time.

"**Sponsor**": Central Harlem Partnership Plaza, LLC.

"**Sponsor or its Designee; Sponsor or a Designee of Sponsor; or Similar Terms**": Central Harlem Partnership Plaza, LLC or any affiliate of Central Harlem Partnership Plaza, LLC or any person or entity designated by Central Harlem Partnership Plaza, LLC to act for or on behalf of Central Harlem Partnership Plaza, LLC in connection with the Board of Directors and/or the Offering Plan. An affiliate shall be deemed to be a person or an entity who or which (i) owns more than 50% of the legal and beneficial interest of Central Harlem Partnership Plaza, LLC or (ii) an entity with respect to which Central Harlem Partnership Plaza, LLC owns more than 50% of the legal or beneficial interest.

"**Sponsor's Architect**": Greenberg Farrow Architecture Engineering Development, with offices at 245 Fifth Avenue, New York, NY 10016.

"Sponsor's Closing Counsel": Cassin Cassin & Joseph LLP, 300 East 42nd Street, New York, New York 10017.

"Sponsor's Offering Plan Counsel": Robinson Silverman Pearce Aronsohn & Berman LLP, 1290 Avenue of the Americas, New York, New York 10104.

"Suna/Levine": Suna/Levine Industries, Inc. the managing member of Sponsor and the Tenant-Shareholder of the Shares attributable to one of the Apartments offered for sale under this Plan.

"Superintendent's Apartment": The Apartment in the Residential Unit designated for use and occupancy by the Building superintendent, which Apartment does not have Shares allocated to it and is not offered for sale under this Plan.

"Tax Lot Drawings": The drawings prepared by Sponsor's Architect and filed simultaneously with the recording of the Condominium Declaration, showing the anticipated configuration and dimensions of the Units and the Common Elements, as same may be amended from time to time.

"Tenant-Shareholder": An owner of Shares allocated to and the tenant under a Proprietary Lease for, an Apartment.

"Total Consideration": The cash and non-cash consideration which a Tenant-Shareholder receives in connection with sale of the Shares attributable to Tenant-Shareholder's Apartment, including cash, real property and personal property, but not including the proportionate share of any Underlying Mortgages on the Residential Unit allocable to the Shares. "Total Consideration" is used in the calculation of a Tenant-Shareholder's HPD Apartment Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HPD under certain circumstances described in the HPD Note and in the HPD PM Note.

"Underlying Mortgages": All mortgages encumbering the Residential Unit, which as of the Cooperative Conversion Date are anticipated to be the HDC First Mortgage, the HDC Subordinate Mortgage, the HPD Mortgage and the HPD PM Mortgage, as same may be modified or extended.

"Unit": Any space at the Property intended for independent use or ownership and identified as a Unit in the Condominium Declaration and in the Tax Lot Drawings, together with such Unit's appurtenant Common Interest. The Condominium currently contains the Residential Unit and the Commercial Unit as the only Units.

"Unit Owner": The owner in fee simple absolute of a Unit.

"Unsold Shares": Those Shares allocated to Apartments not purchased and fully paid for by Purchasers as of the Cooperative Conversion Date. Unsold Shares lose their character as such upon a sale to a Purchaser pursuant to this Offering Plan.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Project

Construction of the Project began in July 1999. Upon completion the Residential Unit will contain 241 Apartments together with certain amenities for residents of the Residential Unit. Retail and parking facilities will be contained in the Commercial Unit.

The Project will be constructed in accordance with the New York City Zoning Resolution and all other applicable zoning and building laws, regulations, codes and other governmental requirements.

Sponsor projects that construction of the Residential Unit will be completed on or about April 1, 2001 and that pre-closings with Purchasers will commence on or about that time. It is anticipated that the Cooperative Conversion Date will be on or about July 1, 2001. The foregoing projections assume that no delay in construction is encountered due to weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor has no control. The foregoing is not a guaranty or warranty as to the date pre-closings will commence or as to the date of completion of construction of the Residential Unit or as to the Cooperative Conversion Date.

The Apartments

The Residential Unit is anticipated to contain 241 Apartments. Sponsor is offering 240 Apartments for sale under this Offering Plan. One Apartment does not have Shares allocated to it and is not offered for sale under this Plan. It is reserved for use and occupancy by the Building superintendent.

Detailed descriptions of the Apartments and the fixtures and amenities contained in the Apartments, may be found in the "Description of Property and Specifications" contained in Part II of this Plan.

Certain Apartments will contain outdoor patios or terraces adjacent to the Apartment. Purchasers are advised that patios and terraces may have vents, drains and penetrations, and that portions of certain patios or terraces may not be wholly usable due to the location of Building systems on the patio or terrace. Tenant-Shareholders whose Apartments include adjacent patios or terraces, shall be obligated for day-to-day maintenance of such patio or terrace including, without limitation, cleaning and sweeping and keeping any and all drains free from leaves or other debris and ice, maintenance of any fencing or other enclosure around the terrace and maintenance of any decking, pavers or other surface of the patio or terrace.

Sponsor, its designees and any other party offering Shares pursuant to this Plan, shall have the right, without prior notice or amendment to the Plan, to use or have its agents use, unsold Apartments or any other portions of the Building, as sales and/or leasing offices or model apartments.

Amenities

- **Telecommunications:** All Apartments in the Residential Unit will be wired by both RCN Television Services of New York and Time Warner Cable for cable television. Any Purchaser desiring

cable television service must contact RCN or Time Warner, at Purchaser's option, or an alternative cable provider of Purchaser's choice, to arrange for the cable provider to activate service to the Apartment. The cost of cable television service will be paid directly to the cable company by any Tenant-Shareholder subscribing for same based on the particular cable company's then applicable rate for the services selected, and is not included as part of Maintenance. Purchasers are advised that RCN anticipates offering local telephone service and high speed Internet service as well as cable television service. Purchasers should consult providers for a full description of services and rates.

Purchasers are advised that under the agreement with RCN the Apartment Corporation is entitled to receive a fee from RCN based upon a percentage of total "receipts" RCN receives from subscribers in the Residential Unit for certain specified services. The fee is predicated on minimum monthly revenue to RCN of $2,410, with a percentage fee to the Apartment Corporation starting at 5% of receipts and rising to a maximum of 10% of receipts, depending on the amount of receipts received. See Part I, Section V of the Plan entitled "Service and Other Contracts Binding on the Apartment Corporation or the Condominium" for additional information on the RCN agreement.

- **Security:** The Residential Unit will contain a single entrance from the outdoors, located on the Malcolm X Boulevard side of the Building. The entrance will be monitored by a 24-hour concierge. The only other access to the Residential Unit will be through the parking garage, which access will be monitored at the concierge desk. Access from the parking garage into the Residential Unit will be available, but only by coded keypad or other security device. Such garage access is intended for use only by residents of the Residential Unit. ***The foregoing is not a representation or warranty that the security systems and procedures implemented at the Property will prevent personal injury or damage to or loss of personal property.***

- **Laundry Facilities:** There will be a laundry room on the second floor of the Residential Unit for use by residents of the Residential Unit. The laundry room is anticipated to contain 11 washers and 8 dryers. It is anticipated to be operated by a laundry operator who will pay rent for same to the Apartment Corporation.

- **Landscaped Courtyard:** There will be a landscaped courtyard on the roof of the second floor of the Building, containing a fenced playground area outside the laundry room, an activity area for adults, and a seating area. The courtyard is for the exclusive use of residents of the Residential Unit and their guests.

- **Community Room:** There will be a Community Room in the basement of the Residential Unit, which may be used by Tenant-Shareholders or otherwise in accordance with such rules and regulations as the Board of Directors of the Apartment Corporation in its discretion shall establish, including without limitation, imposition of fees for usage, and types of usage permitted. The Community Room will include a kitchenette and bathroom.

- **Parking:** As discussed above, the Commercial Unit will contain indoor and outdoor parking facilities, providing at least 170 parking spaces. Residents of the Residential Unit will receive priority consideration for 80 parking spaces from the parking operator for monthly leases on a first-come, first-served basis. If more than 80 residents of the Residential Unit desire to lease parking spaces, the parking operator shall have the discretion to enter into monthly leases with residents beyond the initial 80

parking space lessees, or to place them on a waiting list, even if additional spaces are available for monthly lease. As there are fewer parking spaces than there are Apartments in the Residential Unit, it is possible that a Tenant-Shareholder who desires to lease a parking space may not be able to do so. Fees for use of the parking facility will be set by the garage operator. The parking operator will be an independent professional parking facility operator and is not anticipated to be affiliated with Sponsor. Sponsor makes no representations as to the fees or policies respecting parking in the Commercial Unit or as to whether a particular Tenant-Shareholder will be able to procure a parking space.

- **Storage:** The basement of the Commercial Unit contains an area approximately 4,500 square feet in size that Sponsor intends to lease to a professional storage facility operator. Sponsor anticipates, but does not represent or warrant, that the storage facility operator, should one be engaged, will install lockable storage bins and offer them on a lease or license first-come, first-served basis to residents of the Residential Unit. The storage operator, number of bins and usage cost to Tenant-Shareholders are all yet to be determined. Sponsor makes no representation that there will be storage facilities for Tenant-Shareholders in the Commercial Unit, nor that a Tenant-Shareholder who desires to lease a storage bin will be able to secure a lease for a bin even if bins are installed, nor as to the cost or size of such facilities if they are installed.

D. LOCATION AND AREA INFORMATION

Location

The Project is located on Malcolm X Boulevard (also known as Lenox Avenue) between 116th Street and 117th Street in the Borough of Manhattan. The 116th Street corridor is a two-mile long commercial corridor that extends from the East River on the east to Morningside Park on the west. The Project is located in the heart of the 116th Street corridor.

Transportation

The Project is well-served by public transportation. The subway station at Lenox Avenue and 116th Street services the IRT Number 2 and 3 trains as an express stop. The subway station on Lexington Avenue and 116th Street, several blocks east of the Project, services the IRT Number 6 line, and the B train and C train stop at Frederick Douglass Boulevard and 116th Street, several blocks west of the Project. There is crosstown bus service on 116th Street (i.e., M116), uptown bus service on Lenox Avenue (i.e., M7 and M102) and downtown service on Fifth Avenue (i.e., M1). The Metro-North Railroad provides service close to the Project, at its 125th Street Station on Park Avenue and 125th Street.

Recreational and Cultural Facilities

A playground for small children is located at PS 149, directly across 117th Street. The Project is six blocks north of Central Park and four blocks south of Marcus Garvey Park. The Apollo Theatre is located nearby at 125th Street and Frederick Douglass Boulevard.

Schools

The Project is located in Manhattan School Board Three. The elementary school nearest the Project is PS 149 directly across 117th Street. Booker T. Washington Junior High School is located at 103 West 107th Street and Wadleigh High School is at 215 West 114th Street. Columbia University is west of the Project at 116th Street between Broadway and Amsterdam Avenue and City College is at 135th Street and Convent Avenue. No representation is made that children of Tenant-Shareholders will be entitled to attend any particular school.

Religious Facilities

There are houses of worship of many denominations near the Property, including but not limited to the Malcolm Shabazz Mosque, Walker Memorial Church and Canaan Baptist Church on 116th Street and two churches on Fifth Avenue between 115th Street and 117th Street.

Shopping

The Malcolm Shabazz Vendor's Market is directly across the street from the Project on the south side of 116th Street. A Pioneer Supermarket is across 116th Street from the Project. Small retail stores abound on 116th Street and 125th Street, a major shopping corridor, is nine blocks north of the Project. It is anticipated but not guaranteed or represented, that a Rite Aid drugstore, a major supermarket, Ashley

Stewart, which is a women's apparel store, a video rental store and other retail shops will be located in the base of the Building within the Commercial Unit.

Hospitals

North General Hospital is located east of the Project at 1879 Madison Avenue, between 121st Street and 122nd Street. Mount Sinai Medical Center is located on Fifth Avenue and 98th Street.

Municipal Services

The Project is located in the 28th Police Precinct, which is headquartered at 2271 Eighth Avenue. All police, fire, water, snow removal and sanitation services are provided by the City of New York and the costs of these services are included in various taxes assessed by the City of New York.

The nearest public libraries are the 115th Street Branch (at 203 West 115th Street) and the Harlem Branch (at 5th Avenue and 125th Street).

Zoning

The Property is zoned C4-5X. The C4 designation permits all residential, community and most commercial uses.

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #		(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
201		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
202		773	3	2	T	$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
203		430	1	1	T	$860	$1,230.88	$4,925.32	$123,821.77	$5,868.16
204	*	798	3	2	T	$1,596	$2,282.19	$9,132.12	$229,580.13	$10,880.26
205		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
206		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
207		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
208	*	798	3	2	T	$1,596	$2,282.19	$9,132.12	$229,580.13	$10,880.26
209		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
210		646	3	2		$1,292	$1,847.77	$7,393.77	$185,878.33	$8,809.14
211		430	2	1		$860	$1,230.88	$4,925.32	$123,821.77	$5,868.16
212		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
213		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
214		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
215		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
216		722	3	2		$1,444	$2,064.98	$8,262.95	$207,729.23	$9,844.70
217		646	3	2		$1,292	$1,847.77	$7,393.77	$185,878.33	$8,809.14
218		646	3	2		$1,292	$1,847.77	$7,393.77	$185,878.33	$8,809.14
219		N/A	2	1		N/A	N/A	N/A	N/A	N/A
220		354	1	1		$708	$1,013.66	$4,056.15	$101,970.87	$4,832.60
221		747	3	2		$1,494	$2,137.38	$8,552.67	$215,012.86	$10,189.89
222		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
223		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
224		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
225		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
226		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
227		456	2	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
228		646	3	2		$1,292	$1,847.77	$7,393.77	$185,878.33	$8,809.14
229		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
230	*	798	3	2	T	$1,596	$2,282.19	$9,132.12	$229,580.13	$10,880.26
231		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
232		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
233		582	2	1	T	$1,164	$1,665.31	$6,663.67	$167,523.57	$7,939.28
234	*	798	3	2	T	$1,596	$2,282.19	$9,132.12	$229,580.13	$10,880.26
235		430	1	1	T	$860	$1,230.88	$4,925.32	$123,821.77	$5,868.16
301		501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
302		671	3	2		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
303		671	2	2	W	$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
304		697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
305		501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
306		501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
307		501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #	(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
308	697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
309	697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
310	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
311	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
312	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
313	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
314	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
315	773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
316	697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
317	697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
318	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
319	375	1	1		$750	$1,071.59	$4,287.93	$107,797.78	$5,108.75
320 *	798	3	2		$1,596	$2,282.19	$9,132.12	$229,580.13	$10,880.26
321	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
322	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
323	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
324	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
325	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
326	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
327	697	3	2		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
328	709	3	2		$1,418	$2,027.33	$8,112.29	$203,941.74	$9,665.21
329	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
330	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
331	501	2	1		$1,002	$1,433.61	$5,736.55	$144,215.94	$6,834.68
332	671	2	1		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
333	709	2	1	W	$1,418	$2,027.33	$8,112.29	$203,941.74	$9,665.21
401	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
402	709	3	2		$1,418	$2,027.33	$8,112.29	$203,941.74	$9,665.21
403	697	2	1	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
404	734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
405	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
406	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
407	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
408	747	3	2		$1,494	$2,137.38	$8,552.67	$215,012.86	$10,189.89
409	734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
410	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
411	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
412	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
413	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
414	527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
415 *	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
416	734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #		(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
417		734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
418		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
419		395	1	1		$790	$1,129.51	$4,519.71	$113,624.68	$5,384.90
420	*	835	3	2		$1,670	$2,389.35	$9,560.91	$240,359.91	$11,391.13
421		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
422		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
423		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
424		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
425		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
426		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
427		734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
428		747	3	2		$1,494	$2,137.38	$8,552.67	$215,012.86	$10,189.89
429		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
430		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
431		527	2	1		$1,054	$1,506.02	$6,026.27	$151,499.58	$7,179.87
432		734	3	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
433		697	2	2	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
501		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
502		747	3	2		$1,494	$2,137.38	$8,552.67	$215,012.86	$10,189.89
503		697	2	2	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
504		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
505		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
506		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
507		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
508	*	785	3	2		$1,570	$2,244.54	$8,981.47	$225,792.64	$10,700.76
509		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
510		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
511		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
512		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
513		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
514		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
515	*	849	3	2		$1,698	$2,427.00	$9,711.57	$244,147.40	$11,570.63
516		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
517		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
518		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
519		415	1	1		$830	$1,187.44	$4,751.48	$119,451.59	$5,661.05
520	*	874	3	2		$1,748	$2,499.41	$10,001.30	$251,431.03	$11,915.82
521		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
522		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
523		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
524		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
525		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #		(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
526		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
527		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
528	*	785	3	2		$1,570	$2,244.54	$8,981.47	$225,792.64	$10,700.76
529		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
530		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
531		552	2	1		$1,104	$1,578.42	$6,316.00	$158,783.21	$7,525.05
532		773	3	2		$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
533		697	2	1	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
601		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
602	*	785	3	2		$1,570	$2,244.54	$8,981.47	$225,792.64	$10,700.76
603		697	2	1	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
604	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
605		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
606		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
607		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
608	*	823	3	2		$1,646	$2,354.60	$9,421.85	$236,863.76	$11,225.45
609	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
610		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
611		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
612		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
613		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
614		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
615	*	886	3	2		$1,772	$2,534.16	$10,140.36	$254,927.17	$12,081.51
616	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
617	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
618		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
619		435	1	1		$870	$1,245.36	$4,983.26	$125,278.50	$5,937.20
620	*	911	3	2		$1,822	$2,606.57	$10,430.09	$262,210.81	$12,426.69
621		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
622		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
623		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
624		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
625		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
626		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
627	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
628	*	823	3	2		$1,646	$2,354.60	$9,421.85	$236,863.76	$11,225.45
629		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
630		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
631		577	2	1		$1,154	$1,650.83	$6,605.72	$166,066.84	$7,870.24
632	*	810	3	2		$1,620	$2,316.95	$9,271.19	$233,076.27	$11,045.95
633		697	2	2	W	$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
701		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #		(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
702	*	823	3	2		$1,646	$2,354.60	$9,421.85	$236,863.76	$11,225.45
703		684	2	1	T	$1,368	$1,954.93	$7,822.57	$196,658.11	$9,320.02
704	*	1013	3	2	T	$2,026	$2,896.19	$11,588.99	$291,345.34	$13,807.44
705	*	849	3	2		$1,698	$2,427.00	$9,711.57	$244,147.40	$11,570.63
706		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
707		456	1	1		$912	$1,303.28	$5,215.04	$131,105.40	$6,213.35
708	*	950	3	2		$1,900	$2,716.62	$10,870.47	$273,281.93	$12,951.37
709		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
710		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
711		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
712		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
713		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
714		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
715	*	874	3	2		$1,748	$2,499.41	$10,001.30	$251,431.03	$11,915.82
716	*	861	3	2		$1,722	$2,461.76	$9,850.64	$247,643.54	$11,736.32
717		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
718		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
719		608	2	1		$1,216	$1,737.71	$6,953.39	$174,807.21	$8,284.46
720	*	849	3	2		$1,698	$2,427.00	$9,711.57	$244,147.40	$11,570.63
721		722	2	2	W	$1,444	$2,064.98	$8,262.95	$207,729.23	$9,844.70
801		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
802	*	861	3	2		$1,722	$2,461.76	$9,850.64	$247,643.54	$11,736.32
803		658	2	1		$1,316	$1,882.52	$7,532.84	$189,374.47	$8,974.83
804	*	937	3	2		$1,874	$2,678.97	$10,719.81	$269,494.44	$12,771.88
805	*	886	3	2		$1,772	$2,534.16	$10,140.36	$254,927.17	$12,081.51
806		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
807		435	1	1		$870	$1,245.36	$4,983.26	$125,278.50	$5,937.20
808	*	987	3	2		$1,974	$2,823.78	$11,299.26	$284,061.71	$13,462.25
809		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
810		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
811		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
812		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
813		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
814		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
815	*	886	3	2		$1,772	$2,534.16	$10,140.36	$254,927.17	$12,081.51
816	*	899	3	2		$1,798	$2,571.81	$10,291.02	$258,714.66	$12,261.00
817		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
818		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
819		633	2	1		$1,266	$1,810.12	$7,243.12	$182,090.84	$8,629.65
820	*	886	3	2		$1,772	$2,534.16	$10,140.36	$254,927.17	$12,081.51
821	*	773	2	2	W	$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
901		671	2	1		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33

E. SCHEDULE A: PURCHASE PRICES AND RELATED INFORMATION

(1) Apt. #		(2) # of Shares	(3) Bedrooms	(3) Bathrooms	(3) Terrace(T)/ Workroom(W)	(4A) Projected Monthly Maintenance at $2/Share with Section 421(a) Benefits	(4B) Projected Monthly Maintenance at $2.86/Share without Section 421(a) Benefits	(5) Cash Purchase Price	(6) Approximate Proportionate Share of Underlying Mortgages	(7) Estimated Annual Tax Deduction
902	*	925	3	2		$1,850	$2,644.22	$10,580.75	$265,998.30	$12,606.19
903		697	2	1		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
904	*	1013	3	2		$2,026	$2,896.19	$11,588.99	$291,345.34	$13,807.44
905	*	937	3	2		$1,874	$2,678.97	$10,719.81	$269,494.44	$12,771.88
906	*	987	3	2	T	$1,974	$2,823.78	$11,299.26	$284,061.71	$13,462.25
907	*	1279	3	2	T	$2,558	$3,657.88	$14,636.89	$367,969.17	$17,438.79
908	*	1203	3	2	T	$2,406	$3,440.67	$13,767.72	$346,118.27	$16,403.23
909	*	1190	3	2	T	$2,380	$3,403.02	$13,617.06	$342,330.78	$16,223.74
910	*	1190	3	2	T	$2,380	$3,403.02	$13,617.06	$342,330.78	$16,223.74
911	*	950	3	2		$1,900	$2,716.62	$10,870.47	$273,281.93	$12,951.37
912		671	2	1		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
913		671	2	1		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
914		671	2	1		$1,342	$1,920.17	$7,683.50	$193,161.96	$9,154.33
915	*	937	3	2		$1,874	$2,678.97	$10,719.81	$269,494.44	$12,771.88
916	*	773	2	2	W	$1,546	$2,209.79	$8,842.40	$222,296.50	$10,535.07
1001		697	2	1		$1,394	$1,992.58	$7,973.22	$200,445.60	$9,499.52
1002	*	962	3	2		$1,924	$2,751.38	$11,009.54	$276,778.07	$13,117.06
1003		722	2	1		$1,444	$2,064.98	$8,262.95	$207,729.23	$9,844.70
1004	*	1038	3	2		$2,076	$2,968.59	$11,878.71	$298,628.98	$14,152.62
1005	*	987	3	2		$1,974	$2,823.78	$11,299.26	$284,061.71	$13,462.25
1006	*	987	3	2		$1,974	$2,823.78	$11,299.26	$284,061.71	$13,462.25
1007	*	1089	3	2		$2,178	$3,113.40	$12,458.16	$313,196.24	$14,842.99
1008		734	2	2		$1,468	$2,099.73	$8,402.02	$211,225.37	$10,010.39
1101		722	2	1		$1,444	$2,064.98	$8,262.95	$207,729.23	$9,844.70
1102	*	1013	3	2		$2,026	$2,896.19	$11,588.99	$291,345.34	$13,807.44
1103	*	747	2	1		$1,494	$2,137.38	$8,552.67	$215,012.86	$10,189.89
1104	*	1089	3	2		$2,178	$3,113.40	$12,458.16	$313,196.24	$14,842.99
1105	*	1038	3	2		$2,076	$2,968.59	$11,878.71	$298,628.98	$14,152.62
1106	*	1038	3	2		$2,076	$2,968.59	$11,878.71	$298,628.98	$14,152.62
1107	*	1190	3	2		$2,380	$3,403.02	$13,617.06	$342,330.78	$16,223.74
1108	*	759	2	2		$1,518	$2,172.14	$8,691.74	$218,509.01	$10,355.58
TOTAL		160955				$321,910	$460,331.30	$1,842,000.00	$46,307,594.00	$2,194,609.11

* Apartments Available To Individuals With Aggregate Annual Household Income of up to 250% of Median Income

NOTES TO SCHEDULE A
PURCHASE PRICES AND RELATED INFORMATION

1. As fully discussed in Part I, Section L of the Plan entitled "Procedure to Purchase and Close," to be eligible to purchase Purchasers generally must have an Aggregate Annual Household Income not exceeding 165% of Median Income. However, Sponsor is authorized to enter into Purchase Agreements for up to 60 Apartments (i.e., 25% of the Apartments offered under this Plan) to Purchasers whose Aggregate Annual Household Income is higher than 165% of Median Income but not more than 250% of Median Income. The 60 specific Apartments available to Purchasers in this income category are noted with an asterisk on Schedule A. These 60 designated Apartments may, but are not required to be sold by Sponsor to Purchasers with incomes above 165% but not exceeding 250% of Median Income. Resales of each of these 60 designated Apartments by each successive Tenant-Shareholder of the Apartment may be, but are not required to be, made to persons with an Aggregate Annual Household Income above 165% of Median Income provided such Aggregate Annual Household Income does not exceed 250% of Median Income. See Part I, Section L of this Plan entitled "Procedure to Purchase and Close" for additional information.

2. The allocation of Shares is based upon an Apartment's number of rooms, number of bathrooms, floor area, location, uniqueness, overall dimensions, layout and other factors of relative value to other Apartments in the Residential Unit. The allocation of Shares determines the proportionate share of the Underlying Mortgages attributable to an Apartment and the amount of Maintenance payable by the Tenant-Shareholder of the Apartment.

3. Reference should be made to the Apartment floor plans in Part II of this Plan for the layout of each type of Apartment, and for the number of bedrooms and bathrooms in each Apartment. Purchasers are advised, however, that any floor plan or sketch is only an approximation of the dimensions and layout of a typical Apartment and may not be exactly duplicated. Accordingly, each Apartment should be physically inspected prior to purchase to determine its actual dimensions, layout and physical condition.

4. Monthly Maintenance charges shown under column 4A are for the projected first year of operation of the Apartment Corporation (i.e., the 12-month period beginning July 1, 2001) and are based upon the projected operating budget appearing in the section of this Plan entitled "Schedule B: Apartment Corporation's Projected Operating Budget." They assume that the Section 421-a Tax Benefits described in Note 15 to Schedule B will be effective during the projected first year of cooperative operation, and that the amount of real estate taxes to be paid by the Apartment Corporation for that year will be approximately $29,967.

   Monthly Maintenance charges shown under column 4B are for the same 12-month period as those shown under column 4A, and are based upon the same anticipated operating budget appearing in Schedule B, but the Maintenance charges in column 4B assume the unlikely possibility that the Residential Unit will not receive Section 421-a Tax Benefits and thus will be obligated for payment of full real estate taxes rather than the lower amount of real estate taxes included in Schedule B. The projection of estimated real estate taxes for the Residential Unit in the absence of Section 421-a Tax Benefits used in this calculation is approximately $1,667,083.

In addition to paying Maintenance (which represents Tenant-Shareholder's proportionate share of operating costs of the Residential Unit), each Tenant-Shareholder will be responsible for paying costs and expenses attributable to Tenant-Shareholder's own Apartment, some of which are as follows: (i) the cost of electricity used in the Apartment, which usage is metered separately and payable directly by Tenant-Shareholder to the utility company, (ii) decorating the Apartment, (iii) interior repairs to and maintenance of the Apartment, and (iv) any renter's insurance obtained covering furniture, belongings, equipment and other personal property of the Tenant-Shareholder and liability to others for damage or injury as a result of occurrences in the Apartment.

5. The Cash Purchase Price was calculated on the basis of $1.00 per Share allocated to the Apartment, plus additional considerations, including number of rooms, number of bathrooms, floor area, location, uniqueness, overall dimensions, layout and other factors of relative value to other Apartments in the Residential Unit. In addition to the Cash Purchase Price, Purchaser will also be obligated to pay at closing (or pre-closing, as applicable) certain closing costs, including, without limitation, the Reserve Fund Contribution, which is a $1,000 payment to Sponsor in reimbursement for Sponsor's contribution to the SONYMA Supplemental Reserve Fund, as described in Part I, Section L of the Plan entitled "Procedure to Purchase and Close."

6. The approximate proportionate share of the Underlying Mortgages attributable to each Apartment shown in this column assumes that as of the Cooperative Conversion Date, the Residential Unit will be encumbered by the HDC First Mortgage in the principal amount of $31,615,000, the HDC Subordinate Mortgage in the principal amount of $6,935,000, the HPD Mortgage in the principal amount of $6,000,000 and the HPD PM Mortgage in the principal amount of $1,757,594, for an aggregate mortgage indebtedness in the total amount of $46,307,594. This aggregate mortgage indebtedness, when allocated among all the Shares, results in a mortgage allocation of $287.71 per Share. (See, however, "Attorneys Income Tax Opinion" in Part I, Section J of the Plan, to the effect that the HPD Mortgage and the HPD PM Mortgage might not be considered debt for income tax purposes.) Tenant-Shareholders will have no personal liability to HDC or HPD for payment of the Apartment Corporation's mortgage indebtedness under any of these Underlying Mortgages.

   Regular debt service payments are required only in connection with the HDC First Mortgage and the HDC Subordinate Mortgage. Debt service payments for these two mortgages are included in the estimated Maintenance charges.

   No regular debt service payments are due in connection with either the HPD Mortgage or the HPD PM Mortgage. Instead, the HPD Mortgage as well as the HPD PM Mortgage each shall be extinguished upon their 35th annual anniversary, assuming the Apartment Corporation shall not be in default under the notes secured by those mortgages. In the intervening years, but only after the HDC Subordinate Mortgage is fully satisfied, the outstanding principal of the HPD Mortgage and the HPD PM Mortgage shall be payable out of (i) 50% of **HPD Apartment Resale Profits**, if any, received by a Tenant-Shareholder on the sale of Tenant-Shareholder's Apartment, and (ii) 100% of HPD Residential Unit Resale Profits or HPD Residential Unit Refinancing Profits in the event of sale or refinancing by the Apartment Corporation of the Residential Unit.

   See the discussion in Part I, Section P of this Plan entitled "Terms of Mortgages and Regulatory Agreements" for further information about the Underlying Mortgages.

7. The estimated income tax deductions are based upon (i) the estimated real estate taxes for the Residential Unit for the period July 1, 2001 through June 30, 2002 (i.e., $29,967), plus (ii) the approximate amount of interest on the HDC Note and the HDC Subordinate Note to be paid by the Apartment Corporation during the 12-month period July 1, 2001 through June 30, 2002 (i.e., $2,164,642.11). The estimated tax deduction amounts assume that Section 421-a Benefits will be effective as of the anticipated July 1, 2001 Cooperative Conversion Date, although they might not appear of record as benefitting the Residential Unit until some months after that date. The estimated income tax deductions thus are calculated on the amount of estimated real estate taxes that would be payable if the projected partial exemption from real estate taxes pursuant to Section 421-a is in effect during the anticipated first year of cooperative operation.

The amount of Maintenance attributable to real estate taxes and deductible for income tax purposes, may increase in future years as a result of real estate tax increases due to phasing out of Section 421-a Benefits and increases in assessed value of the Residential Unit or in the tax rate. The amount of Maintenance attributable to payment of debt service and deductible for income tax purposes, may decrease in future years due to the fact that monthly debt service payments with respect to the HDC First Mortgage will be comprised of increasing principal components and decreasing interest components.

Based upon the projected operating budget of the Apartment Corporation contained in Schedule B, the projected income tax deductions for the first year of cooperative operation represent approximately 56% of the projected first year's Maintenance. All projected deductible amounts are subject to change based on changes in tax laws and other applicable laws. Each Purchaser should consult with an accountant, lawyer or financial advisor to determine what amounts can be deducted for income tax purposes according to law and Purchaser's own financial situation.

THE FOREGOING INFORMATION IS NOT A REPRESENTATION OR WARRANTY WITH RESPECT TO THE AMOUNT OF MAINTENANCE CHARGES A TENANT-SHAREHOLDER WILL BE REQUIRED TO PAY OR THE AMOUNT OF TAX DEDUCTIONS, IF ANY, TO WHICH A TENANT-SHAREHOLDER MAY BE ENTITLED. PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS OR ATTORNEYS WITH RESPECT TO THE FINANCIAL ASPECTS OF THE PROJECT AND HOW THEY MAY IMPACT ON PURCHASER'S OWN FINANCIAL SITUATION.

F. SCHEDULE B:

APARTMENT CORPORATION'S PROJECTED OPERATING BUDGET
FOR TWELVE-MONTH PERIOD
JULY 1, 2001 THROUGH JUNE 30, 2002

INCOME			
Annual Maintenance Charges (160,955 shares @ $2/share per month x 12 months)	$	3,862,920	(1)
Laundry	$	24,570	(2)
Interest on Reserve Funds	$	-0-	(3)
TOTAL PROJECTED INCOME	$	3,887,490	
EXPENSES			
Salaries and Wages	$	503,671	(4)
Electricity	$	94,400	(5)
Gas	$	154,864	(6)
Water Charges and Sewer Rents	$	190,386	(7)
Repairs, Maintenance and Supplies	$	35,516	(8)
Service Contracts	$	42,376	(9)
Insurance	$	3,400	(10)
Management Fees	$	108,450	(11)
Legal and Audit Fees	$	14,000	(12)
Franchise and Corporate Taxes	$	-0-	(13)
Federal Income Tax	$	-0-	(14)
Real Estate Taxes	$	29,967	(15)
Debt Service	$	2,400,602	(16)
Mortgaged Property Replacement Reserve Fund	$	54,228	(17)
SONYMA Mortgage Insurance Premium	$	158,075	(18)
Apartment Corporation's Common Charge Payment	$	76,538	(19)
Administrative Expense	$	11,200	(20)
Contingency	$	9,817	(21)
TOTAL PROJECTED EXPENSES	$	3,887,490	
Promissory Note to Sponsor for Closing Adjustments	$	115,421	(22)

NOTES TO SCHEDULE B

The projections contained in this Schedule B assume that the Cooperative Conversion Date will be July 1, 2001 and that the first year of cooperative operation will begin on or about that date. If the actual first year of cooperative operation begins later than six (6) months after the anticipated Cooperative Conversion Date, this Plan will be amended to include a revised budget, if necessary. If the revised projections in any such revised budget exceed those set forth herein by 25% in the aggregate or more, Purchasers will be given the right to rescind their Purchase Agreements and to receive refunds of their Down Payments.

1. **Maintenance Charges (Budget - $3,862,920)**

Based on 160,955 Shares at $2 per Share per month (i.e., $321,910 aggregate per month), and based upon the assumption that the first year of cooperative operation will begin July 1, 2001.

2. **Laundry (Budget - $24,570)**

The Apartment Corporation intends to enter into a lease for laundry facilities (the "**Laundry Lease**") in the Residential Unit with an experienced operator for a term of 5 years. The income received by the operator from the laundry facilities is anticipated to be sufficient to cover the annual rent payable to the Apartment Corporation by the operator under the Laundry Lease. The laundry equipment, which will be owned and maintained by the operator under the Laundry Lease, is anticipated to consist of 11 washers and 8 dryers. The Apartment Corporation will be responsible for providing all necessary gas, electricity, hot and cold water and sewage disposal facilities for the laundry operator, the expense of which has been included elsewhere in the budget. The operator is responsible for carrying public liability insurance.

3. **Interest on Reserve Funds (Budget - $0)**

The Apartment Corporation is obligated to maintain the Mortgaged Property Replacement Reserve and the SONYMA Supplemental Reserve with HDC, as described in Part I, Section S of this Plan entitled "Reserve Funds and Working Capital." Interest on these reserve funds will accrue for the benefit of the Apartment Corporation, but will not be paid to the Apartment Corporation until the HDC Regulatory Agreement is no longer in force and effect. Though provision is made for a possible "Additional Reserve Fund," also described in Part I, Section S of the Plan, that fund, to the extent it exists at all, is not anticipated to be a significant source of interest income. The aggregate interest projected to accrue on the SONYMA Supplemental Reserve Fund as increased by the increasing Mortgaged Property Replacement Reserve Fund during the first year of cooperative ownership, is $4,007. This calculation assumes that reserves will not be spent in the first year and will earn interest at the rate of approximately 1.5 % per year.

4. **Salaries and Wages (Budget - $503,671)**

This figure covers an anticipated staff of one full-time superintendent, and 10 additional employees including porters and doormen. Sponsor anticipates that the Residential Unit staff will be affiliated with Local 32B/32J, and all projected wage rates are in accordance with the rates of that union projected through 2001. The superintendent will live and work in an Apartment in the Residential Unit (the **"Superintendent's Apartment"**). The Apartment Corporation will pay for electricity and gas for heating, cooking and hot water, but not telephone service for the Superintendent's Apartment.

The labor charges include payroll taxes, unemployment insurance, disability insurance, welfare and pension and annuity fund contributions, workers' compensation and vacation and holiday pay.

The base weekly wage rates for the employees are based upon the following projected wage rates for April 2001:

Superintendent	$867/week
Porters and others	$612/week

The projected wages, benefits and payroll-related expenses for the superintendent and other employees are as follows:

Total Wages	$363,324
State Unemployment	$12,716
F.I.C.A.	$27,794
Disability	$572
Pension Fund	$17,000
Annuity Fund	$4,004
Health Insurance	$64,225
Training Fund	$1,870
Workers Compensation	$18,166
Total	$509,671
less portion attributable to Condominium Common Expenses	$6,000
APARTMENT CORPORATION TOTAL	**$503,671**

The projected staffing of the Residential Unit complies with all applicable labor laws.

It is anticipated that from time to time employees of the Apartment Corporation may perform work on behalf of the Condominium. It is estimated that the aggregate salaries and wages attributable to this work for all Apartment Corporation employees, will not exceed $6,000 per year, based on staffing projections for the first year of cooperative operation. This projection is based on one hour per day each day of the year being devoted to Condominium work by one non-superintendent employee of the Apartment Corporation. Thus, although the individuals performing the work will be employees of the Apartment Corporation, $6,000 of their wages will be a Common Expense of the Condominium. Accordingly, $6,000 is included as a Common Expense of the Condominium on Schedule C in this Offering Plan.

5. **Electricity - (Budget - $94,400)**

This item includes the amount of electricity projected to be used in the common areas of the Residential Unit and in the Superintendent's Apartment. Electricity for each Apartment is separately metered, and will be paid by the Tenant-Shareholder of the Apartment directly to the utility company.

The anticipated consumption of Residential Unit common area electricity and electricity to the Superintendent's Apartment is 629,338 kilowatt hours per year. Cost projections are based on a price of $.15/kilowatt hour (including sales tax) which reflects the current price of $.14/kilowatt hour (including sales tax), increased by 5% to account for a possible increase in cost by the year 2001. Electricity consumption projections were prepared by T.C. Sideris, P.E., P.C., 217 Northern Boulevard, Bayside, New York 11361 in a letter dated October 8, 1999.

6. **Gas - (Budget - $154,864)**

Gas will be supplied by Con Edison to the Residential Unit and will be measured by a single meter for the Residential Unit only. The projections for gas consumption were made by T.C. Sideris, P.E., P.C., 217 Northern Boulevard, Bayside, New York 11361 in a letter dated October 8, 1999. The projections include estimated gas consumption for cooking and domestic hot water in Apartments (including the Superintendent's Apartment), heating for the Residential Unit, and dryers in the Residential Unit laundry room.

The total projected usage for the foregoing items is 196,030 therms per year.

Cost projections are based on a price of $.79 per therm (including sales tax) which reflects the current price of $.75 per therm (including sales tax) increased by 5% to take into consideration a possible increase in cost by the year 2001.

7. **Water Charges and Sewer (Budget - $190,386)**

The projected water and sewer costs are based on a letter dated October 8, 1999 from T.C. Sideris, P.E., P.C., 217-22 Northern Boulevard, Bayside, New York 11361. Projections assume occupancy of 1.5 persons for each 1-bedroom apartment, 3 persons for each 2-bedroom apartment and 4 persons for each 3-bedroom apartment, for a total of 892 people in occupancy. Projections are based on a price of $.139 per cubic foot (CF) per year (including sales tax) which represents the current cost of $.133 per CF per year (including sales tax) increased by 5% to account for a possible increase in cost by the year 2001.

- ***Water***: 892 people x 60 gal/person/day x 365 days/year =19,534,800 gal/year
- ***Sewer***: 892 people x 75 gal/person/day x 365 days/year =24,418,500 gal/year

$$\frac{43,953,300 \text{ gal}}{7.48 \times 100} \times 3.24 \text{ CF} = \$ 190,386/\text{year}$$

8. **Repairs, Maintenance and Supplies (Budget - $35,516)**

The budget item for repairs, maintenance and supplies is for the Residential Unit (but does not include work in individual Apartments which will be the responsibility of Tenant-Shareholders).

The projected amount for this item is to cover the cost of various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies), periodic painting of common areas of the Residential Unit and supplies for the upkeep of the landscaped courtyard on the second floor roof. Painting of Tenant-Shareholder's Apartment shall be the sole responsibility of the Tenant-Shareholder.

9. **Service Contracts (Budget - $42,376)**

This budget item reflects the following anticipated service contracts for the Residential Unit:

Contractor	Estimated Annual Cost
Boiler	$ 2,500
Elevator Maintenance	$ 23,400
Security	$ 4,200
Exterminating Services	$ 8,676
Courtyard Landscaping	$ 3,600

Sponsor and/or the Apartment Corporation may, prior to the Cooperative Conversion Date, enter into contracts that will be binding on the Apartment Corporation. However, Sponsor may not enter into any service contracts or maintenance contract after this Plan is presented that will materially increase the estimated Maintenance charges for the first year of cooperative operation without disclosing such charges in an amendment to this Plan.

10. **Insurance (Budget - $3,400)**

Pursuant to a letter dated January 26, 2000 from The Alliance Group, Inc., property and liability insurance recommended for the Residential Unit is incorporated into the insurance recommended for the Condominium, as fully described in Note 6 to Schedule C. The only separate insurance recommended to be carried by the Apartment Corporation is officers and directors insurance and crime insurance, as follows:

Type of Coverage	Estimated Annual Premium
Officers and Directors	$ 2,000
Crime	$ 1,400
Total	$ 3,400

Details

- Officers and directors coverage would have a limitation of $1,000,000, with a $1,000 deductible.

- Crime includes a fidelity bond with a limit of $700,000 for employees (including a managing agents rider and including non-paid members of the Board of Directors), with a $1,000 deductible.

The coverage for the Apartment Corporation described above and in Note 6 to Schedule C, does not include claims for personal injury or property damage resulting from occurrences in Apartments or to the loss of personal property to Tenant-Shareholders. Therefore, Tenant-Shareholders are advised to obtain coverage for risks such as fire and casualty losses to Apartment contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within their own Apartment.

11. **Management Fees (Budget - $108,450)**

Based on the proposed management agreement anticipated to be entered into with Urban Metro Inc., the management fee will be $108,450 annually ($9,037.50 monthly). Such agreement will be for an initial term of five (5) years, though it may be terminated by either party after two (2) years as more fully described in Part I, Section V of the Plan entitled "Service and Other Contracts Binding on the Apartment Corporation or on the Condominium." The management fee is a market-rate fee.

12. **Legal and Audit Fees (Budget - $14,000)**

Approximately $7,000 of the budgeted item is anticipated to be used for auditing fees in connection with preparation of the Apartment Corporation's first year's audited financial statements and its federal, state and city income tax returns. The balance is provided for miscellaneous minor legal services, in the event the Apartment Corporation decides to engage an attorney. Although this estimate is reasonable for the foregoing purpose, it will not be adequate if litigation or other major legal representation is required.

13. **Corporate and Franchise Taxes (Budget - $-0-)**

A corporation formed pursuant to Article XI of the Private Housing Finance Law, such as the Apartment Corporation, is exempt from payment of (i) New York City corporate taxes pursuant to Section 11-603.4(a) of the New York City Administrative Code and (ii) New York State franchise taxes pursuant to Section 209.4 of the New York State Tax Law.

14. **Federal Income Tax (Budget - $-0-)**

The Internal Revenue Service ("**IRS**") traditionally has taken the position that cooperative housing corporations are subject to Section 277 of the Internal Revenue Code (the "**Code**"). Section 277 of the Code provides that a membership organization operated to provide services to members is permitted to deduct expenses in a given year attributable to the furnishing of services to the members only to the extent of the income derived during such year from its members. Section 277 permits a membership organization to reduce income from non-membership sources only by expenses incurred in generating this income. Accordingly, under the traditional IRS position, income from non-membership sources such as interest on reserve funds, if any, and rental income from a laundry lease, etc. in excess of expenses properly attributable thereto, could be subject to federal income tax.

The IRS had, in fact, begun to assess cooperative housing corporations on reserve fund interest income and other non-member income earned by the corporations at the prevailing corporate tax rates.

In the recent case of Thwaites Terrace House Owners Corp. v. Commission, T.C. Memo 1996-406 (September 3, 1996) ("**Thwaites**"), however, the Tax Court held that Section 277 does not apply to cooperative housing corporations. The court found that Subchapter T of the Code, a series of sections that have traditionally applied to non-housing cooperatives, also applies to cooperative housing corporations. The relevant rules and some of their potential impacts on cooperative housing corporations were summarized by the court in Thwaites as follows:

> "Subchapter T prohibits cooperatives from using patronage losses to offset nonpatronage income . . . . Income is patronage sourced if it is derived from an activity that is so closely intertwined with the main cooperative effort that it may be characterized as directly related to, and inseparable from, the cooperative's principal business activity, and thus facilitates the accomplishment of the cooperative's business purpose. . . . However, if the transaction which produces the income merely enhances the overall profitability of the cooperative, then the income is from nonpatronage sources."

Thus, to the extent that income earned by the Apartment Corporation is deemed to be nonpatronage income, the effect of Subchapter T may be similar to the effect of Section 277, that is, to deny the Apartment Corporation the ability to offset such income with deductions generated by the housing activities of the Apartment Corporation. However, to the extent the income is patronage income, it is possible it would sheltered and not taxable.

The scope and effect of the Thwaites decision is unclear. Assuming that Subchapter T applies to housing corporations, the types of income that will be considered nonpatronage income have yet to be determined. Alternatively, higher courts may limit or overturn the Thwaites decision, and other courts may otherwise disagree with the decision, either as to its determination that Subchapter T applies to housing cooperatives, or as to its determination that Section 277 does not.

Since the Thwaites decision, some IRS officials have informally stated that the IRS does not intend to argue that Section 277 applies to housing corporations. This position is informal and could be reversed in a formal ruling. In addition, the IRS may still apply Thwaites and Subchapter T.

The Apartment Corporation is expected to take a position at variance with the traditional IRS position, but consistent with the Thwaites case, that Section 277 does not apply to cooperative housing corporations. However, given the current uncertainty in this area of the law, the Apartment Corporation is expected also to maintain either that Subchapter T does not apply to cooperative housing corporations or that Subchapter T does not have the effect of limiting its deductions.

Accordingly, no provision for Section 277 or Subchapter T tax liability is reflected in this budget. If the Apartment Corporation were to be assessed on non-member income as determined under Section 277 or on nonpatronage income as determined under Subchapter T, the tax liabilities may be greater or lesser, depending upon which type of income and how much of it, were to be considered taxable. If, for instance, the IRS were to take the position that the projected $24,570 in laundry income and the $4,007 of interest income projected to accrue on the SONYMA Supplemental Reserve and the Mortgaged Property Replacement Reserve described in Note 3 above, were taxable income to the Apartment Corporation (even though the interest would not be paid to the Apartment Corporation in that year), the tax due, based on the applicable Federal tax rate of 15%, would be approximately $4,287. To the extent tax determined to be due is not paid or reported, there may be interest and penalties owed as well.

The foregoing is not a representation or warranty as to whether tax indeed will be due for the first year or any subsequent year of cooperative operation, or what amount would be due if tax were found to be payable. If tax liability ultimately is determined to be due, such liability would have to be reflected in future budgets and the Apartment Corporation will be obligated to identify and obtain funds to pay such tax.

15. **Real Estate Taxes (Budget - $29,967)**

Sponsor has obtained a "prior opinion letter" dated January 7, 1999 from Blondel Pinnock, Deputy Director/Counsel Tax Incentive Programs at HPD confirming the probable eligibility of the Residential Unit for 421-a Benefits. Sponsor will file all necessary papers to secure final 421-a approval at Sponsor's sole cost and expense. In the unlikely event that Sponsor is unable to secure 421-a Benefits for the Residential Unit, Sponsor will amend this Plan to reflect the denial of said benefits. The Apartment Corporation will be liable for any real estate taxes that may become due as a result of denial of 421-a Benefits.

Real estate taxes have been calculated based upon the expectation that the Section 421-a Benefits will be effective as of the Cooperative Conversion Date although it is likely they will not appear of record as benefitting the Residential Unit until after that date. With the 421-a Benefits effective, during construction of the Project, the real estate taxes for the Residential Unit will be based upon the Residential Unit's proportionate share of the taxable assessed valuation of the Property during the tax year immediately preceding the tax year in which construction of the Project commenced. As construction commenced in July 1999, taxes will be based on the Residential Unit's proportionate share of the 1998/99 assessed value of the Property.

Real estate taxes on the improvements are exempted under the Section 421-a program over a 25-year period, as follows: 100% exemption for the first twenty-one years after completion of construction (i.e., as evidenced by issuance of either a temporary or permanent certificate of occupancy), 80% for the twenty-second year, 60% for the twenty-third year, 40% for the twenty-fourth year, and 20% for

the twenty-fifth year. After the end of the 25-year Section 421-a Benefits period, real estate taxes will be based on the total assessed valuation of the Residential Unit multiplied by the tax rate then in effect without the benefit of any exemption, and thus will no longer be payable at the lower amounts permitted while the Section 421-a Benefits are in effect.

The real estate taxes during the first 21 years of the Section 421-a Benefit period are based upon the Residential Unit's proportionate share of the taxable assessed valuation of the Property during the fiscal tax year immediately before commencement of construction, multiplied by the applicable tax rates in effect during the fiscal tax year in which the tax is due, and assessments for local improvements. For the purpose of computing the Residential Unit's proportionate share, the Common Interest attributable to the Residential Unit (i.e., 71%) was used.

16. **Debt Service (Budget - $2,400,602)**

As of the Cooperative Conversion Date, the Residential Unit is anticipated to be encumbered by the HDC First Mortgage in the principal amount of $31,615,000, the HDC Subordinate Mortgage in the principal amount of $6,935,000, the HPD Mortgage in the principal amount of $6,000,000 and the HPD PM Mortgage in the principal amount of $1,757,594.

Regular debt service payments are payable only in connection with the HDC Note and the HDC Subordinate Note. No regular debt service payments are due in connection with either the HPD Note or the HPD PM Note.

The HDC Note is payable in equal installments of approximately $194,271 per month (aggregating $2,331,252 per year), which as of July 1, 2001, shall be applied first to interest at the rate of 6.65% per year and the balance in reduction of principal. Should the Cooperative Conversion Date occur prior to July 1, 2001, the monthly payment shall remain the same but the amount that would have been applied to amortization will be deposited by HDC in an "Additional Reserve Account," as more fully described in Part I, Section S of the Plan entitled "Reserve Funds and Working Capital." The HDC First Mortgage is a fully self-amortizing mortgage.

The HDC Subordinate Note bears interest at the rate of 1% per year, and is payable in equal monthly installments of $5,779.17 ($69,350.04 per year). The outstanding principal balance of the HDC Subordinate Note is payable out of HDC Resale Profits from time to time when and if same are received, and any remaining principal balance will be due and payable in full on the maturity date of the HDC Subordinate Note.

No debt service is payable with respect to the HPD Note or the HPD PM Note. Instead, such portion of the outstanding principal balance of the HPD Note as shall not have been paid out of HPD Apartment Resale Profits shall be extinguished, and such portion of the outstanding principal balance of the HPD PM Note as shall not have been paid out of HPD Apartment Resale Profits shall be deemed satisfied, upon the 35th annual anniversary of the applicable note, assuming the Apartment Corporation is not in default under the mortgages securing those notes.

See Part I, Section P of this Plan for further information about the terms of all of the Underlying Mortgages.

17. **Mortgaged Property Replacement Reserve Fund (Budget - $54,228)**

The HDC First Mortgage will be insured by the State of New York Mortgage Agency ("**SONYMA**"). Pursuant to SONYMA's commitment to insure the HDC First Mortgage, the Apartment Corporation must establish a reserve fund into which the Apartment Corporation shall deposit $4,519 monthly (i.e., $54,228 per year) beginning on the first payment date under the HDC Note. This reserve fund (the "**Mortgaged Property Replacement Reserve Fund**") may be drawn upon and used by HDC at its sole discretion for the cost of capital improvements and extraordinary renovations to the Residential Unit which are not part of the normal and ordinary expenses of operating the Residential Unit. The fund may also be applied by HDC to payments of principal and interest in the event of a payment default or to cure any other defaults under the HDC First Mortgage by the Apartment Corporation. The Apartment Corporation may also draw upon and use the Mortgaged Property Replacement Reserve Fund, with the consent of HDC, as described in Part I, Section S of this Plan.

18. **SONYMA Mortgage Insurance Premium (Budget - $158,075)**

To maintain the SONYMA insurance on the HDC First Mortgage, the Apartment Corporation must pay an annual insurance premium in an amount equal to .50% of the outstanding principal balance of the HDC First Mortgage. For the first year of cooperative operation the premium cost will be funded out of the proceeds of the HDC First Mortgage. Escrow deposits for each succeeding year's premium costs shall be made monthly in accordance with the terms of the HDC First Mortgage.

19. **Apartment Corporation's Common Charge Payment (Budget $76,538)**

The Condominium will incur certain Common Expenses, as described in Schedule C to this Offering Plan. The Commercial Unit Owner and the Residential Unit Owner each will pay their proportionate share of Common Expenses, based on the Common Interest attributable to their respective Unit. The Apartment Corporation, as the Residential Unit Owner, will pay 71% of the projected $107,800 Common Expenses, resulting in a Common Charge payment in the amount of $76,538 by the Apartment Corporation to the Condominium.

20. **Administrative Expenses (Budget $11,200)**

This budget item is to cover the cost of telephone and fax service in the on site management office, as well as paper, postage and other administrative and office supplies for the Apartment Corporation.

21. **Contingency Reserve (Budget - $9,817)**

This amount is to cover unforeseen expenses or increases in costs above the budgeted amount incurred by the Apartment Corporation.

* * * * * *

22. **Promissory Note to Sponsor for Closing Adjustments (Budget - $115,421)**

This expense is not an on-going operational expense of the Apartment Corporation. It is an amount to cover budgeted expenses of the Apartment Corporation (i.e., liability and property insurance premiums, real estate taxes, electric, gas, water and sewer costs, etc.) attributable to the period beginning on the Cooperative Conversion Date, but funded by Sponsor as a loan to the Apartment Corporation prior to (or payable by Sponsor after) the Cooperative Conversion Date (collectively, "**Sponsor's Loan**"). The Apartment Corporation will pay Sponsor's Loan pursuant to a Promissory Note executed by the Apartment Corporation as of the Cooperative Conversion Date in favor of Sponsor with interest at 6% per year. Payments shall be made monthly with any balance due and payable twelve (12) months after the Cooperative Conversion Date. The source of funds for repayment of Sponsor's Loan will be Maintenance, as the expenses being reimbursed were budgeted to be paid through Maintenance. See Part I, Section U of the Plan, entitled "Apartment Corporation's Acquisition of the Residential Unit," for further information on closing adjustments. The Promissory Note may be prepaid in part or in whole at any time without penalty or premium.

* * * * * *

IN THE OPINION OF METRO MANAGEMENT DEVELOPMENT, INC., THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE PROJECTED EXPENSES FOR THE APARTMENT CORPORATION'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JULY 1, 2001. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL RECEIPTS (INCLUDING MAINTENANCE CHARGES) OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE RESIDENTIAL UNIT BY THE APARTMENT CORPORATION WILL BE AS SET FORTH IN SAID SCHEDULE. ALTHOUGH SPONSOR HAS SOUGHT TO MAKE REASONABLE PROJECTIONS, THE FOREGOING SCHEDULE IS ONLY A PROJECTION. FOR INSTANCE, FOR PROJECTED UTILITY COSTS, THE ACTUAL COST WILL VARY WITH THE ACTUAL CONSUMPTION AND ACTUAL CHARGE IMPOSED BY THE UTILITY COMPANY AT THAT TIME. IT THUS IS LIKELY THAT ACTUAL RECEIPTS AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

G. SCHEDULE C:

CONDOMINIUM'S PROJECTED OPERATING BUDGET FOR THE TWELVE-MONTH PERIOD JULY 1, 2001 THROUGH JUNE 30, 2002

INCOME			
Common Charges	$	107,800	(1)
TOTAL	$	107,800	
EXPENSES			
Salaries and Wages	$	6,000	(2)
Electricity	$	-0-	(3)
Water Charges and Sewer Rents	$	-0-	(4)
Repairs, Maintenance and Supplies	$	6,000	(5)
Insurance	$	87,000	(6)
Management Fees	$	2,300	(7)
Legal and Audit Fees	$	6,000	(8)
Contingency	$	500	(9)
TOTAL	$	107,800	

NOTES TO SCHEDULE C

The projections contained in this Schedule C assume that the first year of Condominium operation in which legal title to the two condominium Units is held by different Owners, will begin contemporaneously with the first year of cooperative operation, and thus will begin on or about July 1, 2001.

1. **Common Charges (Budget $107,800)**

Based on the Common Expenses of the Condominium described below and allocated, in accordance with the Common Interest allocations set forth in the Declaration, 71% to the Residential Unit, and 29% to the Commercial Unit, with resulting Common Charges for the Residential Unit in the amount of $76,538 per year and Common Charges for the Commercial Unit in the amount of $31,262 per year.

2. **Salaries and Wages (Budget $6,000)**

As described in Note 4 to Schedule B of this Offering Plan, it is anticipated that from time to time employees of the Apartment Corporation will perform work on behalf of the Condominium. It is estimated that the aggregate salaries and wages attributable to this work for all Apartment Corporation employees, will not exceed $6,000 per year. This projection is based on one hour per day each day of the year being devoted to Condominium work by one non-superintendent employee of the Apartment Corporation. Such $6,000 will be a Common Expense of the Condominium, even though the individuals performing the work will be employees of the Apartment Corporation. Accordingly, of this $6,000 amount, the Apartment Corporation will be responsible for 71% (i.e., approximately $4,260) based on the Common Interest attributable to the Residential Unit, and the Commercial Unit Owner will be responsible for 29% (i.e., approximately $1,740) based on the Common Interest attributable to the Commercial Unit. From a practical standpoint, it is probable that the Apartment Corporation will pay all salary and wage expenses in full without actual payment of the $4,260 portion of the expense to the Board of Managers and remittance by the Board of the $4,260 portion of the expense back to the Apartment Corporation. However, the Board will be obligated to remit to the Apartment Corporation that portion of the Common Charges collected representing the Commercial Unit Owner's share of the $6,000 salary and wage expense.

3. **Electricity (Budget $-0-)**

There are no electricity costs projected to be due in connection with the Common Elements.

4. **Water Charges and Sewer Rents (Budget $-0-)**

As set forth in Section 8.12 of the Condominium By-laws, upon completion of construction of the Project, each Unit will be separately metered for consumption of water in that Unit, and any water used in connection with operation of the Common Elements will be measured by the meter of the Unit closest to the area in which the water is used. As described in the Condominium By-laws, the cost of such Common Element water consumption will be borne by the Unit Owner whose meter measures the consumption, unless and until the Board of Managers determines to have the cost allocated in some manner as a Common Expense.

5. **Repairs, Maintenance and Supplies (Budget $6,000)**

This budget item is for the cost of various supplies for and maintenance of the Common Elements of the Condominium.

6. **Insurance (Budget $87,000)**

According to a letter dated January 26, 2000 from The Alliance Group, the insurance coverage described in this Note 6 is recommended for the Condominium. With the exception of directors and officers liability coverage and crime coverage, both of which cover only the Condominium Board of Managers, the insurance described below is intended to cover the Condominium, as well as each of the Unit Owners, as insureds, as more fully discussed below. With respect to directors and officers and crime coverages, each Unit Owner will, to the extent it desires such coverage, be responsible for obtaining and maintaining it independently of the coverages specified below. Directors and officers liability insurance, and crime coverage for the Apartment Corporation is in fact budgeted for in the Apartment Corporation's projected first year operating budget contained in Schedule B of this Plan.

Type of Coverage	Estimated Annual Premium
Property and General Liability	$ 72,500
Directors and Officers Liability (Board of Managers only)	$ 5,000
Boiler and Machinery	$ 3,000
Crime (Board of Managers only)	$ 1,400
Umbrella Liability	$ 5,100
Total	$ 87,000

Details of each of the foregoing coverages are as follows:

Property:

- Special Form
- 80% Co-Insurance for personal property
- Agreed Amount Replacement Cost for Building
- $1,000 Deductible

Limits

Building	$ 48,000,000
Business Income	$ 513,000
Personal Property	$ 25,000
Property of Others	$ 25,000

Sublimits		Deductible
Floor	$ 1,000,000	$ 10,000
Backup of Sewers & Drains	$ 1,000,000	$ 2,000
Underground Water Mains	$ 1,000,000	$ 2,000
Earthquake	$ 1,000,000	$ 50,000
Utility Services	$ 250,000	$ 1,000

Commercial General Liability:

$ 1,000,000	Per Occurrence Bodily Injury & Property Damage
2,000,000	General Aggregate
1,000,000	Products/Completed Operations
1,000,000	Personal & Advertising Injury
50,000	Fire Damage Legal Liability
5,000	Medical Payments
1,000,000	Employee Benefits Liability; $1,000 deductible
1,000,000	Directors & Officers Liability; $500/$1,000 deductible
1,000,000	Non-Owned & Hired Car

Crime (Board of Managers only):

Fidelity Bond - Limit $700,000 for employees (including a Managing Agent's Rider) (and including Non-Paid Members of the Board)
Deductible: $1,000

Boiler & Machinery:

Limit:	$ 10,000,000
Deductible:	$ 5,000

Umbrella Liability:

Limit:	$ 100,000,000
Retention:	$ 10,000

In the opinion of The Alliance Group, Inc. the property insurance limit in the amount of $48,000,000 is adequate to secure an "Agreed Amount" endorsement for replacement cost coverage for the Building, which would eliminate any possibility for a co-insurance penalty. All losses would be paid on a replacement cost basis up to the policy limit of $48,000,000, but there can be no representation that the amounts of insurance would in fact be sufficient to replace the Building in the event of a total loss.

The foregoing recommended property and general liability coverage, boiler and machinery coverage and umbrella liability coverage will name the Board of Managers of the Condominium, the Residential Unit Owner and the Commercial Unit Owner as insureds.

Accordingly, the Board of Managers, the Residential Unit Owner and the Commercial Unit Owner may each make claims pursuant to the foregoing coverage, and may each be defended pursuant to such coverages, independently of each other or together, as the situation may require. Thus, in the event of a claim against the Apartment Corporation for an occurrence within the Residential Unit, the Apartment Corporation will be covered under the policy's liability coverage. Likewise, in the event of damage to the Residential Unit due to a casualty covered under the policy, the Apartment Corporation may bring a claim under the policy's property coverage. Similarly, the Board of Managers will be covered under the liability policy for occurrences in the Common Elements and may bring a claim under the property coverage of the policy for damage due to casualty to the Common Elements. The Commercial Unit Owner's protection with respect to casualty and liability claims affecting the Commercial Unit will be the same type of protection afforded the Residential Unit Owner respecting the Residential Unit. To the extent a claim is made against any two or more of the named insureds, or if a casualty loss affects multiple components of the Condominium, all insureds will be covered by the policy.

7. **Management Fee (Budget $2,300)**

Based on a proposed two-year management agreement to be entered into by the Board of Managers with Urban Metro, Inc., the management fee will be $2,300 for the first year payable monthly in the approximate amount of $192 per month, and will increase 5% each year thereafter. The management agreement is anticipated to be for an initial term of two years, and shall continue on a month to month basis thereafter. The management fee is a market-rate fee.

8. **Legal and Audit Fees (Budget $8,000)**

Approximately $4,000 of the budgeted item will be used for auditing fees in connection with preparation of the Condominium's first year audited financial statements and its federal, state and city income tax returns. The balance is estimated to cover miscellaneous minor legal services, in the event the Condominium Board of Managers decides to engage an attorney. Although this estimate is reasonable for the foregoing purpose, it will not be adequate if litigation or other major legal representation is required.

9. **Contingency (Budget $500)**

This amount is to cover unforeseen expenses or increases in costs above the amount budgeted for that item in the foregoing budget projections.

H. CHANGES IN OFFERING TERMS AND APARTMENTS

Changes in Prices and Offering Terms

Sponsor reserves the right at any time and from time to time to change terms of sale relating to any purchase under this Plan and the manner of payment thereof. Apartments will be offered at the cash Purchase Prices set forth in Schedule A, which prices are subject to change at the discretion of Sponsor. Prices may be changed by Sponsor on an individual basis. Accordingly, Sponsor reserves the right to decrease purchase prices or modify other terms of sale, without filing an amendment to the Plan at any time during the offering if such reduction in Purchase Price or modification of such other terms of sale is the result of an individually negotiated transaction. Further, Sponsor may enter into an agreement with a Purchaser to sell an Apartment at a price higher than the price set forth in Schedule A, provided that an amendment containing the new price is submitted to the Department of Law prior to the new price's use. An amendment whose sole purpose is to effect a change in price shall be effective immediately upon its receipt by the Department of Law. Offering prices will be decreased or increased by an amendment to the Plan prior to the new price's use if the change in price is an across-the-board change affecting one or more lines of Apartments or is a price to be advertised. No price change will be effective with respect to any Apartment for which a Purchase Agreement is in effect without the consent of Purchaser. However, should that Purchase Agreement be terminated, for any reason, the new price may be used in any Purchase Agreement entered into after such termination.

Notwithstanding anything in the previous paragraph to the contrary, Sponsor will not change the Purchase Price for an Apartment from the price set forth in Schedule A, until after the Cooperative Conversion Date, unless Metro Management Development, Inc., the marketing consultant who prepared the Opinion of Reasonable Relationship in Part I, Section I of this Plan or similar expert ("**Marketing Consultant**"), opines that the new price continues to satisfy the reasonable relationship requirement discussed in the Opinion of Reasonable Relationship. Sponsor will obtain an updated opinion letter from Marketing Consultant as of the Cooperative Conversion Date, confirming that the reasonable relationship test is still satisfied on that date (i.e., that (i) the distribution of Shares among the Apartments shown on Schedule A, as same may have been amended, is reasonable and equitable, and (ii) the Purchase Price and value of each block of Shares allocated to an Apartment is not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Residential Unit attributable to such Apartment).

Sponsor reserves the additional right, without further amendment to the Plan, to negotiate any terms of the Plan or Purchase Agreement or any obligation of a Purchaser including, but not limited to: interim lease or use agreements, the application of rents or other charges against the Purchase Price, rights of cancellation if the Purchase Agreement is not consummated by a certain date or other contingency, and every other aspect of the transaction.

Disclosure of the fact that the items discussed in the previous paragraph may be requested by a Purchaser or may be the subject of negotiation does not mean that any of them, or any other particular item, except as is otherwise specifically disclosed, is actually being offered to any particular Purchaser, and Sponsor shall not be obligated to alter the terms of sale or to impose any such obligation on itself as to a particular Purchaser, whether or not it makes such allowances to any other Purchaser or Purchasers. The negotiation of such terms shall be on a case-by-case basis in Sponsor's sole discretion and without

amendment to the Plan. In accordance with the foregoing, it should be understood that there is no obligation for any particular item to be negotiated or granted to any particular Purchaser, and that Purchasers purchasing similar interests may pay different amounts or receive different terms with respect to the transaction.

Changes in Apartments

In order to meet the possible varying demands for number and type of Apartments, or to meet particular requirements of prospective Purchasers or for any other reason, Sponsor reserves the right at any time, with respect to any Apartment that has not yet been sold by Sponsor, to (a) change or reverse the layout of the Apartment and make adjustments in interior dimensions, (b) change the number of rooms in any Apartment, (c) change the size and/or number of Apartments by subdividing one or more Apartments into two or more separate Apartments, combining separate Apartments into one or more Apartments, altering boundary walls of Apartments, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, or other area abutting an Apartment(s) owned by Sponsor into one or more Apartments, (d) if appropriate, cause a reallocation of Shares among Apartments affected by such changes, however, Shares need not be reallocated if a portion of a public hallway is incorporated into an Apartment or Apartments, as described above, and (e) make any changes to the public areas of the Residential Unit in particular and the Building generally, necessary as a result of the foregoing modifications to Apartments, provided only that the consents of all government authorities having jurisdiction, are first obtained, to the extent such approval is required by law, and the consent of HDC is obtained.

Notwithstanding the foregoing, except for minor changes necessitated by site conditions, no change in size, dimension, floor space or layout will be made to an Apartment for which a Purchase Agreement has been executed and delivered to Sponsor without the consent of the Purchaser, unless Purchaser has defaulted under said Purchase Agreement, was notified of the default and failed to cure said default as provided in the Purchase Agreement. If the layout and dimensions of an Apartment conform substantially to the Plans and Specifications, subject to Sponsor's right to make minor changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Apartment for such reason and will not have any claim against Sponsor as a result of such insubstantial deviation. Sponsor will file an amendment to the Plan if the size of an Apartment offered for sale is materially changed or there is a material decrease (plus or minus 5% or more) in the size and quality of the public areas of the Residential Unit. The layout of an Apartment that has not yet been sold may be changed by altering interior partitions and the like without prior notice or amendment to the Plan.

Sponsor represents that no Purchase Agreement shall be entered into with a prospective purchaser for an Apartment with respect to which changes, other than minor changes in size necessitated by site conditions, have been made, until an amendment to the Plan setting forth such changes has been accepted for filing by the Department of Law.

If it shall be necessary to increase the total number of authorized Shares which the Apartment Corporation may issue solely by reason of the foregoing, the Apartment Corporation will amend its Certificate of Incorporation for such purpose. An increase in the total number of Shares issued will result in reducing the proportion that the number of Shares allocated to each Apartment bears to the total number of Shares outstanding and will also decrease the allocation of the Underlying Mortgages for each block of Shares. However, such increase in the number of issued Shares might not result in reducing the Maintenance payable by each Tenant-Shareholder.

METRO MANAGEMENT
DEVELOPMENT, INC.
■ APARTMENTS ■ CO-OPS ■ CONDOMINIUMS ■ COMMERCIAL

I. OPINION OF REASONABLE RELATIONSHIP

January 12, 2000

Central Harlem Partnership Plaza, LLC
c/o Levine Builders
42-09 235th Street
Douglaston, NY 11363

RE: OFFERING PLAN FOR COOPERATIVE OWNERSHIP
RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION
130 MALCOLM X BOULEVARD
NEW YORK, NY 10026

Gentlemen:

The undersigned was engaged by Central Harlem Partnership Plaza, LLC ("**Sponsor**") in connection with the offering plan for the captioned project promulgated by Sponsor (the "**Offering Plan**"), and has reviewed Schedule A entitled "Purchase Prices and Related Information" prepared by Sponsor and included in the Offering Plan ("**Schedule A**").

As of the date of this letter, it is our opinion that (i) the distribution of shares of Renaissance Housing Development Fund Corporation (the "**Apartment Corporation**") shown in Schedule A is reasonable and equitable, (ii) the cash purchase price for each block of shares allocated to each apartment as shown on Schedule A, and value of each such block of shares, are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Residential Unit (as defined in the Offering Plan) attributable to each such apartment and (iii) the contribution by Sponsor and Suna/Levine Industries, Inc. to the capital of the Apartment Corporation and the value of the shares that they each own are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Residential Unit attributable to the apartments to which such shares are allocated. We are also of the opinion that such reasonable relationship will continue until the Offering Plan is consummated, at which time, if such be the case, we will give you a further written opinion that such reasonable relationship has continued until such time and that the cash purchase price paid for each block of shares meets that standard.

Central Harlem Partnership Plaza, LLC
January 12, 2000

You have advised us of your intention to include a copy of this letter in the Offering Plan and we hereby consent to such incorporation.

Metro Management Development, Inc., is a real estate/brokerage firm that has been in business for 15 years specializing in the residential market in the New York Metropolitan area. Our firm has frequently been retained as selling agent and/or consultant for cooperative and condominium offerings.

The undersigned has no beneficial interest in the Apartment Corporation or Sponsor, and its compensation for preparing this opinion is not contingent upon the profitability of the offering.

Very truly yours,

By:

Name: Irving Nemetsky
Title: President

ROBINSON SILVERMAN PEARCE ARONSOHN & BERMAN LLP

1290 AVENUE OF THE AMERICAS

NEW YORK, NEW YORK 10104

(212) 541-2000

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WRITER'S DIRECT NUMBER:

(212) 541-2000

WRITER'S DIRECT FACSIMILE:

WRITER'S E-MAIL ADDRESS:

J. ATTORNEYS INCOME TAX OPINION

April 14, 2000

Central Harlem Partnership Plaza, LLC
c/o Levine Builders
42-09 235th Street
Douglaston, New York 11363

Re: Offering Plan for Cooperative Ownership
of the Residential Unit of Renaissance Condominium
130 Malcolm X Boulevard
New York, New York 10026

Gentlemen:

You have requested our opinion as to whether Renaissance Housing Development Fund Corporation (hereinafter the "**Apartment Corporation**"), a corporation organized under Article XI of the Private Housing Finance Law and Section 402 of the Business Corporation Law of the State of New York, pursuant to an Offering Plan to Convert to Cooperative Ownership the Residential Unit of the Renaissance Condominium (hereinafter the "**Plan**"), promulgated by you (hereinafter the "**Sponsor**") will qualify as a cooperative housing corporation as defined in Section 216 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and whether the stockholders of the Apartment Corporation will be entitled to deduct for Federal, New York State and New York City income tax purposes their proportionate share of the real estate taxes and mortgage interest paid or incurred by the Apartment Corporation on the Residential Unit (hereinafter the "**Property**"), after the Apartment Corporation acquires legal title to the Property on the Cooperative Conversion Date. You also have asked us to discuss some of the ancillary tax consequences.

We prepared the Certificate of Incorporation (including any amendments thereto) and By-laws of the Apartment Corporation. We also prepared the Plan and reviewed all the underlying schedules and documents set forth therein.

Unless the context requires otherwise, capitalized terms used in this opinion have the same meaning as in the Plan.

CONCLUSION

Based solely on the Plan and documents mentioned above as well as the validity and correctness of the assumptions later set forth, if Sponsor duly transfers shares of the Apartment Corporation that it does not retain to persons that are qualifying tenant-stockholders within the meaning of Section 216 of the Code, and if the respective owners (including Sponsor) of each and every block of shares allocated to an apartment under the Plan shall have executed a Proprietary Lease (or succeeded to the lessee's interest thereunder by assignment and assumption, as applicable) covering the respective apartment to which the shares are allocated (individually, an "**Apartment**" and collectively the "**Apartments**"), in accordance with the terms of the Plan, it is our opinion that in any taxable year in which at least eighty (80%) percent of the gross income of the Apartment Corporation is derived from qualified tenant-stockholders:

1. The Apartment Corporation will qualify for such year as a cooperative housing corporation as presently defined in Section 216 of the Code; and

2. Each tenant-stockholder who itemizes deductions will be entitled, under present tax laws and regulations, to deduct for Federal, New York State and New York City income tax purposes that portion of the maintenance charges paid by that tenant-stockholder to the Apartment Corporation that represents that tenant-stockholder's proportionate share of (a) real estate taxes allowable as a deduction to the Apartment Corporation which are paid or incurred by the Apartment Corporation (within the taxable year of such tenant-stockholder) on the Property and (b) interest allowable as a deduction to the Apartment Corporation which is paid or incurred by the Apartment Corporation (within the taxable year of such tenant-stockholder), with respect to mortgage indebtedness on the Property incurred by the Apartment Corporation in connection with acquisition, construction, alteration, rehabilitation or maintenance of the Property. The amount of such interest deduction, however, may be subject to certain limitations set forth in Section 163(h) of the Code, as described below. The amounts deductible under clauses (a) and (b) above are limited to the extent that such tenant-stockholder has paid during such taxable year to the Apartment Corporation amounts representing such proportionate share of taxes and interest incurred by the Apartment Corporation.

We note that under certain circumstances such deductions for real estate taxes and interest may not be deductible (in whole or in part) in the computation of the alternative minimum tax imposed under Section 55 of the Code.

DISCUSSION

Pursuant to Section 216 of the Code, a tenant-stockholder (as defined in the Code) of a qualified cooperative housing corporation is allowed to deduct that portion of the amounts paid by that tenant-stockholder to the cooperative housing corporation within that tenant-stockholder's taxable year, that represents that tenant-stockholder's proportionate share of (a) real estate taxes allowable as a deduction to the corporation paid or incurred by the corporation on the building and the land on which such building is situated, and (b) interest allowable as a deduction to the corporation paid or incurred by the corporation on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation or maintenance of the building or in the acquisition of the land on which the building is situated.

To qualify as a cooperative housing corporation within the meaning of Section 216 of the Code, the following four (4) fundamental requirements must be met:

First Requirement: The corporation may have only one class of stock outstanding.

Since the Apartment Corporation's Certificate of Incorporation provides that the Apartment Corporation is authorized to issue only a single class of stock, this requirement should be satisfied provided that no other inconsistent action is taken by the Apartment Corporation or its stockholders.

It should be noted, however, that Sponsor and holders of Unsold Shares have certain obligations under regulations promulgated by the Department of Law (collectively, the "Regulatory Requirements"), which Regulatory Requirements are incorporated into the Proprietary Lease. In addition, Sponsor has certain obligations under the SONYMA Commitment to secure its Maintenance obligations for Unsold Shares (collectively, the "SONYMA Requirements"). The Regulatory Requirements and the SONYMA Requirements do not apply to other stockholders. In addition, certain provisions of the Proprietary Lease do not apply to sales under the Offering Plan, which sales, as a practical matter will be made only by Sponsor and holders of Unsold Shares, if any. As a result, the Internal Revenue Service (the "**Service**") might take the position that the Apartment Corporation does not satisfy the one class of stock requirement and therefore does not constitute a cooperative housing corporation under Section 216.

Although there is no authority directly on this point, it is our opinion that (i) the provisions of the Proprietary Lease that are inapplicable to sales under this Plan do not differentiate based on the type of Shares or identity of the owners thereof, but instead differentiate based on the nature of the transfer and (ii) in any event, the distinctions created by such Proprietary Lease provisions, by the Regulatory Requirements and by the SONYMA Requirements arise from the Proprietary Lease and/or government regulations or mortgage insurance requirements rather than from the Apartment Corporation's corporate documents (i.e., the Certificate of Incorporation and By-laws), and therefore, for purposes of Section 216, the Apartment Corporation should not be treated as having more than one class of stock as the result of such provisions. Nevertheless, the foregoing represents merely an opinion of counsel and there can be no assurance that the Service will not successfully assert that the Apartment Corporation should be treated as having a second class of stock.

Second Requirement: Each stockholder must be entitled, solely by reason of that stockholder's ownership of the corporation's shares, to occupy for dwelling purposes an apartment in the building owned or leased by the corporation.

Under the Plan, as well as under the Certificate of Incorporation of the Apartment Corporation, each stockholder will be entitled solely by virtue of that stockholder's ownership of Shares in the Apartment Corporation, to a Proprietary Lease covering the Apartment to which that stockholder's block of shares is allocated. The Proprietary Lease will have an original term of at least fifty (50) years and grants the lessee the right to occupy the Apartment for dwelling purposes. Consequently, this requirement of the Code appears to be satisfied, assuming such Proprietary Lease is in fact issued to each and every stockholder concurrently with the issuance of the certificate for that stockholder's shares.

Third Requirement: No stockholder is entitled (either conditionally or unconditionally) to receive any distribution not out of earnings and profits of the corporation except on a complete or partial liquidation of the corporation.

The Certificate of Incorporation of the Apartment Corporation provides that no holder of any Shares of the Apartment Corporation shall be entitled, either conditionally or unconditionally, to receive any distribution not out of earnings and profits of the Apartment Corporation and the By-laws of the Corporation contain a similar provision. Accordingly, this statutory requirement is met.

Fourth Requirement: Eighty (80%) percent or more of the corporation's gross income for the taxable year in which real estate taxes and mortgage interest are paid or incurred by the corporation must be derived from tenant-stockholders.

The term "tenant-stockholder" is defined in the statute to mean a person ". . . whose stock is fully paid-up in an amount not less than an amount . . . bearing a reasonable relationship to the portion of the value of the corporation's equity in the . . . apartment building and the land on which situated which is attributable to the . . . apartment which such person is entitled to occupy."

This last statutory requirement contains three distinct, but interdependent, tests to be met as will be explained below.

A. The first test is commonly called the "eighty (80%) percent gross income" test.

In the Plan, pursuant to the Apartment Corporation's Projected Operating Budget for the First Year of Cooperative Operation (the **"Projected First Year"**), the Apartment Corporation is projected to receive at least eighty (80%) percent of its gross income from the maintenance charges to be paid by the tenant-stockholders under their respective Proprietary Leases. Under the terms of the Plan, the Apartment Corporation is projected to receive rental income from the laundry lease which will not qualify as income received from a tenant-stockholder and interest income from reserve funds on deposit. Based on the foregoing information, during the First Year of cooperative ownership the projected non-qualifying income constitutes less than 20% of the gross income of the Apartment Corporation. Assuming the budget projections prove to be accurate, and further assuming the other two interdependent tests (and the other requirements described in this opinion) are satisfied, then, except for the issue discussed in the following paragraph, it is our opinion that the eighty (80%) percent gross income test would be satisfied during the Projected First Year.

However, it is possible that the Service could assert that the eighty (80%) percent gross income test will not in fact be satisfied for the first year of cooperative operation, because the Apartment Corporation will likely receive income prior to the Cooperative Conversion Date at a time that it does not own legal title to the Residential Unit. For example, it is anticipated that prior to the Cooperative Conversion Date, Sponsor will rent Apartments on an interim basis to Purchasers who have executed Purchase Agreements (see the section of the Plan entitled "**Procedure to Purchase and Close**") and will in turn pay "maintenance" to the Apartment Corporation (most likely based on the expenses of operating the Residential Unit, and not based on "maintenance" as set forth in the Plan). The Service could assert that such "maintenance" paid by Sponsor prior to transfer of legal title to the Residential Unit to the Apartment Corporation is not qualifying income for purposes of the eighty (80%) percent gross income test. Nevertheless, although the matter is not free from doubt, in our opinion the Apartment Corporation should be treated as the beneficial owner of the Property during such period, so that the lack of legal title should not prevent the income from being qualifying income for purposes of the eighty (80%) percent gross income test.

If the Apartment Corporation does not qualify as a cooperative housing corporation for any year for the foregoing reason or for any other reason, then (i) tenant-stockholders will not be permitted to deduct for such year (a) their share of the Apartment Corporation's interest expense and real estate taxes and (b) interest on any loan owed by a tenant-stockholder secured by the Shares and Proprietary Lease attributable to an Apartment, and (ii) tenant-stockholders who use their Apartment as their primary residence will not be eligible for the exclusion from income under Section 121 of the Code of up to $250,000 ($500,000 for joint returns) upon the sale of the Apartment during such year and probably will not be able to count the period for which the Apartment Corporation did not qualify as a cooperative housing corporation for purposes of meeting certain requirements necessary to use such exemption during a subsequent year.

B. The second interdependent test pertains to the identity of the tenant-stockholder.

Under Section 216(b)(2) of the Code, a tenant-stockholder is defined to include any "person" satisfying certain stock ownership requirements in a cooperative housing corporation. Section 7701(a)(1) of the Code defines "person" as an individual, a trust, estate, partnership, association, company or corporation. Thus, an individual, a trust, estate, partnership, association, company or corporation may be a tenant-stockholder. In addition, although not specifically listed, a limited liability company, the member or members of which consist of the enumerated "persons," may be a tenant-stockholder.

C. The third interdependent test is customarily referred to as the "reasonable relationship" test.

The Internal Revenue Service has interpreted this provision to require that each block of shares be fully paid up in an amount at least equal to an amount as bears ". . . a reasonable relationship to the portion of the fair market value, as of the date of the original issuance of the stock, of the corporation's equity in the building and the land on which it is situated which is attributable to the apartment . . . which such individual is entitled to occupy." Treasury Regulation § 1.216-1(e).

This is in essence a twofold test: (i) the shares must be "fully paid up," and (ii) the amount paid must be at least equal to a price that bears a reasonable relationship to the fair market value of the corporation's equity in the property. The proper time for applying such twofold test is the first time shares are issued (or sold) under the plan of cooperative ownership (generally when the Apartment Corporation first qualifies under Section 216 of the Code). See Rev. Rul. 73-444, 1973-2 C.B. 76; G.C.M. 38999 (June 16, 1983).

Regarding the first part of the test, (i) as regards Sponsor and Suna/Levine Industries, Inc. ("**Suna/Levine**"), the cash they contributed to the Apartment Corporation in exchange for their respective issued Shares exceeded the par value, if any, of the Shares, and (ii) the cash purchase price (the "**Purchase Price**") of each block of Shares set forth in the Plan exceeds the par value, if any, of the Shares. Assuming the full Purchase Price under each Purchaser's Purchase Agreement is paid (including the par value of the Shares) and assuming further that those Shares of the Apartment Corporation not sold or fully paid for on the Cooperative Conversion Date by third-party purchasers are retained by Sponsor as Unsold Shares, then in our opinion, the "fully paid up" test should be met.

With respect to the second part of the test, you have represented (and have agreed to reconfirm such representations upon consummation of the Plan) that the construction costs not funded by third party borrowing are being contributed by Sponsor and Suna/Levine. You have also represented that as between Sponsor and Suna/Levine, contributions to the Apartment Corporation are made in the ratio of the Shares owned by each. Marketing Consultant has rendered its opinion that (i) the distribution of Shares shown in

Schedule A is reasonable and equitable, (ii) the contribution by Sponsor and Suna/Levine to the capital of the Apartment Corporation in exchange for Shares therein and the value of the Shares owned by Sponsor and Suna/Levine are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Property attributable to the Apartments to which such Shares are being allocated, and (iii) the Purchase Price set forth in the Plan (and value) of each block of Shares are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Property attributable to the Apartment to which the block of Shares is allocated. You have agreed to obtain a new opinion letter from the Marketing Consultant or similar expert, when the Plan is consummated, which letter will state that these three conditions continued to be satisfied until and including such time.

You have also agreed that if the Apartment Corporation does not satisfy the eighty (80%) percent gross income test for the first year of cooperative operation, you will obtain a new opinion letter as of the first day of the following taxable year (and as of the first day of each successive taxable year until at least one year has passed during which the eighty (80%) percent gross income test has been satisfied), which letter will state (i) that the above conditions continue to be satisfied as of that date and (ii) that the value of the shares owned by each shareholder as of that date is not less than amount that bears a reasonable relationship to the fair market value of the portion of the Apartment Corporation's equity in the Property attributable to the Apartments to which such shares are allocated.

In addition, you have agreed in the Plan not to change the Purchase Price of any block of shares until after the later of the consummation of the Plan or the passage of the first year in which the eighty (80%) percent gross income tax has been satisfied, unless the Marketing Consultant opines that the new purchase price continues to satisfy such reasonable relationship test.

Based on the representations of Sponsor, and assuming (i) that Sponsor reaffirms such representations upon consummation of the Plan, (ii) that Marketing Consultant reaffirms its opinion upon consummation of the Plan, (iii) that the opinions of Marketing Consultant are valid and correct in all respects, but without passing upon the accuracy of such opinions and (iv) that the terms of the Plan are strictly observed, then in our opinion, the reasonable relationship test appears to be met.

Section 163(h) of the Code contains certain limitations on the deductibility of interest paid or accrued by taxpayers other than corporations. Under Section 163(h) of the Code, a deduction is allowed, subject to the limitations contained in the following sentence, for interest which is paid or accrued during the taxable year by an individual on (i) any indebtedness incurred in acquiring, constructing, or substantially improving his or her principal residence or specifically selected secondary residence (each a "qualified residence") ("**Acquisition Indebtedness**") and (ii) interest on any indebtedness (other than Acquisition Indebtedness) secured by a "qualified residence" ("**Equity Indebtedness**") to the extent the aggregate amount of such Equity Indebtedness does not exceed the fair market value of such "qualified residence" less any Acquisition Indebtedness with respect to such "qualified residence". However, the aggregate amount treated as Acquisition Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and the aggregate amount treated as Equity Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed $100,000 ($50,000 in the case of a separate return by a married individual). In addition, there are special rules concerning certain indebtedness incurred before October 14, 1987 and refinancings thereof.

The above limitations are likely to apply to a tenant-stockholder's allocable share of the interest paid or accrued by a cooperative housing corporation with respect to indebtedness incurred to acquire, construct or maintain the houses or apartment buildings it owns, and in Internal Revenue Service Publication 936 (1999), the Service has informally so interpreted such limitations to apply.

We note that the current provisions of the New York State Tax Law and the New York City Administrative Code do not contain any separate, independent requirements in order to be qualified to take the above-described tax deductions. Rather, these statutes permit tenant-stockholders to automatically deduct for State and City income tax purposes their proportionate share of the real estate taxes and mortgage interest paid or incurred by the Apartment Corporation to the same extent such deductions are allowed under Section 216 of the Code.

Based on the foregoing, and provided that the Shares of the Apartment Corporation are retained by Sponsor or are duly transferred to persons considered to be qualified tenant-stockholders within the meaning of Section 216 of the Code, that Proprietary Leases for each Apartment at the Property offered for sale under this Plan are executed by the Apartment Corporation and the owner of Shares allocated to such Apartment, and that the "reasonable relationship" opinion letters and Sponsor representation letters referred to in this opinion are obtained, then:

1. It is our opinion that in any taxable year in which 80% or more of the Apartment Corporation's gross income is derived from qualified tenant-stockholders, the Apartment Corporation will qualify as a cooperative housing corporation for such year within the meaning of Section 216 of the Code and each tenant-stockholder who itemizes deductions will be entitled to deduct for Federal, New York State and New York City income tax purposes (other than for Federal alternative minimum tax purposes) that tenant-stockholder's proportionate share of:

(a) real estate taxes allowable as a deduction to the Apartment Corporation which are paid or incurred by the Apartment Corporation (within the taxable year of such tenant-stockholder) on the Property, and

(b) interest allowable as a deduction to the Apartment Corporation which is paid or incurred by the Apartment Corporation (within the taxable year of such tenant-stockholder) on mortgages which encumber the Property and which were incurred to acquire, construct, alter, rehabilitate or maintain the Property (the amount of such interest deduction, however, may be subject to certain limitations set forth in Section 163(h) of the Code, as described above).

The amounts deductible under clauses (a) and (b) above are limited to the extent that such tenant-stockholder has paid during that tenant-stockholder's taxable year to the Apartment Corporation amounts representing such proportionate share of taxes and interest incurred by the Apartment Corporation.

2. If, by reason of the receipt of income not derived from tenant-stockholders, less than 80% of the Apartment Corporation's gross income for any taxable year is derived from tenant-stockholders, the Apartment Corporation will not qualify as a cooperative housing corporation under Section 216 for such year and (i) tenant-stockholders will not be permitted to deduct for such year (a) their share of the Apartment Corporation's interest expense and real estate taxes and (b) interest on any loan owed by a tenant-stockholder secured by an Apartment; (ii) tenant-stockholders who use their Apartment as their primary residence will not be eligible for the exclusion from income under Section 121 of the Code of up to $250,000 ($500,000

for joint returns) upon the sale of the Apartment during such year and probably will not be able to count the period for which the Apartment Corporation did not qualify as a cooperative housing corporation for purposes of meeting certain requirements necessary to use such exemption during a subsequent year.

The terms of the HPD Note and the HPD PM Note each provide that the indebtedness will expire or be deemed satisfied without further payment at maturity. The two exceptions to such forgiveness are: (i) the indebtedness is not forgiven to the extent the Apartment Corporation does not abide by the terms of the HPD Regulatory Agreement or the applicable mortgage or note, and (ii) once the HDC Subordinate Note is paid in full, owners of Apartments (other than Sponsor) who sell their Apartments at a profit are required to pay not more than 50% of HPD Apartment Resale Profits to the Apartment Corporation which amount the Apartment Corporation is required to pay to HPD and HPD is to apply first in reduction of the HPD Note and once that note is satisfied, in reduction of the HPD PM Note. Neither the HPD Note nor the HPD PM Note bears interest.

Although the matter is not free from doubt, in our opinion the HPD Note and the HPD PM Note (or the value of the land transferred in exchange for the HPD PM Note) should properly be viewed for income tax purposes as grants to the Partnership on behalf of the Apartment Corporation in the nature of a non-shareholder contribution to capital exempt from taxation to the Apartment Corporation under Section 118(a) of the Code. In addition, the amount of the mortgages securing the notes would be excluded from the basis of the Apartment Corporation in the Property.

In reaching our opinion, we have assumed that (i) The City of New York and its administrative agencies advanced the funds pursuant to the HPD Note and transferred land in exchange for the HPD PM Note (such funds and land collectively referred to as the "**Funds**") for a public purpose and to benefit the community at large, (ii) the Funds become a permanent part of the working capital of the Apartment Corporation, (iii) the Funds are not compensation and are not payment for services provided by the Apartment Corporation, (iv) the Funds were bargained for and were sought out by or on behalf of the Apartment Corporation, and the precise terms of the funding were negotiated, (v) the Funds will result in a benefit to the Apartment Corporation in an amount commensurate with their value and (vi) the Funds and the items on which they are expended will be employed in or will contribute to the production of additional income to the Apartment Corporation and their value is assured in that respect. See United States v. Chicago, Burlington & Quincy R.R., 412 U.S. 401 (1973); Rev. Rul. 93-16, 1993-1 C.B. 26; GCM 37354 (December 21, 1977).

If the Service were to disagree with our view as to the proper treatment of the HPD Note and the HPD PM Note or the factual assumptions underlying our analysis, the Service could assert that the entire amount of each is immediate income upon its advance, which would leave the Apartment Corporation with a substantial income tax liability. Alternatively, the Service could argue that the HPD Note and the HPD PM Note should be treated for income tax purposes as debts as to which the lender forgives a portion thereof each year or upon expiration, possibly giving rise to cancellation of indebtedness income, which could both be taxable to the Apartment Corporation and not qualify as "good" income for the eighty (80%) percent gross income test.

We express no views as to any tax consequences other than those explicitly discussed in this opinion. Specifically, this opinion does not address the tax consequences which result from ownership of an Apartment in connection with a tenant-stockholder's trade or business or for the production of income (including the possible application of the at-risk rules and the passive loss rules), limitations on itemized

deductions, any potential application of the original issue discount rates, transfer tax issues, the reasonableness of any fees, Federal income tax or New York State or New York City franchise or corporation tax liabilities of the Apartment Corporation or the computation of any such liabilities, the date that ownership is deemed to transfer for income tax purposes, any potential disallowance of interest deductions under current law or administration proposals if the Apartment Corporation should hold investments generating tax exempt interest income, and the treatment of the reserve funds, other than those explicitly discussed herein. We strongly advise that each person contemplating the purchase of an Apartment consult his or her own tax advisor as to all tax matters (including the tax matters discussed in this opinion).

The opinions expressed above are based on our interpretation of existing tax laws, applicable regulations and rules of the Treasury Department and court decisions construing such rules and regulations. Although we believe our opinions are well founded, they involve areas as to which the law is not entirely clear and they are not intended, and should not be construed, as warranties. No assurance can be given that the tax laws upon which we based the opinions expressed above will not change, or that the taxing authorities and the courts will agree with such opinions. In no event will Sponsor, Seller, Sponsor's counsel, Seller's counsel, the Apartment Corporation, counsel to the Apartment Corporation, or any other person be liable if the Apartment Corporation ceases to meet the requirements of Section 216 of the Code or the comparable New York State or New York City income tax laws, if there are changes in the facts on which we relied in issuing this opinion, or if there are changes in the applicable statutes, regulations, decisional law or rulings on which we relied. Finally, we have not passed upon the accuracy of any figures or estimates contained in the Plan and do not warrant the amount deductible from income tax for any period, assuming such tax deductions are allowed, or the amount that tenant-stockholders may save in Federal, New York State or New York City income taxes, if any, as a result of such deductions.

You have advised us of your intention to reproduce this letter in the Plan and we hereby consent to such use.

Very truly yours,

Robinson Silverman Pearce Aronsohn & Berman LLP

Robinson Silverman Pearce
Aronsohn & Berman LLP

Statement Regarding Internal Revenue Code § 277 and Subchapter T

As is more fully discussed in Note 14 in "Schedule B -- Apartment Corporation's Projected Operating Budget for the First Year of Cooperative Operation," the Apartment Corporation may contest the applicability of Section 277 and Subchapter T to itself, if the IRS asserts either provision's applicability.

However, as set forth in the projected budget, the Apartment Corporation is projected to receive certain income from sources other than Tenant-Shareholders (i.e., rent under the Laundry Lease). In addition, it is possible that the Apartment Corporation may realize income from investment of the various reserve funds described in this Plan or other funds it may obtain from time to time. If the total income from these sources exceeds the Apartment Corporation's expenses attributable to earning such income, such excess income may be taxable to the Apartment Corporation under Section 277 of the Code, notwithstanding that the Apartment Corporation may otherwise incur a net loss for the year. Thus, if Section 277 is determined to apply to the Apartment Corporation, then even if the Apartment Corporation has no net income, or incurs a net loss after taking depreciation into account, it may incur some income tax liability.

Also as discussed in Note 14 in "Schedule B -- Projected Budget for the First Year of Cooperative Operation," if it is determined that Subchapter T of the Code, rather than Section 277 applies to the Apartment Corporation, these or similar results might apply to the Apartment Corporation.

In either of such events, if the Apartment Corporation's applicable reserve fund or any budgeted reserve for contingencies is insufficient to pay the resulting taxes, the Apartment Corporation may have to increase Maintenance charges payable by Tenant-Shareholders to cover such tax payment.

Finally, it is possible that a taxing authority might also contend that any such excess income should be treated for tax purposes as a dividend to Tenant-Shareholders, to the extent such excess income is used for the operation, maintenance or improvement of the Residential Unit even though such excess income is not actually distributed to Tenant-Shareholders.

K. REAL ESTATE TAX BENEFITS

Sponsor, through Sheldon Lobel, P.C., Sponsor's Real Estate Tax Counsel, has obtained a Declaratory Ruling from HPD dated January 7, 1999 (the "**Prior Opinion Letter**") regarding the eligibility of the Residential Unit for tax benefits pursuant to Section 421-a of the Real Property Tax Law ("**Section 421-a**").

Real Estate Tax Counsel has provided its own opinion as to eligibility of the Residential Unit for Section 421-a Benefits, a copy of which opinion follows this page, as Section K.1 of this Plan. The HPD Prior Opinion Letter, a copy of which is attached to Real Estate Tax Counsel's opinion letter, concludes that based on information provided by Real Estate Tax Counsel, the Residential Unit will be eligible for a construction period partial tax exemption and a 25-year post-construction partial tax exemption, as provided by Section 421-a.

As set forth in the attached letters, the Section 421-a program as it applies to the Residential Unit provides for a "mini-tax" based on the Residential Unit's proportionate share of the assessed value of the Property in the fiscal year immediately preceding commencement of construction throughout the 25-year tax-benefit period, based on the applicable tax rate in each of these 25 years. As construction commenced in July 1999, the mini-tax will be based on the Residential Unit's proportionate share of the assessed value of the Property during the 1998/99 tax year.

The Section 421-a program also provides for 100% exemption on the assessed value of the improvements for the first 21 years after completion (as evidenced by a temporary or permanent certificate of occupancy), 80% exemption in year 22, 60% exemption in year 23, 40% exemption in year 24 and 20% exemption in year 25, with full taxes due and payable commencing with the 26th year following completion of the Residential Unit.

Sponsor represents that it will keep all records required by HPD to obtain 421-a Benefits and will make said records available to HPD whenever reasonably requested to do so. Sponsor will make all 421-a Benefit documents available to the Apartment Corporation upon request, for inspection and copying for the duration of the 421-a Benefits.

Notwithstanding anything above or in either of the attached letters to the contrary, Sponsor makes no representation or warranty that the Residential Unit will receive Section 421-a Benefits, and no representation or warranty as to the date such benefits will take effect if they are received.

K.1. 421-a Opinion Letter

Sheldon Lobel, P.C.

ATTORNEYS AT LAW

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Roger H. Bennett, P.E.
Anthony J. Patrissi, P.E.

January 21, 2000

Central Harlem Partnership Plaza, LLC
C/O Levine Builders
42-09 235th Street
Douglaston, New York
11363

Re: 421-A Opinion Letter
Residential Unit of the Renaissance Condominium
Block 1600, Lot 1002
130 Malcolm X Boulevard
New York, New York (the "Premises")

Dear Sir/Madam;

You have requested that our office advise you as to the applicability of the City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a") to the Premises. Enclosed please find our opinion pertaining to said tax exemption.

The opinions expressed herein are given as of the date hereof, and we assume no obligation to update or supplement such opinions to reflect, or to otherwise advise the addressee named above or any person or entity of, any fact or circumstance that may hereafter come to our attention or any change in law that may hereafter occur or become effective. This opinion letter has been rendered for Central Harlem Partnership Plaza, LLC for the purpose of inclusion within their offering plan. Except as provided in the preceding sentence, the opinions continued herein may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose without our prior written consent in each instance.

Sincerely,

Eric Palatnik

Sheldon Lobel

January 21, 2000
421-A Opinion Letter
Residential Unit of the Renaissance Condominium
Block 1600, Lot 1002
130 Malcolm X Boulevard
New York, New York (the "Premises")

OPINION LETTER PERTAINING TO THE APPLICABILITY OF THE CITY OF NEW YORK'S PROGRAM FOR PARTIAL REAL ESTATE TAX EXEMPTION UNDER SECTION 421-A OF THE REAL PROPERTY TAX LAW OF THE STATE OF NEW YORK TO THE RESIDENTIAL CONDOMINIUM UNIT AT 130 MALCOLM X BOULEVARD, NEW YORK, NEW YORK (THE "PREMISES")

1. **Applicability of 421-a:**

Under Section 421-a, new multiple dwellings located outside the geographic exclusion area (which the Premises is) containing not less than three (3) dwelling units, subject to compliance with Section 421-a requirements and regulations (said regulations including, but not limited to Chapter 6, Tax Exemption Pursuant to Section 421-a of the Real Property Tax Law and Section 11-245 of the Administrative Code of the City of New York and hereinafter "Regulations") , shall be exempt from taxation for increased assessed valuation, for local purposes, other than assessments for local improvements, for a period not to exceed twenty five (25) years after the taxable status date (January 5 or such other date as may be established by legislation) immediately following completion of construction. Said exemption is contingent upon construction commencing on or after January 1, 1975 and completion occurring no later than December 31, 2001.

Multiple dwellings which satisfy all of the requirements of Section 421-a, which the Premises does, which have received a Preliminary Certificate of Eligibility, shall be exempt from taxation for increased assessed valuation, for local purposes, other than assessments for local improvements, over the prior assessed valuation during the statutorily defined period of construction, or for a period of three (3) years, whichever is less, provided that taxes shall be paid in each tax year in which full or partial exemption is in effect on the prior assessed valuation. Once construction is completed and a Certificate of Occupancy is issued, the following chart outlines the percent of increased valuation which will be exempt;

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Year	Percent of Increased Valuation Which Will Be Exempt
First through Twenty First	100%
Twenty-Second	80%
Twenty-Third	60%
Twenty-Fourth	40%
Twenty-Fifth	20%
Twenty-Sixth	0%

By its terms, Section 421-a allows the exemption to apply to commercial, community facility and accessory use space in a multiple dwelling granted tax exemption pursuant to Section 421-a to the extent that the aggregate floor area of such space does not exceed twelve (12) percent of the aggregate floor area of such multiple dwelling. When the aggregate floor area of such commercial, community facility, and accessory use space exceeds twelve (12) percent, the tax exemption is reduced by an amount equal to the percent of the aggregate floor area above said twelve (12) percent. As the Premises contains no commercial, community facility or accessory use space, this qualification is not an issue.

2. Site Requirements:

For a project to be eligible for 421-a benefits, the land on which it is located must have been "vacant, predominantly vacant, underutilized, or improved with a non-conforming use on the operative date". "Operative Date" means, in the case of this project, thirty six (36) months prior to the Commencement of Construction.

As construction commenced in July of 1999, the Operative Date occurred in July of 1996 in fiscal year 1995/96. As the certified copy of the Department of Finance's printout showing the actual assessed valuation of improvements on the Premises in the 1995/96 fiscal year was zero, the land on which the Premises is located qualifies as vacant land for the purposes of Section 421-a.

3. Construction Requirements:

In a building containing more than one hundred (100) dwelling units (the Premises, as proposed, contains more than one hundred (100) dwelling units), not less than ten (10) percent of the dwelling units must contain at least 4.5 zoning rooms (as defined

in the Zoning Resolution of the City of New York) and not less than an additional fifteen (15) percent of the dwelling units must contain at least 3.5 zoning rooms.

The proposed Premises will consist of approximately 241 dwelling units, of which at least ten (10) percent of the units will contain at least 4.5 zoning rooms and an additional fifteen (15) percent of the units will contain 3.5 zoning rooms. Thus, the project will satisfy the bedroom requirements.

4. Local Community Board Review:

a. Submission of Application to Local Community Board:

As the proposed project contains more than twenty (20) dwelling units, a complete copy of the application for a Preliminary Certificate of Eligibility and supporting documentation, must be sent by certified mail, or hand delivery, to the local community board for the area in which the project is located within ten (10) days of the submission of the application to the Department of Housing Preservation and Development.

b. Standards for Review:

The local community board shall have a forty-five (45) day period after receipt of such application and supporting papers to file objections with the Department of Housing Preservation and Development as to the applicant's eligibility for partial tax exemption pursuant to Section 421-a. Such objections, if any, may only be based upon an applicant's eligibility under subdivision two (2) of Section 421-a or the applicant's failure to comply with the eligibility requirements of Section 421-a Regulations. The local community board may, in its own discretion and within the forty-five (45) day period, hold a public hearing to determine whether any objections as to eligibility should be filed.

c. Notification to Community Board:

In the event the local community board files objections, the Department of Housing Preservation and Development shall make a determination thereon and notify such community board within forty-five (45) days after receipt of the objections.

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d. Review of Projects Containing More than one hundred and fifty (150) Dwelling Units:

As the Premises will contain more than one hundred and fifty (150) dwelling units, the local community board may, within thirty (30) days of the receipt of a copy of the applicant's notification, request that the Department of Housing Preservation and Development hold a public hearing solely on the question of the applicant's eligibility under subdivision two (2) of Section 421-a or the applicant's failure to comply with the eligibility requirements in Section 6-02 of Chapter Six (6). If such a request is made, the Department of Housing Preservation and Development shall hold a hearing before the Commissioner or other person or persons whom he or she may designate, make a determination, and notify the community board within forty-five days after such hearing.

5. Procedures:

An application for a Preliminary Certificate of Eligibility must be made to the Department of Housing Preservation and Development after the commencement of construction but prior to the issuance of either a Temporary Certificate of Occupancy for all residential areas or a Permanent Certificate of Occupancy. If after review, the Department of Housing Preservation and Development finds that the project qualifies under Section 421-a and approves the application, the Department of Housing Preservation and Development will issue a Preliminary Certificate of Eligibility which is conditioned upon the filing and approval of an application for a final Certification of Eligibility.

Copies of both the Preliminary Certification of Eligibility and the Final Certification of Eligibility must be filed with the Finance Department at stated times.

You or your architect, or both, as may be appropriate, have represented to us that:

A. The application for a Preliminary Certificate of Eligibility will be signed by the owner. Said application will be made to the Department of Housing Preservation and Development after the commencement of construction, but prior to the issuance of either a Temporary Certificate of Occupancy for all residential areas or a Permanent Certificate of Occupancy.

B. The application for a Preliminary Certificate of Eligibility shall consist of an affidavit, in the form required by the Department of Housing Preservation and Development and shall include a sworn statement by the owner, together with certifications by certified public accountants, appraiser, engineers and architects

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where required, attesting to the accuracy of information provided to the Department of Housing Preservation and Development concerning the eligibility of the Premises pursuant to the 421-a Regulations. This sworn statement shall include a statement of the following;

i. Total project costs of the Premises.
ii. Compliance with eligibility requirements, including;

a. Statement of the conditions of the Premises as of thirty-six (36) months prior to the commencement of construction, or as of October 1, 1971, along with sufficient documentation to demonstrate the conditions of the Premises as to the satisfaction of the Department of Housing Preservation and Development.
b. A statement of the number of occupied dwelling units in existence at the Premises on December 31, 1974.

c. A statement that the proposed multiple dwelling at the Premises will contain not less than three (3) dwelling units.

d. A statement that upon completion of the project, at least fifteen (15) percent of the dwelling units will contain at least 3.5 zoning rooms and at least ten (10) percent of the dwelling units will contain at least 4.5 zoning rooms.

e. The submission to the Department of Housing Preservation and Development of one set of plans approved by the Department of Buildings, as evidenced by a seal of the Department of Buildings thereon or an architect's affidavit that such plans are so approved.

C. An application for a Final Certificate of Eligibility will be filed with the Department of Housing Preservation and Development which shall consist of an affidavit in the form required by the Commissioner of the Department of Housing Preservation and Development and shall include;

i. A sworn statement of the actual project costs of the Premises.
ii. A statement of the date of completion of the Premises.

D. The application for a Final Certificate of Eligibility will be filed prior to the first taxable status date following the completion of construction of the Premises. In the event such application is not timely filed, 421-a benefits shall be revoked

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where the failure to file such application has resulted in the extension of the construction benefit period beyond the actual period of construction.

Subject to the accuracy of the foregoing representations and to the qualification set forth in the penultimate paragraph of this letter, if (1) construction of the Premises was commenced after January 1, 1975 pursuant to a new building permit for an entire new building (which has, in fact, occurred), (2) installation of footings and foundations is completed without undue delay after such commencement, and your architect or professional engineer so certifies to the Department of Housing Preservation and Development in accordance with the Regulations, (3) the proposed Premises is constructed substantially in accordance with plans and specifications approved by the New York City Department of Buildings and complies with the requirements of Section 421-a, the Regulations and the Department of Housing Preservation and Development and the Department of Housing Preservation and Development is notified of any modifications to the plans for the proposed residential portion of the Premises, (4) the Department of Housing Preservation and Development determines that the Premises meets the pertinent eligibility requirements pursuant to the provisions of Section 421-a and the Regulations, (5) the application for a Preliminary Certificate of Eligibility is signed by the owner. (6) said application is made to the Department of Housing Preservation and Development after the commencement of construction, but prior to the issuance of either a Temporary Certificate of Occupancy for all residential areas or a Permanent Certificate of Occupancy, (6) the application for a Final Certificate of Eligibility is filed prior to the first taxable status date following the completion of construction, and (7) there is no change in section 421-a, the Regulations or decisional law, then the Premises would appear to be eligible for the partial real estate tax exemption provided under Section 421-a.

If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of the Department of Housing Preservation and Development, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the Premises would not qualify for partial real estate tax exemption provided under Section 421-a.

The statements contained herein are based on existing law as contained in Section 421-a and the Regulations. The existing law, as presently interpreted, is subject to change by either new legislation , or by new or differing interpretation in regulations, administrative pronouncements or court decisions, any of which, could, by retroactive application or otherwise, adversely affect any tax exemption under Section 421-a.

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We have been retained by you to undertake the procedures outlined in this letter, and in that capacity, have obtained a Declaratory Ruling from the Department of Housing Preservation and Development regarding site eligibility of the Premises for tax benefits pursuant to Section 421-a of the Real Property Tax Law. We attach said Ruling, dated January 7, 1999, hereto.

We make no representations and express no opinion as to whether or not any of all of the requirements and conditions set forth herein will be fulfilled.

Very truly yours,

SHELDON LOBEL, P.C.
By: Eric Palatnik

The City of New York

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
RICHARD T. ROBERTS, Commissioner

Office of the Commissioner
DIVISION OF TAX PROGRAMS AND POLICY
100 GOLD STREET, NEW YORK, N.Y. 10038

ALICIA GLEN, Assistant Commissioner

January 7, 1999

Vincent L. Petraro, Esq.
Sheldon Lobel, P.C.
9 East 40th Street-14th Street
New York, NY 10016

Re: Central Harlem Partnership Plaza
West 116th Street, New York
Block: 1600, Lot: 1, 3, 7, 9, 11, 13, 19, & 69
P.O. No. 986 (§ 421-a)

Dear Mr. Petraro:

I am writing in response to your letters dated December 3, 1998, and January 5, 1998, in which you request a Declaratory Ruling regarding the eligibility of a construction project (the "Project") at the above referenced site (the "Site") for tax benefits pursuant to Section 421-a of the Real Property Tax Law ("§ 421-a").

I. Eligibility Requirements

To be eligible for § 421-a tax benefits, the Project must comply with each of the eligibility requirements set forth in Chapter 6 of Title 28 of the Rules of the City of New York (the "Rules"). The application of these requirements to the Project is discussed in detail below. Capitalized terms not defined herein have the respective meanings given in the Rules.

A. Location Requirements

1. Geographic Exclusion Area Limitation

Sections 6-02(b)(3) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for § 421-a tax benefits only if carried out with Substantial Governmental Assistance or if affordable units are created in accordance with the requirements of § 6-08 of the Rules.

The Project is not located in the Geographic Exclusion Area and is therefore not subject to these limitations. BAP

1/7/99

2. Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02(c) bar § 421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a Private Park. You state and we assume that the Site does not fall within either category.

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for § 421-a benefits, the land on which it is located must have been "vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date." "Operative Date" means, in the case of the Project, thirty-six (36) months prior to the Commencement of Construction.

You have indicated that construction is expected to begin in February 1999. Accordingly, the Operative Date occurred in February 1996 in fiscal year 1995/96. You have submitted a certified copy of a Department of Finance printout showing that the actual assessed valuation of improvements on the Site (Block: 1600 Lots: 1, 3, 7, 9, 11, 13, 19 & 69) in the 1995/96 Fiscal Year was zero. Accordingly, the Site qualifies as vacant for the purposes of § 421-a.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for § 421-a benefits only if it is a "new multiple dwelling." Section 6-02(c)(2) states that multiple dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and § 6-01 of the Rules provides that:

> construction shall not commence prior to issuance by the Department of Buildings of either (i) a building or alteration permit for the construction of an entirely new multiple dwelling, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained provided that

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only the floor area attributable to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the Act.

You state that the Project will be carried out pursuant to a new building permit and, upon completion, will be a newly constructed multiple dwelling constructed on land which was entirely of vacant and unimproved as of the Commencement of Construction. Accordingly, the Project will meet the requirements set forth above.

2. Not Used as a Hotel or for Single Room Occupancy

Paragraphs (3) and (4) of § 6-02(c) of the Rules deem any building or portion thereof which is used as a hotel or for single room occupancy ineligible for § 421-a benefits. You state and we assume that no such use of the Project will occur.

D. Construction Requirements

1. Number of Bedrooms

Section 6-02(e) of the Rules requires that, in buildings containing more than one hundred (100) dwelling units, not less than ten percent (10%) of the dwelling units contain at least 4½ rooms (as defined in the Zoning Resolution) and not less than an additional fifteen percent (15%) of the dwelling units contain at least 3½ rooms.

You state that the Project will consist of approximately 241 dwelling units, of which at least 10% of the units will contain at least 4½ zoning rooms and an additional 15% of the units will contain 3½ zoning rooms. Based on this statement, the Project will satisfy the bedroom requirements described in § 6-02(e) of the Rules.

2. Class A Unit Replacement

Section 6-02(e)(3) of the Rules requires that a project with more than twenty (20) dwelling units contain at least five (5) dwelling units for each Class A dwelling unit in existence during the three (3) year period preceding the Commencement of Construction.

Because the Site contained no Class A dwelling units during the specified period, the Project automatically satisfies this requirement. BAP

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E. Limitation on Other Real Estate Tax Benefits

Subdivision (2)(c)(i) of § 421-a provides that a multiple dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other law." Section 6-02(c)(1) of the Rules provides a limited exception for cooperative or condominium units which are not taxed by reason of the exempt status of the owner.

You state and we assume that the Project will not receive real estate tax benefits under any other state or local law.

F. Timing Requirements

1. Project Commencement

Section 6-02(a)(1) and (3) of the Rules requires that, for projects located either outside or in the geographic exclusion area, construction must be completed no later than December 31, 2003. You state and we assume that the Project will comply with these requirements.

2. Application Timing

Sections 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for Preliminary and Final Certificates of Eligibility. We assume that you will comply with these requirements.

G. Condominium/Cooperative Requirement

Section 6-05(d)(iii) of the Rules requires that if a project is to be owned as a cooperative or a condominium, a statement by the owner must be provided to the Office of Tax Incentive Programs (the "Office") indicating that the prospective cooperative or condominium plan has not been declared effective for filing at a time fifteen months after the issuance of a Final Certificate of Eligibility, that such owner will register these rental units with the New York State Division of Housing and Community Renewal after a stated time. If the building is not occupied, an affidavit will be prepared and submitted to the Office stating that the owner shall register all units as they become occupied. We assume you will comply with this requirement.

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H. Community Board Notice Requirement

Section 6-03 of the Rules requires that a § 421-a application for a project containing more than twenty (20) dwelling units be submitted to the community board in which the project is located. We assume you will comply with this notice requirement.

I. Rent Limitations

Section 6-04 of the Rules imposes a cap on the initial monthly rent which may be charged in a project receiving § 421-a benefits. We assume you will comply with this requirement.

II. Duration of Tax Benefits

Section 6-02(d) of the Rules establishes the duration of the § 421-a partial tax exemption.

Section 6-02(d)(5) states that a twenty-five (25) year post-construction exemption (as more particularly described therein) is available in all boroughs (except in Manhattan south of 110th Street) if a project is located in (A) a Neighborhood Preservation Program Area (as determined by the Department as of June 1, 1985), (B) a Neighborhood Preservation area (as determined by the New York City Planning Commission as of June 1, 1985), (C) an area eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation (REMIC) as of May 1, 1992, or (D) an area receiving funding for a neighborhood preservation project pursuant to the Neighborhood Reinvestment Corporation Act (42 U.S.C. §180 et seq.) as of June 1, 1985 or (ii) (A) is constructed with Substantial Governmental Assistance, or (B) is a multiple dwelling where the Department has imposed a requirement or has certified that 20 percent (20%) of the units are affordable to persons of Low and Moderate Income.

The Project is located in both a Neighborhood Preservation Program Area as well as in a Rehabilitation Mortgage Insurance Corporation (REMIC) area which satisfies the requirements set forth in § 6-02(d)(5) above. Accordingly, the Project will be eligible for a 25 year post-construction partial tax exemption pursuant to § 6-02(d)(5) of the Rules.

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III. Reduction of Benefit for Excess Commercial, Community Facility or Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by § 421-a will be reduced if the floor area of the Project's commercial, community facility and accessory use space exceeds twelve percent (12%) of aggregate floor area.

The amount of commercial, community facility and accessory use space and resulting decrease in benefits, if any, will be determined in accordance with the Rules based on the building plans for the project as built.

IV. Conclusion

Based on the information provided by you and the assumptions stated herein, we conclude that the Project will be eligible for a construction period partial tax exemption and a twenty-five (25) year post-construction partial tax exemption, as provided by § 421-a.

V. Scope of this Letter

Except as specifically stated herein, this letter is based solely upon the information provided by you and the assumptions stated herein, and we have not verified any of your statements or claims or investigated the accuracy of our assumptions. The Project must satisfy all statutory and regulatory requirements of § 421-a in order to be eligible for benefits and we cannot render a final determination regarding eligibility until all documentation required for a Certificate of Eligibility has been provided to us, reviewed and approved.

This letter relates only to the Project and the specific facts and circumstances thereof. It may not be used or relied upon in connection with any other application or project.

Each page of this letter is imprinted with the Tax Incentives raised seal, which is initialed and dated in blue ink.

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In order to expedite processing, please include a copy of this letter when you apply for § 421-a benefits.

Very truly yours,

Blondel A. Pinnock

Blondel A. Pinnock,
Deputy Director/Counsel
Tax Incentive Programs

cc: Jamie Smarr, Director, Tax Incentive Programs
Sandra F. Holder, 421-a Director
Margot Algase Sklar, Asst. to the Director, Tax Incentive Programs
Paula Brown, Director, Large Scale Planning

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L. PROCEDURE TO PURCHASE AND CLOSE

Entering into a Purchase Agreement

Sales under this Plan initially will be targeted by Sponsor to a list of preliminarily eligible potential purchasers (the "**Basic Sequence List**"), which Sponsor will establish in accordance with the requirements of the Marketing Plan attached to the HPD Regulatory Agreement (the "**Marketing Plan**"). To establish the Basic Sequence List, Sponsor will run newspaper advertisements describing the Project in a variety of newspapers. The advertisements will contain a postmark deadline date for submission of applications by interested parties (the "**Application Deadline Date**") and a phone number to call to obtain an application. Applications will be provided to individuals who call in response to the advertisements as well as to individuals who respond to other marketing and community outreach efforts by Sponsor.

The application will require applicants to supply a variety of information, including without limitation, preliminary income data, and a check or money order payable to Sponsor in the amount of $40, if applicant is a married couple purchasing together, and $25 per person for each person comprising applicant, if applicant is one person or any number of unmarried persons applying together, to cover the credit investigation fee. The credit investigation fee is non-refundable under all circumstances. In order to be included on the Basic Sequence List, applications must be complete, postmarked by the Application Deadline Date, and must be accompanied by the appropriate credit investigation fee. Applications will remain unopened at the Partnership until at least one week after the Application Deadline Date. At least one week after the Application Deadline Date, the unopened applications will be randomly ordered, given a sequential number, opened in that sequential order, and logged in that order onto the Basic Sequence List.

Applicants on the Basic Sequence List who reside in Community Board 10 in Manhattan (hereinafter "**Community Residents**") will receive preferential consideration, pursuant to the procedure described below, for 30% of the Apartments offered under the Plan (i.e., 72 Apartments). The boundaries of Community Board 10 are as follows: Central Park North on the south; Manhattan Avenue, Morningside Avenue, West 123rd Street, Manhattan Avenue, St. Nicholas Avenue, West 141st Street, Bradhurst Avenue, West 145th Street, Edgecombe Avenue and Harlem River Drive on the west; the Harlem River on the north; and Fifth Avenue, West 124th Street, Mount Morris Park West, West 120th Street and Fifth Avenue on the east.

A total of 5% of the Apartments offered under the Plan (i.e., 12 Apartments) for mobility impaired applicants (hereinafter "**Mobility Impaired Applicants**") and 2% of the Apartments offered under the Plan (i.e., 5 Apartments) for visually and hearing impaired applicants (hereinafter "**Visual/Hearing Impaired Applicants**") also will receive preferential consideration pursuant to the procedure described below.

Community Residents, Mobility Impaired Applicants and Visual/Hearing Impaired Applicants are referred to collectively as the "**Special Preference Group.**" The procedure for giving preferential consideration, as described above, to the Special Preference Group, is as follows:

Sponsor will cull out of the Basic Sequence List, in the order their names appear on the Basic Sequence List, all applications from Community Residents, Mobility Impaired Applicants and Visual/

Hearing Impaired Applicants and will create an additional numbered sequence list of such Community Residents, Mobility Impaired Applicants and Visual/Hearing Impaired Applicants (such additional list is called the "**Preference List**"). Individuals on the Preference List will not be removed from the Basic Sequence List and thus will appear on both lists.

The Partnership, on behalf of Sponsor, will preliminarily evaluate each applicant on the Basic Sequence List for income and credit eligibility, based on information provided by the applicant in the application form and on the results of a credit investigation report on applicant obtained by the Partnership. Applicants who appear to be ineligible because of income, creditworthiness or any other element of their application, will receive a letter advising them of their apparent ineligibility and allowing them seven days to appeal the determination of apparent ineligibility. The letter will advise the applicant that he or she has been placed at the end of the Basic Sequence List and/or Preference List, as applicable, pending appeal. If on appeal the applicant appears to be eligible based on new information submitted, the applicant will be restored to applicant's original place in the Basic Sequence List and/or Preference List, as applicable, once the new determination of preliminary eligibility is made. An applicant whose ineligibility is confirmed on appeal or who chooses not to appeal the determination of ineligibility at that time, but whose income or credit situation changes later and who reapplies, will be added to the end of the Basic Sequence List and/or Preference List, as applicable, at the time of re-application and will be considered in the order applicant's name appears on the applicable list.

Applications received by Sponsor after the Basic Sequence List is established will be entered on a new list (the "**Supplemental Sequence List**") in the order such applications are received. The Partnership, on behalf of Sponsor, will evaluate applicants on the Supplemental Sequence List in the same manner as the Partnership evaluated applicants on the Basic Sequence List, that is, based on information provided by applicant in the application form and on the results of a credit investigation report on applicant obtained by the Partnership, to ascertain on a preliminary basis, the applicant's income and credit eligibility. The Supplemental Sequence List will *not*, however, be required to be culled to identify members of the Special Preference Group for addition to the Preference List. Applicants on the Supplemental Sequence List who appear ineligible will be notified and permitted to appeal in the same manner as applicants on the Basic Sequence List.

Sponsor, by written notice, will invite applicants on the Preference List whom the Partnership has preliminarily determined to be eligible to purchase, in the order their names appear on the Preference List, to obtain a copy of the Offering Plan. In this notice, Sponsor will advise applicants that they have a period of fifteen (15) business days following the date of the notice (the "**15-Day Period**") within which to obtain a copy of the Offering Plan, enter into a Purchase Agreement, complete all the required income verification documents and Purchaser Eligibility Documents, and pay the requisite Down Payment.

If all Apartments are not contracted to be purchased after all preliminarily eligible applicants on the Preference List have been notified, Sponsor will notify, in the order their names appear, additional applicants on the Basic Sequence List. If there are still Apartments available after all preliminarily eligible applicants on the Basic Sequence List have been notified, Sponsor will notify preliminarily eligible applicants on the Supplemental Sequence List in the order their names appear.

Once notices are sent to all applicants on the Basic Sequence List and on the Supplemental Sequence List, applicants who previously were invited to sign a Purchase Agreement but who did not, will

still be entitled to do so, but will no longer have priority over applicants listed later in either of the sequence lists. At that time Apartments will be available to all eligible applicants on a first-come, first-served basis.

Applications will continue to be sent out upon request until such time as it is clear that there are sufficient numbers of qualified applicants to purchase all of the Apartments. Applications will be logged in and evaluated for preliminary eligibility as received.

Once sales are completed, the Basic Sequence List and/or the Supplemental Sequence List, as applicable, containing the names, if any, of all preliminarily eligible applicants who were not offered an opportunity to purchase an Apartment, will be turned over to the Apartment Corporation to use as a waiting list for resale purposes. Tenant-Shareholders may, but are not required to, sell their Apartments to potential purchasers on the waiting list, if such potential purchasers are approved by HDC and HPD.

Purchasers will have at least three (3) business days to review the Offering Plan and all amendments thereto, prior to executing a Purchase Agreement, the form of which is contained in Part II of this Plan. A potential Purchaser who executes a Purchase Agreement and deposits the requisite Down Payment without having had the opportunity to review the Plan for three (3) business days, shall have the right to rescind the Purchase Agreement and receive back the Down Payment check within seven (7) days after executing the Purchase Agreement, provided Purchaser's written notice of rescission is delivered to Selling Agent at the On-Site Sales Office by the end of the 7th calendar day after execution of the Purchase Agreement or is mailed to Selling Agent at the On-Site Sales Office and postmarked within the 7-day period. The Purchase Agreement will be binding on Purchaser if accepted as described below.

Upon receipt of the Plan, a potential Purchaser must tender a $100 deposit for the Offering Plan by check payable to the order of Sponsor. This Offering Plan deposit will be returned to a potential Purchaser who signs a Purchase Agreement when Purchaser is determined by HDC and HPD to be eligible to purchase and Sponsor countersigns the Purchase Agreement, or when the Plan is returned by an applicant to Sponsor in good condition (i) if such applicant does not execute a Purchase Agreement or (ii) if such applicant executes a Purchase Agreement but is determined by HDC and/or HPD to be ineligible to purchase.

Purchaser shall complete and deliver the following documents and payments to Sponsor at the time a Purchase Agreement is executed by Purchaser:

a. The Purchaser Eligibility Documents (other than Seller's Affidavit).

b. A check in the amount of 50% of the Purchase Price representing the Down Payment required under the Purchase Agreement, payable to "Cassin Cassin & Joseph LLP, as Escrow Agent." This amount will be refunded to Purchaser if Purchaser is not approved by HDC and HPD.

c. Form W-9, Payor's Request for Taxpayer Identification Number.

d. Designation of Interest-Recipient (if Purchaser comprises more than one person).

After Purchaser delivers to Sponsor an executed Purchase Agreement, the Purchaser Eligibility Documents, Form W-9 and a check for the 50% Down Payment, Sponsor will review the Purchaser Eligibility Documents. If Sponsor determines that such Purchaser preliminarily satisfies the

requirements of the HDC Regulatory Agreement and the HPD Regulatory Agreement, Sponsor will complete Seller's Affidavit and forward it together with the Purchase Agreement and other Purchaser Eligibility Documents to HDC and HPD for their determination of eligibility. If Purchaser is found by HDC and HPD to be eligible to purchase an Apartment in accordance with the requirements of the HDC Regulatory Agreement and the HPD Regulatory Agreement, then Sponsor will execute the Purchase Agreement and Sponsor will cause to be returned to Purchaser a fully executed counterpart of the Purchase Agreement. If Purchaser is found to be ineligible to purchase an Apartment, then Sponsor will direct Escrow Agent to return to Purchaser the Down Payment (with interest earned thereon), and the Purchase Agreement will not be entered into by Sponsor. A Purchase Agreement will not be binding upon Sponsor until a fully executed copy of the Purchase Agreement is returned to Purchaser. Sponsor will have no liability whatsoever for not executing a Purchase Agreement with a potential Purchaser who has been determined to be ineligible by HDC and/or HDP.

To summarize, parties interested in purchasing must take the following steps:

1. Applicant submits purchase application and credit investigation fee ($40 for married couples purchasing jointly and $25 per person for all other applicants);

2. If determined preliminarily to be eligible, and depending on location of name on Basic Sequence List (or Supplemental Sequence List, as applicable), applicant receives invitation to obtain copy of Offering Plan and enter into a Purchase Agreement;

3. Invited applicant pays $100 deposit to obtain copy of Offering Plan;

4. If interested in purchasing an Apartment, applicant completes the Purchaser Eligibility Documents, signs a Purchase Agreement, pays 50% of the Purchase Price as a Down Payment, and completes other associated Purchaser forms;

5. Applicant's completed Purchaser Eligibility Documents are submitted by Sponsor to HDC and HPD for review and approval;

6. If agencies approve applicant, Sponsor countersigns the Purchase Agreement and forwards a copy to applicant, who thereby becomes a "Purchaser."

In the event Purchaser's Apartment Closing Date is more than six (6) months after the date Purchaser executed Purchaser's Income Eligibility Worksheet contained in the Purchaser Eligibility Documents, Purchaser shall be required to re-affirm Purchaser's Affidavit by executing the Reaffirmation contained in the Purchaser Eligibility Documents (the "**Reaffirmation**") and delivering same to Sponsor who shall deliver the executed Reaffirmation to HDC and HPD for review prior to the Apartment Closing Date. If the Reaffirmation indicates a change in Purchaser's income or debt, Sponsor and/or HDC may request additional documentation from Purchaser to verify Purchaser's income or debt. Sponsor will submit such additional documentation to HDC and HPD for review prior to the Apartment Closing Date. If a Purchaser is found by HDC to be ineligible to purchase as a result of changes in financial circumstances as indicated on the Reaffirmation, the Purchase Agreement will be terminated by Sponsor without liability to Sponsor. In the event of termination, the Down Payment with interest earned thereon, if any, will be returned to Purchaser.

Income and Other Eligibility Requirements

In order for a Purchase Agreement to be approved by HDC and HPD, Purchaser must: (i) be a natural person or persons, (ii) agree to occupy the Apartment as Purchaser's primary residence, which occupancy must commence within sixty (60) days after the Apartment Closing Date, (iii) occupy the Apartment for residential purposes, (iv) not sublease the Apartment while the HPD Regulatory Agreement is in effect, and (v) not utilize the Apartment as an investment or a vacation home.

In addition to the foregoing criteria, Purchaser must satisfy the following income and debt restrictions established by HDC and HPD, as the case may be, it being understood, however, that if a Purchaser satisfies all of HDC's requirements, that Purchaser will have satisfied HPD's criteria as well.

(a) **HDC Maximum Income Limitations:** (i) To be eligible to purchase, Purchaser, at the time of Purchaser's Apartment Closing Date, generally must have an Aggregate Annual Household Income not exceeding 165% of the area annual median income for the New York Metropolitan statistical area as determined from time to time by the Secretary of HUD under Section 8 of the United States Housing Act of 1937, as amended, or if such program is terminated, then under such program as was in effect immediately before such termination ("**Median Income**"). This translates, as of the date of this Plan, to a maximum income of $92,730 a year for a family of four. Notwithstanding the foregoing, sales of Shares under this Offering Plan attributable to up to 60 Apartments (i.e., 25% of the Apartments offered under this Plan), may be made to Purchasers whose Aggregate Annual Household Income is higher than 165% of Median Income, provided such Aggregate Annual Household Income does not exceed 250% of Median Income. This translates, as of the date of this Plan, to a maximum income of $140,500 for a family of four. Only certain Apartments, however, are available to such higher-income Purchasers, which Apartments are specified on Schedule A in Part I, Section E of this Plan. A Purchaser who satisfies the applicable income limitation requirements on the Apartment Closing Date shall be entitled to remain in occupancy of an Apartment, notwithstanding that such Purchaser's Aggregate Annual Household Income, after initial occupancy, exceeds the HDC maximum for initial eligibility.

(ii) Each of the 180 Apartments offered under this Offering Plan that is available only to Purchasers with maximum Aggregate Annual Household Incomes not exceeding 165% of Median Income, must be resold by each successive Tenant-Shareholder of that Apartment only to a purchaser whose Aggregate Annual Household Income does not exceed 165% of Median Income and who otherwise is in compliance with the HDC Regulatory Agreement. However, each Apartment offered under this Offering Plan that is one of the 60 Apartments available to Purchasers with maximum Aggregate Annual Household Incomes of 250% of Median Income, may be (but is not required to be) resold by each successive Tenant-Shareholder of that Apartment to a purchaser whose Aggregate Annual Household Income does not exceed 250% of Median Income and who otherwise is in compliance with the HDC Regulatory Agreement.

(b) **HDC Income Ratio and Debt Ratio Requirements:** (i) With respect to any proposed purchase of Shares, whether pursuant to this Offering Plan or pursuant to a resale by a Tenant-Shareholder, the potential Purchaser must have sufficient Aggregate Annual Household Income so that the ratio of Purchaser's annual payments for Maintenance to Purchaser's Aggregate Annual Household Income ("**Annual Income Ratio**") is no greater than thirty percent (30%) as determined by HDC. In other words, Purchaser's annual payments for Maintenance cannot cost more than 30% of Purchaser's Aggregate Annual Household Income.

For example: Purchaser wishes to purchase Apartment 203. This Apartment has a projected annual Maintenance for the first year of cooperative ownership of $10,320 (assuming Section 421-a Benefits are in effect). Thus, for a family of four, Aggregate Annual Household Income may not exceed $92,730, but must be at least $34,400 (i.e., $10,320 ÷ $34,400 = 30%).

(ii) In addition, with respect to any proposed purchase of Shares, whether pursuant to this Offering Plan or pursuant to a resale by a Tenant-Shareholder, the ratio of the potential Purchaser's annual household liabilities plus the Maintenance attributable to the proposed Apartment, to Purchaser's Aggregate Annual Household Income (the "**Annual Debt Ratio**"), may not exceed thirty-six percent (36%), as determined by HDC.

For example: if Purchaser's Aggregate Annual Household Income is $34,400, then Purchaser's annual household liabilities, when added to annual Maintenance, cannot exceed $12,384 (i.e., 36% of Purchaser's Aggregate Household Income). If a Purchaser with an Aggregate Annual Household Income of $34,400 wishes to buy Apartment 203, which has an annual Maintenance of $10,320, the balance of Purchaser's annual household liabilities cannot be more than $2,064 (i.e., $12,384 - 10,320 = $2,064), because the sum of the Maintenance and household liabilities cannot exceed $12,384.

(iii) Notwithstanding the foregoing if Sponsor can demonstrate that after using its best efforts to market Apartments pursuant to this Offering Plan, Sponsor has not been able to attract sufficient Purchasers with both Annual Income Ratios of 30% and Annual Debt Ratios of 36%, then HDC may, upon terms and conditions satisfactory to HDC, increase the maximum Annual Income Ratio and Annual Debt Ratio described above for 50% of the Apartments offered for sale in the Residential Unit (i.e., for 120 Apartments), so that the Annual Income Ratios and Annual Debt Ratios of the Purchasers of those Apartments do not exceed 33% and 38%, respectively, as of the Purchaser's Apartment Closing Date. Any Apartment sold, pursuant to this Paragraph (b)(iii), to a Purchaser having a 33% Annual Income Ratio and a 38% Annual Debt Ratio, must nevertheless on resale be sold to a purchaser meeting the lower Annual Income Ratio and Annual Debt Ratio requirements described in Paragraph (b)(i) and (b)(ii) above.

Applying the 33% Annual Income Ratio referred to in this Paragraph (b)(iii) means that Purchaser's annual Maintenance payments cannot exceed 33% of Purchaser's

Aggregate Annual Household Income. Using Apartment 203 as an example again, Purchaser's Aggregate Annual Household Income would have to be at least $31,273 (i.e, $10,320 ÷ $31,273 = 33%).

Applying the 38% Debt Ratio to a Purchaser with Aggregate Annual Household Income of $31,273, means that the balance of Purchaser's annual household liabilities after payment of the $10,320 annual Maintenance, cannot exceed $1,563.74, because the sum of the Maintenance and household liabilities cannot exceed $11,883.74 (i.e., 38% of Purchaser's Aggregate Annual Household Income).

(c) **HPD Maximum Income Requirements:** Apartments may be sold only to "Eligible Purchasers." Eligible Purchasers are households whose Aggregate Annual Household Income from all sources, as of the date Purchaser signs a Purchase Agreement, does not exceed the following specified percentages of the median annual family income for the New York, New York Primary Metropolitan Statistical Area, as published annually by the United States Department of Housing and Urban Development, or any comparable successor index ("**Area Median Income**"): (i) at least 75% of the Apartments (i.e., at least 180 Apartments) must be sold to Purchasers whose Aggregate Annual Household Income is not greater than 165% of Area Median Income, and (ii) up to 25% of the Apartments (i.e., up to 60 Apartments) may be sold to Purchasers whose Aggregate Annual Household Income is not greater than 250% of Area Median Income. An Eligible Purchaser's Aggregate Annual Household Income shall be calculated in accordance with the HDC Regulatory Agreement. A Purchaser who satisfies such income criteria at the time a Purchase Agreement is signed shall be entitled to remain in occupancy of the Apartment notwithstanding that such Purchaser's Aggregate Annual Household Income, after initial occupancy, exceeds the HPD maximum for initial eligibility.

The applicable provisions of the foregoing income and other eligibility requirements also will govern a Tenant-Shareholder's resale of the Apartment, as discussed in Part I, Section Q of the Plan entitled "Summary of Proprietary Lease."

Escrow Account for Down Payments

Sponsor will cause all Down Payments received from Purchasers to be delivered to Sponsor's Closing Counsel, Cassin Cassin & Joseph LLP.

Sponsor's Closing Counsel will serve as the escrow agent ("**Escrow Agent**") for the Down Payment monies deposited by Purchasers and will promptly invest all Down Payment monies received in a segregated special attorney trust sub-account of a master escrow account at HSBC Bank USA ("**Escrow Bank**"), at its branch located at 452 Fifth Avenue, New York, New York (or at such other lending institution in which said firm elects to maintain its attorney trust account), entitled "Cassin Cassin & Joseph LLP Attorney Trust Account for Renaissance HDFC" or similar name (the "**Escrow Account**").

Escrow Bank has advised Escrow Agent that each deposit made on account of a particular purchaser is covered by Federal Deposit Insurance Corporation ("**FDIC**") insurance to a maximum of

$100,000 per individual deposit. No representation is made by Sponsor or Escrow Agent, however, that the FDIC will insure any Purchaser's funds, if and when called upon to do so.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any legal obligation of the Escrow Agent to hold the Down Payment funds as trust funds pursuant to law, is absolutely void. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

The Escrow Account will be an interest-bearing account. All interest earned will be paid to Purchaser at or following the Purchaser's Apartment Closing Date. Interest will begin to accrue when the Down Payment funds are deposited provided said funds "clear" in accordance with the requirements of Federal law governing the deposit of funds.

Within five (5) business days after Purchaser signs a Purchase Agreement and delivers the Purchaser Eligibility Documents, the Form W-9, the requisite income investigation fee and the check representing the Down Payment, Sponsor will deliver Purchaser's check for the Down Payment to Escrow Agent for deposit and Escrow Agent will be directed to deposit the check into the Escrow Account.

The Down Payment thus will be delivered to Escrow Agent and deposited in the Escrow Account ***before*** Purchaser is determined to be eligible as a Purchaser by HDC and HPD as described in the Plan, and thus before the Purchase Agreement is signed by Sponsor.

Within ten (10) business days after deposit of the Down Payment into the Escrow Account, Escrow Agent will send a letter to Purchaser notifying Purchaser that Purchaser's check has been deposited.

Notification of deposit will be sent by certified mail return receipt requested to Purchaser at the address listed in the Purchase Agreement. Notice will be deemed delivered five (5) days after the date it is mailed.

ESCROW AGENT'S NOTICE THAT THE DOWN PAYMENT HAS BEEN DEPOSITED WILL NOT MEAN THAT PURCHASER HAS BEEN APPROVED AS A PURCHASER OR THAT THE PURCHASE AGREEMENT HAS BEEN SIGNED BY SPONSOR. IT SIMPLY MEANS THE CHECK HAS BEEN DEPOSITED.

If Purchaser's check for the Down Payment "bounces" after Escrow Agent deposits it, Escrow Agent will notify Purchaser accordingly. In such event Sponsor shall not have any further obligation to continue to process Purchaser's Purchase Agreement for approval by the required reviewing parties. However, Sponsor shall have the right to continue to process the Purchase Agreement if Purchaser directs that the check be re-deposited or if Purchaser provides a replacement check.

If Purchaser eventually is rejected as a purchaser, Escrow Agent will be directed by Sponsor to return all Down Payment funds paid by Purchaser, plus all interest earned thereon, to Purchaser. If Purchaser is approved as a Purchaser, all Down Payment monies held by Escrow Agent will continue to be held in accordance with the Plan.

If Purchaser eventually is approved as a Purchaser, then if Purchaser did not receive notification of deposit of the Down Payment within twenty (20) business days after Purchaser signed the Purchase Agreement and delivered the required documents and payments to Sponsor, Purchaser may cancel and rescind the Purchase Agreement. Any request for rescission based on a claim of late notice or no notice of deposit of the Down Payment, must be exercised within ninety (90) days after the date on which Purchaser receives a fully executed copy of the Purchase Agreement. Rescission based on a claim of late notice or no notice of deposit of the Down Payment may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment funds were timely deposited and requisite notice timely mailed to Purchaser in accordance with the foregoing.

Escrow Agent will hold funds in escrow until: (i) directed in writing by Sponsor that the proposed Purchaser has been rejected by HDC and/or HPD, in which event the funds shall be released to the proposed Purchaser, (ii) closing under a Purchase Agreement, in which event the funds may be paid to Sponsor (or anyone Sponsor directs), without any further authorization by Purchaser required, or (iii) otherwise directed in writing signed by both Sponsor and Purchaser directing the disposition of such funds, or (iv) otherwise directed by a determination of the Attorney General directing the disposition of such funds pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (v) otherwise directed by a judgment or order of a court of competent jurisdiction directing the disposition of such funds, or (vi) Escrow Agent is changed in connection with a transfer of funds to a new escrow agent, or (vii) until released in accordance with the next paragraph.

If there is no closing under the Purchase Agreement and there is no written agreement between the parties to release the escrow funds, and if there is no court order or Attorney General determination respecting disposition of the funds, Escrow Agent shall not pay the funds to Sponsor or its designee until Escrow Agent has given Purchaser written notice of at least ten (10) business days. For purposes of this provision, notice shall be deemed given if actually delivered to Purchaser or Purchaser's counsel or if mailed to Purchaser or Purchaser's counsel at the address set forth in the Purchase Agreement whether or not it is actually received, and shall be deemed given five (5) business days after the date mailed. Thereafter, the funds may be paid to Sponsor or its designee unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and the Escrow Agent has received actual prior notice of such application in writing from Purchaser in accordance with the dispute resolution provisions. Escrow Agent shall be entitled to act upon any document believed by it, in its reasonable judgment, to be genuine.

Sponsor will not object to the release of the escrow funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchasers and Escrow Agent **may** apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. Sponsor **must** avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of this Plan. The party applying for a determination must send all other parties a copy of the application by certified mail, return receipt requested. Pending determination of the Attorney General to grant or deny the application to release escrow funds, Sponsor, Purchaser, and Escrow Agent are to abide by any interim directive issued by the Attorney General.

Escrow Agent is obligated to maintain all records concerning the Escrow Account for seven years after release of funds.

Any interest earned on the Down Payment funds will be paid to Purchaser at or following Purchaser's Apartment Closing Date, or in connection with a permitted rescission of the Purchase Agreement. Subject to the provisions described above, if the Down Payment funds are paid to Sponsor as liquidated damages, interest earned thereon will be paid to Sponsor as part of the liquidated damages payment. The monies so held will be held and disbursed in accordance with the provisions of General Business Law Sections 352(h) and 352-e(2-b). The signature of a partner with the law firm of Cassin Cassin & Joseph LLP will be necessary to release funds from the Escrow Account.

Any Federal 1099 forms or other tax forms required to be forwarded by Escrow Agent to recipients of interest, will be mailed by Escrow Agent to Purchaser (or to the designated interest-earning recipient of Purchaser, if Purchaser comprises two or more parties) at the Building.

In the event Sponsor cannot convey the Shares and Proprietary Lease attributable to the Apartment by reason other than default of Purchaser, Sponsor's sole liability shall be to return to Purchaser all monies deposited by Purchaser, with interest, if any, earned thereon.

Interim Leases and Pre-Closings

As discussed in Part I, Section X of this Plan, Sponsor shall have the right to enter into Interim Leases with Purchasers who have signed Purchase Agreements. Rent under an Interim Lease will be the same amount as Maintenance listed for that Apartment on Schedule A of the Plan, as same may have been amended.

Interim Leases may be entered into both before and after the date the Plan has been declared effective, provided that Sponsor has obtained at least a temporary certificate of occupancy covering the Apartment to be leased, but in no event shall Interim Leases be entered into after the Cooperative Conversion Date.

Any Purchaser who enters into an Interim Lease is referred to as an "**Interim Lessee**." Before an Interim Lessee takes possession of the Apartment pursuant to an Interim Lease, the Interim Lessee will be given the opportunity to inspect the Apartment as described under the heading "Inspection Procedures" in this Section L. At the inspection, Sponsor and the Interim Lessee will agree upon the Inspection Statement. Punchlist inspections will not be conducted and an Inspection Statement will not be established after Purchaser takes occupancy of the Apartment pursuant to an Interim Lease. Purchasers are encouraged to review the provisions of this Section L under the heading "Inspection Procedures," for further details. During the period a Purchaser is in occupancy of an Apartment under an Interim Lease, Purchaser may not make any alterations or improvements to the Apartment without Sponsor's prior written consent, which consent may be withheld for any reason or no reason.

Simultaneously with the execution of an Interim Lease, the Interim Lessee will be required to "pre-close" on the purchase. To "**pre-close**" Purchaser shall be required to pay the entire balance of the Purchase Price then due under the Purchase Agreement into escrow with the Escrow Agent. Payment amount, type of checks, documents required, and so on, shall be on the same terms and conditions as if the closing were occurring on the Apartment Closing Date after the Cooperative Conversion Date, as described further on in this Section of the Offering Plan. The balance of the Purchase Price paid by Purchaser at pre-

closing will be deposited into the same Escrow Account and held upon the same terms and conditions as the Down Payment.

All funds held in the Escrow Account on account of the Purchase Price are referred to in this section of the Plan as "**Escrow Funds**."

At the pre-closing, Purchaser shall be required to deliver Purchaser's personal certified check drawn on a New York Clearing House bank payable to Sponsor in the amount of $1,000 which payment will reimburse Sponsor for Purchaser's share of Sponsor's payment to HDC on behalf of the Apartment Corporation to establish the SONYMA Supplemental Reserve Fund described in Part I, Section S of this Plan (the "**Reserve Fund Contribution**"). This check will be held by Escrow Agent but not delivered to Sponsor or deposited until Purchaser's Apartment Closing Date, which is expected to be the same date as the Cooperative Conversion Date.

Also at the pre-closing, Purchaser shall be required to execute the Proprietary Lease (or an acceptance of the assignment thereof), New York City Real Property Transfer Tax Return and New York State Real Estate Transfer Tax Return (collectively, the "**Transfer Tax Returns**"), smoke detector affidavit, window guard notice, an Interim Lease, the Reaffirmation (if applicable) and all other documents necessary to consummate the purchase under the Purchase Agreement (collectively, the "**Escrow Closing Documents**").

The Escrow Funds, the Reserve Fund Contribution and the Escrow Closing Documents shall be held in escrow by the Escrow Agent until the Cooperative Conversion Date. If the Plan is abandoned, however, all Escrow Funds, plus interest earned thereon and the Reserve Fund Contribution shall be returned to Purchaser and the Escrow Closing Documents will be void and of no further force and effect.

If the Purchase Agreement and any Interim Lease, if applicable, is terminated after a pre-closing due to Purchaser's default, for example, if Purchaser fails to pay rent under the Interim Lease, makes unauthorized alterations or improvements to the Apartment in violation of the Interim Lease, or defaults in any other obligation under the Interim Lease, Sponsor may retain 50% of the Purchase Price plus all interest earned thereon, as liquidated damages, and the balance of the Purchase Price deposited into escrow will be returned to Purchaser. Simultaneously, the Reserve Fund Contribution will be returned to Purchaser by Escrow Agent. At such time the Escrow Closing Documents will become void and of no force and effect, and Escrow Agent will have no further responsibilities or liability with respect thereto. Eviction proceedings may be commenced against Purchaser if Purchaser fails to vacate the Apartment upon the occurrence of the foregoing events.

If a rescission right is provided in an amendment to the Plan, the terms of the rescission offer and the conditions for release of the Escrow Funds will be described in the amendment.

Interim Leases will run for a term expiring on the earlier of the Cooperative Conversion Date or one year from the date the Interim Lease commences, unless sooner terminated due to Purchaser's default thereunder or otherwise.

All Purchasers who pre-close and enter into Interim Leases, are not in default under their Interim Leases on the Cooperative Conversion Date, and have paid 100% of the Purchase Price and the

Reserve Fund Contribution into escrow at their pre-closing as described above, will become Tenant-Shareholders as of the Cooperative Conversion Date, and that date will be deemed to be their Apartment Closing Date.

Any Interim Lease entered into by a Purchaser terminates automatically at the time Purchaser becomes a Tenant-Shareholder.

On or shortly following the Cooperative Conversion Date, original counterparts of the Escrow Closing Documents as well as the certificate for the Shares attributable to the Apartment will be released from escrow and forwarded by Escrow Agent to Purchaser, the Reserve Fund Contribution will be released and delivered by Escrow Agent to Sponsor, and all Escrow Funds will be released and forwarded by Escrow Agent to Sponsor (or to anyone Sponsor designates or directs).

Purchasers who pre-close in accordance with the Plan will receive from Escrow Agent the interest earned on the Escrow Funds following the Cooperative Conversion Date.

At the time a pre-closed Purchaser in occupancy under an Interim Lease becomes a Tenant-Shareholder, Purchaser will adjust with Sponsor for rent and Maintenance for the month in which the closing occurs. If the Apartment Closing Date is the first of the month, Purchaser will be responsible for Maintenance rather than rent that month and will be obligated to pay that month's Maintenance directly to the Apartment Corporation. If the Apartment Closing Date occurs after Purchaser has paid rent for that month and after Sponsor has paid Maintenance to the Apartment Corporation for that month, the Apartment Corporation may direct Sponsor to retain the rent adjustment amount in reimbursement to itself for the Maintenance attributable to the portion of the month in which Purchaser will own the Apartment.

After an amendment indicating that the Plan has been declared effective has been accepted for filing by the Department of Law, Sponsor shall have the right to require that any Purchaser who has not pre-closed and entered into an Interim Lease do so. If Sponsor exercises this right, Sponsor will give Purchasers who have not pre-closed at that time, at least ten (10) days notice of their pre-closing date (the "Scheduled Pre-Closing Date"). A pre-closing will be scheduled pursuant to this provision only after an amendment indicating that the Plan has been declared effective has been accepted for filing by the Department of Law, and only if the Apartment is covered by at least a temporary certificate of occupancy.

A Purchaser who fails to pre-close in accordance with a pre-closing scheduled by Sponsor on the Scheduled Pre-Closing Date or any adjournment thereof to which Sponsor has consented, shall be in default under the Purchase Agreement. Sponsor will notify Purchaser of Purchaser's default by written notice sent by certified mail, return receipt requested, specifying the reason Purchaser is in default and granting Purchaser at least ten (10) business days within which to cure the default.

SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE THE DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THE PURCHASE AGREEMENT AND THE INTERIM LEASE, IF ANY, RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH INTEREST EARNED THEREON, IF ANY, AS LIQUIDATED DAMAGES, COMMENCE EVICTION PROCEEDINGS AGAINST PURCHASER

IF PURCHASER FAILS TO VACATE THE APARTMENT (IF PURCHASER HAD BEEN IN OCCUPANCY PURSUANT TO AN INTERIM LEASE) AND SELL THE APARTMENT TO ANOTHER PURCHASER AS IF THE PURCHASE AGREEMENT HAD NEVER BEEN MADE.

Contracts and Closings After Cooperative Conversion Date

The Cooperative Conversion Date will not occur until after the Plan has been declared effective, an amendment to this Plan reflecting such effectiveness has been accepted for filing by the Department of Law, Sponsor has obtained a temporary or permanent certificate of occupancy covering the Apartments to be closed on that date and the conditions to issuance of a mortgage insurance policy to HDC pursuant to the SONYMA Commitment have been satisfied.

If Purchaser has not pre-closed on the Apartment as described above, or if a Purchase Agreement is executed on or after the Cooperative Conversion Date, Sponsor will notify Purchaser after the Cooperative Conversion Date, at least ten (10) days in advance, as to the Apartment Closing Date and time and location of closing (the "**Originally Scheduled Apartment Closing Date**"). At least five (5) days before the Originally Scheduled Apartment Closing Date, Sponsor will advise Purchaser of a date and time prior to the Originally Scheduled Apartment Closing Date when Purchaser may inspect the Apartment. (See the provisions of this Section under the sub-heading "Inspection Procedures," for further details.) On the Originally Scheduled Apartment Closing Date, a Purchaser who has not pre-closed will be obligated to pay the balance of the Purchase Price set forth in the Purchase Agreement by unendorsed bank or cashier's check(s) or unendorsed personal certified check(s) of Purchaser drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association, payable to Sponsor (or to anyone Sponsor designates or directs).

On an Apartment Closing Date occurring after the Cooperative Conversion Date, a Purchaser who has not pre-closed will be required to adjust with Sponsor for Maintenance for the balance of the month in which the closing occurs.

On an Apartment Closing Date occurring after the Cooperative Conversion Date, Sponsor will deliver or cause to be delivered to Purchaser an assignment of the Proprietary Lease accompanied by Sponsor's original counterpart of the Proprietary Lease (or in Sponsor's discretion an original Proprietary Lease in Purchaser's name) and a certificate for the Shares allocated to the Apartment in the name of Purchaser. Sponsor also will deliver to Purchaser a written statement by the Apartment Corporation's Managing Agent confirming that Maintenance attributable to the Apartment for the month in which the closing occurs has been paid.

A Purchaser who fails to pay the balance of the Purchase Price due under the Purchase Agreement (or any other cost required in connection with the purchase) on the Originally Scheduled Apartment Closing Date or any permitted adjournment thereof, or fails to sign any closing document when and as required pursuant to the Plan, will be in default under the Purchase Agreement. Sponsor shall notify Purchaser in writing of Purchaser's default by a written notice sent by certified mail return receipt requested specifying the reason Purchaser is in default and granting Purchaser a period of at least ten (10) business days within which to cure such default.

SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE SAID DEFAULT WITHIN THE

SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THE PURCHASE AGREEMENT AND THE INTERIM LEASE, IF ANY, RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH INTEREST EARNED THEREON, IF ANY, AS LIQUIDATED DAMAGES, COMMENCE EVICTION PROCEEDINGS AGAINST PURCHASER IF PURCHASER FAILS TO VACATE THE APARTMENT (IN THE EVENT PURCHASER HAD BEEN IN OCCUPANCY PURSUANT TO AN INTERIM LEASE) AND SELL THE APARTMENT TO ANOTHER PURCHASER, AS IF THE PURCHASE AGREEMENT HAD NEVER BEEN MADE.

If Purchaser fails to close on the Originally Scheduled Apartment Closing Date, any adjournments granted by Sponsor at Purchaser's request shall, at Sponsor's discretion, be on the condition that (i) all adjustments made at the closing will be made as of the Originally Scheduled Apartment Closing Date and (ii) Purchaser shall pay to Sponsor(or anyone Sponsor designates) at the closing, by unendorsed personal certified check or by bank check, in either event drawn on a bank that is a member of the New York Clearing House Association, an amount equal to $100 per day multiplied by the number of days that the closing is delayed beginning with the Originally Scheduled Apartment Closing Date and ending with and including the actual Apartment Closing Date. The foregoing fees also shall be applicable in the event Purchaser defaults under the Purchase Agreement and cures the default by closing later than the Originally Scheduled Apartment Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Apartment Closing Date. However, the provisions shall apply to any postponements by Purchaser of the Originally Scheduled Apartment Closing Date. Sponsor reserves the right to waive any or all provisions of this paragraph.

If Purchaser requests more than one adjournment of the Apartment Closing Date, or if Purchaser requests an adjournment of the Originally Scheduled Apartment Closing Date in excess of thirty (30) days, Sponsor shall have the right to make TIME OF THE ESSENCE with respect to Purchaser's obligation to close on any rescheduled closing date to which Sponsor consents.

Inspection Procedures

Purchasers will be notified by Sponsor in advance of their mutually agreed-upon pre-closing date, Scheduled Pre-Closing Date or Originally Scheduled Apartment Closing Date, as applicable, of a date and time that Purchaser may inspect Purchaser's Apartment. Purchaser may attend an inspection only with an authorized representative of Sponsor, and shall, at the inspection, together with Sponsor's representative, complete, date and sign an inspection statement (the "**Inspection Statement**").

The Inspection Statement will serve as an acknowledgment of Purchaser's acceptance of the Apartment in accordance with the terms of the Plan. Or, if Purchaser finds that certain minor construction items remain open, although the Apartment otherwise has been substantially completed, and if Sponsor's representative agrees with this finding, Purchaser and Sponsor's representative shall agree on a list of "punchlist items" to be completed by Sponsor post-closing (or post-occupancy in those instances where Purchaser takes occupancy under an Interim Lease), and shall itemize same as an attachment to the Inspection Statement. The agreed-upon Inspection Statement, and any attachments thereto, shall be dated and executed by both parties. Purchaser's failure to permit Sponsor or Sponsor's contractors, agents or employees access to the Apartment to complete punchlist items on the Inspection Statement, shall constitute Purchaser's waiver of the punchlist items, and shall cause Sponsor's obligation to complete the punchlist items to be deemed satisfied.

No discussion of punchlist items may occur at the pre-closing or closing, and the fact that an Inspection Statement containing punchlist items has been executed, shall not be grounds for Purchaser's delay of the pre-closing or closing, as applicable, or for Purchaser's refusal to close.

Purchaser shall be obligated to pre-close or close, as applicable, notwithstanding incomplete construction of (i) minor details in the Apartment (provided the Apartment is covered by at least a temporary certificate of occupancy), (ii) other Apartments in the Residential Unit or (iii) the common areas of the Residential Unit or the Building.

Purchaser's failure to attend an inspection during the period Sponsor provides Purchaser an opportunity to do so, and/or Purchaser's failure to sign and deliver an Inspection Statement, shall not excuse Purchaser from pre-closing or closing, as applicable, and shall constitute Purchaser's full and unconditional acceptance of the Apartment.

Sponsor shall not have any obligation to complete or cause to be completed, any work in an Apartment not specifically itemized on an Inspection Statement, except work required to be completed to obtain a permanent certificate of occupancy, if one is yet to be obtained at the time of Purchaser's Apartment Closing Date.

Purchaser's Pre-Closing or Closing Costs

(a) Purchaser shall be obligated to make the Reserve Fund Contribution in the amount of $1,000 payable to Sponsor at pre-closing if Purchaser pre-closes, and on Purchaser's Apartment Closing Date if there is no pre-closing. If the Reserve Fund Contribution is paid at pre-closing, it shall be held in escrow until Purchaser's Apartment Closing Date. The Reserve Fund Contribution must be paid by bank check or Purchaser's personal certified check payable to Sponsor, whether delivered at a pre-closing or at an actual closing.

(b) Purchaser shall be obligated to pay Sponsor's Closing Counsel a non-refundable closing fee in the amount of $425 (the "**Closing Fee**"). The Closing Fee shall be paid at pre-closing if Purchaser pre-closes, and on Purchaser's Apartment Closing Date if there is no pre-closing. The Closing Fee shall not be held in escrow.

(c) As the transfer of the Shares to Purchaser involves the transfer of Shares of a corporation formed under Article 11 of the Private Housing Finance Law, the transaction is exempt from the obligation for payment of the New York City Real Property Transfer Tax (the "**RPT Tax**"). However, an RPT Tax Return must be completed and filed for each Apartment sale. Accordingly, Purchaser shall be obligated to execute the RPT Tax Return at Purchaser's pre-closing, or if there is no pre-closing, on the Apartment Closing Date, and to pay the $25 filing fee for the RPT Tax Return by bank check or Purchaser's personal certified check to the order of ***"NYC Department of Finance"***. Said check must be delivered by Purchaser at pre-closing if Purchaser pre-closes and if there is no pre-closing, then on Purchaser's Apartment Closing Date. Sponsor's Closing Counsel, on behalf of Sponsor, will file the RPT Tax Return after Purchaser's Apartment Closing Date. If a check for the filing fee for the RPT Tax Return is delivered at pre-closing, it will be held in escrow without deposit until Purchaser's Apartment Closing Date.

(d) New York State has no comparable exemption with respect to payment of the New York State Real Estate Transfer Tax (the "**NYS Transfer Tax**"). Pursuant to the Purchase Agreement, Purchasers will be obligated to pay the NYS Transfer Tax due in connection with their purchase. The NYS Transfer Tax rate is $2.00 per $500 (or any portion thereof) of consideration paid. However, as the NYS Transfer Tax is typically a seller's tax unless the contract of sale provides that the purchaser pays the tax, the taxing authorities take the position that when a purchaser agrees to pay the NYS Transfer Tax, the amount of the consideration subject to tax is increased by the amount of the tax itself. The proportionate share of any underlying mortgages attributable to the apartment is included in the consideration as well.

An example of how the NYS Transfer Tax would be applied with respect to Apt. 201, having a Cash Purchase Price of $6,663.67, a proportionate share of the Underlying Mortgages in the aggregate amount of $167,523.57 and thus an aggregate purchase price of $174,187.24, follows:

$174,187.24 ÷ $500 x $2	= $	696.00 Preliminary NYS Transfer Tax Due
$174,187.24 + $696	= $	174,883.24 Aggregate Taxable Consideration
$174,883.24 ÷ $500 x $2	= $	700.00 Adjusted NYS Transfer Tax Due

A check in the amount of the NYS Transfer Tax payable must be delivered by Purchaser at pre-closing if Purchaser pre-closes and if there is no pre-closing, then on the Apartment Closing Date. The tax must be paid by bank check or Purchaser's personal certified check to the order of the "***NYS Department of Taxation and Finance***." If a check for the NYS Transfer Tax is delivered at pre-closing, it will be held in escrow without deposit until Purchaser's Apartment Closing Date.

(e) In addition to the foregoing, Purchaser also will be required to pay the fees of all professionals, including attorneys employed or retained by Purchaser, in connection with the purchase of an Apartment. If Purchaser obtains a loan to finance the purchase, Purchaser will be required to pay all fees associated with the loan.

Miscellaneous

In the event of Purchaser's death prior to the Apartment Closing Date, Sponsor shall have the right to terminate the Purchase Agreement and any Interim Lease, if applicable, return the Down Payment and any other Escrow Funds, if applicable, and the Reserve Fund Contribution, to Purchaser's executor or administrator, as applicable, and sell the Apartment to another Purchaser as if the Purchase Agreement had never been made. Purchaser's executor, administrator and/or heirs shall have no right to the Apartment or under the Purchase Agreement or under the Interim Lease, once those documents are terminated pursuant to the foregoing.

Although Purchasers are free to seek financing from a lending institution or other source to facilitate the purchase of an Apartment, a Purchaser's obligations under the Purchase Agreement **WILL NOT** be contingent upon Purchaser obtaining a loan commitment for financing such purchase. Accordingly, if Purchaser applies for and is denied a loan, and if Purchaser fails to close under the Purchase Agreement, Purchaser may forfeit the Down Payment paid under the Purchase Agreement as liquidated damages.

Purchase Agreements are not assignable. The assignment of a Purchase Agreement shall be a default under the Purchase Agreement.

The risk of loss from fire or other casualty shall remain with Sponsor unless and until either a Purchaser is given the right to possession of an Apartment pursuant to an Interim Lease or other form of occupancy agreement or license, or the Shares and Proprietary Lease appurtenant to an Apartment are transferred to Purchaser. However, neither Sponsor nor the Apartment Corporation will be obligated to repair or restore the Apartment, or any part of the Residential Unit in the event of a fire or other casualty, unless required to do so by the terms of the Underlying Mortgages the encumbering the Residential Unit.

Any conflict between the terms of the Purchase Agreement and the Plan will be resolved in favor of the Plan.

M. EFFECTIVE DATE

This offer to sell is contingent upon the Plan's being declared effective in compliance with the relevant conditions and time periods set forth herein.

This Plan may not be declared effective until executed Purchase Agreements have been entered into by Sponsor with respect to Apartments representing at least seventy-five (75%) percent of the issued Shares of the Apartment Corporation (i.e., 120,717 Shares). After execution by Sponsor of Purchase Agreements representing at least 75% of the issued Shares, the Plan may be declared effective.

The Plan must be declared effective when executed Purchase Agreements are executed by Sponsor for eighty (80%) percent of the Apartments offered under this Plan, (i.e., 192 Apartments), provided the threshold sale of 75% of the Shares has been achieved.

The Plan will be declared effective by a duly filed amendment to the Plan or by written notice to all Purchasers. If the Plan is declared effective by notice to Purchasers, Sponsor shall submit an amendment to the Department of Law confirming that the Plan was declared effective after serving the notice on Purchasers. Sponsor shall also submit to the Department of Law upon request, copies of all Purchase Agreements (and any modifications or amendments thereof) that formed the basis for the declaration of effectiveness.

The Plan may be abandoned by Sponsor, at its sole discretion, at any time before it is declared effective. Within forty-five (45) days after abandonment, all Down Payment monies paid by Purchasers who are not in default under their Purchase Agreements (or did not previously default under their Purchase Agreements and forfeit their Down Payments), shall be refunded to them in full with interest earned thereon, if any. Sponsor shall promptly submit for filing to the Department of Law a notice of abandonment on Form RS-3, or such other form as may then be required by the Department of Law, setting forth the reason for abandonment and disposition of all funds received.

Once the Plan has been declared effective, the Plan may not be abandoned unless there is (i) a title defect which cannot be cured without litigation or which can only be cured by incurring expenditures in excess of one-half of 1% of the Total Offering Price stated on the cover of this Plan, (ii) a taking of all or a material part of the Property or the Residential Unit in condemnation proceedings or eminent domain, (iii) refusal or failure by HDC to make all or part of the loans secured by the HDC First Mortgage or by the HDC Subordinate Mortgage or refusal or failure by HPD to make all or part of the loan secured by the HPD Mortgage, or (iv) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less that the aforementioned amount. There will be no obligation of Sponsor to incur any expense or engage in litigation to cure title defects or obtain consents, except as set forth herein.

N. UNSOLD SHARES

Sponsor or Suna/Levine (who shall own and offer under this Plan the Shares attributable to one Apartment), as applicable, shall retain ownership of all Shares and the appurtenant Proprietary Leases until such Shares and Proprietary Leases are sold or otherwise conveyed by Sponsor or Suna/Levine under this Offering Plan.

Any Shares for which a Purchase Agreement has not been entered into and/or which otherwise are owned by Sponsor (or Suna/Levine, as applicable), as of the Cooperative Conversion Date shall be considered "**Unsold Shares**."

Sponsor shall pay Maintenance with respect to all Unsold Shares it owns (and Suna/Levine shall pay Maintenance with respect to its block of Shares, should they be Unsold Shares), until such Shares are sold.

In accordance with the requirements of the SONYMA Commitment, Sponsor's obligation to pay Maintenance with respect to Apartments not under contract as of the Cooperative Conversion Date, shall be secured by a cash deposit or a letter of credit in an amount equal to two (2) years Maintenance for each Apartment not under contract as of the Cooperative Conversion Date (the "**SONYMA Maintenance Security**"), which SONYMA Maintenance Security shall be delivered to HDC on the Cooperative Conversion Date. The SONYMA Maintenance Security may be drawn upon by HDC to pay Maintenance if Maintenance attributable to Unsold Shares covered by the SONYMA Maintenance Security is not paid. The SONYMA Maintenance Security may be reduced by the proportionate share of Maintenance attributable to a particular block of Unsold Shares covered by the SONYMA Maintenance Security, when that block is sold and transferred to a Purchaser under this Plan.

Unsold Shares, as is the case with all Shares offered under this Plan, may not be sold, assigned, pledged or transferred without the approval of HDC or HPD, as applicable, during the period the HDC Regulatory Agreement or the HPD Regulatory Agreement is in effect. Neither HDC nor HPD has promulgated specific eligibility criteria for determining who may be designated a holder of Unsold Shares. It is not anticipated or expected that Sponsor will be designating any holders of Unsold Shares, it being one of the key goals underlying the ANCHOR program pursuant to which the Project is being constructed, that all Shares be sold to and owned by persons who will reside in the Apartments. Apartments to which Unsold Shares are appurtenant may not be sublet by Sponsor as the holder of those Unsold Shares, without the prior consent of HDC and HPD. Sponsor (and any other party selling Shares under this Plan) is permitted to use the Apartments to which Unsold Shares are attributable for models or offices and may make alterations or additions to such Apartments without the consent of the Apartment Corporation. All such alterations and additions must comply with relevant building codes and related laws.

Unsold Shares shall lose their characterization as Unsold Shares upon their transfer by Sponsor or Suna/Levine, as applicable, to any transferee unless the transferee to whom the Shares are transferred is acquiring the Shares for purposes other than occupancy of the appurtenant Apartment by the transferee or transferee's family and offers the Shares for sale pursuant to this Offering Plan. For a transferee to be deemed a "holder" of Unsold Shares, the Shares must be Unsold Shares and the transferee must be specifically and explicitly designated in writing by Sponsor as a "holder" of Unsold

Shares at the time of transfer. Such "holder" designation must be in writing by Sponsor to the transferee to be a valid designation.

If a Tenant-Shareholder has been designated a holder of Unsold Shares by Sponsor, Sponsor shall be deemed to have guaranteed that Tenant-Shareholder's Maintenance due under the Proprietary Lease. This guarantee shall be in addition to the Apartment Corporation's lien upon the Shares for non-payment of Maintenance. Sponsor's guarantee shall exist only with respect to a holder designated as such by Sponsor while that holder owns the Shares, and shall not run to transferees of that holder.

If a holder of Unsold Shares or a person related by blood, marriage or adoption to the holder of Unsold Shares takes occupancy of the Apartment to which the Unsold Shares are appurtenant, the Shares shall cease to be Unsold Shares.

Until such time as all Shares have been sold pursuant to this Plan, Sponsor (and/or any subsequent designated holder of Unsold Shares) shall amend the Plan to provide current and accurate information about the offering, subject to Sponsor's right to file for an exemption from filing amendments under CPS-5. The Apartment Corporation shall be expected to cooperate in connection with the compilation of materials to be included in such amendments.

Any party selling Shares under this Plan shall comply with the trust fund and escrow provisions of GBL Sections 352-h and 352-e(2-b). A holder of Unsold Shares designated as such by Sponsor who determines to sell the Shares under this Plan, must furnish to the Department of Law all information required for a principal of sponsor under the Department of Law's regulations.

O. FINANCIAL FEATURES

The total proceeds of this offering, if all the Shares of the Apartment Corporation allocated to Apartments are sold at the prices set forth in Schedule A contained in this Plan will amount to $1,842,000. These proceeds, when added to the anticipated indebtedness on the Residential Unit as of the Cooperative Conversion Date in the principal amount of $46,307,594, will total $48,149,594, which is the total amount of this offering.

The anticipated mortgage indebtedness on the Residential Unit represents the maximum principal amount of the Underlying Mortgages anticipated to encumber the Residential Unit on the Cooperative Conversion Date. Sponsor reserves the right to change the principal amount and terms of the Underlying Mortgages prior to the Cooperative Conversion Closing Date. If Sponsor exercises that right, then provided the terms of the Underlying Mortgages as changed do not materially and adversely increase the projected Maintenance for Purchasers who have already executed Purchase Agreements, no such Purchaser shall have a right to rescind a Purchase Agreement on account of any such change(s). Conversely, if the principal amount of the Underlying Mortgages is increased or if the terms of the Underlying Mortgages are materially modified, and if such increase in principal or other change in the terms of the Underlying Mortgages will materially and adversely increase Maintenance for Purchasers who have executed Purchase Agreements and not yet closed thereunder, such Purchasers will be offered the opportunity to rescind their Purchase Agreements on account of any such change(s).

P. TERMS OF MORTGAGES AND REGULATORY AGREEMENTS

The following is a summary of the key points of the mortgages and regulatory agreements that are projected to be in effect with respect to the Residential Unit as of the Cooperative Conversion Date:

HDC First Mortgage

(a)	**Mortgagee:**	New York City Housing Development Corporation 110 William Street New York, New York 10038
(b)	**Principal:**	$31,615,000
(c)	**Maturity Date:**	July 1, 2036
(d)	**Interest Rate:**	6.65% per annum

(e) **Payments:** The HDC First Mortgage is funded through a portion of the proceeds of a taxable bond issue by HDC in 1999. The HDC First Mortgage commences amortizing on July 1, 2001 (the "**Amortization Date**"), at which time debt service payments in the approximate amount of $194,271 per month will be due and payable. The anticipated Cooperative Conversion Date is the same date as the Amortization Date. If the Cooperative Conversion Date occurs before the Amortization Date, however, debt service payments shall be made by the Apartment Corporation to HDC effective as of the Cooperative Conversion Date, in the same amount as if amortization had already commenced. The amount remaining after applying the applicable portion of the debt service payment to interest (which excess amount would be in the approximate amount of $19,071.20 per month), shall be deposited by HDC in an "Additional Reserve Fund Account." The use of funds, if any, deposited in the Additional Reserve Fund Account, is described in Part I, Section S of this Plan, entitled "Reserve Funds and Working Capital."

The HDC First Mortgage will be a self-amortizing loan. Thus if all payments described in this Section are made, the HDC First Mortgage will be fully satisfied on the Maturity Date listed above.

(f) **Prepayments:** The HDC Note may not be prepaid until July 1, 2022 at the earliest. For the period commencing July 1, 2022 through and including June 30, 2023 the HDC Note may be prepaid in whole or in part with a premium equal to 2% of the amount being prepaid. For the period from July 1, 2023 through and including June 30, 2024, the HDC Note may be prepaid in whole or in part, with a premium equal to 1% of the amount being prepaid. The HDC Note may be prepaid in whole or in part without a premium, commencing July 1, 2024. In the event of prepayment, in addition to the foregoing prepayment premiums, the Apartment Corporation shall be required to pay additional fees and charges, including, without limitation, any interest accrued on the bonds redeemed as a result of such prepayment from the date of prepayment to the date of redemption of the bonds, and HDC's costs of redeeming such bonds.

(g) **Late Charges:** Two (2%) percent of any installment paid more than fifteen (15) days after its due date.

(h) **Escrow Requirements:** (i) During the term of the HDC First Mortgage, the Apartment Corporation is required to deposit with HDC, as mortgagee, each month, one-twelfth (1/12) of the annual SONYMA insurance premium (which annual premium is in an amount equal to .50% of outstanding principal balance of the HDC First Mortgage). On the Cooperative Conversion Date itself, the Apartment Corporation is obligated to pay the first year's SONYMA insurance premium in full and is obligated to deposit into escrow with HDC, 1/3 of the next year's premium (i.e., the Apartment Corporation is obligated to deposit into escrow on the Cooperative Conversion Date, the first four months of the SONYMA insurance premium payable in connection with the second year of cooperative operation) to establish the escrow account into which the on-going monthly escrow payments shall be deposited.

(ii) The Apartment Corporation also is required to deposit with HDC during each month the HDC First Mortgage is outstanding, one-twelfth (1/12) of the estimated annual real estate taxes, water charges, sewer rents and property insurance premiums for insurance maintained on the Residential Unit by the Apartment Corporation. Portions of certain of these expenses will be required to be deposited into escrow with HDC on the Cooperative Conversion Date as well to establish the escrow accounts.

(i) **Reserves:** The Apartment Corporation is required to deposit with HDC (i) on the Cooperative Conversion Date, the sum of $240,000 as the SONYMA Supplemental Reserve Fund, and (ii) monthly, from and after the Cooperative Conversion Date, the sum of $4,519, as a Mortgaged Property Replacement Reserve Fund, as more fully described in Part I, Section S of the Plan entitled "Reserves and Working Capital."

(j) **Defaults:** HDC has the option of accelerating the entire unpaid principal balance of the HDC Note and accrued interest due thereon, upon, among other things, a default by the Apartment Corporation under the HDC First or Subordinate Mortgages or under the HDC Regulatory Agreement.

(k) **Subordinate Mortgages and Notes:** The lien of the HDC First Mortgage shall have priority ahead of all other mortgage liens on the Residential Unit. The only subordinate liens permitted under the HDC First Mortgage are the HDC Subordinate Mortgage, the HPD Mortgage and the HPD PM Mortgage.

HDC Subordinate Mortgage

(a)	**Mortgagee:**	New York City Housing Development Corporation 110 William Street New York, New York 10038
(b)	**Principal:**	$6,935,000
(c)	**Maturity Date:**	July 1, 2036
(d)	**Interest Rate:**	1% per annum
(e)	**Constant Payments:**	$5,779.17 per month

(f) **Prepayments:** Upon sale by a Tenant-Shareholder of the Shares attributable to Tenant-Shareholder's Apartment, the Tenant-Shareholder must remit to the Apartment Corporation a payment

in the amount of the HDC Resale Profits, if any, received by Tenant-Shareholder in connection with such sale. The Apartment Corporation is obligated to deliver these funds to HDC and HDC is obligated to use them to pay down the then outstanding principal balance of the HDC Subordinate Note. The constant monthly payments of $5,779.17 due under the HDC Subordinate Note shall not be reduced even when the outstanding principal amount of the HDC Subordinate Note is decreased as a result of application of HDC Resale Profits. Any amounts paid by the Apartment Corporation in excess of the interest due on the reduced outstanding principal balance of the HDC Subordinate Note, shall be applied by HDC to further reduce the principal balance of the HDC Subordinate Note.

See Part I, Section Q of this Plan entitled "Summary of Proprietary Lease" for further information on Tenant-Shareholder's obligation to pay HDC Resale Profits in connection with the sale of Tenant-Shareholder's Apartment.

(g) **Late Charges:** Two (2%) percent of any installment paid more than fifteen (15) days after its due date.

(h) **Defaults:** HDC has the option of accelerating the entire unpaid principal balance of the HDC Subordinate Mortgage and accrued interest due thereon, upon, among other things, default by the Apartment Corporation under the HDC First Mortgage or HDC Subordinate Mortgage or the HDC Regulatory Agreement.

(i) **Balloon Payment:** The principal amount of the HDC Subordinate Note not fully paid down as of the Maturity Date through application of HDC Resale Profits and constant monthly payments will be due on the Maturity Date.

(j) **Mortgage Subordinate:** The HDC Subordinate Mortgage is subordinate to the HDC First Mortgage.

HPD Mortgage

(a) **Mortgagee:** New York City Department of Housing Preservation and Development
100 Gold Street
New York, New York 10038

(b) **Principal:** $6,000,000

(c) **Maturity Date:** 35 years from Cooperative Conversion Date

(d) **Interest Rate:** No interest.

(e) **Payments:** The HPD Note shall require no regular debt service payments. It shall be payable if at all during its term, out of HPD Apartment Resale Profits and HPD Residential Unit Resale Profits, which shall be applied to reduce principal, as described in this sub-paragraph (e). Application of HPD Apartment Resale Profits and HPD Residential Unit Resale Profits, to pay the HPD Note shall be required only after the HDC Subordinate Note has been fully paid, if at that time the HPD Note is still

outstanding. The principal balance of the HPD Note outstanding at its Maturity Date shall be extinguished as of that date, provided there shall have been no default under the HPD Mortgage or HPD Regulatory Agreement that remains uncured.

Once the HDC Subordinate Note has been paid in full, then upon sale by a Tenant-Shareholder of the Shares attributable to Tenant-Shareholder's Apartment, Tenant-Shareholder shall remit to the Apartment Corporation 50% of the HPD Apartment Resale Profits, if any, received by Tenant-Shareholder in connection with such sale. The Apartment Corporation must deliver these funds to HPD and HPD is obligated to use these funds to pay down the outstanding principal amount of the HPD Note, all as more fully described in the HPD Note. See Part I, Section Q of this Plan entitled "Summary of Proprietary Lease" for further information on Tenant-Shareholder's obligation to pay HPD 50% of HPD Apartment Resale Profits in connection with the sale of Tenant-Shareholder's Apartment.

Once the HDC Subordinate Note has been paid in full, then upon sale by the Apartment Corporation of the Residential Unit, the Apartment Corporation shall be obligated to pay to HPD 100% of the HPD Residential Unit Resale Profits received by the Apartment Corporation in conjunction with the sale and HPD must apply those funds to pay down the outstanding principal amount of the HPD Note, all as more fully described in the HPD Note. The circumstances under which the Apartment Corporation might sell the Residential Unit are unknown and unlikely. This provision of the HPD Note and HPD Mortgage is discussed in this Offering Plan only because it is a provision of the standard forms of loan documents used by HPD for this transaction and the terms of mortgages and notes affecting the Residential Unit are required to be disclosed in this Offering Plan. HPD did not identify particular circumstances under which a sale of the Residential Unit might occur. There is no requirement in the HPD Mortgage or HPD Note that such a sale is mandated under particular circumstances either.

(f) **Late Charges:** None

(g) **Escrow and Reserve Requirements:** None

(h) **Mortgage Subordinate:** The HPD Mortgage is subordinate to the HDC First Mortgage and the HDC Subordinate Mortgage. The Apartment Corporation may not further encumber the Residential Unit without the consent of HPD.

HPD PM Mortgage

(a) **Mortgagee:** New York City Department of Housing Preservation and Development
100 Gold Street
New York, New York 10038

(b) **Principal:** $1,757,594

(c) **Maturity Date:** 35 years from Cooperative Conversion Date

(d) **Interest Rate:** No interest

(e) **Payments:** The HPD PM Note shall require no regular debt service payments. It shall be payable, if at all during its term, out of HPD Apartment Resale Profits, HPD Residential Unit Resale Profits, and HPD Residential Unit Refinancing Profits, but only after the HDC Subordinate Note and the HPD Note have been paid in full.

Once the HDC Subordinate Note and the HPD Note have been paid in full, then upon a sale by a Tenant-Shareholder of the Shares attributable to Tenant-Shareholder's Apartment, Tenant-Shareholder shall remit to the Apartment Corporation 50% of the HPD Apartment Resale Profits, if any, received by Tenant-Shareholder in connection with such sale. The Apartment Corporation shall deliver these funds to HPD who shall use them to pay down the outstanding principal balance of the HPD PM Note, all as more fully described in the HPD PM Note. See also Part I, Section Q of this Plan entitled "Summary of Proprietary Lease" for further information on Tenant-Shareholder's obligation to pay 50% of HPD Apartment Resale Profits in connection with the sale of Tenant-Shareholder's Apartment.

Once the HDC Subordinate Note and the HPD Note have been paid in full, then upon a sale of the Residential Unit, or a refinancing of a mortgage encumbering the Residential Unit, the Apartment Corporation shall be obligated to pay to HPD 100% of the HPD Residential Unit Resale Profits or 100% of the HPD Residential Unit Refinancing Profits, an applicable, and HPD must apply these funds to pay down the outstanding principal amount of the HPD PM Note, all as more fully described in the HPD PM Note. The circumstances under which the Apartment Corporation might sell the Residential Unit are unknown and unlikely. This provision of the HPD PM Note and HPD PM Mortgage is discussed in this Offering Plan only because it is a provision of the standard forms of loan documents used by HPD for this transaction and the terms of mortgages and notes affecting the Residential Unit are required to be disclosed in this Offering Plan. HPD did not identify particular circumstances under which a sale of the Residential Unit might occur. There is no requirement in the HPD PM Note or HPD PM Mortgage that such a sale is mandated under particular circumstances either.

The principal balance of the HPD PM Note outstanding as of its Maturity Date shall be deemed fully satisfied on that date, provided there shall have been no default under the HPD PM Mortgage or HPD Regulatory Agreement that remained uncured.

(f) **Late Charges:** None

(g) **Escrow and Reserve Requirements:** None

(h) **Mortgage Subordinate:** The HPD PM Mortgage is subordinate to the HDC First Mortgage, HDC Subordinate Mortgage and the HPD Mortgage.

HDC Regulatory Agreement and HPD Regulatory Agreement

Certain restrictions are imposed by the HDC Regulatory Agreement and the HPD Regulatory Agreement in connection with the sale of Apartments by Sponsor pursuant to this Plan. These restrictions are summarized in Part I, Section L of the Plan entitled "Procedure to Purchase and Close."

Restrictions also are imposed on Tenant-Shareholders by the HDC Regulatory Agreement and the HPD Regulatory Agreement in connection with the use and resale of Apartments. Some of these

restrictions are summarized in Part I, Section L of this Plan entitled "Procedure to Purchase and Close," and others are summarized in Part I, Section Q, of this Plan entitled "Summary of Proprietary Lease."

In addition, the HDC Regulatory Agreement and/or the HPD Regulatory Agreement require the following:

(a) In accordance with the HDC Regulatory Agreement, Tenant-Shareholders must commence occupancy of their Apartment as their principal residence within sixty (60) days of their Apartment Closing Date, must be a natural person or persons, and may not use the Apartment as an investment property or as a vacation home. In addition, if subletting of Apartments is permitted by the Apartment Corporation (which may not occur while the HPD Regulatory Agreement is in effect), Tenant-Shareholders may sublet only to subtenants satisfying the same HDC Regulatory Agreement income-eligibility requirements applicable to purchasers.

(b) On the first day of the fourth month following the occupancy of ten (10%) percent of the Apartments in the Residential Unit for which an Apartment Closing Date has occurred, and every three (3) months thereafter, the Apartment Corporation shall furnish HDC with a list of all closings that have occurred during the previous three (3) months.

(c) The Apartment Corporation shall submit to HPD no later than thirty (30) days after the date of the HPD Mortgage and upon each anniversary thereafter until the HPD Mortgage has been satisfied, a written certification setting forth the Aggregate Annual Household Incomes of all Tenant-Shareholders who commenced occupancy during the prior year together with all supporting documentation.

(d) The Apartment Corporation shall submit to HPD an annual certified income and expense statement.

The HDC Regulatory Agreement shall terminate on the date the HDC First Mortgage and the HDC Subordinate Mortgage have been paid in full. The term of the restrictions in the HPD Regulatory Agreement remain in effect during the time the HPD Note and HPD Mortgage are in effect, or 35 years from the date the HPD Note and Mortgage are made, whichever is later.

In the event of conflict between the provisions of the HDC Regulatory Agreement or the HPD Regulatory Agreement, the more restrictive terms shall govern.

No Personal Liability

Tenant-Shareholders will not be personally liable to HDC or HPD, as the holders of the Underlying Mortgages encumbering the Residential Unit, with respect to the Underlying Mortgages.

Q. SUMMARY OF PROPRIETARY LEASE

The Proprietary Lease, a form of which is contained in full in Part II of this Plan in substantially the form that Purchasers will receive by assignment and assumption, shall have an initial term of fifty at least (50) years and may be extended by vote of the Tenant-Shareholders. As a lessee, every Tenant-Shareholder of the Apartment Corporation will be obligated to pay Maintenance for Tenant-Shareholder's Apartment as fixed by the Board of Directors of the Apartment Corporation. The following are some of the Tenant-Shareholder's rights and additional obligations under the Proprietary Lease:

1. Tenant-Shareholder may cancel the Proprietary Lease and surrender the Shares to the Apartment Corporation (without receiving any compensation) on any December 31st after the third anniversary of the Cooperative Conversion Date on at least six months' prior notice to the Apartment Corporation. If Tenant-Shareholder elects to cancel, Tenant-Shareholder upon vacating Tenants-Shareholder's Apartment, will have no liability for payment of Maintenance after the effective date of the cancellation, but will remain liable for any indebtedness owing prior to such effective date of cancellation. However, a party selling Shares under this Offering Plan may not so cancel a Proprietary Lease unless (i) the owners of a majority of all outstanding Shares of the Apartment Corporation have elected to cancel their Proprietary Leases, (ii) the Shares then being offered under the Offering Plan constitute 15% or less of the outstanding Shares of the Apartment Corporation or (iii) at least two (2) years have elapsed since the Cooperative Conversion Date. On the effective date of cancellation, the party selling Shares under this Offering Plan shall pay to the Apartment Corporation a sum equal to the product of the then current monthly maintenance charges for the Apartment or Apartments being surrendered multiplied by 24.

2. Tenant-Shareholder shall have the right to sell the Shares allocated to Tenant-Shareholder's Apartment and assign the Proprietary Lease appurtenant thereto in compliance with the Proprietary Lease and the Apartment Corporation's By-laws, which require that consent to an assignment be given in writing by a majority of the Board of Directors of the Apartment Corporation and, during such periods as the HDC Regulatory Agreement and/or HPD Regulatory Agreement is(are) in effect, that the prospective purchaser be approved by HDC and HPD. At no time may the Board of Director's consent be denied based upon race, color, creed or other ground prohibited by law. An assignment may not be effected without complying with additional requirements set forth in the Proprietary Lease.

3. If a Tenant-Shareholder, who has assigned or pledged the Proprietary Lease as security for a loan, defaults under any of the terms, covenants, provisions, or conditions of the Proprietary Lease, the Apartment Corporation will give written notice thereof to any lender who has given the Apartment Corporation written notice of such assignment or pledge, provided a recognition agreement requiring such notice has been signed by and among the Apartment Corporation, Tenant-Shareholder and lender.

4. Tenant-Shareholder will be responsible for the cost of interior repairs including maintenance and repair of all interior walls, floors and ceiling, and electrical, plumbing, gas and heating fixtures, appliances and equipment within Tenant-Shareholder's Apartment, including, without limitation, refrigerator, range, oven, air conditioning units, if any, and other appliances, and the painting or decorating of Tenant-Shareholder's Apartment. The consent of the Apartment Corporation is required before alterations or additions may be made in the Apartment or to its fixtures and equipment (which consent may not be unreasonably withheld).

5. Each Tenant-Shareholder with a patio or terrace appurtenant to Tenant-Shareholder's Apartment shall have the exclusive right to use such patio or terrace (subject to the Apartment Corporation's right of access to perform any maintenance and repair obligations under the Proprietary Lease), and shall be responsible for normal maintenance and repair to such patio or terrace, and to any fencing or other enclosure around the patio or terrace and to any decking, pavers or other surface of the patio or terrace. Tenant-Shareholder shall be obligated to keep all drains and gutters on or appurtenant to Tenant-Shareholder's patio or terrace free and clear of snow, ice, leaves and other debris, and to prevent any water back-up on the patio or terrace. Structural or extraordinary repairs to patios or terraces shall be undertaken by the Apartment Corporation. Tenant-Shareholders shall be subject to all use restrictions imposed by the Apartment Corporation with respect to patios or terraces, including, without limitation, restrictions on type of materials for fencing and decking, maintenance and repair obligations for fencing and decking, planting, furniture, plant containers, watering, barbecuing, alterations, laundry, play equipment, etc.

6. If Tenant-Shareholder fails to honor Tenant-Shareholder's obligations under the Proprietary Lease, the Proprietary Lease may be terminated. Some important events of default under the Proprietary Lease and other occurrences that could result in termination of the Proprietary Lease, are as follows: (a) Tenant-Shareholder's ceasing to own the Shares to which the Proprietary Lease is appurtenant; (b) Tenant-Shareholder's becoming bankrupt; (c) unauthorized assignment of the Proprietary Lease, or any unauthorized subletting or occupancy of Tenant-Shareholder's Apartment; (d) default in payment of Maintenance or other charges; (e) failure to perform other covenants under the Proprietary Lease; (f) Tenant-Shareholder's objectionable conduct; (g) termination of all Proprietary Leases appurtenant to all outstanding Shares of the Apartment Corporation; (h) destruction of the Residential Unit; (i) condemnation of the Property or the Residential Unit; (j) default by Tenant-Shareholder under a pledge agreement, if the purchase of Tenant-Shareholder's Apartment is financed; and (k) default under the HDC Regulatory Agreement or the HPD Regulatory Agreement. If a Proprietary Lease is terminated because of a default, Tenant-Shareholder may lose all or a part of Tenant-Shareholder's investment.

7. Maintenance charges shall be established by the Board of Directors. Maintenance shall be fixed for any year or portion thereof based upon the proportion of the actual cash required for maintenance, alteration and improvement of the Residential Unit, including creation of permissible and/or required reserves for contingencies, repairs, replacements and general operations, and the payment of any obligations, liabilities or expenses incurred or to be incurred by the Apartment Corporation, after giving consideration to income expected to be received during such period other than maintenance charges and cash on hand, which the Board of Directors may choose to apply based upon the number of Shares allocated to each Apartment as a fraction of the total number of Shares issued and outstanding on the date Maintenance charges are fixed. Maintenance shall be payable in constant equal monthly installments. Maintenance may be fixed for a year or portion of a year, and may include any shareholder's pro rata share of any special assessment for any repair, alteration or improvement to the corporate property or any deficit from operations for a prior period, or other cash requirement. A special assessment shall be deemed additional Maintenance charges.

8. During the two-year period following the Cooperative Conversion Date, the Apartment Corporation may not, among other things, without the consent of Tenant-Shareholders owning at least 75% of the issued and outstanding Shares of the Apartment Corporation, (i) increase the number of employees or provide services in addition to those contemplated in Schedule B of this Plan as same may be amended (unless the aggregate annual cost of any such additional employees or services, when added to the aggregate annual cost of all other expenses for that year does not exceed the aggregate projected income for that year,

without increasing annual Maintenance for that year), (ii) undertake any capital or major improvement, unless required by the holder or insurer of an Underlying Mortgage, (iii) increase, extend, modify or refinance the mortgage indebtedness of the Apartment Corporation, (iv) enter into any new mortgage, contract of sale or ground lease of the Residential Unit, or (v) increase the reserves or establish any reserves in addition to those described in this Plan including, without limitation, any reserves for contingencies, repairs, improvements or replacements, other than a reserve for contingencies not exceeding 5% of the annual operating budget for that year. The foregoing super-majority voting requirement shall not be required after the second anniversary of the Cooperative Conversion Date, or to comply with obligations of law (including subsequently enacted provisions) or to cure or remedy any notices of violation of law or any work orders or other requirements of HDC or HPD, or SONYMA as insurer of the HDC Mortgage.

9. The recently enacted provisions of General Business Law Section 352-l allowing the Apartment Corporation to direct that the tenant of an Apartment owned by a "non-occupying" Tenant-Shareholder pay rent directly to the Apartment Corporation instead of to the Tenant-Shareholder, if the Tenant-Shareholder defaults in payment of Maintenance and/or assessments and/or late fees for more than sixty (60) days, is deemed incorporated into the Proprietary Lease.

10. Each Proprietary Lease shall be substantially in the form set forth in Part II of this Plan unless a variation is authorized by Tenant-Shareholders owning at least two-thirds of the Shares of the Apartment Corporation then issued. During the period when the HDC Regulatory Agreement is in effect, HDC must consent to all changes to the Proprietary Lease.

11. **HDC and HPD Resale Requirements**. A Tenant-Shareholder who acquires an Apartment pursuant to this Offering Plan may re-sell the Apartment at market prices: there are no restrictions on re-sale prices. However, all Tenant-Shareholders (i.e., each Tenant-Shareholder acquiring an Apartment pursuant to this Offering Plan and each subsequent Tenant-Shareholder of an Apartment), must share a certain portion of the profits on resale with HDC or HPD, as applicable, and all prospective purchasers must satisfy the income limitations and the Annual Income Ratio and Annual Debt Ratio requirements imposed pursuant to the HDC and HPD Regulatory Agreements, which are discussed in Part I, Section L of this Plan entitled "Procedure to Purchase and Close." To facilitate compliance with these requirements, the Proprietary Lease requires that a Tenant-Shareholder take specific steps in connection with the sale of Tenant-Shareholder's Apartment, which steps are summarized as follows:

(a) **HDC Requirements**

In accordance with the requirements of the HDC Regulatory Agreement, not more than 14 days prior to execution of a Purchase Agreement by a prospective purchaser (the "**Prospective Purchaser**"), the selling Tenant-Shareholder must (i) see to it that the Prospective Purchaser completes and executes a Purchaser's Affidavit, a Purchaser Income Eligibility Worksheet, and an Acquisition Cost Worksheet (all of which are part of the Purchaser Eligibility Documents, forms of which are contained in Part II of this Plan), (ii) complete and execute a Seller's Affidavit (a form of which also is part of the Purchaser Eligibility Documents contained in Part II of this Plan), and (iii) arrange for all completed and executed Purchaser Eligibility Documents to be submitted to the Apartment Corporation.

Prior to approving the sale to the Prospective Purchaser, the Apartment Corporation must review all the Purchaser Eligibility Documents to ascertain that (i) the Prospective Purchaser's income has been calculated consistently with the standards for determination of income under Section 7 of the United

States Housing Act as amended (the "**Income Determination Procedures**") as required by the HDC Regulatory Agreement, and (ii) the Prospective Purchaser is income-eligible to purchase in accordance with the income limitations required by the HDC Regulatory Agreement, which limitations are summarized in Part I, Section L of the Plan entitled "Procedure to Purchase and Close".

A Prospective Purchaser whose Aggregate Annual Household Income exceeds the income limitations included in Section 7 of the HDC Regulatory Agreement or whose Aggregate Annual Household Income is insufficient or whose annual household debt is excessive, according to the HDC standards in Section 7 of the HDC Regulatory Agreement, all as summarized in Part I, Section L of this Plan entitled "Procedure to Purchase and Close," will not be found eligible to purchase.

No Shares may be transferred by Sponsor or any other Tenant-Shareholder without the prior written consent of HDC. Accordingly, if the Prospective Purchaser appears to satisfy the eligibility requirements of the HDC Regulatory Agreement and any additional requirements of the Apartment Corporation, Sponsor (with respect to sales pursuant to this Plan), or the Apartment Corporation (with respect to all other sales), shall forward the completed Purchaser Eligibility Documents for the Prospective Purchaser to HDC for review.

If HDC approves a Prospective Purchaser, the Apartment Corporation shall require that the Prospective Purchaser execute the Reaffirmation included in the Purchaser Eligibility Documents and same shall be forwarded by Sponsor or the Apartment Corporation, as applicable, to HDC no later than five (5) days prior to the anticipated closing, if the Apartment Closing Date is more than six (6) months after the Prospective Purchaser executed the Purchaser's Affidavit. Changed information must be disclosed and if any changed information appears, no closing may occur until HDC re-approves the Prospective Purchaser. If HDC does not re-approve the Prospective Purchaser, the sale may not be consummated.

"Aggregate Annual Household Income" of a Prospective Purchaser is to be determined in accordance with the Income Determination Procedures. The Income Determination Procedures require that the calculation take into consideration the annual household income of the Prospective Purchaser and any other person(s) expected to reside in the Apartment with the Prospective Purchaser. Annual household income includes gross pay, overtime pay, part-time pay, bonuses, commissions, tips, dividends, interest, royalties, trust income, net rental income, Veterans Administration compensation, pensions, social security benefits, unemployment compensation, alimony, child support, public assistance, sick pay, business activity income, investment income and all other income.

During the period the HDC Subordinate Mortgage is outstanding, upon the sale by Tenant-Shareholder of the Shares allocated to Tenant-Shareholder's Apartment (excluding sales made pursuant this Offering Plan), Tenant-Shareholder shall be obligated to remit to the Apartment Corporation a payment in the amount of HDC Resale Profits, if any, received by the Tenant-Shareholder in connection with the sale. ("HDC Resale Profits" means 50% of the Net Appreciation, if any, received by Tenant-Shareholder upon such sale. "Net Appreciation" and the capitalized terms used within the definition of "Net Appreciation," are all defined in Part I, Section B of the Plan, entitled "Definitions"). The Apartment Corporation shall in turn remit a payment in the same amount to HDC, who shall apply same in reduction of the then outstanding principal balance of the HDC Subordinate Note, as more fully described in Part I, Section P of this Plan entitled "Terms of Mortgages and Regulatory Agreements." The Tenant-Shareholder shall be entitled to retain all resale profits in excess of HDC Resale Profits at time of sale.

It is anticipated that the tasks and responsibilities of the Apartment Corporation described in this Section will be handled by the Apartment Corporation's Managing Agent on behalf of the Apartment Corporation.

(b) **HPD Requirements**

The HPD Regulatory Agreement requires that Tenant-Shareholders may sell their Apartments only to "Eligible Purchasers." "Eligible Purchasers" are those satisfying certain maximum income restrictions as discussed in Part I, Section L of the Plan, entitled "Procedure to Purchase and Close." If a Prospective Purchaser satisfies the HDC eligibility requirements described above, the Prospective Purchaser is likely to be determined by HPD to be an Eligible Purchaser pursuant to the HPD Regulatory Agreement, if HPD's analysis of the information provided by the Prospective Purchaser confirms HDC's determination.

In accordance with the terms of the HPD Regulatory Agreement, the HPD Note and the HPD PM Note, any Tenant-Shareholder selling the Shares allocated to Tenant-Shareholder's Apartment after the HDC Subordinate Note is paid in full, shall be obligated to remit to the Apartment Corporation a payment in the amount of 50% of HPD Apartment Resale Profits, if any, received by Tenant-Shareholder in connection with the sale. The Apartment Corporation shall be obligated to remit a payment in the same amount to HPD who shall apply it first to reduce the outstanding principal balance of the HPD Note, and once the HPD Note is fully paid, to reduce the outstanding principal balance of the HPD PM Note. Tenant-Shareholder shall be entitled to retain all resale profits in excess of 50% of HPD Apartment Resale Profits at time of sale.

"HPD Apartment Resale Profits," together with all other capitalized terms used in the definition of "HPD Apartment Resale Profits," are defined in Part I, Section B of the Plan entitled "Definitions."

During the time the HPD Regulatory Agreement is in effect, an Apartment may not be sublet by the Tenant-Shareholder.

THE FOREGOING SUMMARY OF THE PROPRIETARY LEASE IS ONLY A SUMMARY OF AND AN INTRODUCTION TO THE ENTIRE PROPRIETARY LEASE AND DOES NOT PURPORT TO BE COMPLETE. THE COMPLETE FORM OF PROPRIETARY LEASE IS PRINTED IN PART II OF THIS PLAN AND SHOULD BE CAREFULLY REVIEWED BY EACH PURCHASER FOR A FULL UNDERSTANDING OF ITS TERMS AND PROVISIONS.

R. APARTMENT CORPORATION AND BY-LAWS

The Apartment Corporation was incorporated under Article 11 of the Private Housing Finance Law and Section 402 of the Business Corporation Law of the State of New York by certificate of incorporation filed with the New York Secretary of State on March 4, 1999. The Apartment Corporation has an authorized capital of 200,000 shares, with a par value of $.01 per share. As of the date of this Plan, Sponsor owns all the issued Shares of the Apartment Corporation, with the exception of one block of Shares which is owned by Suna/Levine.

The Apartment Corporation By-laws provide that until the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, there shall be three directors of the Apartment Corporation appointed by Sponsor. From and after the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, the Board of Directors shall consist of seven directors elected by the Tenant-Shareholders. The first annual meeting will be held approximately ninety (90) days after the Cooperative Conversion Date. Thereafter, annual meetings of the Tenant-Shareholders shall be held on or about the anniversary date of the first annual meeting.

Pursuant to the provisions of the HDC Regulatory Agreement and the HPD Regulatory Agreement, HDC or HPD, as applicable, shall have the right to remove members of the Board of Directors and replace same with designees of said agencies in the event of a default under the HDC Regulatory Agreement or HPD Regulatory Agreement, as applicable (see Section 4.5(d) of the Apartment Corporation By-laws).

The present officers of the Apartment Corporation are:

Stuart Match Suna:	President
Jeffrey E. Levine:	Vice President and Treasurer
Michael Kessler:	Secretary

The present directors of the Apartment Corporation are: Jeffrey E. Levine, Stuart Match Suna and Michael Kessler.

All current officers and directors of the Apartment Corporation are affiliated with Sponsor. At the first annual meeting of Tenant-Shareholders, the current officers and directors will resign and will be replaced by directors and the officers to be elected by Tenant-Shareholders, as described above. All directors and officers shall serve without compensation.

At all meetings for the election of directors, each Tenant-Shareholder, including Sponsor with respect to Shares it owns, and Suna/Levine with respect to Shares it owns, if applicable, will be entitled to cast as many votes as equal the number of directors to be elected multiplied by the number of Shares owned by the Tenant-Shareholder. Tenant-Shareholder may cast all of such votes for a single director or may distribute them among the number of directors to be voted for, as such Tenant-Shareholder may see fit. Such right, when exercised, is known as "cumulative voting." Directors will be elected by a plurality of the votes cast at a meeting at which a quorum is present.

The Apartment Corporation By-laws may be amended at (i) any shareholders' meeting by an affirmative vote of Tenant-Shareholders owning in the aggregate at least two-thirds of the outstanding and

issued Shares, or (ii) at any meeting of the Board of Directors by vote of two-thirds of the number of directors fixed in the By-laws. An amendment adopted under clause (i) above may not be repealed by the Board of Directors. During the time the HDC Regulatory Agreement is in effect, all amendments to the By-laws shall require the prior written consent of HDC.

The Apartment Corporation will have a lien on each Tenant-Shareholder's Shares to secure the payment of Maintenance and assessments.

The Apartment Corporation may impose on its Tenant-Shareholders and/or authorize its Managing Agent to collect from Tenant-Shareholders, fees in connection with the sale and/or subletting of Apartments, fees to process applications for alterations to Apartments, and other similar fees.

The Apartment Corporation may not discriminate against any persons for a reason proscribed by civil rights laws.

A complete copy of the Apartment Corporation By-laws is set forth in Part II of this Plan.

S. RESERVE FUNDS AND WORKING CAPITAL

The Mortgaged Property Replacement Reserve Fund

During the period the HDC Regulatory Agreement is in effect, the Apartment Corporation shall remit to HDC monthly, simultaneously with its debt service payments on the HDC First Mortgage, the sum of $4,519 to be held by HDC in escrow in an interest-bearing account as a reserve fund for the benefit of the Apartment Corporation (the "**Mortgaged Property Replacement Reserve Fund**").

During the period the HDC Regulatory Agreement is in effect, the Mortgaged Property Replacement Reserve Fund may be drawn upon by HDC at its sole discretion for: (i) the cost of capital improvements and extraordinary renovations to the Residential Unit which are not part of the ordinary and normal expenses of operating the Residential Unit, and (ii) to pay principal and interest in the event of the Apartment Corporation's default under the HDC Note or to cure any other defaults under the HDC First Mortgage and/or the HDC Note. The Mortgaged Property Replacement Reserve Fund may be drawn upon by the Apartment Corporation with the consent of HDC, as set forth below.

SONYMA Supplemental Reserve Fund

On the Cooperative Conversion Date, Sponsor, on behalf of the Apartment Corporation, shall pay the sum of $240,000 (i.e., $1,000 for each Apartment excluding the Superintendent's Apartment) to HDC to establish a reserve fund referred to in and required by the SONYMA Commitment as the "Initial Reserve Account" and referred to in and required by the HDC Commitment as the "SONYMA Supplemental Reserve" (the "**SONYMA Supplemental Reserve Fund**"). The SONYMA Supplemental Reserve Fund shall be held by HDC in an interest-bearing account for the benefit of the Apartment Corporation.

Each Purchaser, at the time of Purchaser's pre-closing if there is a pre-closing, or if there is no pre-closing then at the time of Purchaser's Apartment Closing Date, shall be required to pay Sponsor the sum of $1,000 in reimbursement for Sponsor's payment on behalf of the Apartment Corporation of the portion of the SONYMA Supplemental Reserve Fund allocable to Purchaser's Apartment. This $1,000 Reserve Fund Contribution payable by Purchaser is in addition to the Purchase Price for the Apartment payable by Purchaser.

The SONYMA Supplemental Reserve Fund may be drawn upon and used by HDC in its sole discretion for the cost of capital improvements and extraordinary renovations to the Residential Unit which are not part of the ordinary and normal expenses of operating the Residential Unit. The SONYMA Supplemental Reserve Fund may also be applied to payments of principal and interest due under the HDC Note in the event of a default by the Apartment Corporation under the HDC Note or to cure other defaults under the HDC Note or HDC First Mortgage.

The Additional Reserve Fund

Amortization of the HDC First Mortgage is scheduled to begin July 1, 2001.

If the Cooperative Conversion Date occurs prior to July 1, 2001, monthly payments with respect to the HDC First Mortgage in the amount of $194,271 shall be made by the Apartment Corporation as if the HDC First Mortgage were fully amortizing. The amount remaining after applying the applicable

portion of the debt service payment to interest due on the HDC First Mortgage (i.e., approximately $19,071.20 per month), shall be deposited by HDC in an account (the "**Additional Reserve Fund Account**") for the benefit of the Apartment Corporation to be used for the Residential Unit as requested by the Apartment Corporation and/or as determined by HDC, including, in HDC's sole discretion, to reimburse Sponsor for such items as HDC determines that Sponsor has paid on behalf of the Apartment Corporation ("**Prepaid Items**"). Prepaid Items may include, without limitation, property insurance, reserve funds, taxes and similar escrows. Such Prepaid Items shall be listed on a schedule attached to a promissory note to be made by the Apartment Corporation to Sponsor on the Cooperative Conversion Date. If Sponsor holds such a note from the Apartment Corporation, then any amount released by HDC to Sponsor from the Additional Reserve Fund to pay the note shall be supported by evidence, satisfactory to HDC, that Sponsor has reduced the promissory note in the amount of such payment.

If the Cooperative Conversion Date occurs on or after July 1, 2001, there will not be any Additional Reserve Fund.

Disbursements from Mortgaged Property Replacement Reserve Fund, SONYMA Supplemental Reserve Fund and Additional Reserve Fund

In the event the Apartment Corporation desires that HDC make a disbursement from the Mortgaged Property Replacement Reserve Fund, the Supplemental Reserve Fund or the Additional Reserve Fund, the Apartment Corporation shall make a written request to HDC.

In the event that HDC shall desire to make a disbursement from the Mortgaged Property Replacement Reserve Fund, the SONYMA Supplemental Reserve Fund and/or the Additional Reserve Fund, to cure a default by the Apartment Corporation under the HDC First Mortgage, HDC shall not make any such disbursement until all grace periods for the applicable default(s) have expired, unless the Apartment Corporation agrees otherwise.

Interest on Reserve Funds; Expiration of HDC Regulatory Agreement

The Mortgaged Property Replacement Reserve, the SONYMA Supplemental Reserve Fund and the Additional Reserve Fund are expected to bear interest which shall accrue for the benefit of the Apartment Corporation. Once the HDC Regulatory Agreement no longer is in effect, HDC shall forward to the Apartment Corporation all principal, if any, remaining in the Mortgaged Property Replacement Reserve Fund, the SONYMA Supplemental Reserve Fund and the Additional Reserve Fund, together with all interest accrued thereon. Once said funds are returned to the Apartment Corporation they may be used by the Apartment Corporation for any lawful corporate purpose.

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No representation is made that the Mortgaged Property Replacement Reserve Fund, the SONYMA Supplemental Reserve Fund or the Additional Reserve Fund will be adequate to cover current or future repairs and replacements, operating deficits or contingencies. If additional funds are required over and above these funds, it may be necessary for the Apartment Corporation to increase the Maintenance payable by Tenant-Shareholders or to impose a special assessment against Tenant-Shareholders.

Neither the New York State Department of Law nor any other governmental agency has passed upon the adequacy of any of the reserve funds described above.

Working Capital

No working capital contribution will be required of Purchasers at the time of their Apartment Closing Date. Sponsor is not making any working capital contribution to the Apartment Corporation under this Plan.

T. THE CONDOMINIUM

The Residential Unit is one of two Units in the Condominium. The other Unit is the Commercial Unit. The Condominium was formed by Declaration dated April 8, 1999 and recorded on June 4, 1999 in Reel 2886, Page 1620 in the City Register's Office, and by Tax Lot Drawings filed simultaneously. The Declaration includes the Condominium By-laws as an attached schedule.

Each Unit is assessed as a separate tax lot for real estate tax purposes, and each Unit may be mortgaged or not, as the owner of the Unit elects. The Residential Unit is not subject to mortgages on the Commercial Unit and vice versa.

The Apartment Corporation, as owner of the Residential Unit, will be responsible for maintenance and repair of the Residential Unit, and Sponsor, as owner of the Commercial Unit, will be responsible for maintenance and repair of the Commercial Unit.

Ownership of a Unit includes ownership of an undivided interest in the Common Elements (i.e., the "**Common Interest**").

The Common Interest allocated to each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act (i.e., Real Property Law Article 9B). It has thus been based on floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit. The Common Interest attributable to the Residential Unit is 71% and the Common Interest attributable to the Commercial Unit is 29%, for a total of 100%.

The Condominium will be managed by its Board of Managers in accordance with the Condominium Declaration and Condominium By-laws. The Board of Managers will comprise representatives of the Residential Unit and the Commercial Unit appointed by the owner of each Unit. Currently the Board of Managers consists of three individuals appointed by Sponsor. These individuals will resign at the first annual meeting of Unit Owners, which is to take place within approximately 90 days after the Cooperative Conversion Date. At the first annual meeting of Condominium Unit Owners, the Apartment Corporation, as the owner of the Residential Unit, is to appoint two (2) representatives to the Board of Managers, referred to in the Declaration as the "**Residential Unit Representatives**," and the owner of the Commercial Unit is to appoint one (1) representative to the Board of Managers, called the "**Commercial Unit Representative**."

While the Apartment Corporation is the owner of the Residential Unit, all Residential Unit Representatives appointed to the Board of Managers must be Tenant-Shareholders of the Apartment Corporation (subject, however, to the right of a lender foreclosing on the Residential Unit or a receiver of the Residential Unit to appoint non-Tenant-Shareholders as the Residential Unit Representatives, as more fully set forth in the Condominium By-laws).

The term of office of members of the Board of Managers appointed at the first annual meeting of Unit Owners shall be two (2) years for one Residential Unit Representative, one (1) year for the other Residential Unit Representative and two (2) years for the Commercial Unit Representative, or until their respective successors are appointed. Thereafter, at all annual meetings of Unit Owners, representatives will be appointed for 2-year terms.

The Board of Managers shall have the powers and duties necessary for administration of the affairs of the Condominium . All determinations, however, which (i) affect only the Residential Unit and do not adversely affect the Commercial Unit may be made by the Residential Unit Owner, and (ii) affect only the Commercial Unit and do not adversely affect the Residential Unit, may be made by the Commercial Unit Owner.

The Common Expenses of the Condominium, which are minimal, will be paid by the Residential Unit Owner and the Commercial Unit Owner as Common Charges. The cost of Common Expenses generally are allocated among the Units based on Common Interest. However, upon unanimous vote of all members of the Board of Managers, Common Charges for a particular Common Expense may be based on the estimated amount by which the particular expense item benefits or is used by the Unit or the Unit Owner, provided the allocation is fairly attributable to the Unit and reasonable under the circumstances.

Disputes arising under the Condominium Declaration and By-laws are to be resolved by Arbitration as provided in the Condominium By-laws.

U. APARTMENT CORPORATION'S ACQUISITION OF THE RESIDENTIAL UNIT

Conveyance of the Unit

As contemplated by the LDA, the SDA and numerous other Project documents, the Partnership will convey fee title to the Residential Unit to the Apartment Corporation on completion of construction of the Residential Unit. The date on which such conveyance occurs is the "Cooperative Conversion Date." Until the Cooperative Conversion Date the Apartment Corporation will be deemed to have held beneficial ownership of the Residential Unit and upon acquisition of fee title on the Cooperative Conversion Date it will also own legal title to the Residential Unit.

No later than the Cooperative Conversion Date, Sponsor will cause the Apartment Corporation to procure fee title insurance from First American Title Insurance Company of New York or other title company of Sponsor's choice which is a member of the New York Board of Title Underwriters (the "**Title Company**"), insuring the Apartment Corporation's legal title to the Residential Unit. Coverage will be in an amount equal to the sum of the original principal amount of the Underlying Mortgages (i.e., approximately $46,307,594) plus the portion of the cash purchase price paid for the Property attributable to the Residential Unit (i.e., $241), plus the aggregate sales price for the Shares (i.e., approximately $1,800,000) for a total of approximately $48,107,835.

The Apartment Corporation will own the Residential Unit free and clear of all liens and encumbrances except, however, the following:

(a) The terms and provisions of the Offering Plan;

(b) Any state of facts shown on survey made by Robert Allan Haynes dated July 17, 1998 and amended and updated through June 24, 1999 as such survey further updated to the Cooperative Conversion Date shall show;

(c) Terms, restrictions and conditions set forth in the Land Disposition Agreement;

(d) Terms, covenants, reservations, agreements and conditions contained in the deed to the Property from the City of New York to the Partnership dated as of April 8, 1999 recorded June 4, 1999 in Reel 2886, Page 1106;

(e) The Condominium Declaration;

(f) The HDC First Mortgage and the HDC Subordinate Mortgage;

(g) The HPD Mortgage and the HPD PM Mortgage;

(h) The HDC Regulatory Agreement;

(i) The HPD Regulatory Agreement;

(j) Terms and conditions of Subordination of Deed and Land Disposition Agreement by and between The City of New York, acting by and through its Department of

Housing Preservation and Development and New York City Housing Development Corporation, dated as of June 25, 1999 and recorded August 11, 1999 in Reel 2931, Page 2020;

(k) Assignment of Surplus Money made by the Partnership to the City of New York dated April 8, 1999 and recorded on June 4, 1999 in the City Register's Office in Reel 2886, Page 1267;

(l) Collateral Assignment of Leases and Rents made from the Partnership and Sponsor to HDC, dated as of June 25, 1999 and recorded August 11, 1999 in Reel 2932, Page 20;

(m) The rights of tenants, occupants or parties in possession, if any;

(n) Covenants, easements, party wall or other agreements and restrictions of record, provided that the same have not been violated by the existing improvements and do not prevent the use of the Residential Unit for residential purposes, unless the Apartment Corporation's title insurance company will affirmatively insure the Apartment Corporation against the enforcement thereof against the Residential Unit;

(o) Consents by any owner of the Unit for the erection of any structure or structures on, under or above abutting streets;

(p) Building restrictions, regulations, zoning laws and ordinances now in effect or as may be amended between the date of presentation of this Plan and the Cooperative Conversion Date, provided same do not prohibit the existence of the Residential Unit or the use thereof as an apartment building;

(q) The lien of any unpaid real estate and vault taxes, water charges or sewer rents (to be apportioned);

(r) The revocable nature of the right, if any, to use vaults and other areas and space beyond the lot lines and under and abutting the public sidewalks;

(s) Encroachments of stoops, areas, cellar steps, trim, cornices, projecting air-conditioner units or equipment, if any, upon any abutting streets, highways or the adjoining sidewalks;

(t) Easements and other rights of public utilities to install, replace, repair and maintain lines, pipes and equipment;

(u) Service, union, concession, and maintenance contracts and leases, if any, as may be in force and effect on the Cooperative Conversion Date;

(v) Variations between tax lot and lines of record title;

(w) Any assignments of rents, other documents or UCC financing statements securing any of the Underlying Mortgages or executed in connection therewith;

(x) Zoning and other resolutions, regulations and ordinances (and amendments thereto) now or hereafter adopted;

(y) The lien of any unpaid assessment payable in installments;

(z) The lien of any unpaid parking violation bureau judgments with respect to any shareholder, partner, officer, director or individual in the chain of title to the Residential Unit, provided that the Title Company agrees to insure the Apartment Corporation against the collection thereof out of the Residential Unit;

(aa) Any unpaid federal or state estate taxes due and owing by the estates of any predecessors in the chain of title to the Residential Unit;

(bb) Any other lien or encumbrance or state of facts as to which the Title Company would be willing, in a fee policy, to insure provided it (i) will not be collected out of the Residential Unit if it is a lien or (ii) will not be enforced against the Residential Unit if it is not a lien;

(cc) Any other encumbrance or state of facts, imputed to or within the knowledge of the Apartment Corporation, which would not prevent the use of the Residential Unit for the purposes set forth in this Plan;

(dd) Any sidewalk violations; and

(ee) Standard exceptions to title set forth in the printed form of title insurance policy of the Title Company insuring the Apartment Corporation's title.

Adjustments

Prior to the Cooperative Conversion Date, payments advanced or made by Sponsor as the primary Tenant-Shareholder of the Apartment Corporation, for or on behalf of the Apartment Corporation as beneficial owner of the Residential Unit to operate the Residential Unit, are expected to be treated in part as Maintenance and in part as a loan. The amount advanced by Sponsor to be categorized as a loan will be determined as of the Cooperative Conversion Date. This amount will be substantially the same amount as would be adjusted between Sponsor and the Apartment Corporation if a sale of the Residential Unit to the Apartment Corporation occurred on that date. Thus, to the extent Sponsor has paid expenses or advanced funds covering or attributable to the period of time on or after the Cooperative Conversion Date, or if Sponsor has received income with respect to the Residential Unit attributable to the period from and after the Cooperative Conversion Date, the Apartment Corporation will adjust with Sponsor to provide for apportionment of those expenses and income attributable to the period from and after the Cooperative Conversion Date. Such items could include, without limitation, the following:

(a) real estate taxes and/or real estate tax escrows with HDC;

(b) cost of fuel, plus sales tax;

(c) electricity and other utility costs for the common areas of the Residential Unit;

(d) charges and receipts in connection with service, maintenance and concession contracts (i.e., laundry agreement);

(e) wages and payroll expenses, including vacation pay accrued, if any;

(f) utility deposits;

(g) insurance premiums and/or insurance premium escrows with HDC;

(h) SONYMA insurance premiums and/or SONYMA insurance premium escrows with HDC;

(i) building supplies on hand, plus tax;

(j) management fees;

(k) rental income; and

(l) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted on the Cooperative Conversion Date because they are not fully ascertainable, they shall be apportioned and adjusted on that date to the extent feasible, with final adjustment to be made as soon as possible thereafter. Any balance reimbursable to Sponsor will be paid by the Apartment Corporation pursuant to promissory note to be executed on the Cooperative Conversion Date, payable monthly over the 12-month period following the Cooperative Conversion Date with interest at 6% per year , as provided in the projected operating budget for the anticipated first year of cooperative operation for the Apartment Corporation contained as Schedule B in this Plan.

V. SERVICE AND OTHER CONTRACTS BINDING ON THE APARTMENT CORPORATION OR ON THE CONDOMINIUM

Management Agreement - Apartment Corporation

The Apartment Corporation has entered into a management agreement with Urban Metro Inc., with its principal office at 42-25 21st Street, Long Island City, New York, effective as of the Cooperative Conversion Date or such earlier date as Purchasers who have entered into Purchase Agreements take occupancy in the Residential Unit pursuant to an interim lease or other form of occupancy agreement or license.

The Managing Agent will be compensated at an annual fee in the amount of $108,450 for the first year of the 5-year term of the agreement, with the annual fee increasing in increments of 4% over the previous year's compensation for each year of the term. The Management Agreement has an initial term of five (5) years and thereafter continues on a month-to-month basis. However, after two years the agreement may be terminated by either party, on at least 30 days notice if termination is by the Apartment Corporation and on at least 60 days notice if termination is by the Managing Agent. In addition, the agreement is subject to termination at any time with or without cause for any reason whatsoever, upon request to the Apartment Corporation from HDC.

The services to be rendered to the Apartment Corporation by the Managing Agent shall include, without limitation, the following: (i) billing and collecting Maintenance; (ii) hiring and discharging employees; (iii) maintaining the interior and exterior of the Residential Unit; (iv) maintaining insurance coverage for the Residential Unit; (v) supervising routine repairs; (vi) purchasing supplies for the Residential Unit; (vii) maintaining ordinary corporate books and attending directors' and shareholders' meetings at the request of the Board; (viii) paying mortgage charges and real estate taxes; (ix) maintaining payroll records and filing withholding statements for employees; (x) entering into certain miscellaneous contracts with respect to the Residential Unit; (xi) facilitating the transfer of Shares of the Apartment Corporation and attendance at closings; (xii) on behalf of the Apartment Corporation, distributing to Tenant-Shareholders seeking to sell their Apartments those forms required by HDC and HPD to be completed in connection with the resale of an Apartment, supervising of the completion of said forms, review of said forms and submission of forms acceptable to the Apartment Corporation to HDC for written approval; and (xiii) complying with the terms of the HDC Regulatory Agreement and the HPD Regulatory Agreement.

Management Agreement - Condominium

The Board of Managers of the Condominium also will enter into an agreement with Urban Metro, Inc. effective as of the Cooperative Conversion Date. The agreement will be for a term of two years and will continue on a month to month basis thereafter. Compensation for the first year will be at the rate of $2,300 and will increase 5% each year thereafter. Urban Metro will bill for and collect Common Charges from each Unit Owner, and generally will undertake and implement such tasks as are necessary for the management of the Property.

The foregoing discussions of the management agreements are only summaries of each agreement and do not purport to be complete. Interested Purchasers should consult and review the complete agreements for a comprehensive understanding of their terms and conditions.

Agreement With RCN Television Services

Sponsor entered into an agreement with RCN Television Services of New York, Inc. dated June 29, 1999 (the "**RCN Agreement**"), concerning installation and delivery of telecommunication services to the Residential Unit. The RCN Agreement will be assigned to the Apartment Corporation on or about the Cooperative Conversion Date and the Apartment Corporation thereby will become the "owner" under the RCN Agreement. The RCN Agreement has an initial term of seven (7) years, with one seven (7) year renewal period available, subject to conditions set forth in the RCN Agreement. Pursuant to the RCN Agreement, (i) RCN has the right to install certain facilities for the provision of communications and telecommunications services to residents and (ii) Sponsor is to construct the distribution system for these services in conjunction with Sponsor's construction of the Project. Also pursuant to the RCN Agreement, RCN will provide programming and services to residents who subscribe to RCN.

The programming to be provided by RCN pursuant to the RCN Agreement to residents who subscribe for RCN's services, is to be substantially as described in the RCN Agreement, which includes basic cable service for a variety of cable channels as well as local phone service. The monthly rates at the time the RCN Agreement was entered into included, without limitation, $27.95 for basic cable without local phone and $24.95 for basic cable with local phone. The cost of subscriptions for premium cable services such as HBO, Cinemax, Showtime etc., will be in addition to the basic cable service fee, and will be at the cost then charged by RCN.

Purchasers interested in subscribing to RCN must contact RCN directly and will be provided with appropriate subscription information at or about the time of Purchaser's Apartment Closing Date or pre-closing, as applicable. Sponsor makes no representation or warranty as to services, programming or rates to be offered by RCN to any particular Purchaser, Tenant-Shareholder or other resident.

Once RCN's systems are operational and RCN has subscribers, RCN is obligated pursuant to the RCN Agreement to pay the owner of the Residential Unit a fee (the "**RCN Fee**") based on a percentage of total receipts RCN receives on account of "facilities-based" local telephone service and video services it provides to the premises which require access to the premises ("**Receipts**"). Receipts will not include long distance telephone service and internet access service.

The RCN Fee is a percentage of Receipts payable if and when Receipts exceed $2,410 per month, calculated as follows:

5% of Receipts	for Receipts in excess of $2,410 and less than or equal to $5,061;
7.5% of Receipts	for Receipts in excess of $5,061 and less than or equal to $7,230; and
10% of Receipts	for Receipts in excess of $7,230.

The foregoing discussion is only a summary of certain key provisions of the RCN Agreement and does not purport to be complete. Interested Purchasers should consult and review the complete RCN Agreement for a comprehensive understanding of all of its terms and conditions.

Telecommunications Facilities License Agreement with Bell Atlantic

Sponsor entered into an agreement with Bell Atlantic-NY dated September 20, 1999 (the "**Bell Atlantic Agreement**"), concerning installation and maintenance at the Building by Bell Atlantic of equipment necessary for Bell Atlantic to provide telecommunications services to occupants of the Building.

As the Bell Atlantic Agreement concerns provision of telecommunications services to all occupants of the Building and not just to occupants of the Residential Unit, the Bell Atlantic Agreement will be assigned by Sponsor to the Board of Managers of the Condominium on or about the Cooperative Conversion Date and the Board of Managers thereby will become the "Owner" under the Bell Atlantic Agreement.

The Bell Atlantic Agreement is not exclusive and the Owner thereunder may allow other telecommunications providers to install equipment in the Building and to provide services to tenants, provided Owner provides security for Bell Atlantic's equipment and otherwise proceeds in accordance with the Bell Atlantic Agreement.

After the 5th anniversary of the Bell Atlantic Agreement Owner may terminate the Agreement, provided Owner purchases Bell Atlantic's wire and cable distribution system and any conduit installed by Bell Atlantic, on terms set forth in the Agreement. If Owner terminates the Bell Atlantic Agreement and purchases the equipment required under the Bell Atlantic Agreement and if a tenant of the Building subsequently desires to obtain telecommunications services from Bell Atlantic, Owner must allow Bell Atlantic to use the equipment Owner purchased from Bell Atlantic to provide such service to the tenant.

The Bell Atlantic Agreement does not identify specific services or rates to be offered to residents of the Residential Unit. It indicates that Bell Atlantic (and its affiliates and agents), shall have the right to "solicit the tenants of the Building" to purchase services from Bell Atlantic and its affiliates and agents.

Sponsor makes no representation or warranty as to services or rates to be offered by Bell Atlantic to any particular Purchaser, Tenant-Shareholder or other resident.

The foregoing discussion is only a summary of the Bell Atlantic Agreement and does not purport to be complete. Interested Purchasers are advised to consult and review a copy of the Bell Atlantic Agreement in its entirety for a comprehensive understanding of its terms.

W. IDENTITY OF PARTIES

Sponsor

Sponsor, Central Harlem Partnership Plaza, LLC, is a New York limited liability company with offices c/o Levine Builders, 42-09 235th Street, Douglaston, New York 11363. The Managing Member of Sponsor is Suna/Levine Industries, Inc., a New York corporation which maintains an address c/o Levine Builders, 42-09 235th Street, Douglaston, New York 11363. The sole shareholders of Suna/Levine Industries, Inc. are Jeffrey E. Levine and Stuart Match Suna.

Suna/Levine LLC, an affiliate of Suna/Levine Industries, Inc., was selected by HPD in March 1996 on the basis of qualifications submitted in response to HPD's request for qualifications for the ANCHOR/Partnership Plaza Retail Demonstration Program, to enter into negotiations with HPD to develop a project on the Land. The successful conclusion of those negotiations led to the development by Sponsor of the Project described in this Plan. Neither Suna/Levine LLC nor Sponsor engaged in competitive bidding in connection with development of the Project.

Mr. Levine is a general contractor and developer with headquarters in Douglaston, New York. His company, J.E. Levine Builders, Inc. d/b/a Levine Builders, has successfully constructed, renovated or rehabilitated thousands of residential units and millions of square feet of commercial space, including office buildings, retail centers, religious, educational and health-related facilities. He is a Vice President of the Associated Builders and Owners of Greater New York and sits on the Board of Directors of the Citizens Housing and Planning Council, the New York Housing Conference and the Borough of Queens Chamber of Commerce.

Mr. Suna is President of Silvercup Studios, New York City's largest film and television production facility. He has co-developed over a thousand units of rental and ownership housing. He is a partner in Metro Management and Development, Inc. a real estate management company that manages approximately 8,000 residential apartment units.

Sponsor has not previously served as a sponsor of an offering of cooperative interests in realty. However, Suna/Levine Industries, Inc., the managing member of the Sponsor of this Plan, served as a principal of the sponsor in two homeowners associations offerings within the last five (5) years. Specifically, Suna/Levine Industries, Inc. was a principal of the sponsor for Wallabout Homeowners Association, Inc. in Brooklyn and Davidson Avenue Homeowners Association, Inc. in the Bronx, both under the auspices of the New York City Housing Partnership's Affordable Homes Program.

Attorneys for Sponsor

Sponsor retained the law firm of Robinson Silverman Pearce Aronsohn & Berman LLP, located at 1290 Avenue of the Americas, New York, New York 10104, to represent Sponsor in connection with preparation of this Plan.

The firm of Cassin Cassin & Joseph LLP ("**Closing Counsel**") has been retained by Sponsor to represent it in connection with Purchase Agreements and closings of individual Apartment sales. Closing Counsel maintains an office at 300 East 42nd Street, New York, New York 10017 .

Attorneys for Apartment Corporation

Prior to the Cooperative Conversion Date Sponsor will select counsel to represent the Apartment Corporation in connection with the Apartment Corporation's acquisition of legal title to the Residential Unit and its execution and delivery of documents in connection with the Underlying Mortgages or otherwise entered into as of the Cooperative Conversion Date. The expense of such counsel will be paid by Sponsor.

Architect

Greenberg Farrow Architecture Engineering Development, with offices at 245 Fifth Avenue, New York, New York 10016, is Sponsor's architect with respect to the Project. Other residential projects of Greenberg Farrow include:

Palisades Apartments
Dallas, Texas

Rosemont Apartments
Roswell, Georgia

Crestmont Apartments
Atlanta, Georgia

Montrose Apartments
Atlanta, Georgia

Morgan Falls Apartments
Atlanta, Georgia

Sutton Place Apartments
Clearwater, Florida

Tibarron Apartments
Atlanta, Georgia

Cotton Bay Apartments
Boca Raton, Florida

Executive Villas Apartments
Dallas, Texas

Defoors Mill Townhouse Condominiums
Atlanta, Georgia

Shallowford Road Apartments
Atlanta, Georgia

Tamarron Apartments
Atlanta, Georgia

Burkeshire Condominiums
Atlanta, Georgia

Noble Vines Apartments
Savannah, Georgia

Noble Woods Apartments
Atlanta, Georgia

Noble Cove Apartments
Atlanta, Georgia

Noble Oaks Apartments
Atlanta, Georgia

Noble Creek Apartments
Atlanta, Georgia

Noble Forest Apartments
Atlanta, Georgia

Noble Ridge Apartments
Atlanta, Georgia

Peachtree Corners Apartments
Atlanta, Georgia

Mid Broadwell Apartments
Atlanta, Georgia

Deerbrook Apartments
Tampa, Florida

Outward Bound Dormitory
Naples, Florida

Palencia Apartments
Clearwater, Florida

St. Martins Wood Townhouse Condominiums
Atlanta, Georgia

Morningside Condominiums
Atlanta, Georgia

Lakemont Apartments
Atlanta, Georgia

Palamar Apartments
Atlanta, Georgia

Parkaire Crossing Condominiums
Atlanta, Georgia

Riverhead Landings Apartments
Riverhead, Long Island, New York

Contractor

Levine Builders is the general contractor engaged by Sponsor to construct the Project. Levine Builders, which is wholly-owned by Jeffrey E. Levine, has more than 20 years of experience as a general contractor for residential and commercial projects and has built thousands of residential units and over one million square feet of commercial space. Some of Levine Builders' residential housing developments include:

- **Anderson Houses**. Rehabilitation of 263 units of affordable housing under the auspices of the New York City Department of Housing Preservation and Development in the Highbridge section of the Bronx.

- **Long Beach Towers**. 112-unit deluxe ocean-front condominium units in Long Beach, Long Island.

- **Greenwich Mews**. A private, gated luxury townhouse project located in the West Village constructed in accordance with the guidelines established by the New York City Department of Landmarks Preservation.

- **The Landings at Fresh Creek**. 282 units of low-density residences at Fresh Creek in Brooklyn.

- **Shorehaven**. A phased, planned waterfront community of market residences in the Soundview section of the Bronx.

- **Chester Street**. 24, 2-family homes in the Ocean Hill Brownsville section of Brooklyn under the New York City Housing Partnership New Homes Program. Recipient of the National Association of Home Builders "Best Affordable Multi-Family Housing Project" Award.

- **York River House**. Comprehensive modernization of the common interior and exterior elements of a three building, 726 unit residential co-op on Manhattan's East Side.

- **The American Felt Building**. Alteration of a 1906 limestone clad industrial building into an avant-garde luxury condominium.

- **QuatroLex**. Rehabilitation of three vacant buildings on 104th Street in East Harlem in cooperation with a community based not-for-profit sponsor with funding provided by The Housing Trust Fund Corporation of the New York State Division of Housing and Community Renewal.

- **230-259 West 116th Street**. 90-unit rehabilitation and conversion of vacant shells into moderate income housing. Sponsored by the New York City Department of Housing Preservation and Development's Participation Loan Program.

Jeffrey E. Levine, who is one of the principals of Sponsor, also is the principal of Levine Builders.

Managing Agent

The managing agent for the Apartment Corporation is expected to be Urban Metro, Inc., an affiliate of Metro Management Development, Inc., both with offices located at 42-25 21st Street, Long Island City, New York. Stuart Match Suna, one of the principals of Sponsor, has an ownership interest in Metro Management Development, Inc. Metro Management's current portfolio comprises approximately 10,000 residential apartments of which approximately 5,000 are coops or condos. Some of the cooperative apartment buildings now under Metro Management's management include:

Property	Units
18-15 215th Street Owners Inc. a/k/a/ The Seville 18-15 215th Street Bayside, NY 11360	280
17-85 215th Street Owners Inc. a/k/a The Americana 17-85 215th Street Bayside, NY 11360	280
Baydale Tenants Corp. 35-06 Clearview Expressway Bayside, NY 11361	237
Bell Apartments Owners Corp. 211-65 23rd Avenue Bayside, NY 11360	310
Hyde Park Owners Corp. 68-32B 136th Street Flushing, NY 11365	748

Scott Tower Housing Co. Inc. 3400 Paul Avenue Bronx, NY 10468 (HPD Mitchell Lama Co-op)	354
Lind-Ric Housing Co. Inc. 2410 Barker Avenue Bronx, NY 10467 (HPD Mitchell Lama Co-op)	177
Waldo Gardens Inc. 3800 Waldo Avenue Bronx, NY 10462 (DHCR Mitchell Lama Co-op)	172
3901 Independence Owners Inc. 3901 Independence Avenue Riverdale, NY 10463	104
Mosholu Avenue Apartments Corp. 5715 Mosholu Avenue Riverdale, NY 10471	70
46 West 95th Street Owners Corp. 46 West 95th Street New York, NY 10025	36
57 West 93rd Street Owners Corp. 57 West 93rd Street New York, NY 10025	42
Inwood Gardens Inc. 45 Fairview Avenue New York, NY 10040 (DHCR Mitchell Lama Co-op)	220

X. RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following rights and obligations under this Plan:

Generally

(a) Sponsor has secured construction financing which Sponsor believes will be sufficient to complete construction of the Project and convert to permanent financing on completion.

(b) Sponsor shall cause the Project to be completed substantially in accordance with the Plans and Specifications, subject to Sponsor's right to substitute appliances, fixtures, equipment or materials of substantially equal or better quality for those described in the Plan and Specifications and make modifications in layout or design. Any of the foregoing substitutions or modifications may be made without prior notice or amendment to the Plan. The issuance of a Certificate of Occupancy covering the Building shall be deemed presumptive evidence that the Building, its appurtenances and all of the Apartments in the Residential Unit have been completed substantially in accordance with the Offering Plan and the Plans and Specifications.

(c) Sponsor may not change the size, number or location of Apartments, except as more specifically provided in "Changes in Offering Terms and Apartments" in Part I, Section H. Sponsor will not be obligated to correct or be liable to any Purchaser by reason of any variations from the Plans and Specifications or the description of the Residential Unit or Apartments included in the Plan which are not in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction or which are necessitated by job or site conditions or requirements so long as said variations are insubstantial changes in the dimensions or arrangements of rooms, walls or other areas within an Apartment or the Residential Unit.

(d) Prior to the Cooperative Conversion Date, Sponsor shall have obtained a temporary or permanent Certificate of Occupancy covering at least the Residential Unit. If closings occur on a temporary Certificate of Occupancy, Sponsor shall attempt to obtain a permanent Certificate of Occupancy within two (2) years after the Cooperative Conversion Date, subject, however, to construction delays caused by weather, strikes, lockouts, acts of god, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no control, including, without limitation, special work requested or performed by or for a Purchaser with respect to a particular Apartment or by or for a tenant of the Commercial Unit, but in any event, before expiration of the applicable temporary Certificate of Occupancy, as same may be renewed, replaced or extended.

(e) In the event an Apartment Closing Date occurs after issuance of a temporary Certificate of Occupancy but before issuance of a permanent Certificate of Occupancy for the Residential Unit, all deposits and funds received from the Purchaser of that Apartment shall continue to be held in the Escrow Account, unless Sponsor's Architect certifies that no additional funds beyond those provided for and yet to be disbursed under the development budget for the Project will be necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the deposit may be released from the Escrow Account on the Apartment Closing Date. In the event Sponsor does not have sufficient funds available, through the undisbursed balance of the construction loan, retainage or otherwise to complete the work necessary to obtain a Certificate of Occupancy for the Residential Unit, then in lieu of retaining the

Down Payment in escrow, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified to be necessary to complete construction. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. It should be noted that this paragraph is inserted pursuant to law and regulation and is subject to deletion or change in case of revision or amendment to such law and/or regulation.

(f) Sponsor will pay its general contractor who is required to pay all subcontractors, materialmen and others involved in the construction of the Project for authorized work performed and authorized fixtures, material and equipment supplied to or installed in the Project. Sponsor will cause all mechanics' liens arising out of said construction, or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after Sponsor receives notice that any such liens are filed. Alternatively, at or about the time of the Cooperative Conversion Date, Sponsor shall provide such assurances to the Title Company as shall enable the Title Company to insure against collection or enforcement of the mechanic's liens from the Residential Unit or any portion thereof.

(g) On the Cooperative Conversion Date, Sponsor will cause the Residential Unit to be free of all liens and encumbrances other than the liens and encumbrances described in this Plan.

(h) Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Apartment, the Residential Unit or the Project arising out of any occurrence taking place on or after the Cooperative Conversion Date, or to indemnify the Apartment Corporation or Tenant-Shareholders, except with respect to claims arising out of the acts, omissions or representations of Sponsor, as limited in this Plan.

(i) Only those obligations of Sponsor set forth in this section which are to be performed subsequent to the Cooperative Conversion Date shall survive the Cooperative Conversion Date.

(j) Except as specifically set forth in this Plan, no bond or other security has been furnished to secure Sponsor's obligations hereunder, including but not limited to its obligations to complete construction and to obtain a permanent Certificate of Occupancy.

(k) Sponsor shall pay Maintenance due from and after the Cooperative Conversion Date with respect to all Shares owned by Sponsor, until such Shares are sold or otherwise conveyed.

(l) On the Cooperative Conversion Date, Sponsor shall deposit with HDC a cash deposit or letter of credit in an amount equal to two (2) years Maintenance for Apartments owned by Sponsor for which Purchase Agreements have not been entered into. Such cash deposit or letter of credit may be drawn upon by HDC only if Maintenance with respect to an Apartment covered by such deposit or letter of credit is not paid and then, only in the amount of the unpaid Maintenance, and may be reduced by Sponsor in the applicable amount each time an Apartment covered by the deposit or letter of credit is sold to a Purchaser approved by HDC and HPD.

(m) Sponsor will obtain an updated opinion of "reasonable relationship", as of the Cooperative Conversion Date, as described in Part I, Section I of this Plan.

(n) Sponsor shall cause the Apartment Corporation to procure by the Cooperative Conversion Date, the insurance described in Schedule B (Part I, Section F).

(o) Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in this Plan on file at the On-Site Sales Office, the office of Selling Agent or at another designated location for six (6) years from the date the Plan is accepted for filing by the Attorney General.

(p) Sponsor shall deliver a set of "as built" plans for the Residential Unit to the Apartment Corporation at the first annual meeting of Tenant-Shareholders after the Cooperative Conversion Date.

(q) Sponsor will deliver a set of "as-built" plans for the Project to the Board of Managers of the Condominium at the first annual meeting of Unit Owners held after the Cooperative Conversion Date.

(r) Sponsor and Sponsor's successors, assigns, designees, invitees, contractors, agents, employees and tenants, shall have by grant from each Purchaser, Tenant-Shareholder or tenant, as applicable, and from the Apartment Corporation as well, any and all easements and rights of access, in and to Apartments and terraces, patios and/or balconies appurtenant thereto, and common areas of the Residential Unit specifically and the Project generally, as shall be reasonably necessary to complete construction in a manner consistent with the purposes of the Plan and Sponsor's rights and obligations hereunder. Sponsor will use reasonable efforts to notify parties of Sponsor's intended entry in advance, except in the case of emergency. In case of emergency, such right of entry shall be immediate, whether or not the party is present. Sponsor also will make reasonable efforts not to interfere with Tenant-Shareholder's use of the Apartment during Sponsor's work. However, there may be a temporary limitation as to use of the public areas of the Residential Unit or the Project. If reasonable care under the circumstances of Sponsor's access or entry is used to safeguard a Purchaser's or Tenant-Shareholder's property, such access or entry shall not render Sponsor or its agents liable for damages in an Apartment or common area, as applicable.

(s) Sponsor's reservation and rights pursuant to the foregoing and Sponsor's additional rights shall include, but are not limited to:

(i) the right to maintain general and sales and/or leasing office and personnel at the Residential Unit specifically and the Project generally, to post signs, and to conduct other activities connected with promotion, sales or leasing of the Apartments and the Commercial Unit, such as showing of Apartments and common areas in the Residential Unit and retail spaces in the Commercial Unit, to prospective purchasers or prospective tenants; and

(ii) the right to maintain one or more Apartments in the Residential Unit as a sales and/or leasing office or model apartment in connection with sales in the Residential Unit or leases in the Commercial Unit; and to change those Apartments from time to time;

(iii) the right of access in and to Apartments and common areas of the Residential Unit specifically and the Project generally, for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work; and

(iv) the right after the Cooperative Conversion Date, without prior notice or amendment to this Plan, to use elevators in the Residential Unit and/or Apartments in the Residential Unit and/or other areas of the Property generally, for the purpose of transporting or storing maintenance, repair, construction or other materials and supplies.

(t) With respect to the rights reserved in subparagraph s(i)-(iv) above, it is expressly provided and understood that Sponsor intends to use portions of the Project as construction, sales, leasing and promotion offices and for other purposes related to completion of construction of the Building and the sale of Apartments and leasing of the Commercial Unit. Neither the Board of Managers of the Condominium nor the Apartment Corporation may enact rules or regulations or perform other acts, or make any other provisions, that would interfere with Sponsor's rights in this paragraph.

(u) Sponsor reserves the right to dissolve or liquidate itself at any time after the first anniversary of the Cooperative Conversion Date with the prior consent of HDC, provided that construction of the Project has been completed and all Shares offered under this Plan have been sold.

(v) Sponsor will pay all expenses in connection with the sale of Apartments (except for costs specifically payable by Purchasers as set forth in this Plan), and will pay selling expenses incurred by Sponsor including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

(w) Sponsor shall use its best efforts to obtain for the Residential Unit a Certificate of Final Exemption pursuant to Section 421-a of the New York Real Property Law.

Warranties

Sponsor will deliver to the Tenant-Shareholder upon Tenant-Shareholder's Apartment Closing Date, and assign or deliver to the Apartment Corporation upon the Cooperative Conversion Date, as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing and appliances, as well as bonds, if any, relating to the Apartments or Residential Unit, respectively. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and are in Sponsor's possession, and only to the extent such warranties and bonds are available and/or assignable.

On the Cooperative Conversion Closing Date, Sponsor shall deliver to the Apartment Corporation a Limited Warranty (the "**Limited Warranty**") substantially in the form contained in Part II of this Plan.

The Limited Warranty has several components, as follows:

1. a final inspection of the Residential Unit conducted with a representative of the Apartment Corporation before the Cooperative Conversion Date, in order to identify defects or incomplete items in the common areas of the Residential Unit, which items Sponsor will undertake to have repaired or completed, as necessary;

2. a final inspection of each Apartment with the Purchaser who signed a Purchase Agreement for that Apartment, before the earlier of Purchaser's occupancy under an interim lease or Purchaser's Apartment Closing Date, in order to establish a list of outstanding items in the Apartment that Purchaser wishes Sponsor to complete and Sponsor agrees to have completed; and

3. warranty coverage to the Apartment Corporation as owner of the Residential Unit, for the plumbing, electrical and heating, ventilation and cooling systems, and for certain structural elements of the Residential Unit. Depending on the type of warranty, the coverage period is one year, two years or six years.

PURCHASERS ARE URGED AND ENCOURAGED TO READ THE LIMITED WARRANTY TO BECOME FULLY FAMILIAR WITH THE TYPES AND EXTENT OF WARRANTY COVERAGES AND TENANT-SHAREHOLDER RESPONSIBILITY, AS WELL AS THE APARTMENT CORPORATION'S RESPONSIBILITY, IN MAKING CLAIMS UNDER THE LIMITED WARRANTY.

Sponsor, in its sole discretion, shall select the method of correcting any defect which Sponsor is obligated to or otherwise undertakes to correct. The Apartment Corporation, Purchaser (as an Interim Lessee) and/or the Tenant-Shareholder, as the case may be, shall allow Sponsor, its contractors and/or the Managing Agent access to the Residential Unit and/or the Apartment, as the case may be, to inspect and/or correct such defect between 8:00 a.m. and 4:00 p.m. Monday through Friday. The quality of construction shall be in accordance with "Locally Accepted Building Practices," which are a set of performance standards incorporated into the Limited Warranty.

Sponsor shall be deemed to have discharged any obligation it may have with respect to defects covered under the Limited Warranty, if (i) Sponsor is not notified of any defect within the time periods specified in the Limited Warranty or (ii) the Apartment Corporation and/or Purchaser or Tenant-Shareholder in question prevents Sponsor's contractors and/or the Managing Agent access to the Residential Unit and/or the Apartment in question between 8:00 a.m. and 4:00 p.m. Monday through Friday, or (iii) Sponsor shall have corrected the defect in accordance with Locally Accepted Building Practices as determined by Sponsor's contractor or Sponsor's Architect or engineer.

NOTWITHSTANDING THE FOREGOING, SPONSOR SHALL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES WITH RESPECT TO WHICH ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER DENOTED) FROM MANUFACTURERS, CONTRACTORS, MATERIALMEN, OR OTHERS, ARE ASSIGNED TO EITHER A TENANT-SHAREHOLDER OR THE APARTMENT CORPORATION. ALSO, SPONSOR'S UNDERTAKING TO CORRECT DEFECTS AS DESCRIBED ABOVE, RUNS ONLY TO TENANT-SHAREHOLDERS WHO PURCHASE AN APARTMENT FROM SPONSOR. IT DOES NOT RUN TO TENANT-SHAREHOLDERS WHO PURCHASE UNITS ON RESALE FROM TENANT-SHAREHOLDERS.

In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration, or for any defects of insubstantial nature, including but not limited to raised butt joints; ridging; scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surfaces or grooves) and on facias from staining; doors and windows sticking because of weather; adjustment of bifold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops.

Nothing contained herein or in the Limited Warranty shall be construed to render Sponsor liable for consequential, incidental, special or direct damages, whether based on negligence, breach of contract, warranty or otherwise, (except as Sponsor may be liable for by law), it being intended that Sponsor's sole obligations under this Offering Plan and the Limited Warranty shall be to repair or, at Sponsor's option, replace any defective item of construction covered under the Limited Warranty.

Except as expressly set forth in the Limited Warranty, Sponsor has no obligation to correct or repair any defect or other condition in any Apartment, common areas, the Residential Unit or the Building or any installation, apparatus, fixture or appurtenance. The foregoing discussion is a summary of Sponsor's obligations and the rights of Purchasers, Tenant-Shareholders and the Apartment Corporation under the Limited Warranty. The Limited Warranty itself sets forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.

Leasing and Use of Unsold Apartments; Interim Leases

Sponsor may lease an Apartment to a prospective Purchaser who has paid the requisite Down Payment and executed a Purchase Agreement which has been countersigned by Sponsor, for such rent and on such conditions as may be agreed to between Sponsor and Purchaser. Notwithstanding the foregoing, the rent payable under such lease (hereinafter, an "**Interim Lease**") shall be the same amount as the projected Maintenance attributable to the Apartment being leased. Interim Leases may be entered into only before the Cooperative Conversion Date. The term of such Interim Lease shall terminate on the earlier of (i) twelve (12) months from the date of the Interim Lease or (ii) the Apartment Closing Date, subject to earlier termination due to Interim Lessee's default.

Each Interim Lease will provide that an uncured default by Purchaser under the Purchase Agreement with respect to the Apartment which is the subject of the lease will constitute a default under the lease, entitling Sponsor, at its sole option, immediately to terminate the Interim Lease and the Purchase Agreement. In addition, each Purchase Agreement may provide that an uncured default by Purchaser under any Interim Lease with respect to the Apartment which is the subject of the Purchase Agreement, including but not limited to payment of rent as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement and the Interim Lease and exercise any remedies provided therein.

Additional information concerning Interim Leases is found in Part I, Section L of this Plan, entitled "Procedure to Purchase and Close."

All rights accruing to Sponsor under the foregoing provisions concerning leasing and use of Apartments owned by Sponsor, shall also accrue to an affiliate or designee of Sponsor.

Y. REPORTS TO SHAREHOLDERS

The Apartment Corporation, at its sole cost and expense, shall provide a copy of each of the following reports and/or notices to Tenant-Shareholders annually:

1. An income tax deduction statement prepared by an independent licensed accountant by April 15 (or as soon thereafter as practicable);

2. An audited financial statement of the Apartment Corporation prepared by an independent public accountant issued by April 15 (or as soon thereafter as practicable); and

3. Notice of the holding of an annual meeting of Tenant-Shareholders for the purpose of, among other things, election of members to the Board of Directors.

The above dates may be changed pursuant to the Apartment Corporation By-laws and the Proprietary Lease.

Z. DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the General Business Law, copies of this Plan and all documents referred to herein and all exhibits submitted to the Department of Law in connection with the filing of this Plan will be available at the On-Site Sales Office, at the office of the Selling Agent or at another designated location for inspection and copying by actual and prospective purchasers of Shares offered by this Plan, and shall remain available for inspection without charge, and for copying at a reasonable charge, for a period of six (6) years following the Cooperative Conversion Date.

AA. GENERAL

There are no lawsuits, administrative proceedings or other proceedings, the outcome of which may materially affect this offering, the Property, Sponsor's capacity to perform all of its obligations under this Plan, the Apartment Corporation, or the operation of the cooperative.

The Property has not been the subject of any prior cooperative or condominium offerings.

In accordance with the provisions of the laws of the City and State of New York, Sponsor represents that neither Sponsor nor its agents will discriminate against any person because of race, creed, color, national origin, marital status, sex or ancestry or any other basis prohibited by civil rights laws in the sale of Shares offered under this Plan.

BB. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that to the best of its knowledge, the "Description of Property and Specifications" set forth in Part II of this Plan accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Residential Unit on completion of construction, provided same are completed in substantial accordance with the Plans and Specifications. The Description of Property and Specifications was prepared by Greenberg Farrow Architecture Engineering Development and is included in this Plan with the consent of said firm.

OFFERING PLAN

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

PART II

1. FORM OF PURCHASE AGREEMENT

THE RENAISSANCE
130 MALCOLM X BOULEVARD
NEW YORK, NEW YORK 10026

AGREEMENT, dated _____ , 2000, between Central Harlem Partnership Plaza, LLC having an office c/o Levine Builders, 42-09 235th Street, Douglaston, New York 11363 (hereinafter "**Sponsor**"), and _____, residing at _____, New York_____(hereinafter[collectively] "**Purchaser**").

* * * * *

Name(s) and manner in which the Shares will be taken (i.e., Tenants-in-Common, Joint Tenants with rights of survivorship, Tenants by the Entirety):_____

* * * * *

Purchaser Information

Purchaser's Daytime Telephone No.: _____

Purchaser's Evening Phone No.: _____

Purchaser's Fax No.: _____

Purchaser's Social Security No.: _____

Attorney Information

Name: _____

Address: _____

_____

_____

Telephone: _____

Fax: _____

TOTAL PURCHASE PRICE $_____

DOWN PAYMENT (50% OF TOTAL PURCHASE PRICE) $_____

BALANCE DUE AT CLOSING $_____

APARTMENT NO. _____

MONTHLY MAINTENANCE $_____

1. **Receipt of Documents.**

a. Purchaser represents that Purchaser received a copy of the Cooperative Offering Plan for The Residential Unit of the Renaissance Condominium, 130 Malcolm X Boulevard, New York, New York 10026 (the "**Residential Unit**") and all filed amendments thereto (collectively the "**Plan**" or "**Offering Plan**"), no less than three (3) business days prior to signing this Agreement and that Purchaser has read the Offering Plan. Purchaser understands that Purchaser and Sponsor are treating the entire content of the Plan and all filed amendments thereto as if they were included in this Agreement.

b. If Purchaser executed this Agreement without having the opportunity to review the Offering Plan for three (3) business days before signing, Purchaser shall have the right to rescind this Agreement and receive back the Down Payment within seven (7) days after the execution of this Agreement, provided written notice of rescission is personally delivered to Sponsor by the end of the seventh calendar day after the execution of this Agreement by Purchaser or is mailed to Sponsor at the On-Site Sales Office and postmarked within the seven (7) day period.

2. **Agreement to Purchase.**

a. Purchaser agrees to purchase from Sponsor, for the Total Purchase Price shown above (the "**Purchase Price**"), the shares of Renaissance Housing Development Fund Corporation (the "**Apartment Corporation**") allocated to the Apartment specified above (the "**Shares**") and to assume or enter into the Proprietary Lease appurtenant to the Shares (the "**Proprietary Lease**"). The Shares and the Proprietary Lease are referred to in this Agreement from time to time collectively as the "**Apartment**." When this Agreement refers, however, to events "in" or "to" the Apartment, the term "Apartment" as so used shall mean the physical Apartment itself.

b. Purchaser hereby is delivering to Sponsor, Purchaser's check drawn on a New York bank in the amount of the Down Payment shown above, made payable to "Cassin Cassin & Joseph LLP, as Escrow Agent," for deposit in the Cassin Cassin & Joseph LLP Attorney Trust Account for Renaissance HDFC. When Sponsor signs this Agreement, Sponsor will be acknowledging receipt of Purchaser's check for the Down Payment shown above, subject to collection.

c. Purchaser understands and agrees that in accordance with the "Procedure to Purchase and Close" described in the Offering Plan, Purchaser is executing this Purchase Agreement and the Purchaser Eligibility Documents and delivering same, together with Form W-9 and Purchaser's check in the amount of the Down Payment payable to Escrow Agent, to Sponsor, ***before Purchaser has been approved as a Purchaser by HDC and HPD.*** Purchaser further understands and agrees that until Purchaser has been approved by HDC and HPD, Sponsor cannot and will not sign this Purchase Agreement as seller, and until this Agreement is signed and returned to Purchaser, Purchaser shall have no rights as a Purchaser under this Agreement or the Offering Plan. Finally, Purchaser understands and agrees that Sponsor shall have the right to deliver the Down Payment to Escrow Agent for deposit in the Escrow Account prior to Purchaser's approval by HDC and HPD. In such event, deposit of the Down Payment shall not be deemed to mean that Purchaser has been approved or that the Purchase Agreement has been accepted by Sponsor, but it will mean simply that the Down Payment has been deposited in the

Escrow Account. Purchaser will be notified subsequently of approval by receipt of a copy of this Purchase Agreement signed by Sponsor, or of disapproval, by return of Purchaser's Down Payment.

d. Purchaser understands and agrees that the Purchaser Eligibility Documents which Purchaser is executing and delivering simultaneously with this Purchase Agreement and all statements made in the Purchaser Eligibility Documents, including without limitation Purchaser's statements about Purchaser's income, are hereby made part of this Purchase Agreement. A false statement in the Purchaser Eligibility Documents may be grounds for disapproval of Purchaser if discovered prior to the time Purchaser is approved by HDC and HPD, and it will be a default under this Purchase Agreement, entitling Sponsor to terminate this Agreement in accordance with its terms, if discovered after Purchaser has been approved by HDC and HPD.

3. **Agreement to Be Bound by the Documents.** Purchaser agrees to be bound by the Offering Plan for the sale of shares of the Apartment Corporation which is incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

4. **Purchaser's Representations.**

a. In the event a temporary or permanent certificate of occupancy is obtained for the portion of the Building containing the Apartment, and the Plan has been declared effective, Purchaser understands and agrees that Purchaser shall be obligated to close (and in certain instances to pre-close) under this Purchase Agreement, upon notice from Sponsor as described in ¶ 5(a) and ¶ 5(h) below.

b. Purchaser understands and agrees that Sponsor has the right to make changes or substitutions of materials or construction items in the Apartment and/or in the Building from those set forth in the Plans and Specifications, subject to the provisions of the Offering Plan, and that Sponsor shall have no obligation to perform any extras or special work in the Apartment. Purchaser may not enter the Apartment for purposes of inspection until notified by Sponsor that Purchaser may inspect the Apartment as set forth in ¶ 14 of this Agreement, and Purchaser may not permit Purchaser's architect, contractor or interior decorator to enter the Apartment or do work in the Apartment before Purchaser owns the Apartment. Purchaser also understands that once Purchaser owns the Apartment, Purchaser may not make any alterations in the Apartment (other than decorative) unless and until Purchaser's proposed alteration plans have been reviewed and approved by the Apartment Corporation in accordance with the Proprietary Lease or other rules and regulations governing alterations adopted by the Apartment Corporation.

c. Purchaser understands that any furniture, decorations, paint, wallpaper, built-ins, shelves or electrical fixtures shown in the model Apartments, if any, are not included in this sale.

d. Purchaser has examined or has been given the opportunity to examine, and is satisfied with or has waived the examination of the Proprietary Lease and the Apartment Corporation's certificate of incorporation, by-laws and house rules, and the Declaration and By-laws of The Renaissance Condominium of which the Residential Unit forms a part.

e. Purchaser understands and agrees that Purchaser must use and reside in the Apartment as Purchaser's residence, and that Purchaser may not use the Apartment as an investment or for occupancy by someone other than Purchaser.

5. **Closing and Pre-Closing.**

a. If Purchaser has not pre-closed on the Apartment as described in ¶ 5(h) below or if this Agreement is executed after the Cooperative Conversion Date, Sponsor will notify Purchaser after the Cooperative Conversion Date, at least ten (10) days in advance, as to the Apartment Closing Date and the time of Closing ("**Sponsor's Closing Notice**"). "**Closing**" refers to the time at which Purchaser (i) pays the balance of the Purchase Price for the Apartment and all associated Closing costs required pursuant to this Agreement and the Plan, (ii) executes all documents required under the Plan to be executed on the Apartment Closing Date, and (iii) thereby becomes a Tenant-Shareholder. The Closing date set forth in Sponsor's Closing Notice will be at least ten (10) days after the date an amendment to the Plan indicating that the Plan has been declared effective has been accepted for filing by the Attorney General's office. The date scheduled for Closing in Sponsor's Closing Notice is called the "**Original Scheduled Closing Date.**"

b. If the Original Scheduled Closing Date is more than six (6) months after the date Purchaser executed Purchaser's Income Eligibility Worksheet contained in the Purchaser Eligibility Documents, Purchaser will be required to re-affirm Purchaser's Affidavit by executing the Reaffirmation contained in the Purchaser Eligibility Documents and delivering same to Sponsor for submission to and approval by HDC. In such event the Closing cannot occur until HDC re-approves Purchaser based on the Reaffirmation. Purchaser's failure to timely cooperate with a request for a required Reaffirmation shall be a default under this Agreement.

c. The Closing, or pre-closing, as applicable, shall occur at the offices of Sponsor's Closing Counsel, Cassin Cassin & Joseph LLP, 300 East 42nd Street, New York, New York. Sponsor will be entitled, at no expense or liability to Sponsor, to reasonable adjournments of the Original Scheduled Closing Date in the event of a delay because of weather conditions, strikes or material shortages, delays in inspections and reports thereon, delays in processing of required documents by applicable governmental agencies, or due to any other reason whatsoever.

d. If Purchaser has inspected the Apartment as described in ¶14 of this Agreement and has noted certain Punchlist items on an Inspection Statement which Sponsor has agreed to attend to, Purchaser shall nevertheless be obligated to close under this Agreement on or about the Original Scheduled Closing Date (or on the date of the Scheduled Pre-Closing, as defined below, if applicable). Unfinished items specified on the Inspection Statement Punchlist will be completed by Sponsor within a reasonable period of time following the Closing (or pre-closing, as applicable), subject to force majeure delays, provided Purchaser permits Sponsor reasonable access to complete the work, as described in the Plan and in ¶14 of this Agreement.

e. Any adjournment of the Original Scheduled Closing Date granted by Sponsor at Purchaser's request will be, at Sponsor's discretion, upon the conditions that (i) all adjustments made at the Closing shall be made as of the Original Scheduled Closing Date, and (ii) at Closing, Purchaser

shall pay to Sponsor, by unendorsed personal certified check or by bank check, in either case drawn on a bank that is a member of the New York Clearinghouse Association, an amount equal to $100 per day multiplied by the number of days that the Closing is delayed (beginning with the Original Scheduled Closing Date and ending with the actual Apartment Closing Date).

f. **PURCHASER UNDERSTANDS THAT IF PURCHASER REQUESTS MORE THAN ONE ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE OR IF PURCHASER REQUESTS AN ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE IN EXCESS OF THIRTY (30) DAYS, SPONSOR SHALL HAVE THE RIGHT UNILATERALLY TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CLOSE ON ANY RESCHEDULED CLOSING DATE TO WHICH SPONSOR CONSENTS. IF TIME IS OF THE ESSENCE RESPECTING PURCHASER'S OBLIGATION TO CLOSE, IT MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE RESCHEDULED CLOSING DATE FOR ANY REASON WHATSOEVER, PURCHASER WILL BE IN DEFAULT UNDER THIS AGREEMENT AND SPONSOR WILL HAVE THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES. IN SUCH EVENT, SPONSOR MAY SELL THE APARTMENT TO ANOTHER PARTY AS IF THIS AGREEMENT HAD NEVER BEEN MADE. Nothing herein shall be construed to require Sponsor to grant any adjournment of the Original Scheduled Closing Date.**

g. If the Shares and Proprietary Lease are to be conveyed or assigned, as applicable, by Sponsor to a Purchaser comprising more than one person, all co-purchasers must be present at the Closing and must sign all Closing documents.

h. (i) Notwithstanding anything in this Agreement to the contrary, if this Agreement is executed prior to the Cooperative Conversion Date, Sponsor reserves the right to permit, and in certain instances described below to require, that Purchaser "pre-close" under this Purchase Agreement. To "pre-close" means that Purchaser shall (i) pay all monies due in connection with the purchase into escrow, (ii) sign all Closing documents (which also will be held in escrow), and (iii) enter into an "Interim Lease" for the Apartment, all as described in this ¶5(h). If Purchaser pre-closes and enters into an Interim Lease for the Apartment, Purchaser will be permitted to take occupancy of the Apartment prior to the Apartment Closing Date. To be entitled to enter into an Interim Lease for the Apartment, Purchaser must pre-close on the purchase simultaneously with the execution of the Interim Lease.

(ii) At Purchaser's pre-closing, if applicable, Purchaser will be obligated to pay the balance of the Purchase Price due under this Purchase Agreement into escrow with the Escrow Agent. Payment must be by unendorsed personal certified check of Purchaser or unendorsed official bank check, in either case drawn on a New York Clearinghouse bank and payable to Escrow Agent.

(iii) In the event Purchaser pre-closes, the Balance Due at Closing delivered by Purchaser at the pre-closing will be deposited into the same Escrow Account and held upon the same terms and conditions as the Down Payment. A Purchaser who pre-closes in accordance with the Plan

and who is not in default under this Agreement on the Cooperative Conversion Date, and who has supplied any necessary Reaffirmation and been re-approved by HDC, to the extent necessary, will become a Tenant-Shareholder on the Cooperative Conversion Date.

(iv) All funds deposited and held in the Escrow Account on account of the Purchase Price are referred to in this Purchase Agreement as **"Escrow Funds"**.

(v) At pre-closing, in addition to paying the Balance Due at Closing, Purchaser will be required to deliver to Escrow Agent Purchaser's personal certified check payable to Sponsor in the amount of $1,000 which will be used to reimburse Sponsor for Purchaser's share of the contribution made by Sponsor to HDC on the Cooperative Conversion Date to establish the SONYMA Supplemental Reserve Fund as described in the Plan (the "**Reserve Fund Check**"). Also at the pre-closing Purchaser must pay by certified or bank check the non-refundable Closing Fee to Sponsor's Closing Attorneys as described in the Plan (the "**Closing Fee Check**"). Purchaser also must deliver to Escrow Agent at the pre-closing, a certified check payable to the New York City Department of Finance in the amount of the NYC RPT Tax due in connection with this transaction, if any, plus the then applicable filing fee for the NYC RPT Tax Return, and a certified check payable to the NYS Department of Taxation and Finance in the amount of the NYS Transfer Tax (plus all associated then applicable filing fees) attributable to the transaction. These two checks are referred to collectively as the "**Transfer Tax Checks**." At the pre-closing, Purchaser also will be required to execute the Proprietary Lease or, at Sponsor's sole discretion, an assumption thereof, the NYC RPT Tax Return and NYS Real Estate Transfer Tax Return, smoke detector affidavit and all other documents necessary to consummate the purchase under this Purchase Agreement (all such documents signed at the pre-closing are referred to collectively as the "**Escrow Closing Documents**").

(vi) The Escrow Funds, the Reserve Fund Check, the Transfer Tax Checks and the Escrow Closing Documents shall be held in escrow by Escrow Agent until the later of the Cooperative Conversion Date or Purchaser's Apartment Closing Date, at which time the Escrow Funds, the Reserve Fund Check, the Transfer Tax Checks and the Escrow Closing Documents will be disbursed in accordance with the terms of this Agreement and the Offering Plan. If the Plan is abandoned, the Escrow Funds, plus interest earned thereon, the Reserve Fund Check and the Transfer Tax Checks shall be returned to Purchaser, the Escrow Closing Documents will become void and of no force and effect, and Escrow Agent will have no further responsibilities or liabilities with respect thereto. The Closing Fee Check will not be held in escrow and the Closing Fee will not be refundable to Purchaser under any circumstances.

(vii) If Purchaser pre-closes without entering into an Interim Lease, Purchaser will nevertheless be required to pay the first month's Maintenance into escrow with Escrow Agent, to be released and adjusted between Purchaser and the Apartment Corporation when the Purchase Price is released to Sponsor, or returned to Purchaser upon abandonment of the Plan.

(viii) Once the Plan has been declared effective, Sponsor may require that if Purchaser has not yet pre-closed and entered into an Interim Lease, that Purchaser do so. In the event Sponsor requires that Purchaser pre-close, Sponsor will give Purchaser at least ten (10) days written notice of the pre-closing date (the "**Scheduled Pre-Closing**"). A Scheduled Pre-Closing will be set by

Sponsor only if the Apartment is covered by at least a temporary certificate of occupancy and the Plan has been declared effective.

(ix) If Purchaser elects voluntarily to pre-close prior to the time the Plan has been declared effective and if Purchaser thereafter fails to satisfy the required conditions of pre-closing set forth in this Agreement and the Plan, or if Purchaser fails to pre-close at a Scheduled Pre-Closing in accordance with a mandatory pre-closing scheduled by Sponsor pursuant to ¶5(h)(viii) of this Agreement, Purchaser will be in default under this Purchase Agreement. In the event of such default, Sponsor will notify Purchaser of the default in writing, granting Purchaser at least ten (10) business days within which to cure the default.

(x) Any Interim Lease entered into by Purchaser shall be cross-defaulted with this Agreement. Accordingly, a default under the Interim Lease shall be a default under this Agreement and a default under this Agreement shall be a default under the Interim Lease, entitling Sponsor, after notice and expiration of applicable cure periods, to terminate both agreements.

(xi) As indicated in ¶5(b) above, if Purchaser's Apartment Closing Date is to occur on a date which is more than six (6) months after the date on which Purchaser executed Purchaser's Income Eligibility Worksheet contained in the Purchaser Eligibility Documents, Purchaser will be required to re-affirm Purchaser's Affidavit by executing the Reaffirmation contained in the Purchaser Eligibility Documents and delivering same to Sponsor for submission to and approval by HDC. The Closing cannot occur in such event until HDC re-approves Purchaser based on the Reaffirmation. Purchaser's failure to timely cooperate with a request for a required Reaffirmation shall be a default under this Agreement.

(xii) **SUPPLEMENTING THE PROVISIONS OF ¶10 OF THIS PURCHASE AGREEMENT, PURCHASERS ARE ADVISED THAT SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO CURE A DEFAULT UNDER THIS AGREEMENT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THIS AGREEMENT AND ANY INTERIM LEASE THEN IN EFFECT, RETAIN 50% OF THE PURCHASE PRICE PAYMENT TOGETHER WITH ALL INTEREST EARNED ON THE ESCROW FUNDS AS LIQUIDATED DAMAGES, RETURN THE RESERVE FUND CHECK AND TRANSFER TAX CHECKS TO PURCHASER, COMMENCE EVICTION PROCEEDINGS AGAINST PURCHASER IF PURCHASER IS IN OCCUPANCY UNDER AN INTERIM LEASE OR OTHER OCCUPANCY AGREEMENT AND FAILS TO VACATE THE APARTMENT, AND THEREAFTER SELL THE APARTMENT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE.**

(xiii) If Purchaser has pre-closed, then on or shortly following the Cooperative Conversion Date (assuming that Purchaser's Apartment Closing Date is deemed to have occurred as of the Cooperative Conversion Date and that Purchaser is deemed to have become a Tenant-Shareholder on that date), original counterparts of the Escrow Closing Documents, as well as the certificate for Shares attributable to Purchaser's Apartment, will be released from escrow and forwarded to Purchaser,

the Escrow Funds will be released from escrow and forwarded to Sponsor, interest earned on the Escrow Funds will be forwarded to Purchaser, the Transfer Tax Checks will be released and used by or on behalf of Sponsor to pay the Transfer Taxes, and the Reserve Fund Check will be released and delivered to Sponsor.

(xiv) Escrow Closing Documents of a Purchaser who pre-closed but who for some reason (i.e., failure to timely supply a Reaffirmation as and if necessary) did not become a Tenant-Shareholder on the Cooperative Conversion Date, will be released on Purchaser's Apartment Closing Date, when and if Purchaser pays the balance due under the Purchase Agreement to Sponsor and/or otherwise complies with Purchaser's obligations under this Agreement and the Offering Plan. At the time Purchaser closes under this Purchase Agreement, the Escrow Funds will be released from escrow to Sponsor, interest earned on the Escrow Funds will be delivered to Purchaser, the Transfer Tax Checks will be released and used by or on behalf of Sponsor to pay the Transfer Taxes, and the Reserve Fund Check will be released and delivered to Sponsor.

(xv) If Purchaser pre-closes, Purchaser will adjust with Sponsor as of the Apartment Closing Date for rent due Sponsor under the Interim Lease and Maintenance due to the Apartment Corporation under the Proprietary Lease, for the month in which the Apartment Closing Date occurs. If the Apartment Closing Date is the first of the month, Purchaser will be responsible for Maintenance rather than Interim Lease rent that month, and will be obligated to pay the Maintenance directly to the Apartment Corporation. If the Apartment Closing Date occurs after Sponsor has paid Maintenance for the month and Purchaser has paid rent for the month, Sponsor will retain the rent adjustment amount in reimbursement to itself for Maintenance attributable to the portion of the month in which Purchaser will own the Apartment, since the rent amount and the Maintenance amount will be the same.

6. **Apartment Closing Date: Delivery of Shares and Proprietary Lease; Payment of Balance Due; Payment of Taxes and Fees.**

a. On the Apartment Closing Date, Sponsor will deliver or cause to be delivered an assignment to Purchaser of the Proprietary Lease, accompanied by Sponsor's original counterpart of the Proprietary Lease (or in Sponsor's discretion, an original Proprietary Lease in Purchaser's name) and a certificate for the Shares in the name of Purchaser. Sponsor also will deliver a written statement by the Apartment Corporation or its Managing Agent setting forth the amount and payment status of Maintenance charges and assessments, if any, attributable to the Apartment.

b. As of Purchaser's Apartment Closing Date, Purchaser will assume or enter into as applicable, (or will be deemed to have assumed or entered into, if Purchaser previously pre-closed) the Proprietary Lease and, subject to the provisions of ¶ 5(h) above, will give Sponsor, or anyone Sponsor designates, Purchaser's unendorsed personal certified check(s) or official bank check(s) (in either case drawn on a New York Clearinghouse Bank), for the Balance Due at Closing as shown above, payable to the order of Sponsor, or to any other person(s) or entity(ies) Sponsor designates or directs.

c. If Purchaser does not pre-close as described above, Purchaser will be required to deliver to Sponsor on Purchaser's Apartment Closing Date, in addition to the Balance Due at Closing, the following payments and documents:

(i) Purchaser's unendorsed personal certified check or bank check (in either case drawn on a New York Clearinghouse Bank) payable to Sponsor in the amount of $1,000 to reimburse Sponsor for Sponsor's contribution on the Cooperative Conversion Date made on Purchaser's behalf to establish the SONYMA Supplemental Reserve Fund;

(ii) Purchaser's unendorsed personal certified or bank check (in either case drawn on a New York Clearinghouse Bank) payable to Sponsor's Closing Counsel, in the amount of $425 for the Closing Fee;

(iii) a duly completed New York City Real Property Transfer Tax return **(the "RPT Tax Return"),** together with a duly completed Smoke Detector Affidavit, both signed before a notary public, to be filed by Sponsor with the City of New York, together with Purchaser's certified check payable to the New York City Department of Finance in the aggregate amount of the RPT Tax due for the transaction, if any, plus all then applicable administrative filing fees due in connection therewith;

(iv) a duly completed Form TP-584, "New York State Combined Gains Tax Affidavit, Real Estate Transfer Tax Return and Credit Line Mortgage Certificate" **("NYS Transfer Tax Return")** to be filed by Sponsor with the New York State Department of Taxation and Finance, together with Purchaser's certified check payable to the New York State Department of Taxation and Finance in the aggregate amount of the NYS Transfer Tax due for the transaction, plus all then applicable administrative filing fees due in connection therewith;

(v) a check payable to Sponsor in reimbursement for Maintenance paid by Sponsor for the month in which the Closing occurs, or depending on the date of the Closing, a check payable to the Apartment Corporation for that month's Maintenance; and

(vi) any other documents required pursuant to this Agreement or the terms of the Offering Plan.

d. Sponsor will submit Purchaser's Transfer Tax Checks to pay the applicable Transfer Taxes and/or filing fees, as applicable, when Sponsor files the RPT Tax Return and NYS Transfer Tax Return after the Apartment Closing Date.

7. **Liability to Convey Shares and Proprietary Lease; Liability for Adjournments.**

a. Purchaser agrees that Sponsor may cancel this Agreement by returning the Down Payment to Purchaser, with interest earned thereon, if any, together with a written notice, in the event that (i) any governmental bureau, department or subdivision thereof imposes restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential

housing and such restrictions prevent Sponsor from obtaining such materials from regular suppliers or from using then in the construction and or completion of the Building and the apartments located therein, (ii) Sponsor is unable to obtain materials from its usual sources due to strikes, lockouts, wars, military operations and requirements, national emergencies or the installation of public utilities is restricted or curtailed, or (iii) the Plan is abandoned as set forth in ¶ 11 of this Agreement.

b. In the event Sponsor is unable to convey title to the Shares and Property Lease within thirty-six (36) months after Purchaser has signed this Agreement except for force majeure delays and other delays due to circumstances and conditions beyond Sponsor's control, in which case the period shall be extended to forty-eight (48) months, Purchaser shall have the option to cancel this Agreement. If Purchaser cancels this Agreement pursuant to the foregoing the Down Payment made by Purchaser, together with interest earned thereon, if any, shall be returned to Purchaser. Sponsor will have the option to abandon the Plan and Sponsor shall not be obligated to transfer the Shares to Purchaser, if within 48 months following acceptance of the Plan for filing by the Attorney General fewer than 50% of the Apartments and Shares offered under the Plan are subject to Purchase Agreements, so long as the Shares appurtenant to any Apartment have not been transferred to a purchaser. If Sponsor exercises Sponsor's option to abandon the Plan, Sponsor shall immediately return Purchaser's Down Payment, together with interest earned thereon, if any, to Purchaser.

c. Sponsor's liability under this Agreement for failure to deliver the Shares and the Proprietary Lease for any reason, other than Sponsor's willful default, shall be limited to the return of Purchaser's Down Payment paid hereunder, together with interest earned thereon, if any. Upon the return of Purchaser's Down Payment, together with interest earned thereon, if any, this Agreement shall be null and void and Purchaser and Sponsor will be released from any and all liability to each other. In any event, Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the Shares and Proprietary Lease marketable or to cure any objection to title.

d. If Sponsor or Purchaser delays or adjourns the closing, Sponsor shall not be liable for the costs, if any, Purchaser incurs as a result of the delay or adjournment, or for any other damages whatsoever.

8. **Closing Apportionments.** Subject to the provisions of ¶ 5(c) of this Agreement, as of Purchaser's Apartment Closing Date, Sponsor and Purchaser will apportion between themselves the Maintenance charges attributable to the Apartment for the month in which the closing occurs, so that Sponsor pays those Maintenance charges attributable to any time period prior to the midnight of Purchaser's Apartment Closing Date and Purchaser will pay the rest.

9. **Deposit To Be Held in Trust.**

a. All Down Payment monies received from Purchaser by Sponsor or through Sponsor's agents or employees, will be delivered to Cassin Cassin & Joseph LLP ("**Escrow Agent**"), to be deposited in a segregated sub-escrow (attorney trust) interest bearing account at HSBC Bank USA at its branch located at 452 Fifth Avenue, New York, New York, entitled "Cassin Cassin & Joseph LLP -- Attorney Trust Account for Renaissance HDFC" (the "**Escrow Account**").

b. The Down Payment funds will be held in escrow until the earlier of (i) Purchaser's closing under this Purchase Agreement (in which event they will be paid to Sponsor or anyone Sponsor designates or directs), (ii) Escrow Agent's receipt of written directions signed by Sponsor and Purchaser directing disposition of the funds, (iii) Purchaser's permitted rescission of this Purchase Agreement (in which event they will be paid to Purchaser), (iv) Sponsor's termination of this Purchase Agreement following Purchaser's continuing default under this Purchase Agreement after delivery to Purchaser of a notice of default and expiration of the applicable cure period in accordance with the Plan and this Purchase Agreement and following a determination by the Attorney General authorizing release of the Down Payment to Sponsor (in which event the Down Payment funds plus all interest earned thereon, if any, will be paid to Sponsor or anyone Sponsor designates or directs), (v) the issuance of an order or judgment of a court of competent jurisdiction directing disposition of the funds, (vi) the Escrow Agent is changed and the funds are transferred to a new escrow agent, (vii) Sponsor's abandonment of the Plan (in which event they will be paid to Purchaser), or (viii) until released in accordance with the Offering Plan when none of the foregoing events have occurred.

c. Any interest earned on the Down Payment funds will be paid or credited to Purchaser, at or following closing, or in connection with Purchaser's permitted rescission of this Purchase Agreement or Sponsor's abandonment of the Plan. If the Down Payment funds are paid to Sponsor as liquidated damages, interest earned thereon, if any, will be paid to Sponsor as part of the liquidated damages payment. The monies so held will be held and disbursed in accordance with the provisions of General Business Law Sections 352(h) and 352-e(2-b), and the Attorney General's escrow regulations promulgated thereunder, as more fully described in the Plan. The signature of a partner of the firm comprising Escrow Agent will be necessary to release funds from the Escrow Account.

d. Any Federal 1099 forms or other tax forms required to be forwarded by Escrow Agent to interest recipients, will be mailed to Purchaser (or the designated interest-earning recipient of Purchaser, if Purchaser comprises two or more parties) at the Building.

10. **Sponsor's Rights If Purchaser Fails to Keep Promises and Agreements.**

a. If Purchaser fails to pay the Balance Due at Closing on the Original Scheduled Closing Date or any permitted adjournment thereof, or if Purchaser is in default with respect to the pre-closing requirements of the Plan or under any Interim Lease entered into in connection with a pre-closing or otherwise, or if when Sponsor tenders Purchaser the Shares and Proprietary Lease (or an assignment thereof), Purchaser does not then sign any of the documents referred to in the Plan which Purchaser is required to sign, or if Purchaser violates, repudiates or fails to perform any of the terms of this Agreement or fails to keep any other promise contained in this Agreement, Purchaser shall be in default hereunder, and Sponsor shall be entitled to terminate this Agreement.

b. Before Sponsor may terminate this Agreement and keep Purchaser's Down Payment, Sponsor must first send Purchaser a notice by registered or certified mail, return receipt requested, stating that Sponsor intends to cancel this Agreement, specifying the reasons Purchaser is in default, and granting Purchaser a period of at least ten (10) days to cure said default(s). **SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO CURE THESE DEFAULT(S) WITHIN THE SPECIFIED CURE**

PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THIS AGREEMENT, RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, AND SELL THE APARTMENT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE. After that, neither Sponsor nor Purchaser will have any further obligations under this Agreement, it shall be considered canceled without any further action by either party, and Sponsor will have the right to sell the Apartment to any other person.

11. **Agreement Subject to Plan being Declared Effective.** This Agreement is contingent upon Sponsor declaring the Plan effective. Sponsor has the right to abandon the Plan at any time before Sponsor declares the Plan effective. If the Plan is abandoned for any reason, Purchaser will, within forty-five (45) days thereafter, receive a refund in full of Purchaser's Down Payment and any interest earned thereon, if Purchaser is entitled to the interest hereunder or under the Plan. After Purchaser receives such refund neither Sponsor nor Purchaser will have any claim against the other and neither party will have any further obligation under this Agreement.

12. **Risk of Loss; Casualty.**

a. Until the Apartment Closing Date under this Agreement, but subject to the provisions of ¶12(g) of this Agreement, Sponsor assumes all risk of loss or damage ("**Loss**") to the Apartment from fire or other cause. In the event of a Loss, Sponsor shall have the option (but not the obligation) to restore the Apartment to as near as reasonably possible to the condition immediately prior to the Loss.

b. Within ten (10) business days after the Loss occurs, Sponsor shall give notice to Purchaser of the Loss and whether or not Sponsor elects to restore ("**Election Notice**").

c. If Sponsor elects to restore, Sponsor shall commence such restoration within sixty (60) calendar days after sending the Election Notice ("**Restoration Period**").

d. If Sponsor elects not to restore or fails to send the Election Notice or, having sent the Election Notice, Sponsor fails to commence the restoration within the Restoration Period, then Purchaser's sole remedy is either to:

(i) cancel this Purchase Agreement in accordance with ¶ 7 and recover the Down Payment together with any interest earned thereon; or

(ii) complete the purchase in accordance with this Purchase Agreement without reduction in the Total Purchase Price or claim against Sponsor, but with the right to receive "Net Insurance Proceeds" (if any), as defined in ¶ 12e, together with an assignment to Purchaser, without recourse to Sponsor, of any uncollected proceeds, which assignment shall be delivered by Sponsor at closing.

e. "**Net Insurance Proceeds**" are proceeds of Sponsor's insurance covering the Loss which is attributable to the Apartment after deducting legal and other collection expenses incurred by Sponsor and any sums paid or incurred by Sponsor for restoration.

f. If Purchaser fails to exercise one of Purchaser's options pursuant to ¶ 12d by written notice to Sponsor within 7 business days after Sponsor gives the Election Notice or within 7 business days after the Restoration Period expires (in the event Sponsor fails to commence the restoration within the Restoration Period), then Purchaser will be deemed to have conclusively elected the option to complete the purchase pursuant to ¶ 12d(ii).

g. If Purchaser is given the right to occupy the Apartment prior to closing, pursuant to an Interim Lease or other form of occupancy agreement or license:

(i) Purchaser immediately assumes, as of the date Purchaser's right to possession of the Apartment commences, all risk of Loss to all personal property, fixtures and appliances contained in the Apartment, from fire or other cause not the fault of Sponsor or Sponsor's contractors, agents, employees or servants; and

(ii) in the event of a Loss assumed by Purchaser pursuant to the foregoing paragraph (i), Purchaser shall be obligated to complete the purchase in accordance with this Purchase Agreement, without reduction in the Total Purchase Price or claim against Sponsor and without delay.

h. Notwithstanding anything to the contrary in ¶ 12a, Purchaser shall have the right to cancel this Purchase Agreement in accordance with ¶ 7 if, prior to closing under this Agreement and while Sponsor is in possession of the Apartment, through no fault of Purchaser or Purchaser's contractors, agents, employees and servants, either:

(i) a Loss occurs to the Apartment which would cost more than the total of the Apartment's proportionate share of the Underlying Mortgages, plus the Total Purchase Price to restore; or

(ii) more than 50% of the Apartments in the Building are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Apartment is damaged.

i. Purchasershall be deemed to have waived Purchaser's right to cancel under ¶ 12h if Purchaser fails to elect to cancel by written notice to Sponsor given within 7 business days after Sponsor gives notice to Purchaser of the event which gives rise to Purchaser's right to cancel. In the event Purchaser waives or is deemed to have waived this right to cancel, the provisions of ¶ 12f shall apply.

13. **Notices.** Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to the sale and purchase of the Shares and Proprietary Lease, or the closing under this Agreement, must be in writing and must be sent by registered or certified mail, return receipt requested, to the respective addresses shown on page one of this Agreement. Purchaser will send a copy of any notice Purchaser gives

Sponsor to Cassin Cassin & Joseph LLP (the "**Closing Attorneys**"), 300 East 42nd Street, New York, New York 10017, Attn: Carol Joseph, Esq. or to such other law firm as Sponsor may designate. Sponsor and Purchaser can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, except that a notice of an address change shall be considered given when it is received. Any notice sent by the Closing Attorneys on Sponsor's behalf to Purchaser or to Purchaser's attorney set forth on the first page of this Agreement (or to any other attorney purporting to represent Purchaser), shall be deemed notice by Sponsor, as applicable, should notice need be given by Sponsor pursuant to this Agreement. If Purchaser's name, address or phone number changes, or if Purchaser's attorney's name, address or phone number changes from that set forth on the first page of this Agreement, Purchaser shall provide Sponsor with the pertinent new name, address and/or phone number immediately.

14. **Inspection and Acceptance of the Apartment.**

a. Purchaser's signing of this Agreement shall constitute Purchaser's agreement to accept the Apartment in the condition it is in on the earlier of (i) the date Purchaser has the right to possession of the Apartment under an Interim Lease or other occupancy agreement, or (ii) the Apartment Closing Date, including the then existing kitchen, bathroom and other appliances, fixtures, equipment and installations, subject to the conditions set forth in this Purchase Agreement and on the Inspection Statement as described and defined in this Paragraph 14.

b. Prior to the Original Scheduled Closing Date, or a scheduled pre-closing, as applicable, Sponsor will advise Purchaser of a date and time when Purchaser may inspect the Apartment. Purchaser shall attend such inspection only with an authorized representative of Sponsor. Purchaser shall date and sign an inspection statement at the conclusion of the inspection (the "**Inspection Statement**"), confirming Purchaser's acceptance of the Apartment in its then as-is condition. If, however, during the inspection Purchaser notes certain incomplete items that Sponsor, through its inspection representative agrees to complete, repair or replace, these items shall be itemized on a list attached to the Inspection Statement which list must be signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor (the "**Punchlist**"). Neither Purchaser's architect nor interior decorator may inspect the Apartment for Purchaser. Purchaser shall make the inspection of the Apartment required by this Agreement or shall take the Apartment "as-is" if Purchaser shall not have made the inspection.

c. Purchaser agrees to close and/or pre-close under this Agreement without any abatement of the Total Purchase Price or provision for escrow, notwithstanding incomplete construction of (i) minor details in the Apartment (provided the Apartment is covered by at least a temporary certificate of occupancy), or (ii) other Apartments in the Residential Unit, or (iii) the common areas of the Building or the Residential Unit.

d. Purchaser understands that certain items such as shower heads, toilet seats, kitchen cabinet knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet accessories, door hardware and minor parts of kitchen cabinets, might not be installed at the time of the inspection walk-through. Some of these items are of the type left off until Purchaser is about to take occupancy, to prevent pilferage. Other items will be installed subject to availability. Still other items

may have been installed but damaged during the course of construction. To the extent any such items are noted on the Inspection Statement Punchlist, Sponsor will make reasonable efforts to have any such items installed, repaired or replaced as appropriate, within a reasonable time period following the Closing or pre-closing, as applicable, provided Purchaser provides Sponsor access to do so.

e. **PURCHASER AGREES THAT NO DISCUSSION OF INCOMPLETE ITEMS IS TO TAKE PLACE AT THE CLOSING OR PRE-CLOSING ITSELF. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, PURCHASER MAY NOT INSPECT THE APARTMENT UNTIL SPONSOR HAS NOTIFIED PURCHASER THAT THE APARTMENT IS READY FOR INSPECTION.**

f. Purchaser's failure to attend an inspection appointment or to complete, sign and deliver the Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the Balance Due at Closing at Closing or pre-closing, as applicable, and shall constitute Purchaser's full and unconditional acceptance of the Apartment "as-is" on the date of pre-closing or on the Apartment Closing Date, if Purchaser has not pre-closed.

g. Sponsor's agreement to complete items on the Inspection Statement Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with the standards for Sponsor's work set forth in the Offering Plan. However, Purchaser's failure to permit Sponsor (or Sponsor's contractors, agents or employees) access to the Apartment to complete Punchlist items, shall constitute Purchaser's waiver of completion of the Punchlist items.

h. Following Closing, or pre-closing, as applicable, when and if Purchaser makes arrangements to move into the Building, PURCHASER AGREES TO FOLLOW THE MOVE-IN PROCEDURES AND PAY ANY MOVE-IN FEES ESTABLISHED BY THE APARTMENT CORPORATION, WHICH MOVE-IN PROCEDURES AND SCHEDULE OF FEES WILL BE DELIVERED TO PURCHASER AT THE TIME PURCHASER CLOSES OR PRE-CLOSES TITLE TO PURCHASER'S APARTMENT. The provisions of this subparagraph (h) shall survive the Closing and/or pre-closing hereunder.

15. **Conditions for Binding Agreement.**

a. This Agreement shall not be binding until Purchaser has been approved as a purchaser as set forth in the Plan, such approval to be indicated by execution and acknowledgment of this Agreement by Sponsor, and delivery of a fully executed counterpart of this Agreement to Purchaser.

b. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of the Underlying Mortgages and any building loan mortgage(s) on the Residential Unit made before or after this Agreement is signed and any payments or expenses already made or incurred or which may later be made or incurred, to their full extent without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments, if any.

16. **Definitions.** The term "Purchaser" shall be read as "Purchasers" if more than one person is a purchaser, in which case Purchaser's obligations shall be considered joint and several. All capitalized terms used in this Agreement not otherwise defined in this Agreement, shall have the same meanings as they do in the Plan.

17. **Broker.** Purchaser represents that Purchaser did not negotiate for the Apartment with any broker in connection with this transaction except _____.* Purchaser agrees to pay any broker engaged by Purchaser and to indemnify Sponsor and hold Sponsor harmless from and against any costs, claims or expenses Sponsor may incur, including but not limited to attorneys' fees and disbursements, arising out of or in any way connected with, Purchaser's breach of the representations in this ¶ 17. The provisions of this ¶ 17 shall survive the closing hereunder or any earlier termination of this Agreement.

18. **Jury Waiver.** Purchaser waives Purchaser's right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan.

19. **Survival of Sponsor's Obligations; Performance.**

a. Sponsor will have no obligations under this Agreement or the Plan after Sponsor gives Purchaser the Shares and Proprietary Lease, unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. However, all representations required by Article 23-A of the General Business Law to survive closing hereunder shall survive delivery of the Shares and Proprietary Lease.

b. The acceptance of the Shares and the assumption or entering into of the Proprietary Lease by Purchaser shall be deemed to be the full performance and discharge of every agreement and obligation (express or implied) on the part of Sponsor to be performed pursuant to this Agreement, except those which are herein specifically stated to survive the closing.

20. **Apartment Corporation Not a Party.** Purchaser understands that the Apartment Corporation is not a party to this Agreement or the sale contemplated hereby and that no representations, warranties or promises of any kind have been made to Purchaser by the Apartment Corporation. Purchaser agrees that no claim will be made against the Apartment Corporation by Purchaser in respect of, or arising out of, the purchase of the Shares and Proprietary Lease. The provisions of this Paragraph shall survive the closing.

21. **Strict Compliance.** Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Purchase Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

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* Insert name of broker if applicable. Otherwise, cross out the blank.

22. **No Representation.** Purchaser acknowledges having entered into this Agreement without relying on any promises, statements, estimates, representations, warranties, conditions or other inducements, expressed or implied, oral or written, not set forth herein or in the Plan. Purchaser agrees that Sponsor will have no liability to Purchaser if there is a minor error or inaccuracy in the layout or dimensions of the Apartment as shown on the floor plans available for review at the On-Site Sales Office, so long as the layout and dimensions conform substantially to the floor plans which Purchaser has been given an opportunity to examine.

23. **Captions.** The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

24. **Entire Agreement; Binding Nature of Agreement.** Purchaser understands that this Agreement and the Plan constitute the entire agreement between the parties and contain the only representations made to Purchaser. Purchaser has not relied on any other representations, statements or warranties, and acknowledges that no one has authority to make any representation or warranty not set forth in the Plan. Purchaser had full opportunity to examine all documents and investigate all facts referred to in the Plan and will not bind Sponsor to any oral representations and/or agreements. Purchaser understands that this Agreement is binding upon Purchaser. In no event will this Agreement be amended to abrogate Sponsor's responsibilities or Purchaser's rights under Article 23-A of the General Business Law.

25. **No Recording, Assignment or Advertisement; No Lis Pendens.** Purchaser agrees not to record this Agreement. Purchaser also agrees not to advertise or otherwise offer, promote or publicize the availability of the Apartment for sale or lease prior to closing hereunder. Purchaser agrees not to assign this Agreement or Purchaser's rights hereunder. Violation by Purchaser of any of Purchaser's agreements in this Paragraph shall be a default under this Agreement. Purchaser waives any right Purchaser may have to file a *lis pendens* against the Residential Unit in the event of Sponsor's default under this Agreement.

26. **Sponsor's Right to Terminate this Agreement.**

a. In the event Purchaser enters into an Interim Lease or other occupancy agreement for the Apartment with Sponsor, a default under the Interim Lease or occupancy agreement shall be a default under this Agreement, and a default under this Agreement shall be a default under the Interim Lease or occupancy agreement. Purchaser's failure to cure a default under the Interim Lease, occupancy agreement or this Agreement within the time period set forth in the Interim Lease, occupancy agreement or this Agreement, may result in termination of the Interim Lease, occupancy agreement and this Agreement, as applicable, and the retention by Sponsor of the Down Payment plus all interest earned thereon as liquidated damages.

b. In the event of Purchaser's death prior to the Apartment Closing Date under this Purchase Agreement, Sponsor shall have the right to terminate this Agreement and any Interim Lease entered into by Purchaser, without any liability to Sponsor. In the event of Purchaser's death prior to the Apartment Closing Date, Purchaser's executor, administrator and heirs shall be obligated to

cooperate with Sponsor to remove Purchaser's personal belongings from the Apartment if Purchaser shall have been in occupancy under an Interim Lease. In the event Sponsor terminates this Agreement (and an Interim Lease, if applicable), in accordance with this ¶ 26(b), Sponsor shall return the Down Payment, together with interest earned thereon, to the executor or administrator, as applicable, of Purchaser's estate. Upon termination of this Agreement and any Interim Lease pursuant to the foregoing, Sponsor may sell the Apartment to another Purchaser as if this Agreement had never been made, and neither Purchaser's executor, administrator or heirs shall have any rights under this Agreement or under any Interim Lease.

27. **Conflicts with the Plan; Definitions**. Conflicts between any provisions of this Agreement and the Plan shall be resolved in favor of the Plan.

Dated: _____, 2000

_____
Purchaser

_____
Purchaser

ACCEPTED:
CENTRAL HARLEM PARTNERSHIP PLAZA, LLC
By: Suna/Levine Industries, Inc., Managing Member

By:_____
Name:
Title:

Date:_____, 2000

2. FORM OF PURCHASER ELIGIBILITY DOCUMENTS

EXHIBIT B

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION PURCHASER'S AFFIDAVIT

[PARAGRAPHS 2 AND 7 OF THIS DOCUMENT MUST BE COMPLETED.?]

I/We, _____ [insert names of all purchasers to be listed on proprietary lease] as purchaser(s) ("Purchaser") of _____ [insert number of shares] shares ("Shares") of _____ Corporation ("Cooperative Corporation") which Shares are allocable to a proprietary lease ("Proprietary Lease") for Apt. _____ ("Residence") located at _____, New York ("Project"), understanding and acknowledging that a portion of the construction and permanent financing of the Project (the "Mortgage Loan") is provided by the New York City Housing Development Corporation ("HDC"), do hereby represent and warrant to HDC and the Cooperative Corporation as follows:

1. The information in this Affidavit, (my/our) cooperative apartment application and (my/our) Purchaser Income Eligibility Worksheet is true, accurate and complete.

2. (I/We) intend to occupy the Residence as (my/our) principal place of residence within 60 days after (I/we) acquire (my/our) Shares and execute (my/our) Propriety Lease.

3. Other than as described in this Affidavit, (I/we) have no present intent, understanding or agreement (i.e. other than a mere expectation or possibility) to lease, sell, assign or transfer any interest in the Residence to another party and have not entered into any agreement, understanding or other arrangement to lease, sell, assign or transfer the Residence.

4. Acquisition Costs.

   A. The Acquisition Cost of the Shares allocable to the Residence is $_____ [insert amount set forth on line 1 of Acquisition Cost Worksheet] (the "Worksheet"). (I/We) hereby certify that a true and correct copy of the purchase contract representing the terms of the entire transaction for the purchase of the Shares allocable to the Residence from the seller, and all other contracts, agreements and understandings between (me/us) or anyone acting on (my/our) behalf, directly or indirectly, and the seller or anyone acting on behalf of the seller, directly or indirectly, or any other person, relating to the purchase of the Shares allocable to the Residence and any related real or personal property or fixtures has been provided to the Cooperative Corporation.

B. Neither (I/We) nor anyone on (my/our) behalf has made any payment other than the amount indicated in item 4A above to the seller or to any person on behalf of the seller, nor have (I/we) canceled any debt of the seller or any related person to the seller.

C. (I/We) certify that the information contained in the completed Worksheet which is made part of this affidavit is true and accurate and complete.

5. All the information (I/we) provided on the Purchaser Income Eligibility Worksheet is true, accurate, complete and correct.

6. (I/We) understand that if (I/We) have made any material misstatements in the foregoing representations or have omitted to state any of the information requested such misstatement or omission will be considered an event of default under the Mortgage Loan, the proprietary lease for the Residence and the By-Laws of the Cooperative Corporation and will be grounds for (a) termination of (my/our) proprietary lease, (b) eviction from (my/our) Residence and (c) forfeiture of the Shares allocable to (my/our) Residence.

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: This document must be executed not more than fourteen (14) days prior to execution of the sales contract by the Purchaser.

Date: _____, 199_ L.S._____
Purchaser

Date: _____, 199_ L.S._____
Purchaser

Date: _____, 199_ L.S._____
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me the he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me the he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

REAFFIRMATION

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: Purchaser(s) must execute this reaffirmation if title closing is expected to occur or actually occurs, more than six (6) months subsequent to the date the Purchaser(s) executed their Purchaser Income Eligibility Worksheet. The reaffirmation must be submitted to HDC at least five (5) business days prior to the expected date of title closing (or earlier if there has been a change in family composition, assets or liabilities).

(I/We) as Purchaser(s) of the Residence have reviewed all of the foregoing representations and warranties made by (me/us) including information set forth on my/our Purchaser Income Eligibility Worksheet as of this _____ day of _____, 19_.

(I/We) do hereby reaffirm all of the foregoing representations and warranties previously made except as otherwise provided in the space below (e.g. list changes in family composition, assets and liabilities):

_____

_____

_____

_____

_____

_____

L.S._____
Purchaser

L.S._____
Purchaser

L.S._____
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____ _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19_____, before me personally came _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

EXHIBIT C

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION PURCHASER INCOME ELIGIBILITY WORKSHEET

Cooperative Corporation: [_____]

Residence: _____ _____
(Address) *(Apartment No.)*

The financial information requested on this worksheet must be provided by all purchasers and any other persons who (a) are expected to reside in the Residence located in the Project financed by a mortgage provided by the New York City Housing Development Corporation ("HDC") and (b) receive income ("Other Household Members"). The information requested below must be provided in order to determine eligibility under certain income and debt limits. These limits have been established principally in response to HDC's programmatic requirements.

THIS DOCUMENT MUST BE COMPLETED PRIOR TO THE EXECUTION OF A SALES CONTRACT BY THE SPONSOR AND/OR COOPERATIVE CORPORATION.

Part 1 - General Information ***(Names and Social Security Numbers)***

A. Purchasers
1. _____ Soc Sec No: _____
2. _____ Soc Sec No: _____
3. _____ Soc Sec No: _____

B. Other Household Members
1. _____ Soc Sec No: _____
2. _____ Soc Sec No: _____
3. _____ Soc Sec No: _____
4. _____ Soc Sec No: _____

Part 2 - Determine the Current Gross Income for all Purchasers and Other Household Members

SOURCES OF CURRENT ANNUAL INCOME

1. Gross Pay (including any Part-time Pay) $_____
2. Overtime $_____
3. Bonuses, Commissions, and Tips $_____
4. Dividends, Interest, Royalties & Trust $_____
5. Business Activities $_____
6. Net Rental Income $_____
7. Pension/Social Security Benefits $_____
8. Veterans Administration $_____

9. Unemployment Compensation $_____
10. Sick Pay $_____
11. Public Assistance $_____
12. Any other $_____
13. Alimony, Child Support or separate Maintenance Income
$_____
14. TOTAL ANNUAL GROSS INCOME $_____

Part 3 - Determine the Current Annual Liabilities for all Purchasers and Other Household Members

TYPES OF CURRENT ANNUAL LIABILITIES: *(List total debt ("TD") amount or monthly payment ("MP") amount)*

1. Credit Cards *(List each card and number)*

A. _____ TD $_____

B. _____

C. _____

2. Student Loans MP $_____
3. Automobile Loans or Leases MP $_____
4. Personal Loans or Lines of Credit (Circle: TD or MP) $_____
5. Home Equity Loans MP $_____
6. Alimony and/or Child Support MP $_____

NOTE TO PURCHASERS: If Total Annualized Gross Income or Annualized Liabilities are above the applicable limits at the time of computation, then you will not be eligible to purchase the shares allocable to the Residence.

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: Execution of this Worksheet by Purchasers and Other Household Members must occur not more than fourteen (14) days prior to execution of the sales contract by the Purchasers. The Sponsor and/or Cooperative Corporation may not countersign the sales contract until HDC approves the income eligibility of the Purchasers. HDC's approval is valid for six (6) months from the date Purchasers execute this Worksheet. HDC's approval is void after such six (6) month period and title closing for the Residence may not occur after such date except with HDC's prior written approval and only after Purchasers execute the Reaffirmation on the Purchaser's Affidavit and list all information changes, if any.

PURCHASERS' AFFIDAVIT: I/We, being duly sworn, (1) certify that the information in this Purchaser Income Eligibility Worksheet is true and complete to the best of my/our knowledge and belief; (2) understand and agree that all of the above information is being relied upon by the Sponsor and/or the Cooperative Corporation in order to determine my/our eligibility as a purchaser of the Residence and that any false, misleading or incomplete information in this Purchaser Income Eligibility Worksheet will be considered an event of default under the HDC mortgage, the proprietary lease for the Residence and the By-laws of the Cooperative Corporation and will be grounds for (a) termination of my/our proprietary lease (b) eviction from my/our Residence and (c) forfeiture of the shares allocable to my/our Residence; and (3) consent to disclosure of all of the above information and any verification materials to HDC.

L.S. _____
Purchaser

L.S. _____
Purchaser

L.S. _____
Purchaser

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

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

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF_____)

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

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

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

_____
Notary Public

EXHIBIT D

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION ACQUISITION COST WORKSHEET

Purchaser(s): _____

Seller(s): _____

Cooperative Corporation: Renaissance Housing Development Fund Corporation

Residence Address: _____

Apartment No.: _____

The acquisition cost of the shares of the Cooperative Corporation allocable to the above-referenced apartment ("Shares"), which Shares are to be acquired by the Purchaser(s) from the Seller(s) is computed as follows:

Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the Seller(s) or a related party to the Seller(s) for the Shares (excluding usual and reasonable settlement and financing costs).

$_____

Note: The acquisition cost does not include: reasonable attorney's fees and disbursements, reasonable brokerage fees, title insurance fees, reasonable processing fees of the cooperative corporation and its agents and attorneys related to such acquisition, recording fees, State and local transfer taxes, stamp taxes and the usual and reasonable fees and expenses in connection with the financing or satisfaction of cooperative share loans, including, without limitation, credit report fees, legal fees, appraisal fees and loan origination fees.

This document must be executed not more than fourteen (14) days prior to the execution of the sales contract by the Purchasers.

Dated: _____

_____
Purchaser

_____
Purchaser

EXHIBIT E

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION COOPERATIVE APARTMENT SELLER'S AFFIDAVIT

THIS DOCUMENT MUST BE COMPLETED FOR ALL SALES

In order to comply with the requirements of the New York City Housing Development Corporation, as mortgagee of the Project (as hereinafter defined), in connection with the acquisition of shares of Renaissance Housing Development Fund Corporation ("Cooperative Corporation") by _____ **[insert name of Purchaser(s)]** (the "Purchaser" whether one or more) from the undersigned, which shares are allocable to a proprietary lease for Apt. ____ (including fixtures) ("Residence") at ("Project"), the undersigned does hereby depose and say:

The acquisition cost of the shares of the Cooperative Corporation allocable to the above-referenced apartment ("Shares"), which Shares are to be acquired by the Purchaser(s) from the Seller(s) is computed as follows:

1. The Acquisition Cost of the Residence is $_____ **[insert amount set forth in the Acquisition Cost Worksheet]**. The information contained in the Worksheet is true, correct and complete to the best of (my/our) knowledge and belief. A true and correct copy of the sales contract representing the terms of the entire transaction for the acquisition of the shares for the Residence has been provided to the Cooperative Corporation.

2. In connection with the sale of shares for the Residence, neither (I/we) nor anyone acting on (my/our) behalf (directly or indirectly) has entered into any contract, arrangement or understanding to make any payment to any persons other than as included in the calculations contained in the Acquisition Cost Worksheet.

This document must be executed not more than fourteen (14) days prior to the execution of the sales contract by the Purchaser.

L.S. _____
Seller

L.S. _____
Seller

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally came _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY PARTNERSHIP

STATE OF NEW YORK) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 1999, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY CORPORATION

STATE OF NEW YORK) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 1999, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

3. FORM OF INSPECTION STATEMENT

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION
130 MALCOLM X BOULEVARD
NEW YORK, NEW YORK 10026

Date: _____

Central Harlem Partnership Plaza, LLC
c/o Levine Builders
42-09 235th Street
Douglaston, New York 11363

Re: Renaissance HDFC--130 Malcolm X Blvd. - Apt No.: _____

Dear Sponsor:

The undersigned is/are the purchaser ("**Purchaser**") of the above Apartment (the "**Apartment**").

Purchaser understands that the attached Inspection Checklist (the "**Inspection Checklist**") is to be completed by Purchaser together with Sponsor's authorized representative, prior to Purchaser's Apartment Closing Date. The Inspection Checklist will be signed by Sponsor's representative and Purchaser at the time of the walk-through inspection, which shall take place prior to pre-closing if Purchaser pre-closes and prior to the closing, if Purchaser does not pre-close.

Purchaser further understands that Sponsor agrees to complete all items listed on the Inspection Checklist signed by Sponsor and Purchaser, within a reasonable period of time following the date of pre-closing or closing (as applicable), weather permitting, and subject to delays for work or materials beyond Sponsor's control (i.e., force majeure delays etc).

Accordingly, Purchaser understands that within a reasonable period of time following pre-closing or closing, as applicable, Sponsor (or Sponsor's agents or contractors) will contact Purchaser to arrange a mutually convenient time between the hours of 8:00 a.m. and 4:00 p.m. Monday through Friday, to complete the work, if any, set forth on the Inspection Checklist.

Purchaser is fully aware, that notwithstanding the foregoing, Sponsor's obligation to repair or correct items on the Inspection Checklist is conditioned upon Sponsor's ability to gain access to the Apartment. Purchaser agrees that if Purchaser does not provide access to the Apartment to Sponsor or its agents or contractors within ten (10) days after Sponsor has notified Purchaser of Sponsor's intention to complete the Inspection Checklist work in the Apartment, then Sponsor shall have no further obligation to complete the items of work set forth on the Inspection Checklist.

Purchaser agrees to be present in the Apartment at the time the work is being performed and Purchaser further agrees that Purchaser will promptly initial each item set forth on the Inspection Checklist as it is completed, to acknowledge completion. Purchaser's failure to respond to Sponsor

within five (5) business days of Sponsor's written request for such acknowledgment shall be deemed to mean that Purchaser accepts and acknowledges the work as complete. Purchaser understands that work indicated on the Inspection Checklist shall be performed in accordance with the standards set forth in the Offering Plan. Purchaser agrees that in the event of a dispute, Sponsor's contractor, architect or engineer shall determine whether or not such work was performed according to such standard and his or her decision shall be binding on Sponsor and Purchaser.

Sponsor's representation that Sponsor will complete or cause to be completed items on the Inspection Checklist within a reasonable period of time following closing shall survive the Apartment Closing Date.

_____
PURCHASER'S SIGNATURE
[If there are multiple purchasers and only one purchaser signs, such signature shall be deemed binding on all purchasers.]

_____
PURCHASER'S SIGNATURE

_____
PURCHASER'S SIGNATURE

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC

By: Suna/Levine Industries, Inc.

By:_____
Name:
Title:

130 MALCOLM X BOULEVARD
INSPECTION STATEMENT
and
CHECKLIST

APT. NO.:_____ PURCHASER:_____

DATE:_____ TELEPHONE NO. (Home)_____
TELEPHONE NO. (Work)_____

As a result of my/our pre-closing inspection, please be advised that except as set forth in the column below called "Exceptions, if any," I/we found the entire Apartment, including the items listed in the "Items" column, in good condition, in working order, free of chips, mars, breaks or other defects.

Items	**OK (Initials)**	**(Exceptions, if any)**
Windows		
Electric Fixtures		
Sink, Basin, Tub Bowl		
Shower		
Plumbing Fixtures		
Kitchen Cabinets		
Vanity, Medicine Cabinet, Mirror		
Doors & Hardware		
Carpeting		
Appliances		
Interior Painted Surfaces		

I/We understand that to prevent pilferage, some items, such as toilet seats, shower heads, faucet aerators and doorknobs, may be installed just prior to my/our date of occupancy. Any adjustments listed in the "Exceptions, if any" column, will be completed in accordance with the Inspection Statement to which this list is attached.

The undersigned Purchaser(s) has (have) inspected the Apartment on the date specified below, and finds the Apartment satisfactory except for the items noted above.

_____
Inspection Date and Time

_____ _____
Purchaser Sponsor's Representative

_____
Purchaser

4. DESCRIPTION OF PROPERTY AND SPECIFICATIONS

GREENBERG FARROW ARCHITECTURE ENGINEERING DEVELOPMENT
245 Fifth Avenue, 26th Floor, New York, New York 10016
tel 212.725.9530 · fax 212.725.9552
www.greenbergfarrow.com

NEW YORK, New York
ATLANTA, Georgia
CHICAGO, Illinois
SOMERVILLE, New Jersey
LOS ANGELES, California
SAN FRANCISCO, California

January 25, 2000

To: Bureau of Real Estate Financing
New York State Department of Law
120 Broadway
New York, NY 10271

Project: ANCHOR PARTNERSHIP PLAZA, NY
GFA Project Number 980578

RE: **Residential Unit of the Renaissance Condominium**
130 Malcolm X Boulevard
New York, NY 10026

Gentleman:

Greenberg Farrow Architecture Inc. was retained by Central Harlem Partnership Plaza, LLC, sponsor of the Offering Plan for the Residential Unit of the Renaissance Condominium, to prepare the architectural plans and specifications for the Renaissance Condominium.

We prepared the attached "Architect's Report" (the "Report") for inclusion in the Offering Plan.

We believe the Report provides a reasonable narrative description of the physical aspects of the Residential Unit that will exist upon completion provide that the project is constructed in accordance with the plans and specifications we have prepared.

Sincerely,

GREENBERG FARROW ARCHITECTURE

Navid Maqami AIA
Director, New York Office

CC: file

January 25, 2000

A. Location and Use of Property

The property is located in Manhattan, occupying the west end of the block bounded by West 116th Street, West 117th Street, Malcolm X Boulevard and Fifth Avenue.

1. Address of Residential Unit: 130 Malcolm X Boulevard, New York, NY 10026.

2. Tax Block: 1600. Lot Numbers 1001 and 1002.

3. Zoning District: C4-5X (Map 6B).

4. Proposed uses, all permitted as-of-right: Residential (Use Group 2), Commercial (Use Groups 6A & 10A).

B. Status of Construction

1. Anticipated Date of Substantial Completion: June, 2001.

2. Building Occupancy Classification: J-2 Residential.

3. Certificate of Occupancy: A Certificate of Occupancy will be obtained upon completion of the work as filed under New Building Application #102182013, as approved June 25, 1999.

C. Site

1. Lot Area: 80,733 square feet.

2. Existing Buildings: All pre-existing structures have been demolished as of the date of this report.

3. Adjoining Streets:

   i. Existing pavement and road bed is in fair to good condition on West 116th and 117th Streets, and in poor condition on Malcolm X Boulevard, where there is on-going work by the MTA.

   ii. Existing curbs are in poor condition with the exception of a portion falling on West 117th Street. All existing curbs are to be replaced with steel face concrete curbing to NYC Department of Transportation standards.

   iii. Two adjoining catch basins each fall on West 116th, West 117th Street and on Malcolm X Boulevard. These will be retained and cleaned as part of the work.

iv. Street lighting is existing and maintained by the NYC Department of Highway Traffic and lighting. There are (5) street light poles adjoining the site. This lighting will be augmented with decorative wall mounted luminares to be provided on the new building.

4. Drives, Walks & Sidewalks:

i. Existing sidewalks vary in condition from good to poor. All existing sidewalks will be replaced with new concrete sidewalks and curb cuts meeting NYC Department of Transportation standard specifications.

ii. Side walk curbing will be replaced as noted above.

iii. Approximately 12,400 square feet of asphalt paved accessory surface parking will be provided on site. Surface parking areas will be drained by (4) catch basins connecting to the City storm water system.

iv. A concrete vehicular ramp will provide access to the Cellar Level accessory parking garage from the surface parking area.

v. Surface parking areas will be lit with (10) pole and wall mounted fixtures.

D. Utilities

Electric Power and natural gas are to be provided by Consolidated Edison Company, New York, New York, a regulated utility. Domestic water service and sanitary and stormwater off-site disposal are to be provided by the City of New York. An application for a site utility connection has been approved by the New York City Department of Environmental Protection.

1. Electric power will be metered separately for each residential apartment and commercial tenant. Common residential power uses and common commercial power uses will each be metered separately.

2. Gas service for commercial tenants will be separately and individually metered. Gas service for residential heating will be master metered separately from service for residential domestic hot water and cooking.

3. Water service for commercial portions of the building will be metered separately from residential portions.

E. Sub-soil Conditions

1. The buildings foundations will be supported on end bearing piles driven to bedrock with bearing capacity currently estimated at 20 tons per square foot or greater.

2. The current ground water table lies five to ten feet below the lowest (Cellar) floor level based on borings taken after June 1998. Elevator pits extending below the Cellar Level will be waterproofed as a precaution against possible higher future ground water levels.

3. The project is located in generally flat and hard surfaced landscape in a Flood Zone "C" (Area of Minimal Flooding), as per flood insurance rate map with community panel #360497 0026 B , dated November 16, 1983.

F. Landscaping and Enclosures

1. Grass Cover. No areas of grass cover are to be provided. All landscaped areas will be finished with plantings or a hard and/or resilient walking surface.

2. Plantings: The residential lobby entry area will be include a planter box built into the exterior face of the building. Various planting boxes within the second floor residential courtyard will be planted with ground cover.

3. Trees: New and existing street trees will be provided and / or maintained in sidewalks adjoining the property as required to meet standards mandated by the Zoning Ordinance, the Department of Highways, and the Department of Parks.

4. Fencing:

   i. An eight foot high slatted chain link fence will enclose the open perimeter of the accessory surface parking lot.

   ii. A six foot high slatted chain link fence will separate landscaped and un-landscaped portions of the rooftop holding the building courtyard.

   iii. Screens of six foot high slatted chain link fencing will be provided between apartment patio areas fronting onto the building courtyard and between apartment patio areas located at upper story building set-backs.

5. Gates:

   i. An entrance and exit gate of matching construction and finish will be provided in the fence enclosure of the accessory surface parking lot.

   ii. An access gate of matching construction and finish will be provided in the separation fence located in the courtyard.

   ii. An overhead rolling grill will be provided at the entrance to the Cellar Level accessory parking garage.

6. Garden walls: No garden walls are to be provided within the premises.

7. Retaining walls: Poured-in-place reinforced concrete retaining walls with guardrail are provided at the sides of the vehicular ramp entering the Cellar Level accessory parking garage.

8. No display pools are to be provided within the premises.

G. Building Height

1. Total height: Approximately 129'-8" measured from mean sidewalk level to the roof surface of the elevator machine room penthouse.

2. No sub-sub cellar is to be provided.

3. No sub-cellar is to be provided.

4. Cellar level: The height of the Cellar Level from floor to the underside of the floor slab above is approximately 10'-4 1/2".

5. Number of floors:

   i. One cellar level.

   ii. Eleven floors above grade.

   iii. One mechanical penthouse level above the Eleventh Floor.

   iv. One equipment room level above the Penthouse Level.

6. Penthouse: The penthouse roof surface will lie approximately 12'-6" above the Eleventh Floor roof surface.

7. Equipment rooms: The roof surface of the Upper Elevator Machine Room lies approximately 24'-8" above the Eleventh Floor roof surface.

8. Parapet Heights: Parapet copings or parapet railings are to be 3'-6" or greater above patio areas and roof surfaces except in locations where not required by Code.

H. Occupancy

1. Number of residential apartments: 241

2. Total number of residential rooms: Total number, as defined by the General Provisions of the New York City Zoning Resolution, Sections 12-10, "Rooms", paragraph "a", are as follows:

Apartment Type	Quantity of Type	Rooms per Apart.	Total Rooms
1 Bedroom	9	2	18
2 Bedroom	143	3	429
3 Bedroom	89	4	356
Totals	241		803

I. Construction & Structural System

The building foundation is to be supported on end bearing steel piles. The Cellar Level foundation walls are to be formed of 12" thick pored-in-place reinforced concrete. The First Floor structural slab is to be of concrete and steel deck supported on fireproofed structural steel framing. All floor slabs above the First Floor are to be of 8" thick (minimum) precast hollow core concrete plank supported on exterior and interior concrete block bearing walls which bear on fireproofed structural steel framing at the Second Floor level.

1. Exterior of Building:

   i. Walls: Typical exterior walls are to be of a masonry cavity wall type construction; the assembly consisting of 4" SW face brick or decorative concrete masonry units, a 1 3/4" clear cavity, and a load bearing 8" reinforced concrete block back-up. The back-up is to be parged with an asphaltic moisture retarder on the cavity side. Exterior walls are typically to be finished on the interior with 5/8" gypsum wall board supported on 1 5/8" metal stud framing fully insulated with 3 1/2" vapor retarding glass fiber batts. The R value of the exterior wall assembly will be approximately 17.

   ii. Windows:

      (a) Residential Windows: Window frames are to be thermally broken extruded aluminum finished with a thermoset acrylic enamel paint and double glazed with a clear low-E glass. All window units shall meet performance requirements as tested by AAMA 101. Double hung window units shall meet AAMA grade and performance class DH-C50. Each operable residential window unit is to be provided with a screen in one sash. Window openings are to be supported with painted steel lintels and have concrete unit masonry sills. The perimeter of all units are to be sealed with a backer rod at the exterior face.

      (b) Commercial Glazing: Retail frontage at the base of the building will be enclosed with conventional extruded aluminum storefronts, finished similar to window in the residential unit above.

2. Parapets: Parapets are to be extensions of the typical exterior masonry cavity wall construction, topped in some locations with a painted steel railing. Copings are to

be of mechanically attached painted aluminum or precast concrete masonry units. The inside face of all parapets are to be faced with SW brick.

3. Chimneys and caps:

   i. The boilers and domestic water heaters are to be vented to (10) metal wall caps on the exterior of the mechanical penthouse. No fireplaces are to be provided.

   ii. There will be (1) compactor refuse chute venting at the Eleventh Floor roof.

4. Balconies and patios: No balconies are to be provided. Patio areas serving individual residential apartment are to be provided on roofs formed at building set-backs and within the buildings courtyard and are as follows:

   i. Deck finish: Patio areas are to be finished with 24"x 24" concrete pavers laid over typical roof construction.

   ii. Balustrades: No balustrades are to be provided at patio areas.

   iii. Railings: Roof parapets enclosing patio areas are to be topped with a painted steel railing.

   iv. Copings: Roof parapets enclosing patio areas are to have concrete unit masonry copings.

   v. Soffits: Exterior soffits are to be sheathed with portland cement board finished with a painted cementitious coating.

   vi. Patio doors: Patio doors are to be of sliding glass type. Frames are to be thermally broken extruded aluminum finished with a thermoset acrylic enamel paint and double glazed with clear low-e glass.

5. Entrances:

   i. Residential: The residential portion of the building is to be accessed through doors on Malcolm X Boulevard which open through a vestibule into a residential lobby area. Doors in three locations at the second floor will provide access to the common residential courtyard.

      (a) Residential lobby entrance and entrance vestibule: To be single glazed welded steel sash construction with latchset and dead bolt finished with a polyurethane paint system.

      (b) Residential courtyard and commercial storefront entrances: To be conventional extruded aluminum entrance doors finished with a thermoset acrylic enamel finish similar to residential windows.

(c) Exterior stairs: No exterior stairs are required or provided at residential entrances.

(d) Railings: No railings are required or to be provided at residential entrances.

ii. Commercial: Each commercial tenant is to be provided with conventional extruded aluminum entrance doors and hardware, finished as per adjacent aluminum storefront, as provided for in individual lease agreements.

(a) Exterior stairs: No exterior stairs are required or provided at commercial entrances.

(b) Railings: No railings are required or to be provided at commercial entrances.

6. Service entrances:

i. Doors and frames: An insulated overhead coiling door of conventional galvanized and painted steel construction is to be provided at the entrance to loading berths on West 117th Street.

ii. Gates are to be provided as indicated above, "Gates".

iii. Exterior stairs: No exterior stairs are required or to be provided at service entrances.

iv. Railings: No railings are required or to be provided at service entrances.

7. Roof and roof structures:

i. Roof type:

(a) Material: The waterproofing membrane is to be a (2) ply hot-mopped SBS modified bitumen assembly.

(b) Insulation: Roofs are to be insulated with tapered isocyanurate boards with an average R rating of 20.

(c) Surface finish: To be a gray granular as provided with the top membrane ply.

(d) Expected useful life: The manufacturer will provide a "Limited Service Warranty" for a period of ten years.

(e) Bond or guarantee: The General Contractor will provide a two year Roofing Warranty countersigned by the Roofing Installer.

(f) Flashing materials: Base flashings are to be of metal foil reinforced modified bitumen membrane. Counter, cap and cap receiver flashing are of 28 GA stainless steel.

ii. Drains:

(a) Number: Penthouse roof, (2); Eleventh Floor roof, (3); Ninth Floor roof, (4); Ninth Floor patio area, (7) plaza type; Sixth Floor roof, (5); Third Floor roofs, (2); Second Floor courtyard, (10) plaza and/or roof type; Entrance roof, (1).

(b) Material and type: To be galvanized cast iron; conventional roof and plaza deck designs.

(c) Gutters and leaders: No gutters are to be provided. Stairwell bulkheads and minor roof areas are to be drained via painted aluminum scuppers and leaders.

iii. Skylights: No skylights are to be provided.

iv. Bulkheads: Stair and elevator bulkheads are to be of the same materials and construction assembly as described for the building's walls and roofs.

v. Metalwork at roof levels:

(a) Stairs: Painted steel stairs are to be provided for access to elevator machine rooms located above the local roof surface.

(b) Ladders: A painted steel ladder is to be provided for access to the water tank.

(c) Railings: Painted steel railings are to be provided with steel access stairs and atop patio area parapets noted above.

(d) Roof hatches: A galvanized and painted steel hatch is to be provided for access to the mechanical penthouse roof.

(e) Other: The water tank is to be supported on painted structural steel dunnage.

vi. Rooftop facilities: Aside from patio areas to be provided for individual residential apartments, no facilities are to be provided at rooftop levels.

8. Fire escapes: No fire escapes exist or are to be maintained on the premises.

9. Yards and Courts: A surface parking lot will occupy the east end of the property as noted above. A 10' foot wide concrete paved ribbon of property will lie between

building and sidewalk along a portion of Malcolm X Boulevard. The building will enclose an interior courtyard at the Second floor level and accessed at three points as noted above.

i. Paving: The courtyard is to be paved with 24"x24" precast concrete paving units.

ii. Drainage: The courtyard area is to be drained with (8) plaza type and (2) roof type drains as noted above.

iii. Railings: No railings are required or are to be provided in the courtyard.

iv. No stairs are required or are to be provided in the courtyard.

v. Fencing: The courtyard is to be enclosed and divided by fencing elements as described above.

vi. Walls: The new building walls will enclose three sides of the courtyard.

10. Interior Stairs:

i. Number for each type: Four stairwells for both general convenience and emergency egress purposes are to be provided.

ii. Enclosure: Stairwells are to be enclosed with 6" and/or 8" painted concrete block walls.

iii. Stair construction: Stairs below the Second Floor slab are to be of painted steel pan type construction. Stairs above the Second Floor slab are to be of painted precast concrete construction.

iv. Stringers: Steel pan stairs are to be supported on steel channel stringers.

v. Treads: Are to be of concrete or sheet steel pans filled with concrete.

vi. Risers: Are to be of concrete or sheet steel.

vii. Guardrails: All guardrails are to be of welded steel pipe construction.

viii. Balustrades: All balustrades are to be of welded steel pipe construction.

11. Interior doors and frames:

i. Apartment entrance and interior doors: Apartment entrance doors and frames are to be conventional painted hollow metal with a 3/4 hour fire rating as required by Code. Apartment interior doors are to be of flush hollow core construction hung on hollow metal frames, except bi-folding

closet doors are to be hung on a track only at the head of the door opening.

ii. Residential corridor doors: Corridor doors and frames are to be of conventional painted hollow metal construction fire rate as required by Code.

iii. Residential stair hall doors: Stair hall doors and frames are to be of conventional painted hollow metal construction with a 1 1/2 hour fire rating as required by Code.

iv. Roof and cellar doors: Roof and cellar doors and frames are to be of conventional painted hollow metal construction fire rate as required by Code. Roof doors falling on the exterior are to be of galvanized and painted steel.

12. Elevators:

i. Number: Three passenger elevators (PE-1, PE-2 & PE-3) are to serve the residential portion of the building, with PE-1acting part time in a service capacity. A service elevator (SE-1) will serve commercial space between the Cellar and First Floor levels.

ii. Manufacturer and capacity:

PE-1: Otis Elevator, 2,500 lbs
PE-2: Otis Elevator, 2,000 lbs
PE-3: Otis Elevator, 2,000 lbs
SE-1: Otis Elevator, 5,000 lbs

iii. Operation:

PE-1: Microprocessor group automatic
PE-2: Microprocessor group automatic
PE-3: Microprocessor group automatic
SE-1: Automatic

iv. Controls: All elevators are to be provided with key pad push button type controls.

v. Floors served:

PE-1: Cellar through Penthouse level.
PE-2: First through Eleventh Floor level.
PE-3: First through Eleventh Floor level.
SE-1: Cellar to First Floor level.

vi. Type:

PE-1: Geared Traction
PE-2: Geared Traction
PE-3: Geared Traction
SE-1: Holeless Hydraulic

vii. Doors: All doors are to be automatic sliding side opening type.

viii. Machine room location: Machine rooms for PE-1, PE-2 & PE-3 are to be located at the head of the shaftway, above the level of the mechanical penthouse. The Machine room for SE-1 is to be adjacent to the shaftway at the Cellar Floor level.

ix. DC motor: No DC motors will be used. The traction elevators are to be operated by variable speed AC motors run by solid state power controls as supplied by the elevator manufacturer.

x. Motor generator set: No motor-generator sets will be used.

xi. The elevators are to be equipped and detailed to meet local Code and mandated ADA guidelines

13. Elevator cabs:

i. Kind: Selected standard design as provided by Otis Elevator or equal.

ii. Floor: Vinyl composition tile.

iii. Walls: Plastic and metal laminates.

iv. Ceiling: Plastic and metal laminates.

v. Lighting: Indirect coved fluorescent.

J. Auxiliary Facilities

1. Laundry Rooms:

i. Locations: One common laundry room is to be provided at the Second Floor level. Approximately 25% of the apartments will contain a closet plumbed and powered to accommodate a washer-dryer unit provided by the apartment owner.

ii. Clothes washers: Facilities for (11) coin operated 25 lbs capacity electric washing machines are to be provided in the common laundry room.

iii. Clothes dryers: Facilities for (8) coin operated 12.3 lbs capacity gas fired dryers are to be provided in the common laundry room.

iv. Laundry trays and tables are to be provided by the laundry service operator.

v. Room ventilation: By motorized louver controlled by automatic draft inducer.

vi. Dryer ventilation: Dryers are to be ducted to exhausted above the Eleventh Floor roof level through a prefabricate metal flue fitted with an automatic draft inducer.

2. Residential Refuse Disposal:

i. Incinerators: No incinerators are to be provided.

ii. Compactors: One Refuse Systems Corporation "Hivelox-250" extruding compactor with a capacity of 33 cubic yards per hour at 450-750 lbs. per cubic yard is to be located at the Cellar Level below a refuse chute centrally located in the vicinity of the residential passenger elevators.

iii. Approvals: The compaction system conforms with requirements of the New York City Building Code, and is subject to reviewed by the New York City Department of Buildings in conjunction with an application for a New Building Permit and Certificate of Occupancy.

iv. Storage location: Refuse is to be stored in the compactor room and moved to curbside for removal on the day of pick-up.

v. Pick-up: Refuse is to be removed at curbside three times a week by the New York City Department of Sanitation.

K. Plumbing and Drainage

1. Water Supply: Potable water is supplied by the New York City public water system via connections at two separately metered locations as noted under "Utilities", above; one for service to commercial portions of the building located on or below the First Floor level, and one for service to residential portions of the building. Domestic water service to commercial portions of the building is fed directly and unassisted from the street main. Domestic water for the residential portion of the building is pumped at the Cellar Level to a rooftop house tank for distribution as described below.

2. Fire Protection System:

i. Standpipes: Each of the building's four fire egress stairwells are to be provided with a four inch standpipe. Two additional four inch standpipes

are to be provide at intermediate points along corridors within the residential portion of the building as required to satisfy Code requirements. All standpipes will fed from the house tank.

ii. Hose racks: Capped hose valves only are to be provided at each floor level off each standpipe. Hose valves located on corridors are to be housed in recessed valve cabinets.

iii. Sprinkler Heads: The First and Cellar Levels only are to be fully fire sprinklered. Sprinklers are also to be provided within and outside the residential refuse chute, and above gas fired clothes dryers located in the common laundry room, as required by code. Sprinklers are to be dry piped within unheated portions of the Cellar Level containing accessory parking. The sprinkler system is to be fed directly by two eight inch connections to City water system mains.

iv. Siamese Connections: Four 6x3x3 siamese connections are to be provided to the building's standpipe system and four 6x3x3 connections are to be provided to the building's sprinkler system.

3. Water storage tanks:

i. Number, type and location: One conventional house tank is to be provided for both residential domestic and fire fighting water (standpipes), located above the mechanical penthouse at an elevation of approximately thirty feet above the highest (eleventh) occupied floor. One domestic hot water storage tank is to be located in the mechanical penthouse.

ii. Material: House tank, Redwood and/or cedar stave; hot water tank, lined steel.

iii. Access: Access is to be provided by goosenecked painted steel ladders.

iv. Capacity, total: House tank, 20,000 gallons; hot water tank, 1356 gallons.

v. Capacity, house tank fire reserve: 8,000 gallons.

4. Water pressure: Water pressure for service to commercial portions of the building is to be as delivered by the City water main. Water pressure for service to residential portions of the building will be by gravity from the house tank as assisted by a booster pump system located in the mechanical penthouse.

5. Sanitary sewage system:

i. Sewage piping: To be hubbless and hub-and-spigot cast iron.

ii. Sewage pumps: A 75 GPM duplex sewage ejector is to be provided as required by loads generated at the Cellar Level.

iii. Sewage Disposal: Is to be by way of the City combined sewer system.

6. Permits required: A Site Connection Proposal has been approved by the New York City Department of Environmental Protection and includes one eight inch storm water, one 12" and two 10" combined sewer connections.

7. Storm drainage system:

i. Catch Basins: The accessory surface parking area is to be served by four catch basins, and by a trench drain located at the entrance to the Cellar Level accessory parking garage.

ii. Yard and roof drains: Are to be as noted above, "Drains".

iii. Piping: To be hubbless and hub-and-spigot cast iron.

iv. Sump pumps: A 200 GPM duplex sump pump is to be located at the Cellar Level.

L. Heating

1. Method: Domestic hot water for residential and common residential portions of the building will be produced by (5) five Teledyne Laars "Mightymax" model VW1000M (or equal) water heaters, each providing a recovery rate of 1030 USGPH for a 100° F water temperature rise. Space heating for residential and common portions of the building will be provide principally by recirculating hot water as noted below. Several miscellaneous spaces with minor heating loads are heated by electric unit heaters.

Domestic hot water for commercial tenant portions of the building is to be provided by individual commercial tenants. Space heating for commercial tenant spaces will be limited to electric resistance heating to be provided by tenants separately or within air conditioning units noted below.

2. Number of boilers: (5) five modular.

3. Manufacturer and capacity: Teledyne Laars model HAM (or equal) rated at 1000 MBA.

4. Burners: Integral to boilers.

5. Type of controls: Each apartment will have at least one manual thermostatic control valve. Boilers are provided with zoned solid state set-point type controls.

6. Radiators, piping etc.: Residential apartment are to be heated with copper element fin-tube base board. Common residential areas are to be heated with recessed fin-tube convectors and cabinet heaters.

7. Fuel: Gas

8. Location of oil tank: There are no oil tanks on the premises.

9. Capacity of oil tank: Not applicable.

10. Gas: See below

M. Gas

1. Type: Natural Gas

2. Meters: Gas service will be provided to the building via entry two points; one serving commercial portions of the building and one serving residential portions of the building, all to be metered as noted under "Utilities" above.

3. Piping: Gas will be conducted via conventional threaded and/or welded steel piping.

N. Air Conditioning

Each living/dining room and each bedroom within each residential apartment will be provided with a through-wall sleeve and dedicated power receptacle to receive an air conditioning unit to be purchased by and installed at the option of the apartment owner. The residential entry lobby area, the common laundry room, the residential management office, the residential maintenance office, and the refuse compactor room will be separately cooled via packaged split system air conditioners. Commercial portions of the building are to be air conditioned by water cooled air conditioning units serving air handling equipment to be provided by individual commercial tenants.

O. Ventilation

1. Residential portions:

i. All living/dining rooms and bedrooms are to be provided with double hung, sliding and/or casement type windows or doors providing natural ventilation as required by Code.

ii. All bathrooms and kitchens not ventilated directly by a window are to be ventilated mechanically as required by Code via ducts and risers exhausting at the roof.

iii. Corridors are to be ventilated by make-up air ducted from gas fired rooftop airhandling units, flowing via undercut doors to bathroom and kitchen exhausts.

iv. The laundry room, management offices, and other internal common are to be mechanically ventilated as required by Code.

2. Commercial portions:

i. Mechanical and/or natural ventilation as required by Code as to be provided by individual commercial tenants.

P. Electrical System

1. Service entrances:

i. Commercial portions: 6000 Ampere, 120/208v, 3 phase, fuse protected.

ii. Residential portions: 8000 Ampere, 120/208v, 3 phase, fuse protected.

2. Service distribution:

i. Commercial portions: 208 volt, 3 phase, 4 wire.

ii. Residential Portions: 208 volt, 1 phase, 3,wire.

3. Switchgear locations:

i. Commercial portions: Commercial switchgear room - Cellar

ii. Residential portions: Residential switchgear room - Cellar

4. Service Entrance Feeders:

i. Commercial portions: (15) Sets of 4 #500 Kemil copper conductors in (15) 3-1/2" conduits.

Tenant A 800 Ampere fuses, (2) sets of 4 #500 Kemil copper conductors in (2) 3-1/2" conduits.

Tenant A2 400 Ampere fuses, 4 #500 Kemil copper conductors - 3-1/2" conduits.

Tenant B 2000 Ampere fuses, (5) sets of 4 #500 Kemil copper conductors in (5) 3-1/2" conduits.

Tenant C 800 Ampere fuses, (2) sets of 4 #500 Kemil copper conductors in (2) 3-1/2" conduits.

Tenant D 200 Ampere fuses, 4 #3/0 copper conductors - 2-1/2" conduits.

Tenant E (3) services at 400 Ampere fuses, (3) sets of 4 #500 Kemil conductors - (3) 3/1/2" conduits.

Tenant F 400 Ampere fuses, 4 #500 Kemil copper conductors - 3-1/2" conduits.

Tenant G 200 Ampere fuses, 4 #3/0 copper conductors - 2- 1/2" conduits.

Tenant H 800 Ampere fuses, (2) sets of 4 #500 Kemil copper conductors in (2) 3-1/2" conduits.

ii. Residential Apartments: The conductor sizes given below are typical and vary as required by the location of each apartment in the building.

One Bedroom Apartments: 60 Amperes - 3 #6 copper conductors - 1" conduits.

Small Two Bedroom Apartments: 60 Amperes - 3 #6 copper conductors - 1"conduits.

Two Bedroom Apartments: 70 Amperes - 3 #4 copper conductors - 1" conduits.

Two Bedroom Apartments w/Work Room: 80 Amperes - 3 #4 copper conductors - 1" conduits.

Three Bedroom Apartments: 75 Amperes - 3 #4 copper conductors - 1" conduits.

5. Adequacy:

i. The circuits in apartments range from 13 to 17 circuits depending on apartment size. Each apartment has at least:

(2) Kitchen appliance circuits.
(1) Dishwasher circuit.
(1) Refrigerator circuit
(1) 220 Volt AC outlet - living room.
(1) 120 Volt AC outlet per bedroom.
(1) Washer/Dryer outlet if applicable, (Gas Dryer).

ii. Each apartment has the following lighting:

Kitchen - ceiling mounted light fixture.
Bathroom - wall mounted.
Halls/Entrance - ceiling mounted.
All other rooms have switched receptacles.

iii. Each bedroom has 4 receptacles (on average).
Each bathroom has 1 receptacle.
Each living room has 5 receptacles.
Each dining Area has 2-4 receptacles (depending on size and layout).
Each work room has 4 receptacles.
Each hall has 1 receptacle.
Each kitchen has 5-7 receptacles (depending on size and layout).

6. Intercommunication and door signal systems: As described below.

Q. Television Reception Facilities

1. Facilities within residential portions of the building, including necessary equipment closets and riser locations, are to be provide for cable television and telephone services to be provided by private and/or publicly regulated vendors.

2. An intercom system for communication between the residential lobby and all individual residential apartments will be integrated into the telephone system noted above.

3. A closed circuit television system monitoring public entry and exit doors within residential portions of the building, and reporting to the residential lobby, is to be provided.

R. Public Area Lighting

1. Sidewalks, street and surface parking areas will be lit as noted above.

2. The residential courtyard will be lit by (10) pole mounted metal halide luminares.

3. Public entry doors to residential portions of the building will be provided with additional illumination by local wall mounted compact fluorescent luminares.

4. Corridors will be lit with sconce type compact fluorescent fixtures mounted on corridor wall surfaces ten to fifteen feet on center.

5. Stairwells will be lit at each landing with surface mounted strip fluorescent fixtures enclosed with prismatic diffuses.

6. Cellar and mechanical areas will be lit with chain pendant or surface mounted strip fluorescent lighting.

S. Garages and Parking Areas

1. Location of garage: A commercially operated parking garage, accessory to the residential portion of the building will be accessed via a vehicular ramp to be located at the Cellar Level of the building.

2. Location Parking areas: A surface parking lot, accessory to the residential portion of the building, operated in conjunction with and adjacent to the parking garage, will be provided as noted under "Site" above. The approved total capacity of all on site parking is 273 spaces, of which a portion are to be made available for lease to the building's residential owners as provided for under the New York City Zoning Ordinance.

3. Surfaces: The parking garage is to be a fully enclosed facility of painted structural steel, concrete and concrete block construction. The garage is to be lit with pendant mounted metal halide fixtures. Surface parking facilities are provide as noted under "Site", above.

4. Garage ventilation: The garage is mechanically ventilated in conformance with requirements of the Building Code. Ventilation will controlled by carbon monoxide detectors.

5. Garage fire protection: Structural steel is to be fireproofed with a medium or high density spray fireproofing in conformance with the Building Code. The garage will be fully sprinklered as noted above "Fire Protection System".

6. Drainage: The floor of the garage will be provided with floor drains connected to the building storm water drainage system.

T. Recreation Facilities

1. Swimming pools: No swimming pools are to be provided.

2. Tennis courts: No tennis courts are to be provided.

3. The Second Floor level residential courtyard will serve as a landscaped outdoor recreation facility as mandated by the New York City Zoning Resolution "Quality Housing" program. A "Residential Common Room", for occasional use by the residential occupants, is to be provided at the Cellar Level within the residential portion of the building.

U. Additional Items, Violations

No violations have been filed against this work. Approved plans and a New Building Permit has been obtained for this work. All additional permits and Controlled Inspections will be obtained as required by the approved Building Permit application prior to obtaining a Certificate of Occupancy. An inspection of the premises will be made by and a Fire Safety Plan filed with the New York City Fire Department prior to occupancy.

V. Residential Apartment Information

Apt. Type	Quantity	Bedrooms	Bathrooms	Additional Spaces / Amenities
A	116	2	1	patio**
B	49	3	2	W/D closet* (35 apts), patio**
C	12	3	2	W/D closet*
D	7	2	1	foyer, W/D closet
E	7	3	2	foyer, W/D closet*, workroom
F	7	1	1	foyer
G	5	3	2	foyer
H	5	3	2	foyer
I	5	2	1	foyer, patio**
J	5	3	2	foyer, patio**
K	2	2	2	foyer, W/D closet*, workroom
L	4	2	2	foyer, W/D closet*, workroom
M	3	3	2	foyer, patio, W/D closet*
N	2	2	1	foyer, patio
O	2	1	1	patio, W/D closet*
Q	2	2	2	foyer, W/D closet*, workroom
R	2	2	2	foyer, W/D closet*, workroom
S	2	2	2	foyer
T	1	2	2	foyer, W/D closet*, workroom
U	3	3	2	foyer, patio**, W/D closet*

*Closet with plumbing and power as required to serve a combination washer/dryer.
**Patio not provided on all units of this type.

1. Type and grade of finish materials (all residential apartments).

Room	Floor	Ceiling	Walls	Base
Living/Dining Rooms	Carpet	Textured Paint	Painted Drywall	Painted Wood
Bedrooms	Carpet	Textured Paint	Painted Drywall	Painted Wood
Kitchens	Vinyl Tile	Textured Paint	Painted Drywall	Painted Wood
Bathrooms	Ceramic Tile	Textured Paint	Ceramic Tile / Paint	Ceramic Tile
Closets	Carpet	Textured Paint	Painted Drywall	Painted Wood

Workrooms	Carpet	Textured Paint	Painted Drywall	Painted Wood
Halls & Foyers	Carpet	Textured Paint	Painted Drywall	Painted Wood

2. Bathroom fixtures:

Water Closet:	Low consumption, tank type, Crane "Flormont" or equal.
Lavatory:	Self rimming vitreous china, Crane "Chelsea" or equal.
Bath Tub:	Porcelain Enamel Steel, Crane "El Paso" or equal.
Medicine Cabinet:	36"x 48" surface mounted, mirrored, Basco "Tri-view"

3. Kitchen fixtures:

Refrigerator:	21 cu ft, frost free top mount, General Electric or equal.
Dishwasher:	24" General Electric or equal.
Gas Range:	30" freestanding, pilotless, General Electric or equal.
Sink:	Single bowl satin stainless steel, Elkay "Celebrity" or equal
Cabinets:	Hardwood faced, LesCare "Parisian" or equal
Countertops:	Solid color plastic laminate.

W. Finish Schedule of Spaces Other Than Within Residential Apartments:

Room	Floor	Walls	Ceiling
Residential Lobby	Stone Tile	Hardwood Paneling/Paint	Painted Drywall
Residential Corridors	Carpet	Painted Drywall	Textured Paint
Stair Wells	Painted Concrete	Painted Concrete Block	Painted Steel & Drywall
Refuse Rooms	Vinyl Tile	Painted Concrete Block	Textured Paint
Management Offices	Carpet	Painted Drywall	Textured Paint
Residential Common Room	Vinyl Tile Vinyl Tile	Painted Concrete Block	Painted Exposed Structure
Laundry Room	Quarry Tile	Painted	Textured
Miscellaneous Toilets	Ceramic Tile	Ceramic Tile / Painted Drywall	Painted Structure / Painted Drywall

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Maintenance Offices	Vinyl Tile	Painted Concrete Block	Painted Exposed Structure
Storage Rooms	Sealed Concrete	Painted Concrete Block	Exposed Structure No Finish
Compactor Room	Painted Concrete	Painted Concrete	Exposed Structure No Finish
Mechanical Rooms	Sealed Concrete	Concrete Block No Finish	Exposed Structure No Finish
Commercial Spaces	By Tenant	By Tenant	By Tenant

X. General Information

1. All residential apartments are to be fitted with independent ceiling mounted "hard wired" smoke detectors per Code.

2. Smoke detectors located in all mechanical rooms and closets will be monitored by a voluntary smoke alarm system. The voluntary smoke alarm system will also monitor the fire sprinkler system.

3. Residential corridor smoke doors are to be released by smoke detectors controlled by the voluntary smoke alarm system.

Y. Additional Information Required

1. Residential Apartment Floor plans: See following, attached.

2. Site plan: Not Applicable

3. Area map: Not Applicable

Z. Asbestos

This work is all new construction. No asbestos products are specified in the New Work. All structures on site have been previously demolished. No asbestos has been identified during excavation.

GREENBERG FARROW ARCHITECTURE

Navid Maqami
Director, New York Office

REGISTERED ARCHITECT
NAVID QAIM-MAQAMI
No. 022311-1
STATE OF NEW YORK

April 20, 2000

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Project: ANCHOR PARTNERSHIP PLAZA, NY
GFA Project Number 980578

RE: **Residential Unit of the Renaissance Condominium**
130 Malcolm X Boulevard
New York, NY 10026

ADDENDUM TO THE ARCHITECT'S REPORT OF JANUARY 25, 2000

1) ***State model #s of the kitchen appliances.***

Refrigerator: GE model TBX21IABWW. Dishwasher: GE model GSD3220ZWW. Range: GE model JGBS22BEAWH. Microwave / Range Hood: GE model JVM1631WB.

2) ***Furnish details of landscaping; reference to a diagram is acceptable.***

Sidewalks adjoining the building will be planted with street trees following requirements of the Zoning Ordinance and the approvals of concerned City agencies and departments: West 116th Street - (3) pin oaks to join (7) existing trees; Malcolm X Boulevard - (5) Sycamore; West 117th Street - (12) honey locust.

The second floor residential courtyard will be surfaced with concrete pavers and landscaped with approximately (12) river birch trees in planters. A planted box will be maintained outside the residential lobby entrance on Malcolm X Boulevard.

3) ***Submit copies of the approved bldg. plans.***

Copies of the approved building plans were included as part of the initial offering plan submission.

4) ***Submit cellar, subcellar, first floor and roof plans.***

A subcellar is not provided on the premises. Plans of the cellar, first and roof levels are included with the approved building plans noted above, reduced copies of which are attached to this addendum.

5) ***State whether parking will be for tenants only or public.***

As indicated in the Offering Plan, parking will be available for both tenants of the

Residential Unit and the public, with priority given to the tenants of the Residential Unit for the first 80 parking spaces on a first-come, first served basis.

6) ***State make and model #s of the windows.***

As manufactured by Mannix Architectural Window Products:

Double-hung windows: Series 1300. Casement windows: Series 8000. Fixed windows: Series 3000. Sliding glass doors: Series 6000.

7) ***Furnish details of outdoor lighting, including number, size and type of lights to be installed.***

The following outdoor lighting is provided as located on the electrical plans and architectural plans and elevations:

Serving the second floor courtyard: (10) pole mounted 175w metal halide cutoff luminaires. Serving each apartment patio: (1) minimum, (2) typical, wall mounted 26w compact fluorescent sconces. Serving sidewalks meeting the building at the first floor: (31) wall mounted 39w compact fluorescent sconces. Serving the accessory surface parking area: (10) pole or wall mounted 175w metal halide cutoff luminaires.

8) ***State make and model #s of the laundry equipment.***

The make and model numbers of washers and dryers in the common laundry room will be determined by a vendor yet to be determined.

9) ***State quality or cost of carpeting.***

Residential corridors: 26-28 oz, solution dyed fully adhered looped pile broadloom. Within apartments: 26-28 oz, piece dyed medium cut pile broadloom.

10) ***Note as a special risk that Sponsor will not provide washer/dryer.***

See special risk section of the offering plan.

11) ***Identify apartments which will have washer/dryer closet.***

The following apartments will provide plumbing and power within a closet for a washer/dryer: Numbers 203, 204, 208, 210, 218, 219, 221, 228, 230, 234, 235, 303, 304, 308, 309, 317, 318, 320, 327, 328, 332, 333, 403, 404, 408, 409, 417, 418, 420, 427, 428, 432, 433, 503, 504, 508, 509, 517, 518, 520, 527, 528, 532, 533, 603, 604, 608, 609, 617, 618, 620, 627, 628, 632, 633, 705, 706, 708, 715, 716, 720, 721, 805, 806, 808, 815, 816, 820, 821, 905, 906, 907, 908, 909, 910, 911, 915, 916, 1005, 1006, 1007, 1105, 1106 & 1107.

12) ***State the materials of the water pipes.***

Throughout the building, and including all residential portions, domestic water pipe 2" in

diameter and less will be Type L soft copper tubing with soldered copper fittings; domestic water pipe greater than 2" in diameter will be ductile iron with mechanical or push-on fittings.

13) State the adequacy of the heating system.

The heating system throughout the building and including all residential portions has been designed to meet all performance and design criteria stipulated by Code.

14) State make, model #, capacity, location and adequacy of the HVAC units.

Serving the cellar level maintenance office: (1) Mitsubishi PK-12FK ductless split system; 12.5 MBH total cooling. Serving the cellar level refuse storage room: (1) Mitsubishi PC-24BK ductless split system; 24 MBH total cooling. Serving the cellar level residential common room: (2) Mitsubishi PC-24BK ductless split system; 24 MBH total cooling each. Serving the first floor residential lobby area: (1) Mitsubishi PC-42BK ductless split system; 42 MBH total cooling. Serving the second floor common laundry: (1) Mitsubishi PC-42BK ductless split system; 42 MBH total cooling. Serving the second floor management office suite: (1) Carrier 2 ton matched fan-coil / air cooled condenser air conditioning system.

Each habitable room (living rooms and bedrooms) within each apartment will be provided with a through-wall sleeve and dedicated power to accommodate an air conditioning unit. The air conditioning unit is not supplied by the sponsor.

15) In NYC, indicate compliance with Local Law 58 (Handicapped Access Law).

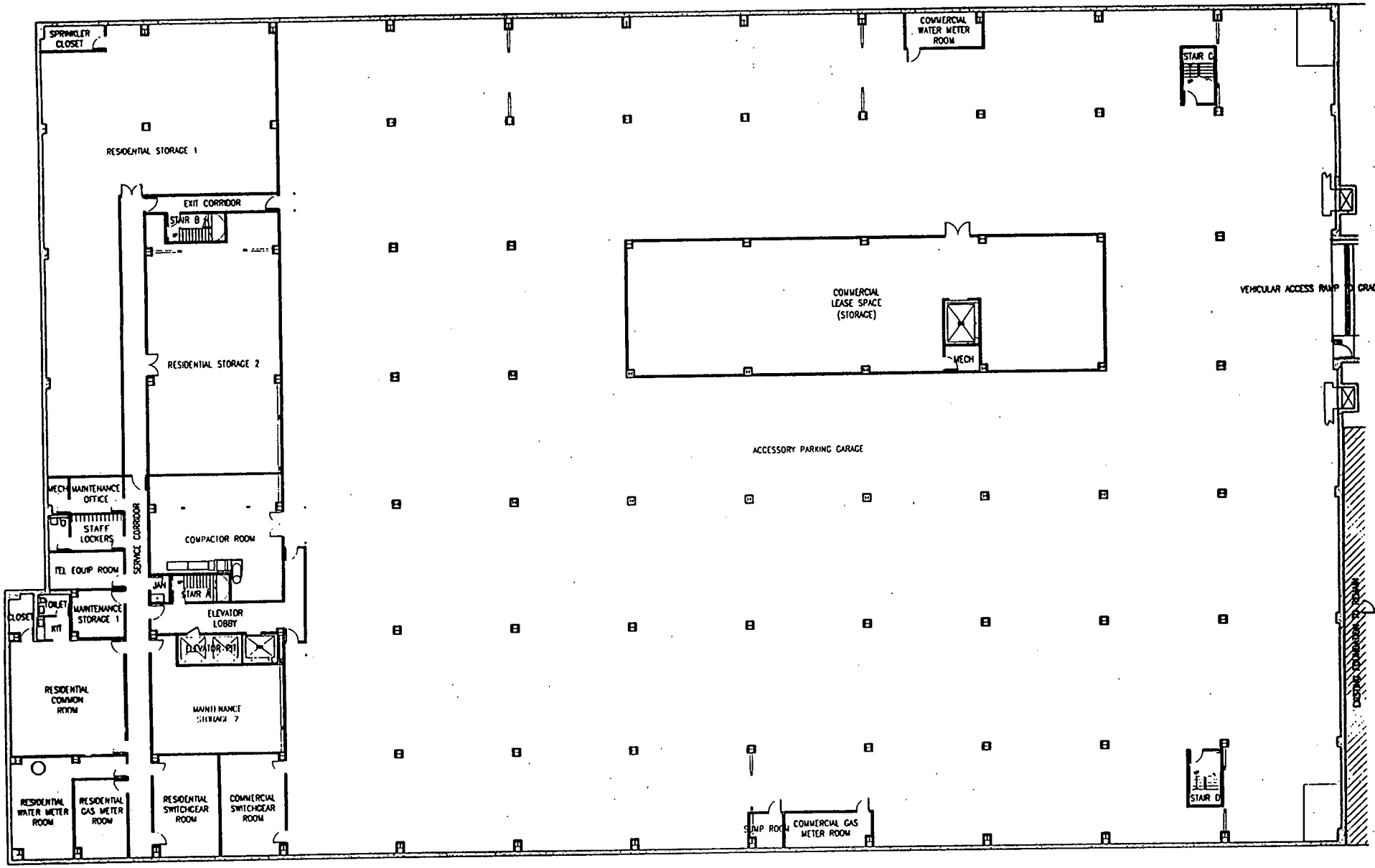
The premises have been designed to conform with New York City Local Law 58 as described in the New York City Building Code.

Sincerely,

GREENBERG FARROW ARCHITECTURE

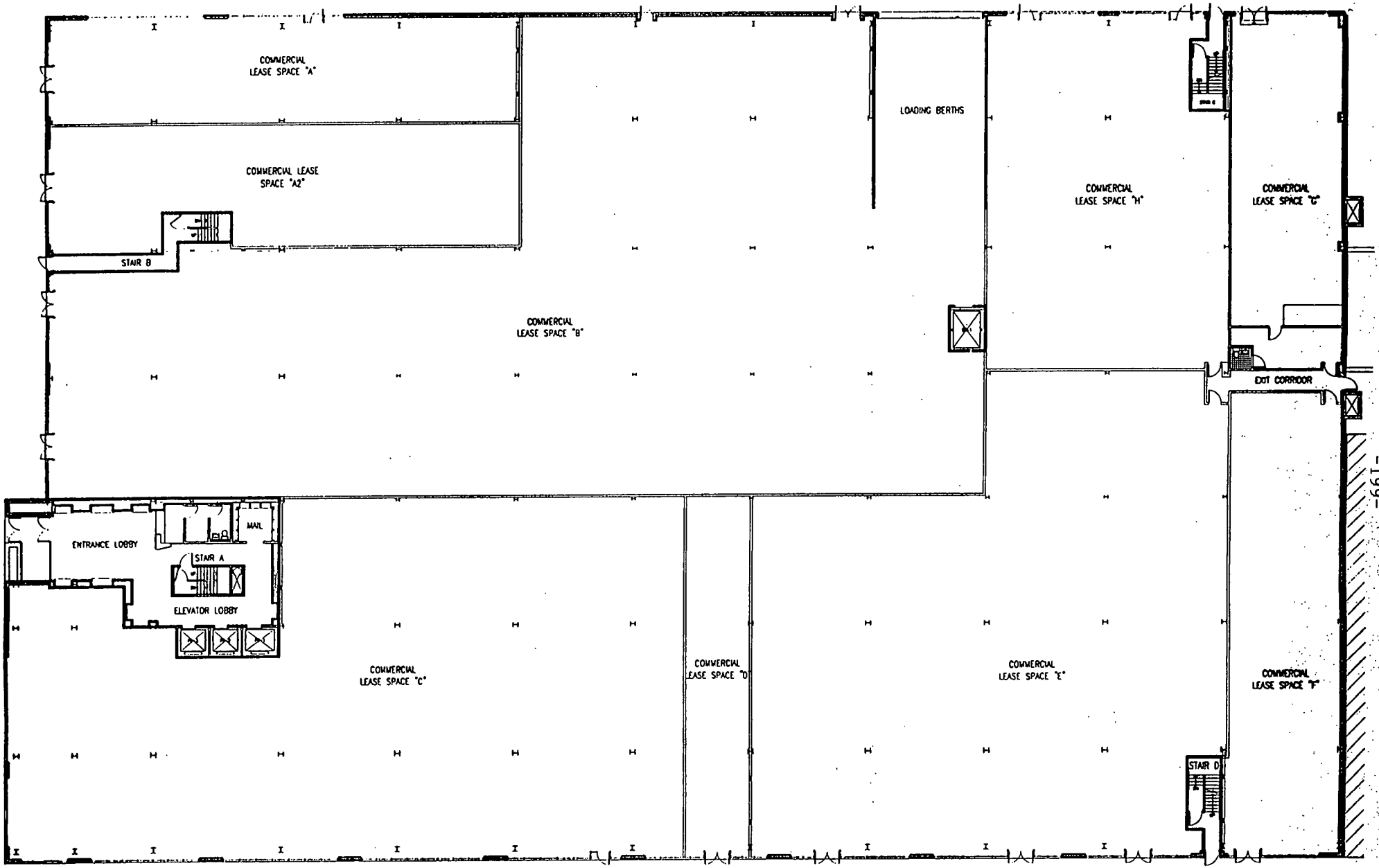
Navid Maqami AIA
Director, New York Office

CC: file

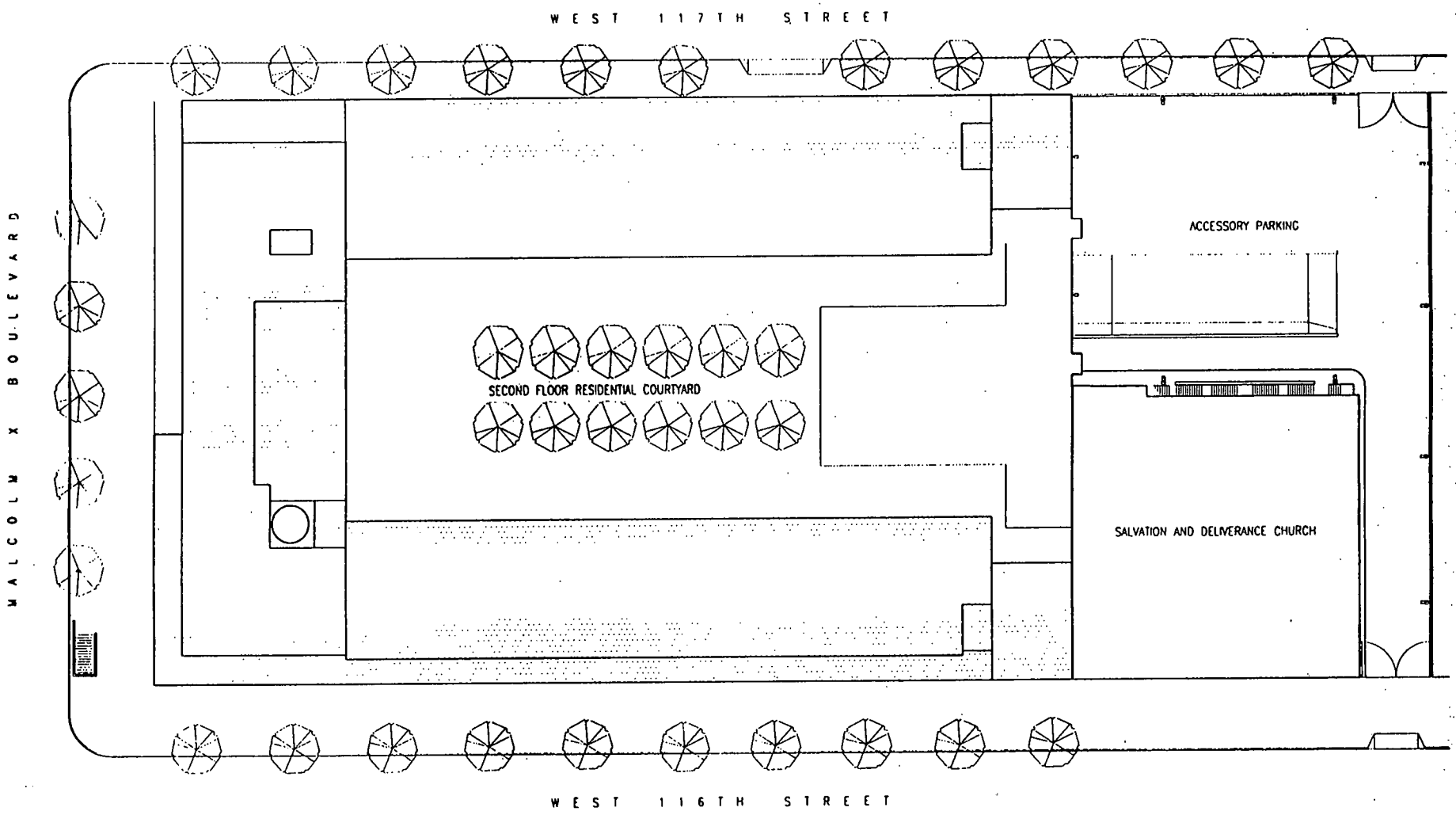


CELLAR LEVEL FLOOR PLAN

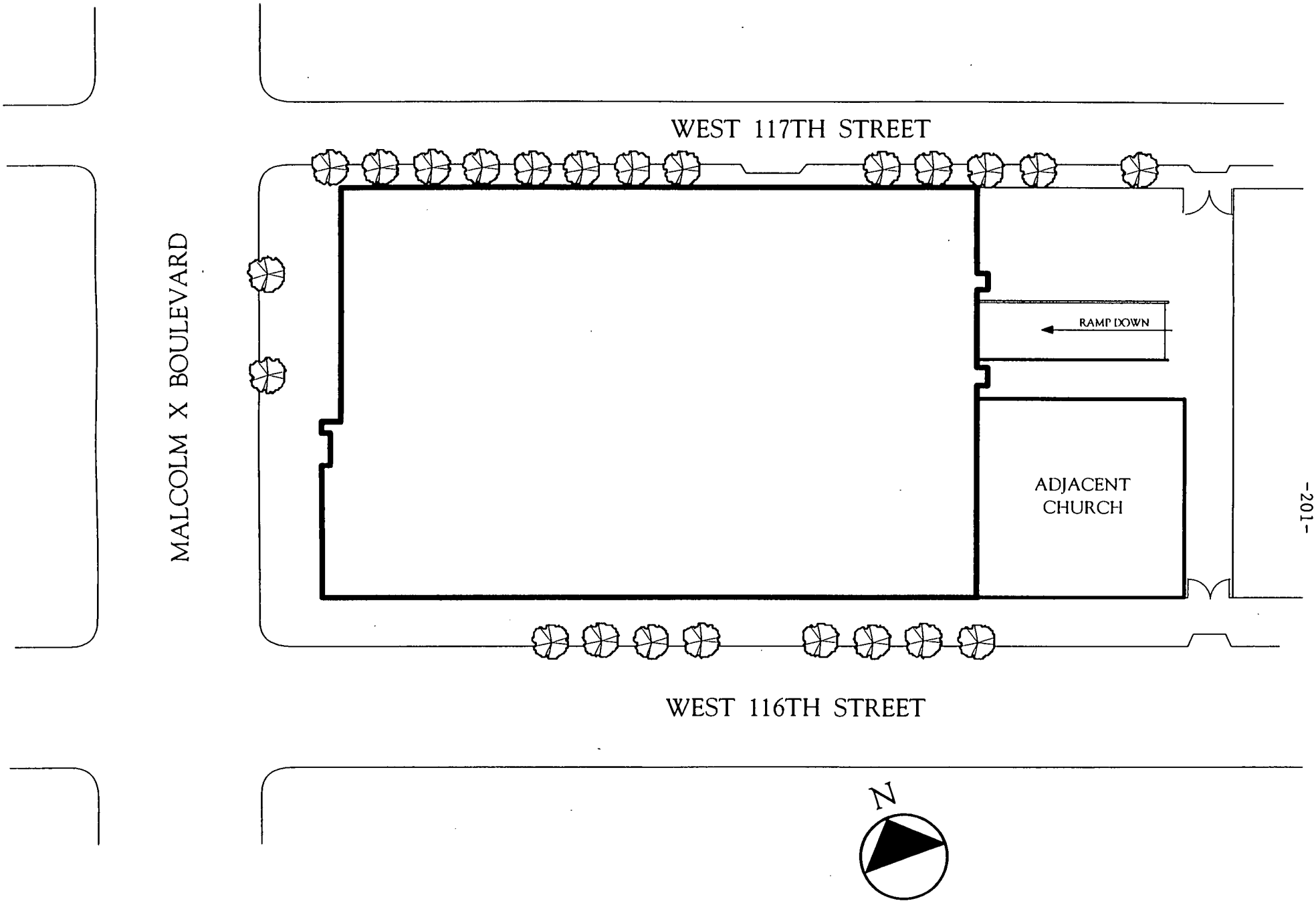
THE RENAISSANCE



FIRST FLOOR PLAN
THE RENAISSANCE



ROOF & SITE PLAN
THE RENAISSANCE



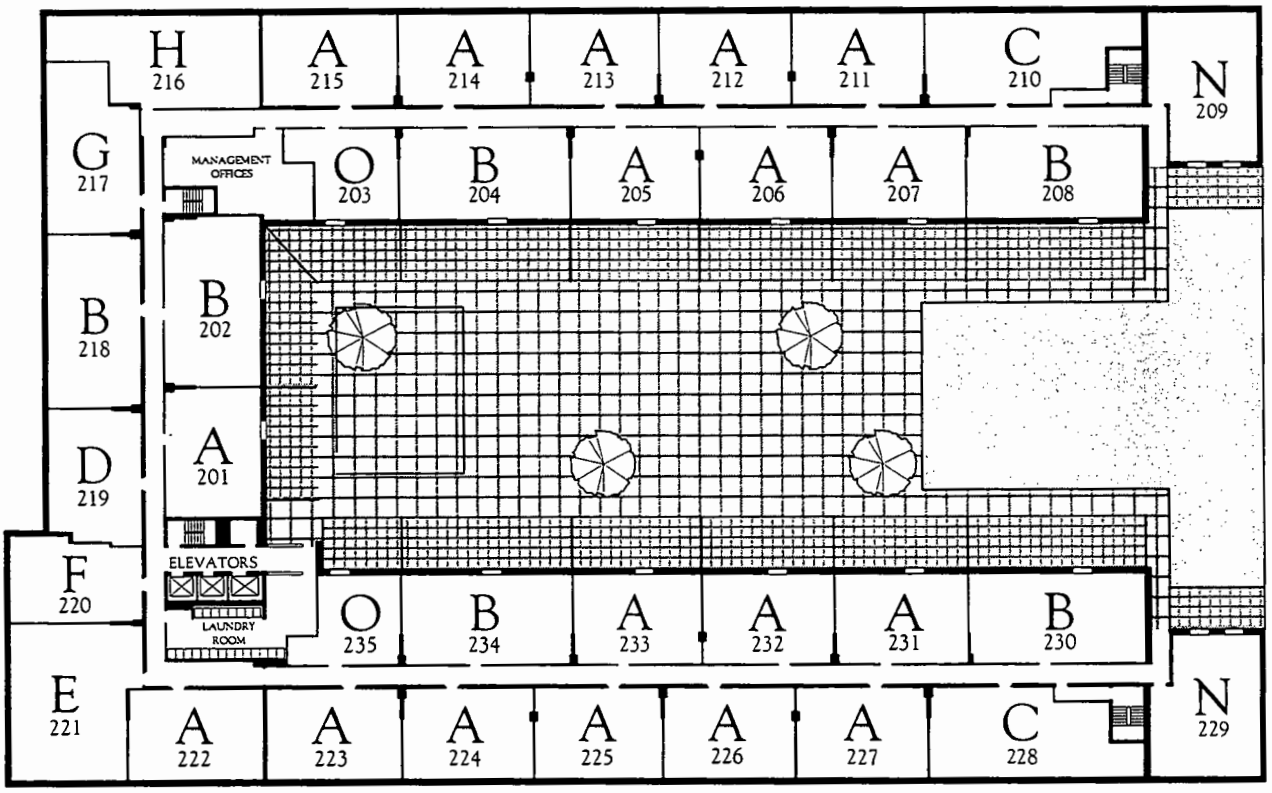
RENAISSANCE
SITE PLAN

5. PLANS OF APARTMENTS

KEY PLANS FOR APARTMENTS

MALCOLM X BOULEVARD

WEST 117th STREET



WEST 116th STREET

N

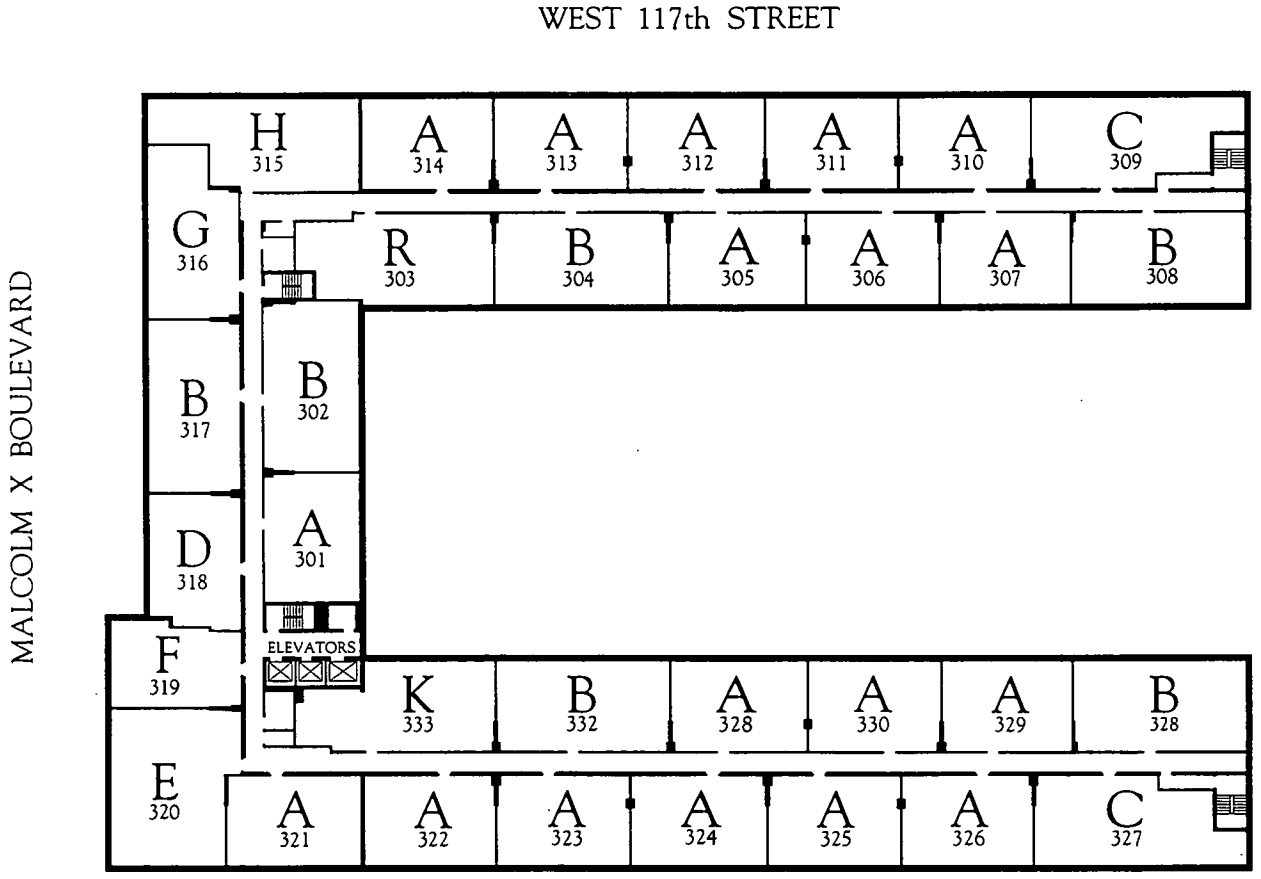
THE RENAISSANCE - FULL FLOOR PLAN OF THE SECOND FLOOR

Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'



N

THE RENAISSANCE - FULL FLOOR PLAN OF THE THIRD FLOOR

Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

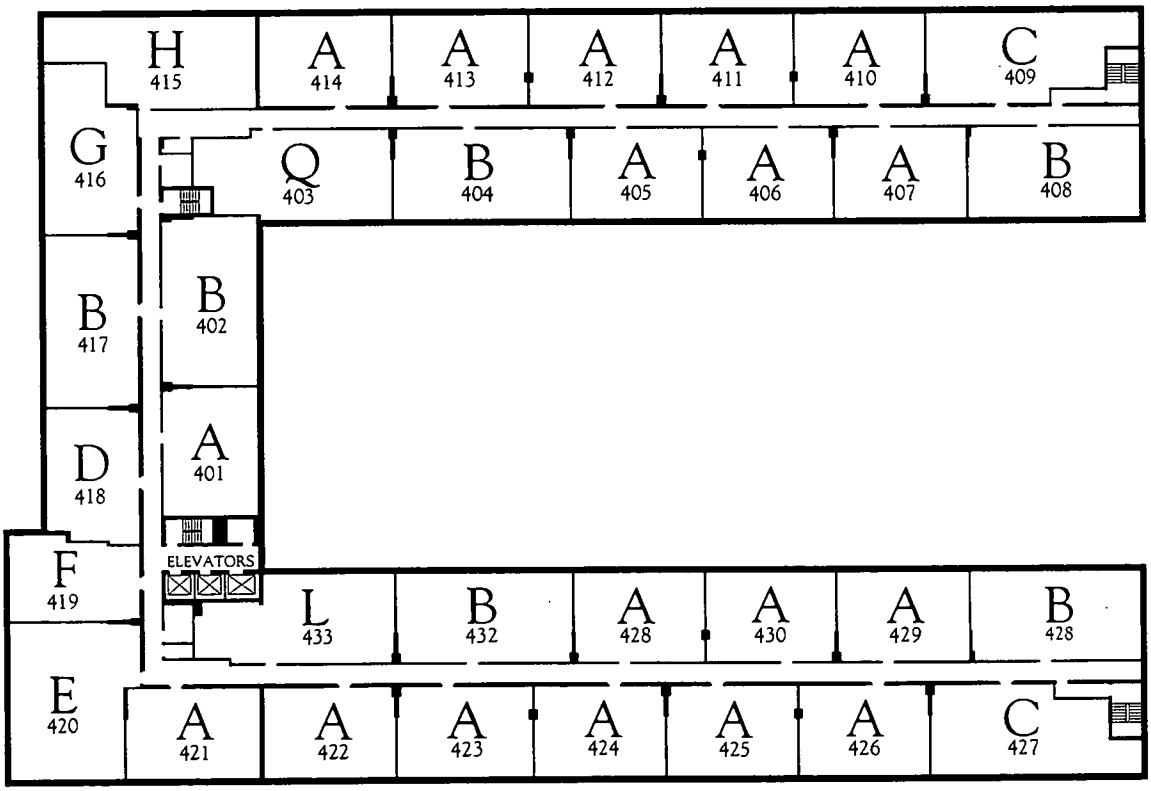
KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

WEST 117th STREET

MALCOLM X BOULEVARD



WEST 116th STREET

N

THE RENAISSANCE - FULL FLOOR PLAN OF THE FOURTH FLOOR

Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

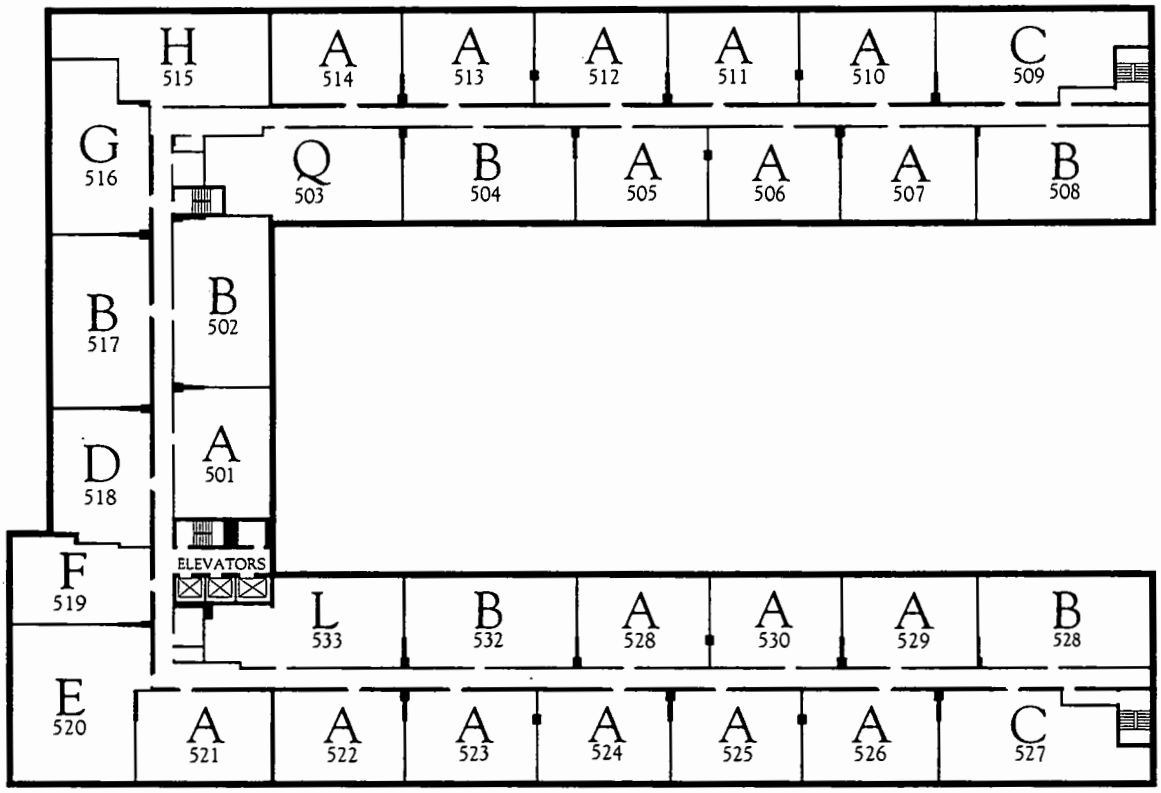
KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

WEST 117th STREET

MALCOLM X BOULEVARD



WEST 116th STREET

N

THE RENAISSANCE - FULL FLOOR PLAN OF THE FIFTH FLOOR

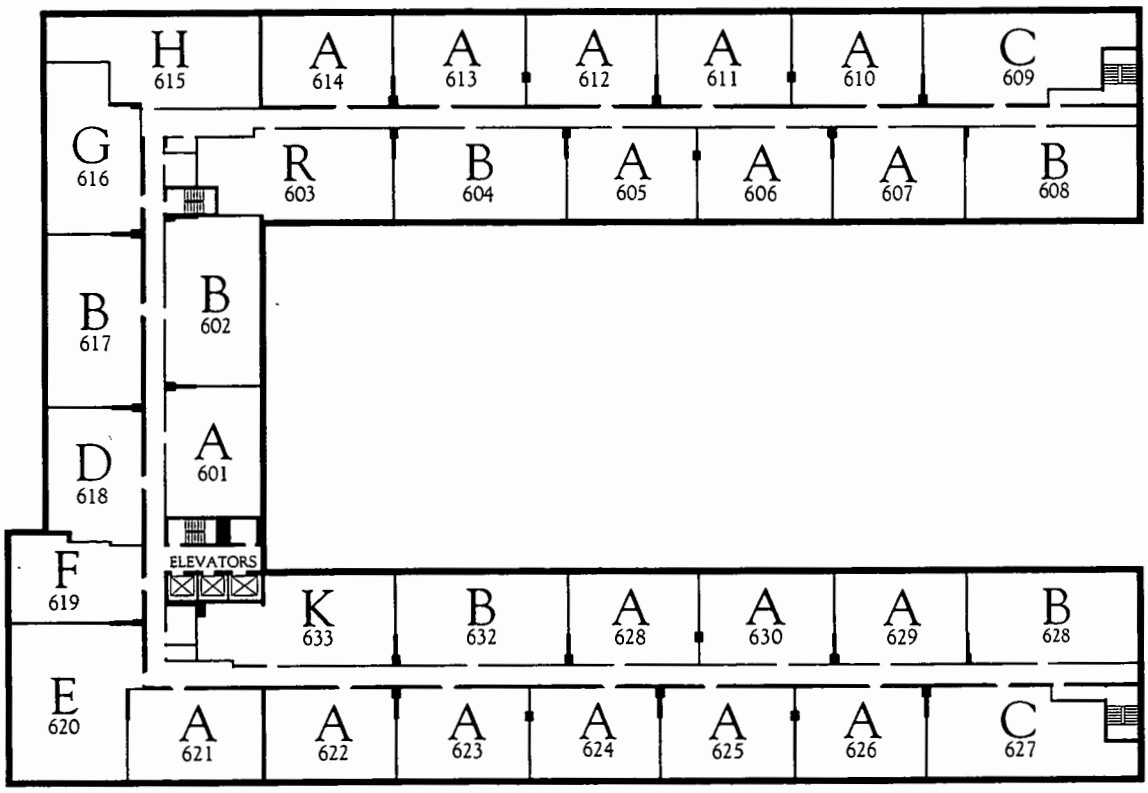
Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

WEST 117th STREET



MALCOLM X BOULEVARD

WEST 116th STREET

N

THE RENAISSANCE - FULL FLOOR PLAN OF THE SIXTH FLOOR

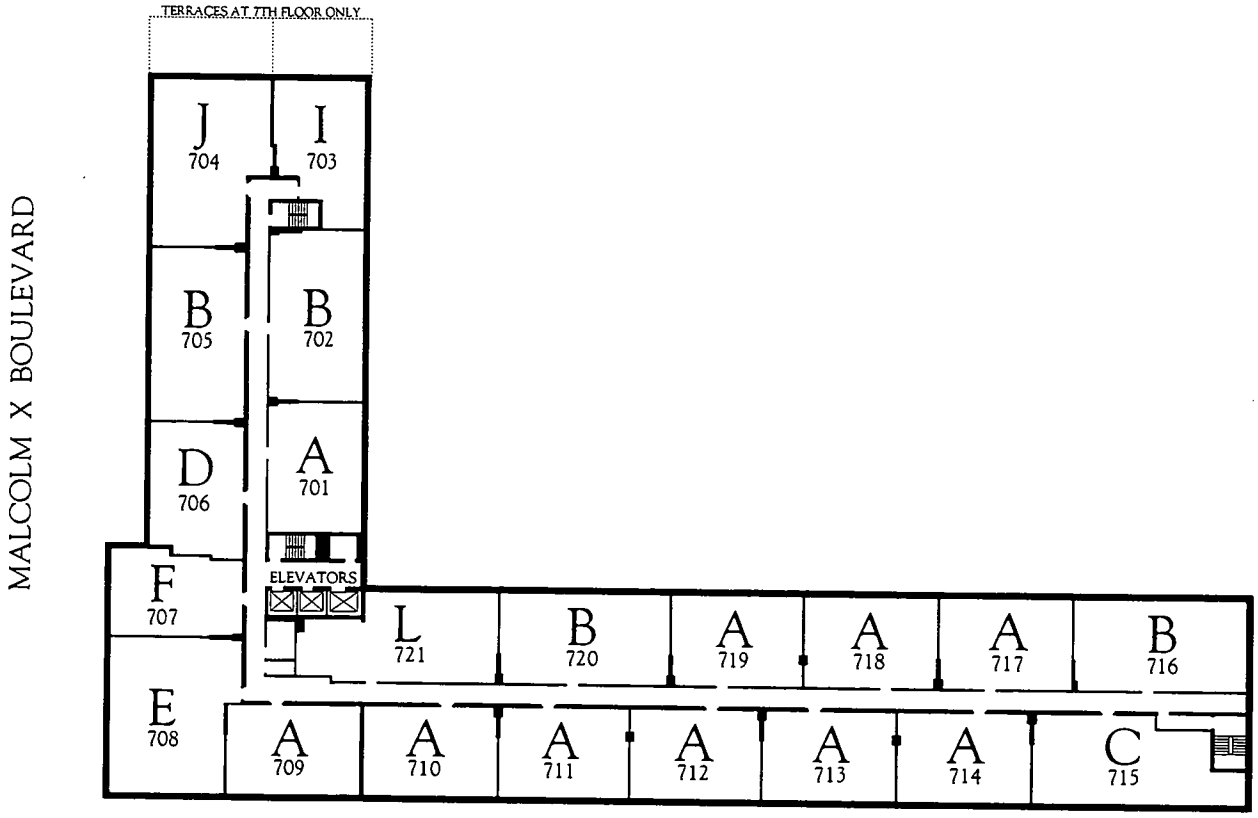
Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

WEST 117th STREET

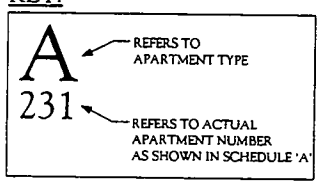


WEST 116th STREET

THE RENAISSANCE - FULL FLOOR PLAN OF THE SEVENTH FLOOR

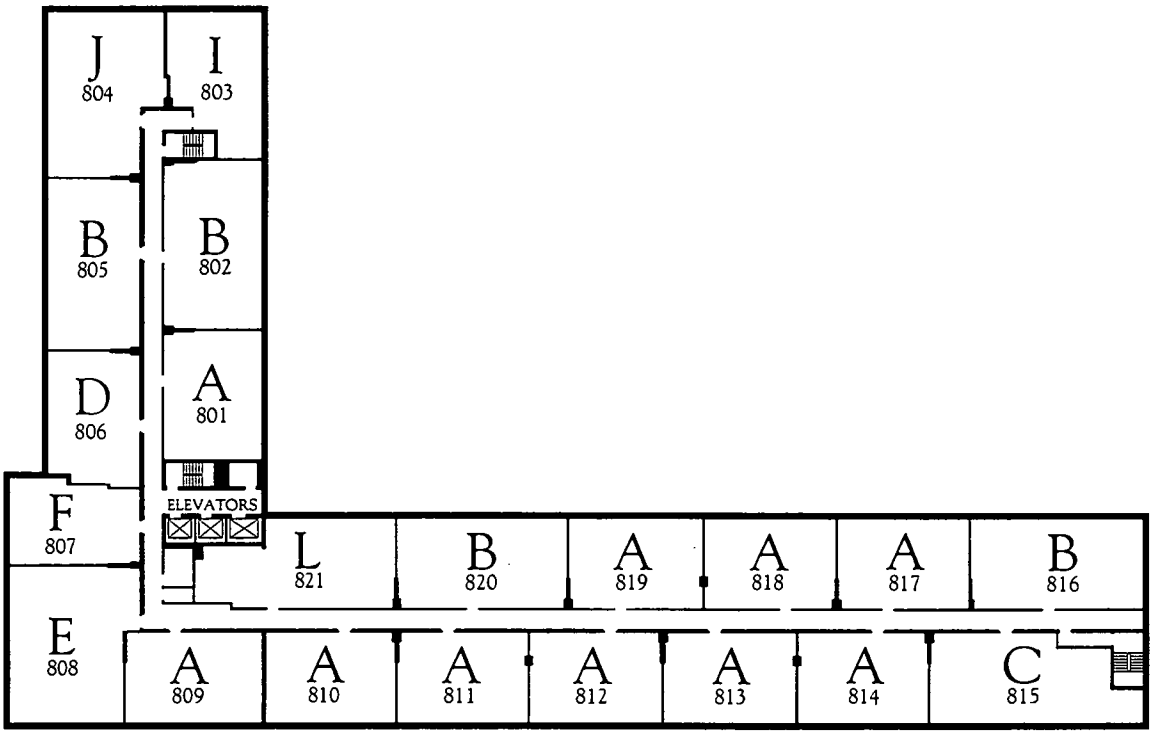
Shown here is a full floor plan for above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:



WEST 117th STREET

MALCOLM X BOULEVARD



WEST 116th STREET

THE RENAISSANCE - FULL FLOOR PLAN OF THE EIGHTH FLOOR

Shown here is a full floor plan for above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

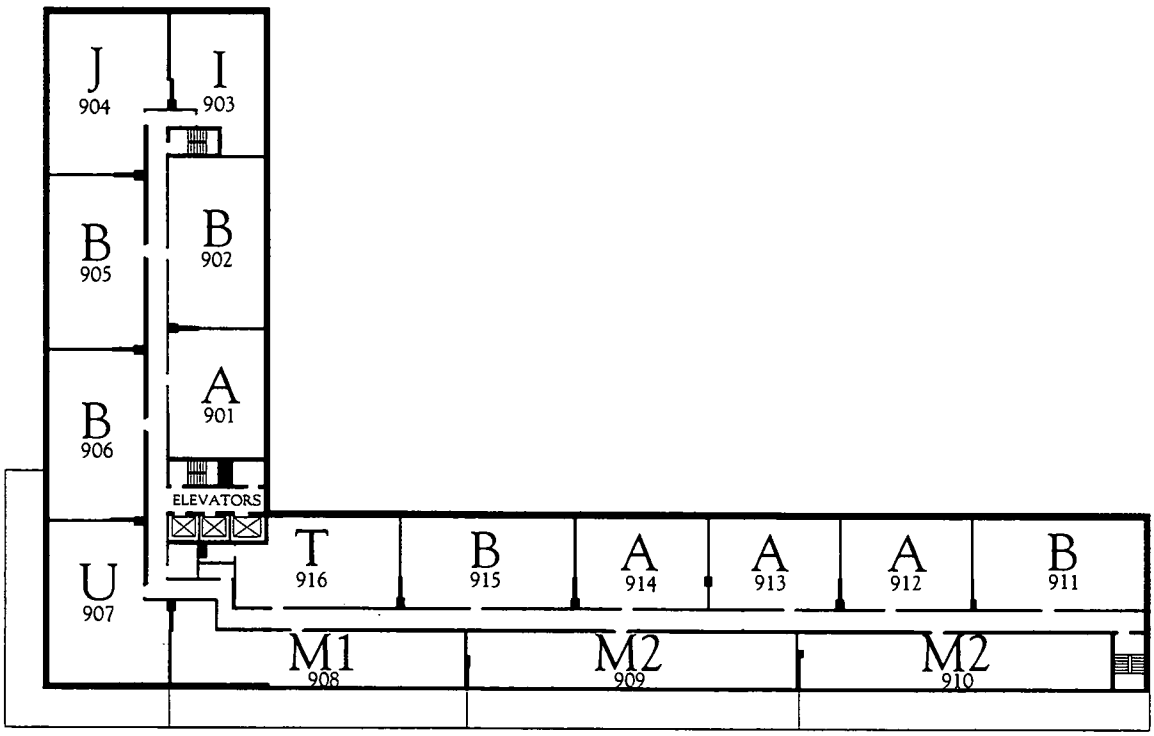
KEY:

A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

WEST 117th STREET

MALCOLM X BOULEVARD



WEST 116th STREET

N

THE RENAISSANCE - FULL FLOOR PLAN OF THE NINTH FLOOR

Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:

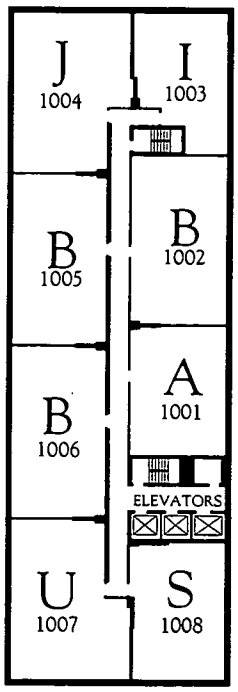
A — REFERS TO APARTMENT TYPE

231 — REFERS TO ACTUAL APARTMENT NUMBER AS SHOWN IN SCHEDULE 'A'

26

WEST 117th STREET

MALCOLM X BOULEVARD



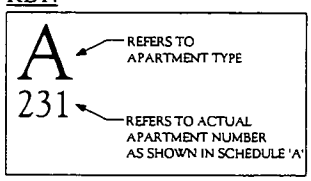
WEST 116th STREET

N

THE RENAISSANCE - FULL FLOOR PLAN OF THE TENTH FLOOR

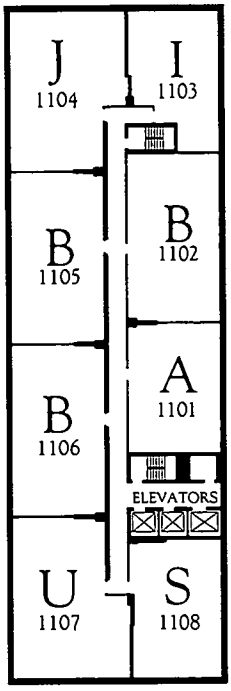
Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

KEY:



WEST 117th STREET

MALCOLM X BOULEVARD

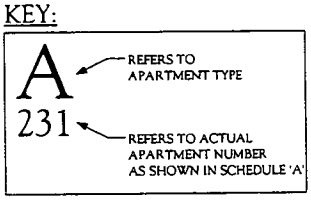


WEST 116th STREET

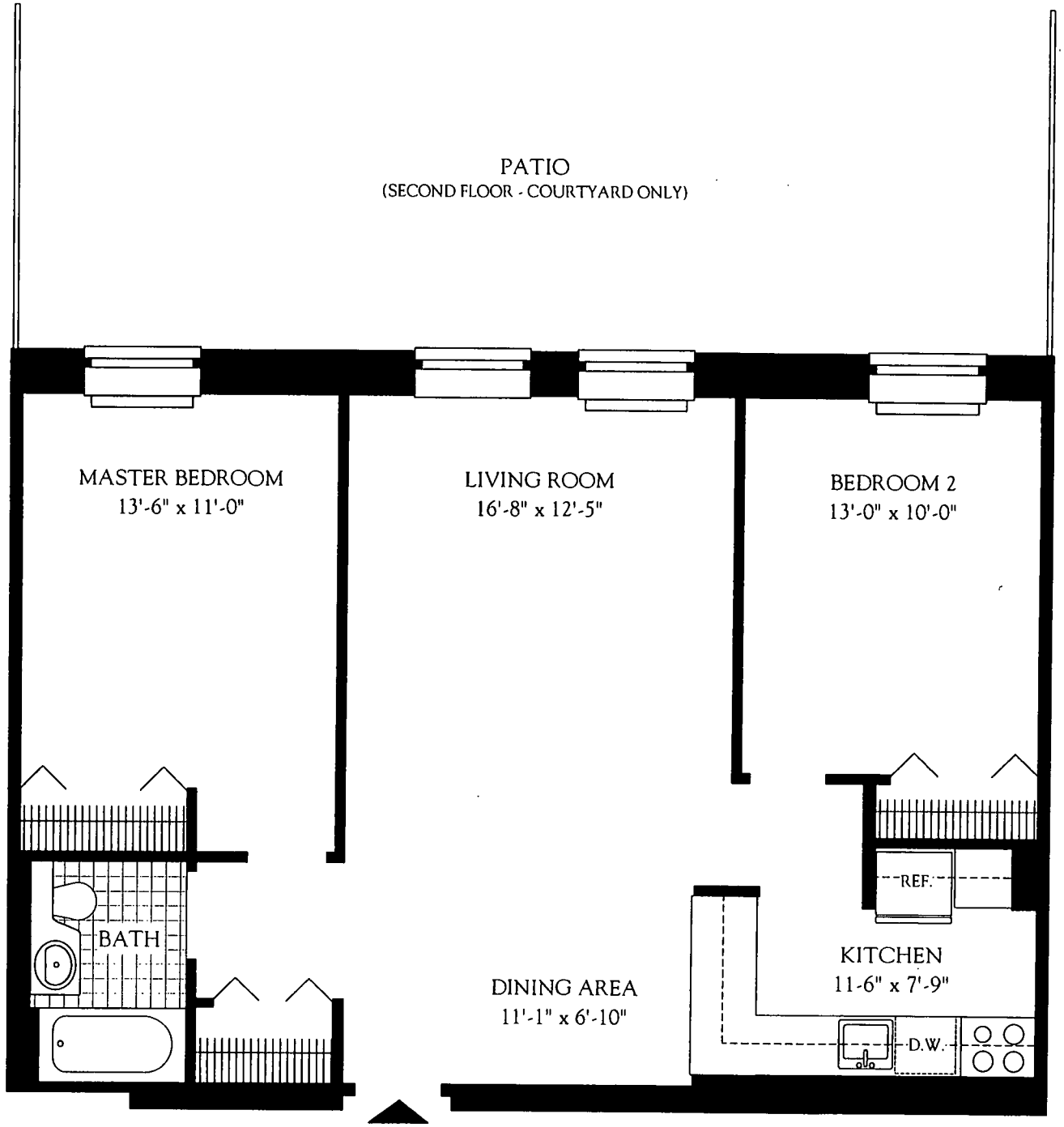
THE RENAISSANCE - FULL FLOOR PLAN OF THE ELEVENTH FLOOR

Shown here is a full floor plan for the above named residential floor at The Renaissance. Every apartment on each floor is identified by letter and number. The letter indicates the location of a particular apartment type. The number corresponds to each individual apartment shown on Schedule A of The Offering Plan. Please see key at right.

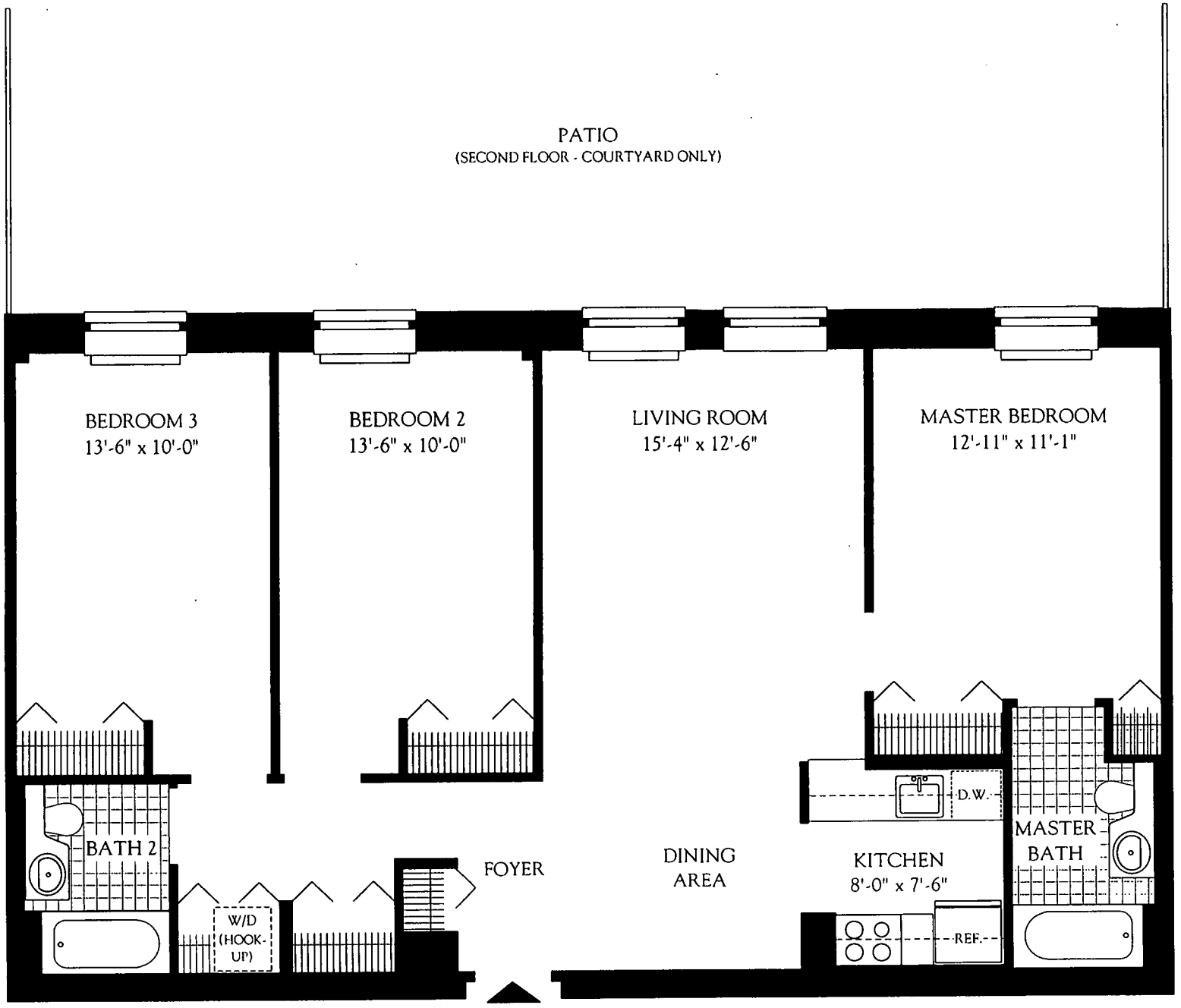
KEY:



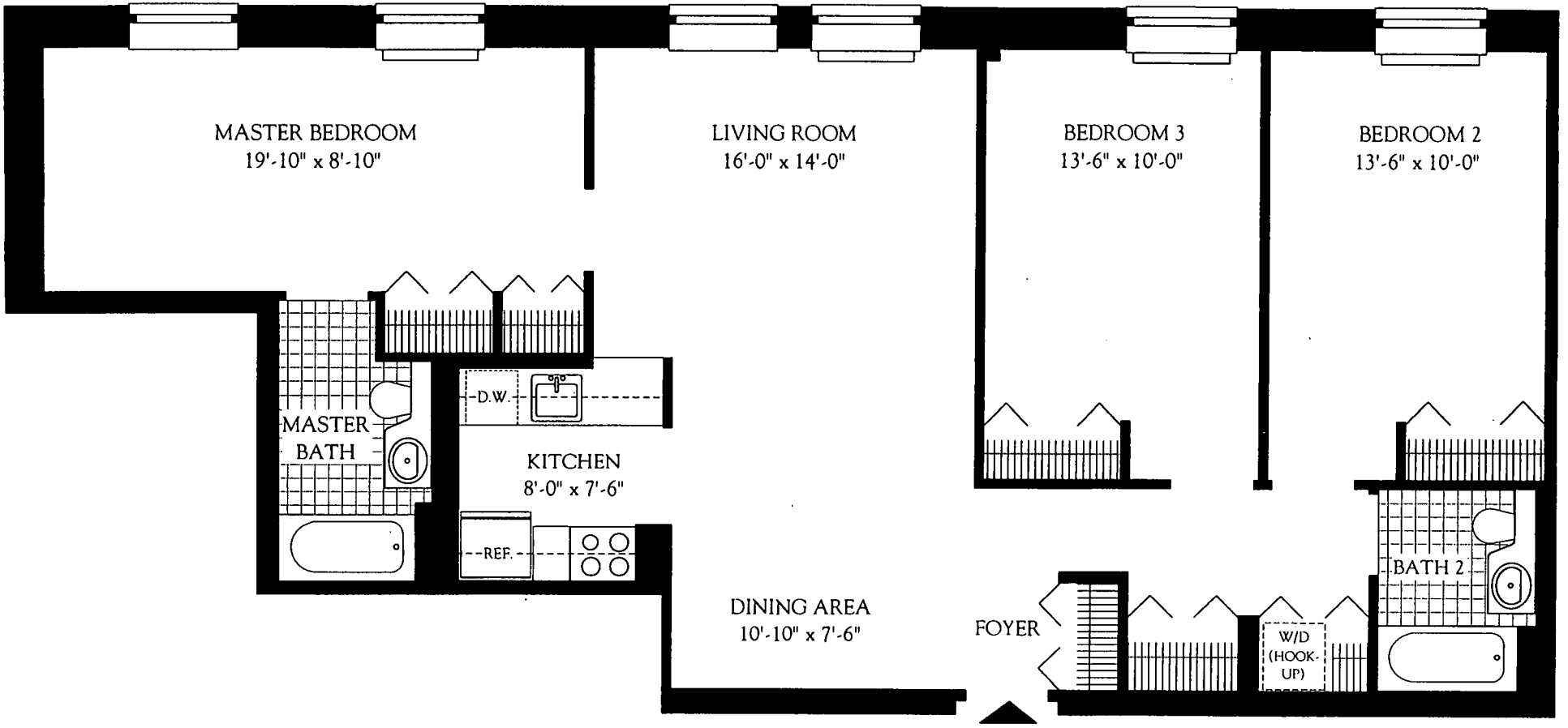
APARTMENT FLOOR PLANS



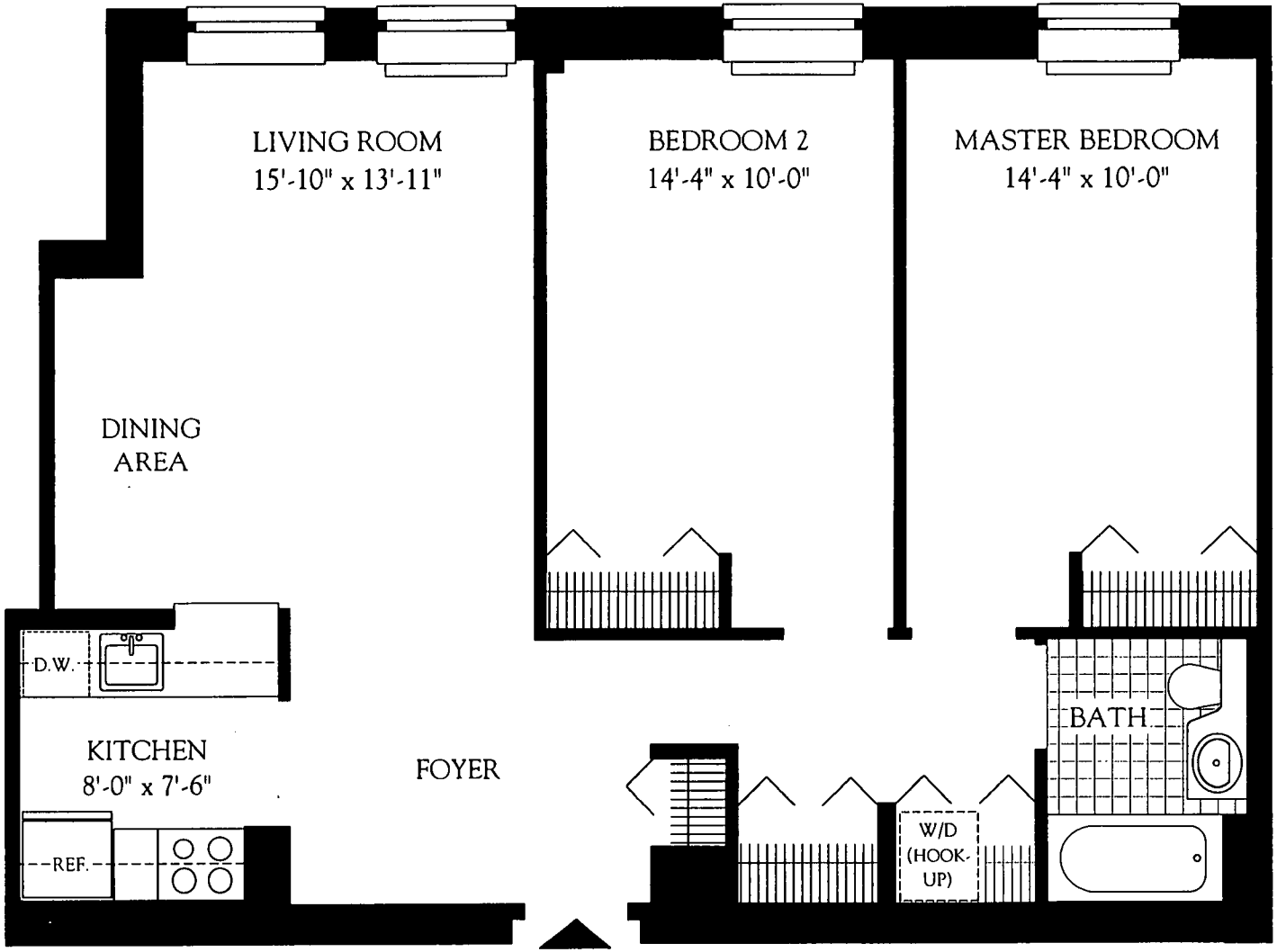
RENAISSANCE
TYPICAL APT. A
FLOORS 2-11



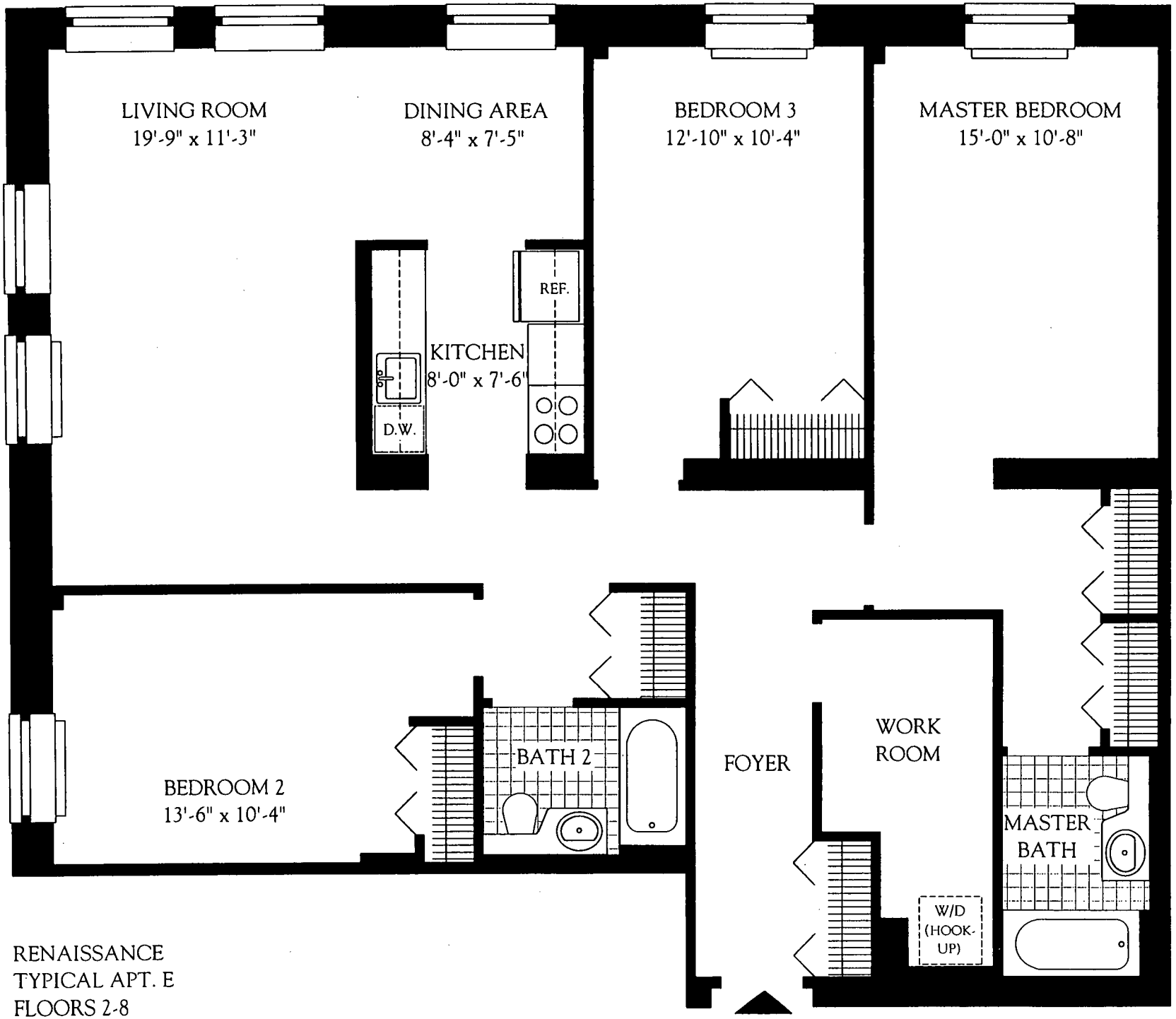
RENAISSANCE
TYPICAL APT. B
FLOORS 2-11



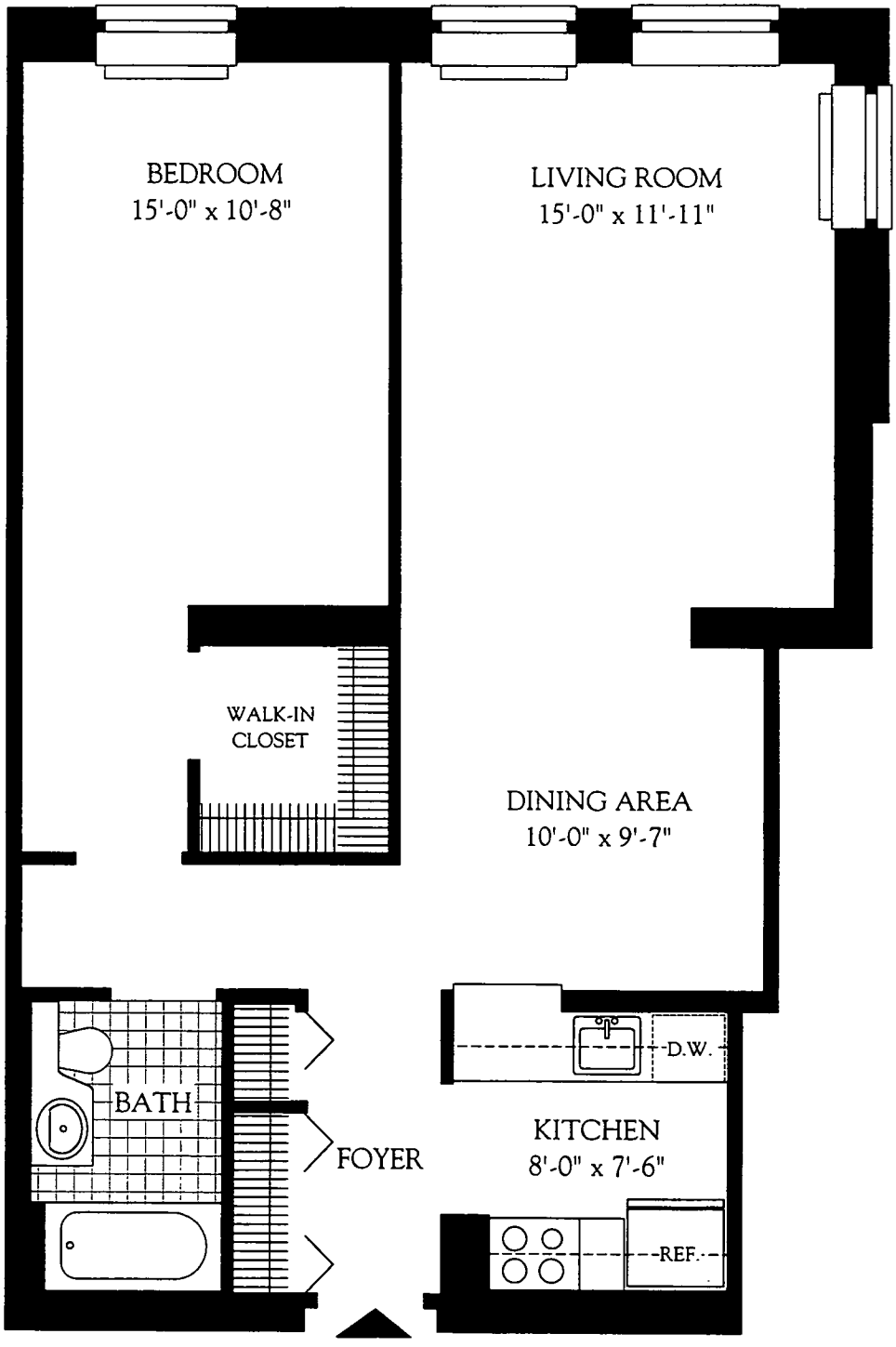
RENAISSANCE
TYPICAL APT. C
FLOORS 2-8



RENAISSANCE
TYPICAL APT. D
FLOORS 2-8

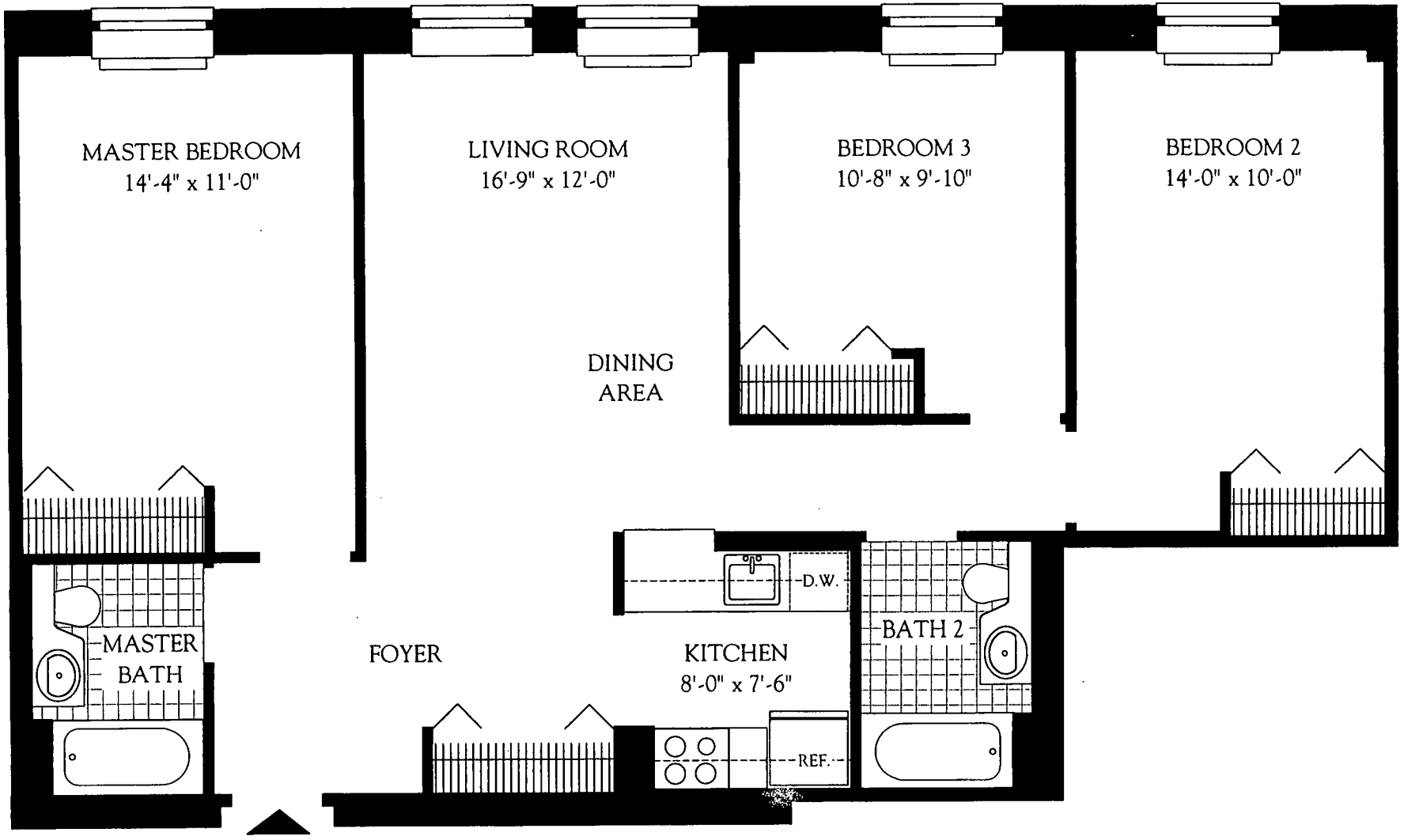


RENAISSANCE
TYPICAL APT. E
FLOORS 2-8

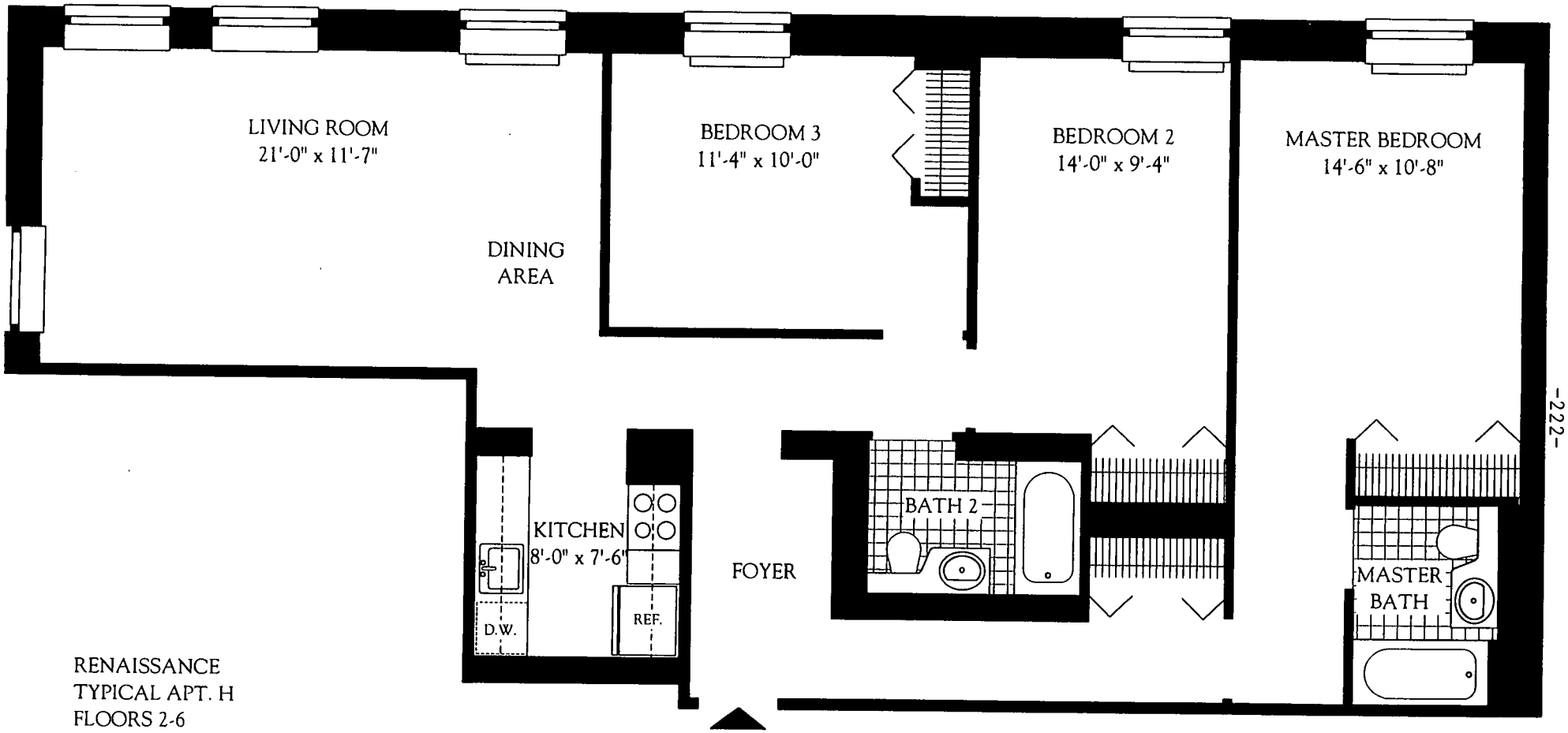


RENAISSANCE
TYPICAL APT. F
FLOORS 2-8

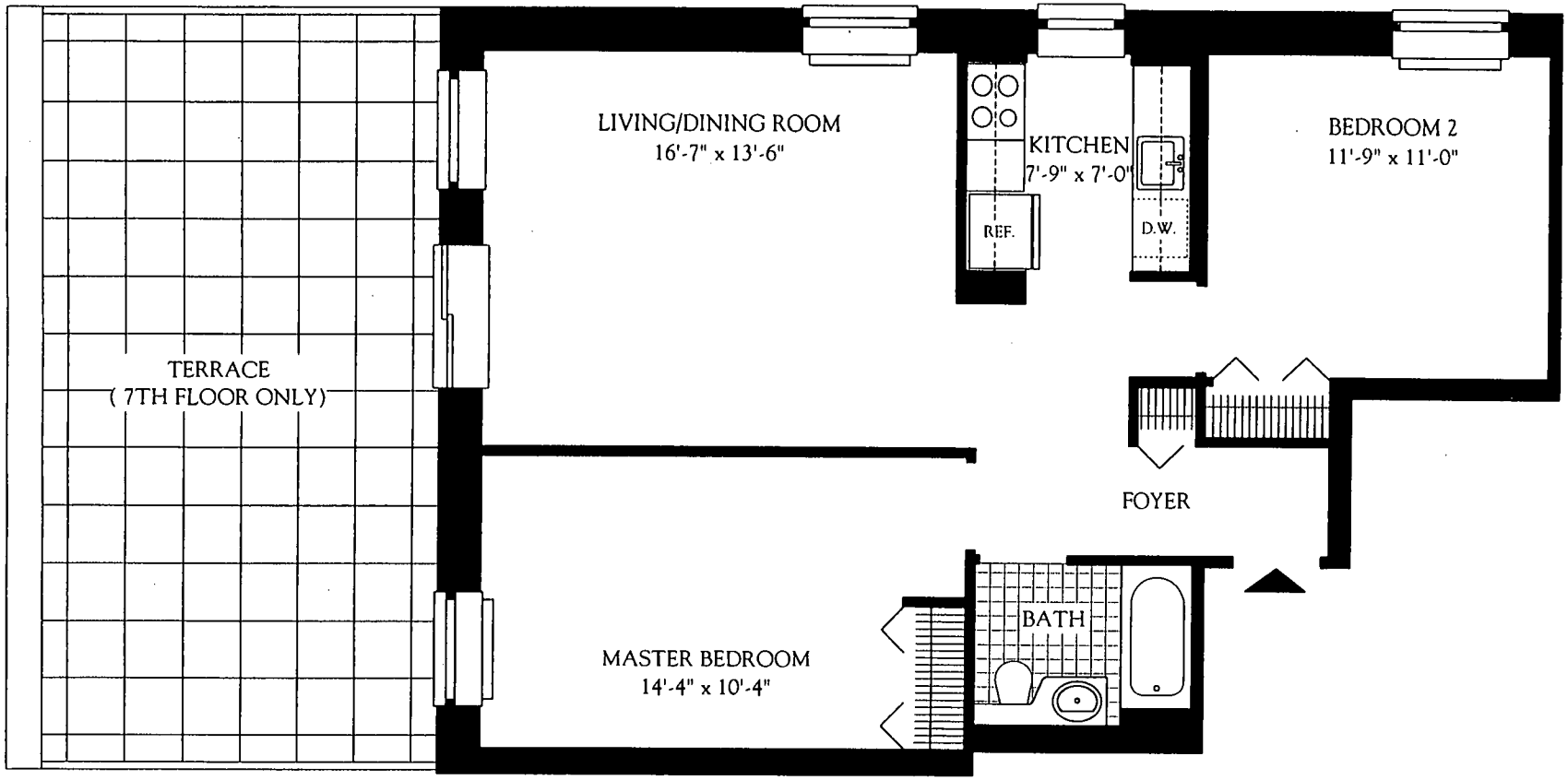
26



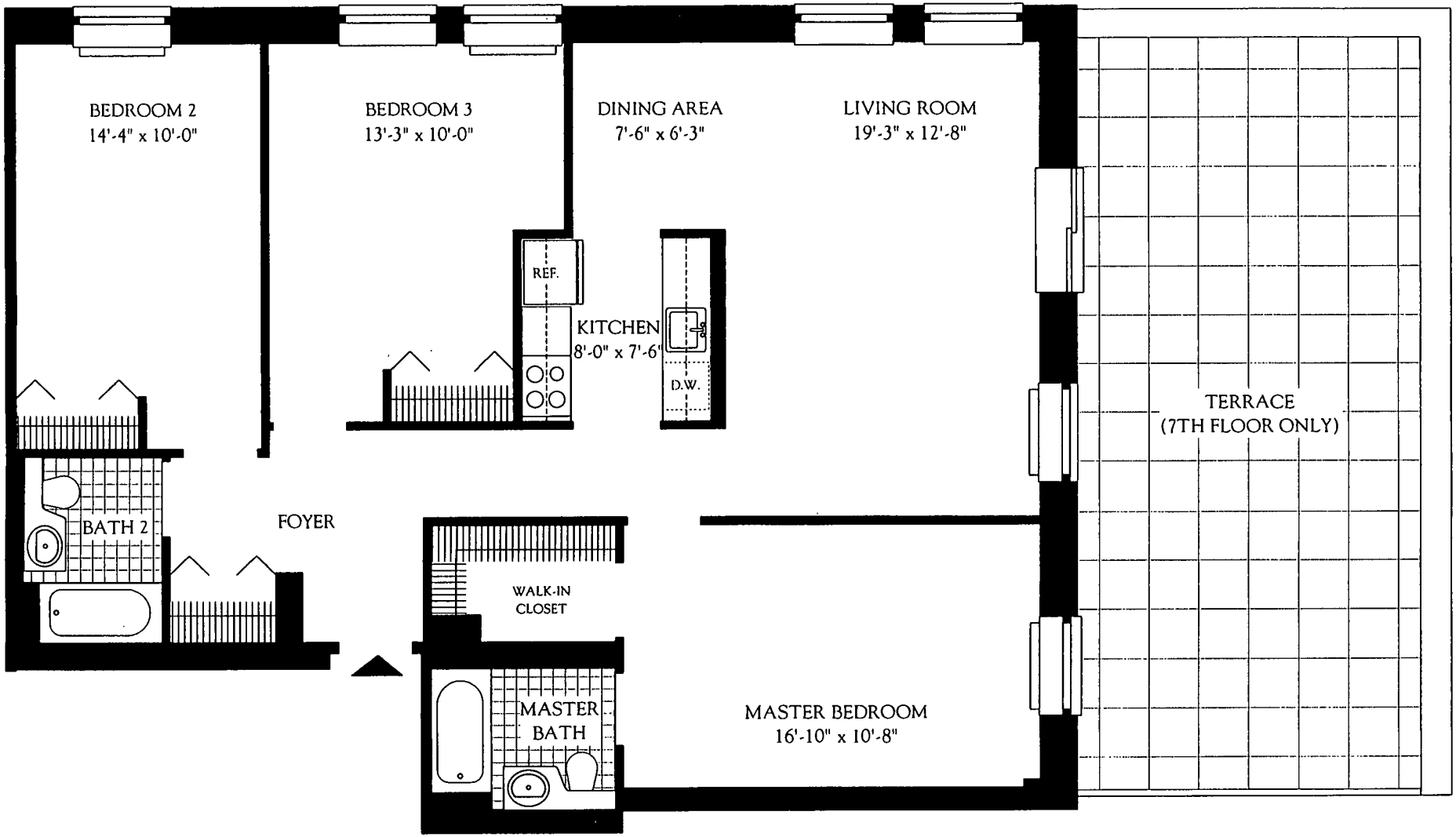
RENAISSANCE
TYPICAL APT. G
FLOORS 2-6



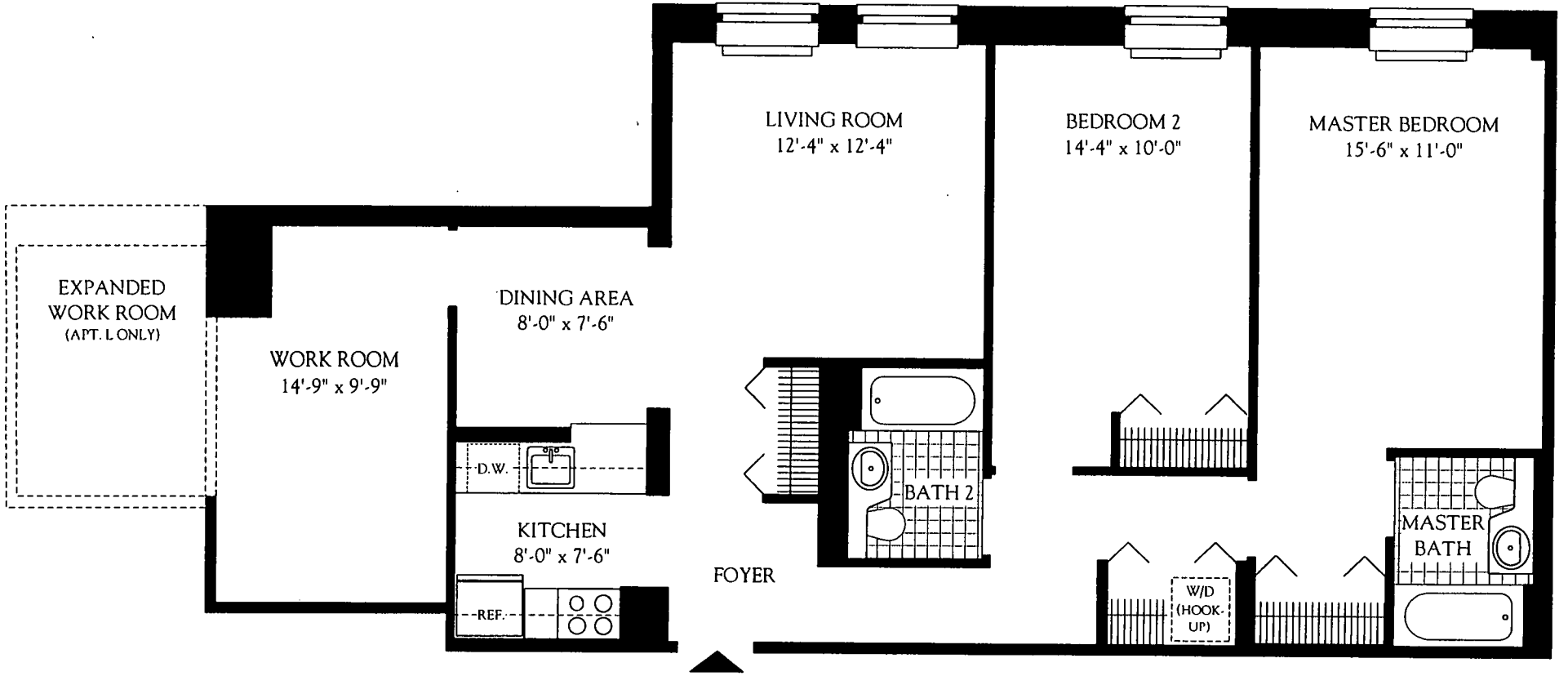
RENAISSANCE
TYPICAL APT. H
FLOORS 2-6



RENAISSANCE
TYPICAL APT. I
FLOORS 7-11

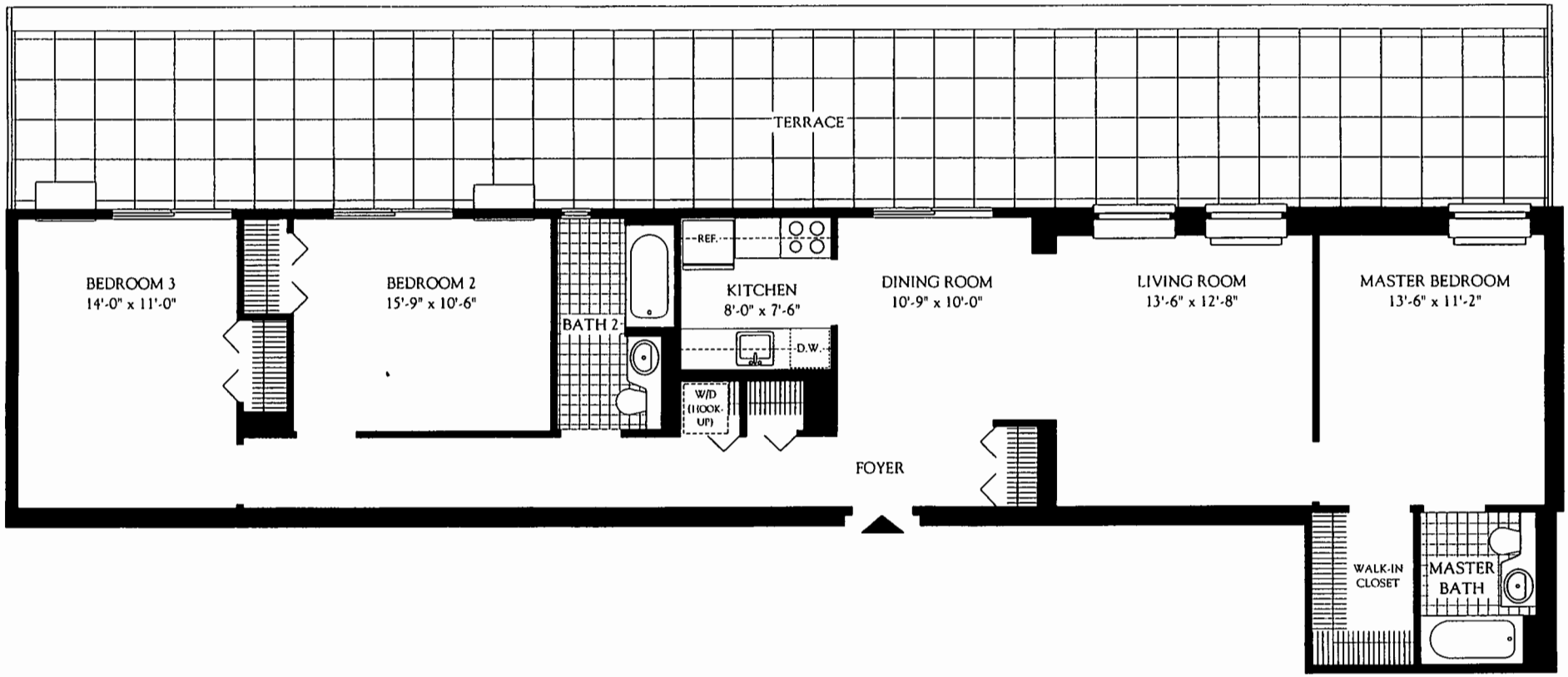


RENAISSANCE
TYPICAL APT. J
FLOORS 7-11

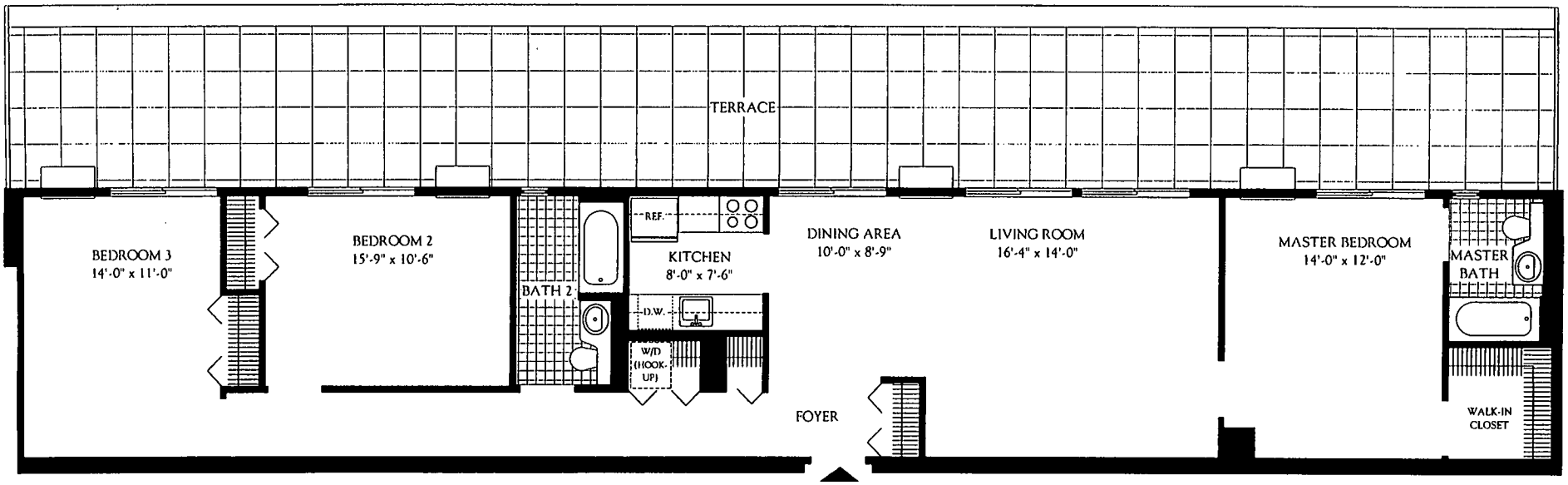


RENAISSANCE
TYPICAL APT. K
FLOORS 3AND 6

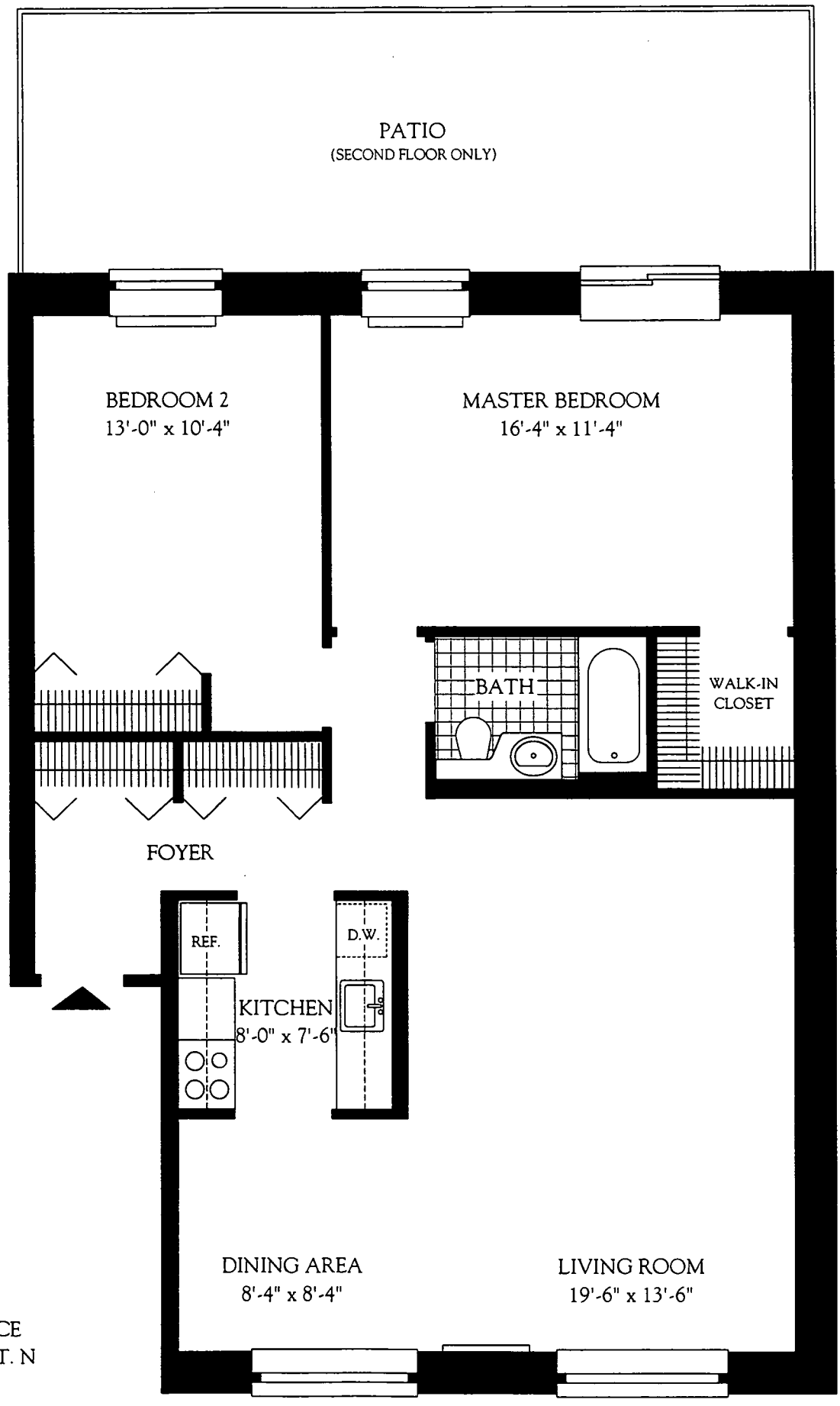
TYPICAL APT. L
FLOORS 4, 5, 7 AND 8



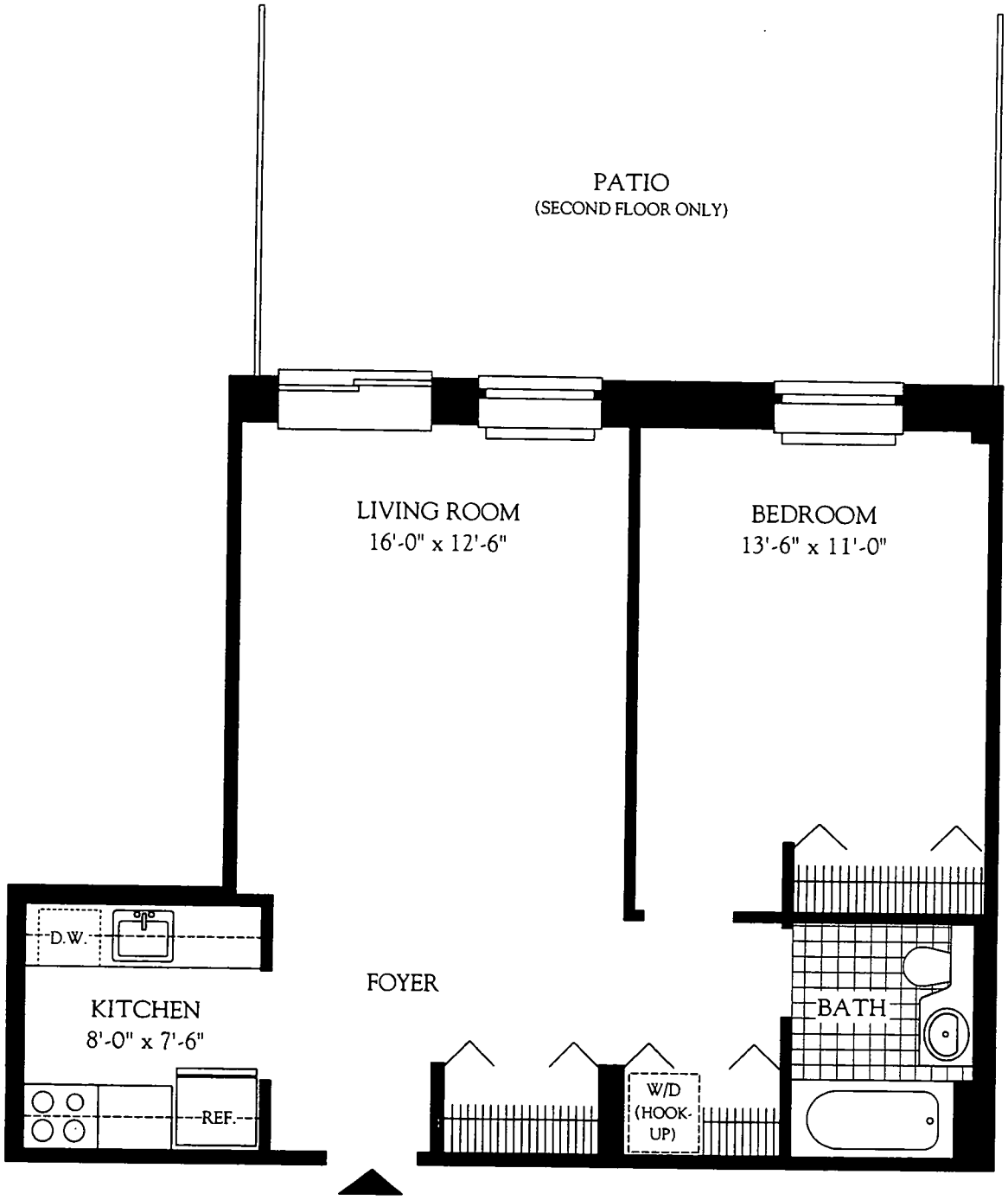
RENAISSANCE
APT. M1
9TH FLOOR



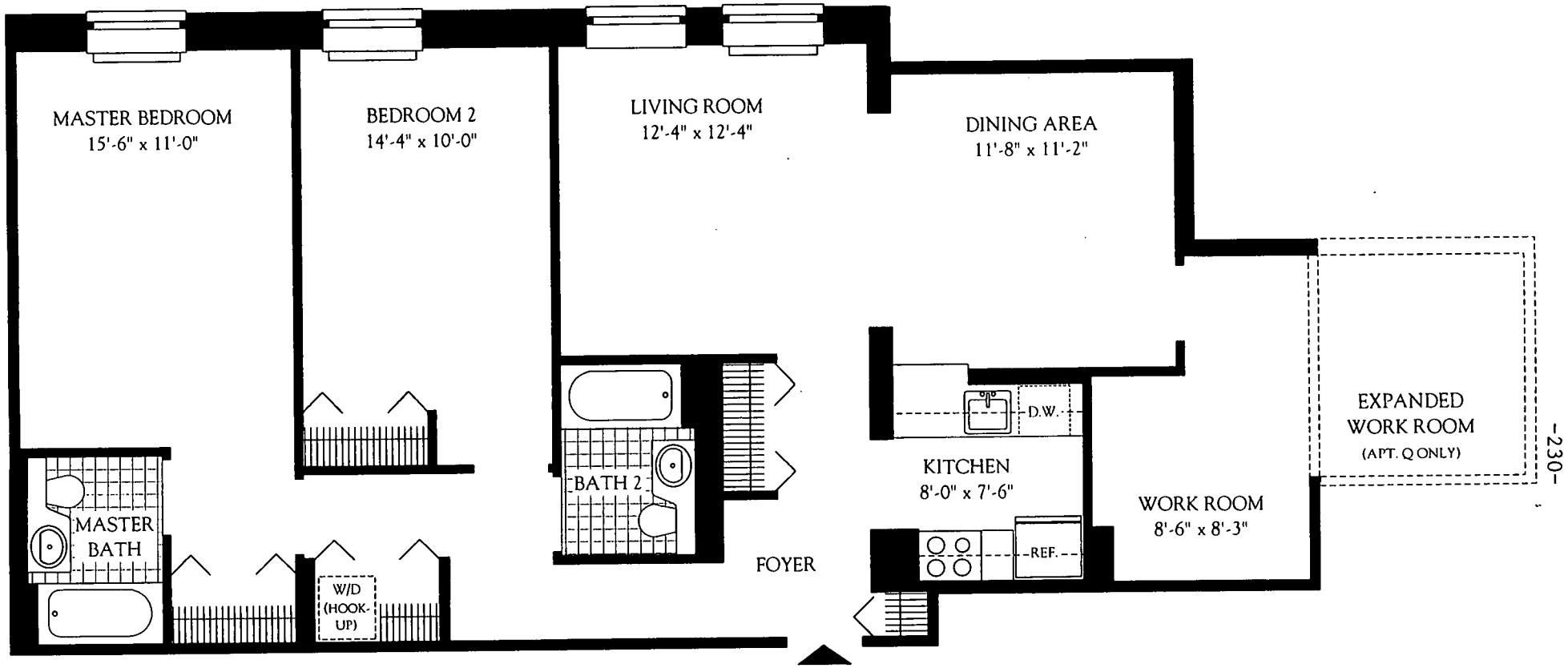
RENAISSANCE
APT. M2
9TH FLOOR



RENAISSANCE
TYPICAL APT. N
2ND FLOOR

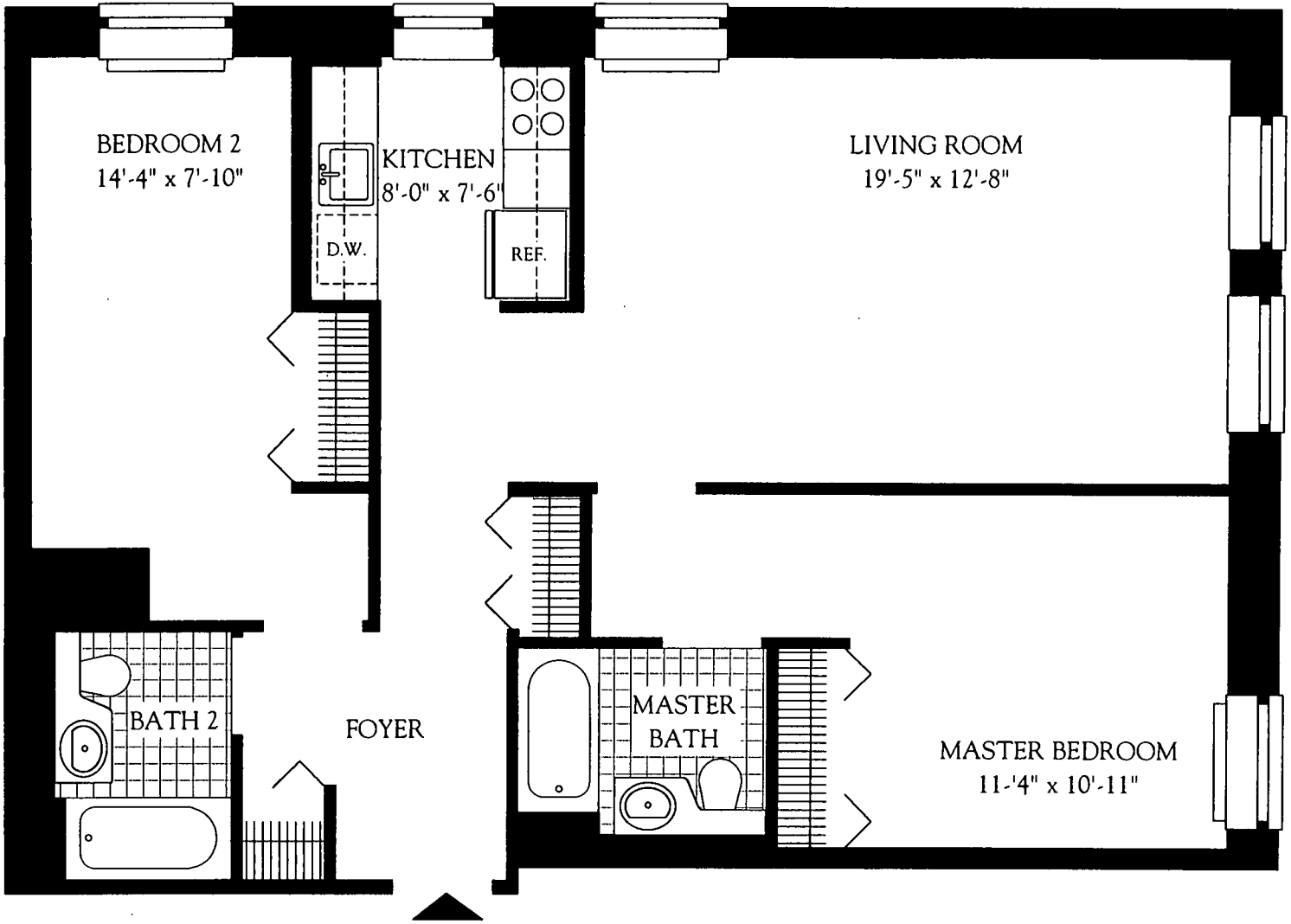


RENAISSANCE
TYPICAL APT. O
SECOND FLOOR

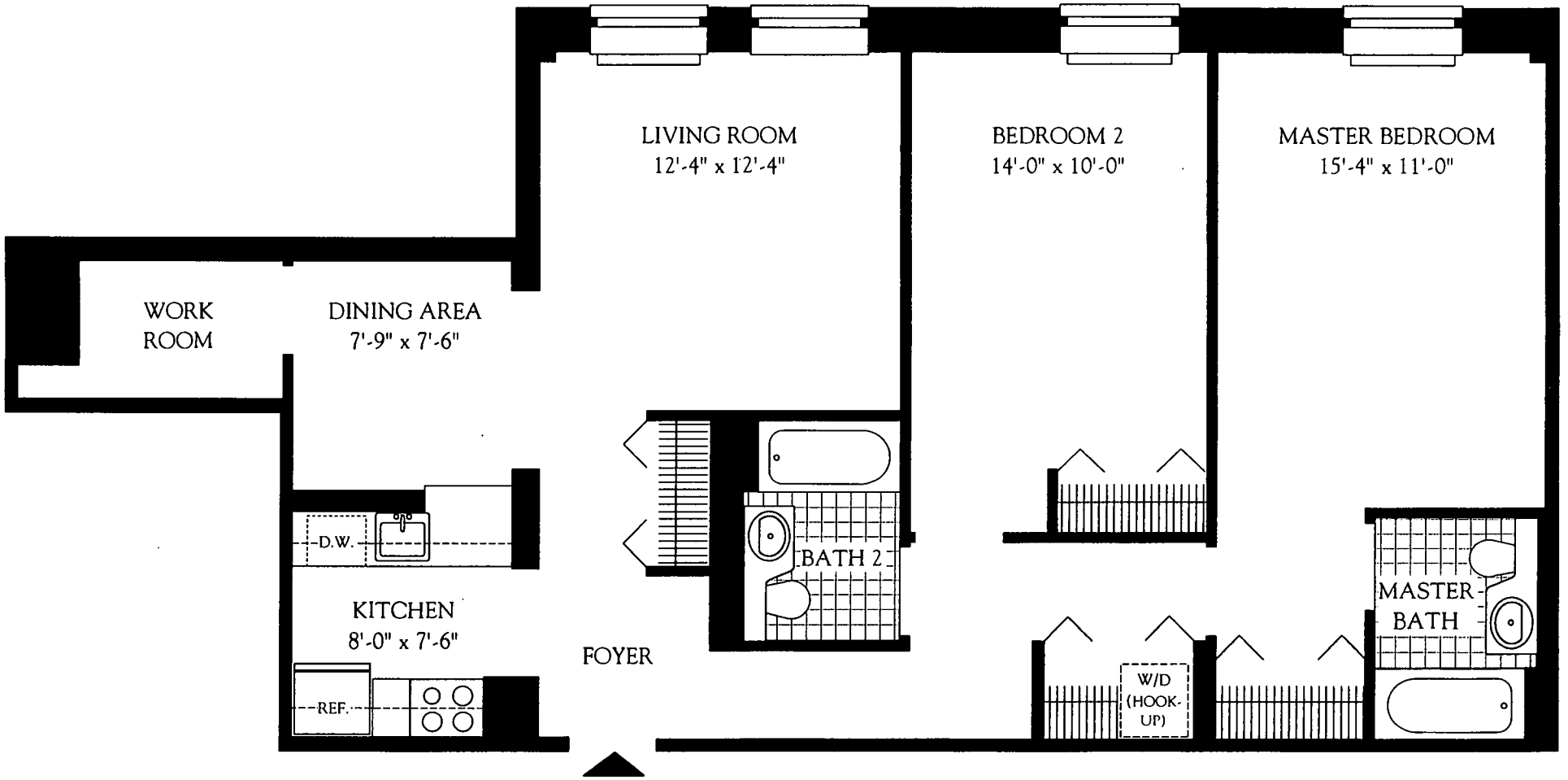


RENAISSANCE
TYPICAL APT. R
FLOORS 3 AND 6

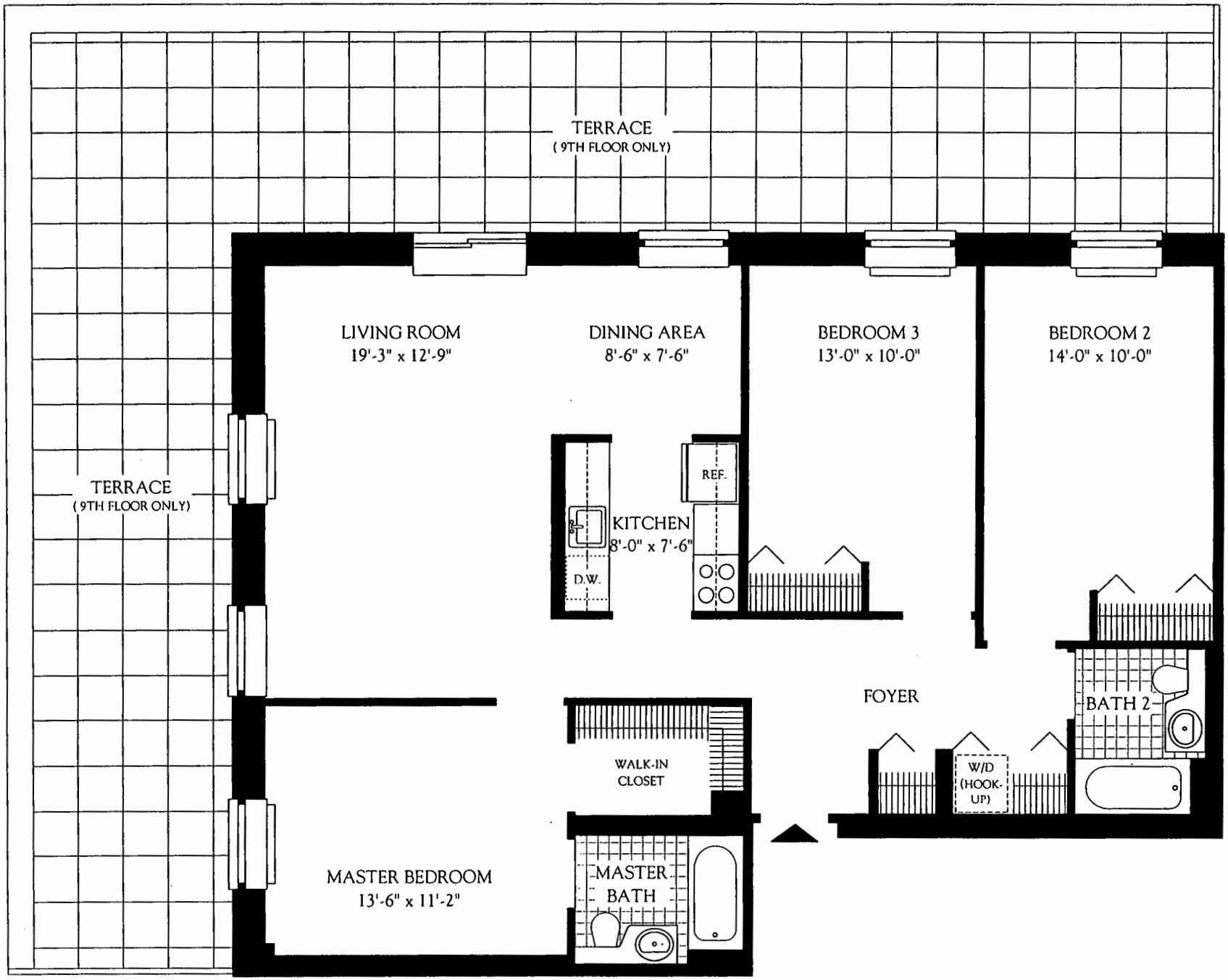
TYPICAL APT. Q
FLOORS 4 AND 5



RENAISSANCE
APT. S
FLOORS 10 AND 11



RENAISSANCE
APT. T
9TH FLOOR



RENAISSANCE
TYPICAL APT.U
FLOORS 9-11

6. FORM OF PROPRIETARY LEASE

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

Lessor

TO

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC

Lessee

PROPRIETARY LEASE

APARTMENT NO.:_____
NO. OF SHARES:_____
ADDITIONAL SPACE:_____*

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* Insert "Patio" or "Terrace", if applicable. If none, insert "None".

PROPRIETARY LEASE

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Definitions

Definitions of certain important terms used in this Proprietary Lease are set forth below.

"**Acquisition Cost**": The total amount of cash and non-cash consideration paid by Tenant-Shareholder to acquire the Shares attributable to the Apartment demised by this lease, plus Permitted Expenses incurred by Tenant-Shareholder in acquiring the Shares, plus the cost of Tenant-Shareholder's properly documented capital improvements to the Apartment up to a maximum of $2,500, plus if Tenant-Shareholder acquired the Shares pursuant to the Offering Plan, the sum of $1,000. "Acquisition Cost" is used in the calculation of Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and forwarded by the Apartment Corporation to HDC pursuant to, and to pay a portion of, the HDC Subordinate Note.

"**Aggregate Annual Household Income**": The annual household income of a proposed purchaser of the Apartment calculated in accordance with the Income Determination Procedures. The Income Determination Procedures require that the income calculation include the annual household income of the proposed purchaser and any other person who is expected to reside in the Apartment. Annual household income includes gross pay, overtime pay, part-time pay, bonuses, commissions, tips, dividends, interest, royalties, trust income, net rental income, Veterans Administration compensation, pensions, social security benefits, unemployment compensation, alimony, child support, public assistance, sick pay, business activity income, investment income, and other income. "Aggregate Annual Household Income" is a factor in determining the income-eligibility of a potential purchaser of an Apartment both under the Offering Plan and in the event of resale of the Apartment by Tenant-Shareholder.

"**Annual Debt Ratio**": The ratio of a Prospective Purchaser's (i) annual household liabilities (as set forth in Part 3 of Purchaser Income Eligibility Worksheet, which is part of Purchaser Eligibility Documents), plus (ii) Maintenance for the anticipated Apartment, to Prospective Purchaser's Aggregate Annual Household Income.

"**Annual Income Ratio**": The ratio of the Maintenance attributable to the Apartment sought to be purchased, to the Prospective Purchaser's Aggregate Annual Household Income.

"**Apartment**": The residential apartment in the Residential Unit demised by this Proprietary Lease, or any other residential apartment in the Residential Unit, as the context of this Proprietary Lease dictates.

"**Apartment Closing Date**": The date as of which a purchaser closes under a Purchase Agreement and becomes the owner of the Shares allocated to an Apartment and a Tenant-Shareholder under a Proprietary Lease.

"**Apartment Corporation**": Renaissance Housing Development Fund Corporation, a New York corporation formed under Article 11 of the Private Housing Finance Law and Section 402 of the Business Corporation Law, and the Lessor under this Proprietary Lease.

"**Apartment Corporation By-laws**": The document governing operation of the Apartment Corporation, pursuant to which the Board of Directors is elected and governs.

"**Attorney General**": The New York State Attorney General who heads the Department of Law.

"**Board of Directors**" or "**Directors**": The governing body of the Apartment Corporation.

"**Board of Managers**": The governing body of the Condominium.

"**Building**": The structure erected on the Land and all alterations and replacements made to the structure.

"**Commercial Unit**": The Unit identified in the Condominium Declaration and the Tax Lot Drawings as the Commercial Unit, together with the Common Interest appurtenant to the Unit.

"**Commercial Unit Owner**": The owner in fee simple absolute of the Commercial Unit.

"**Common Charges**": The annual assessments established by the Board of Managers payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses.

"**Common Elements**": Those facilities and areas of the Condominium that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or systems of the Property or normally in common use.

"**Common Expenses**": All costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance, labor, service contracts and establishment of reserves for repairs and replacements.

"**Common Interest**": The proportionate undivided interest in the Common Elements allocated and appurtenant to a Unit, as set forth in the Condominium Declaration. Said interest is expressed as a numerical percentage. The total Common Interest in the Condominium equals 100%.

"**Condominium**": The Renaissance Condominium comprising the Residential Unit, the Commercial Unit and the Common Elements, located on Malcolm X Boulevard between 116th

Street and 117th Street, New York, New York, as established by the Condominium Declaration and Tax Lot Drawings.

"**Condominium By-laws**": The By-laws of the Condominium, which are attached as a schedule to the Condominium Declaration, as same may be amended from time to time.

"**Condominium Declaration**": The Declaration dated April 8, 1999 establishing the Condominium made by the Partnership as Declarant and recorded June 4, 1999 in Reel 2886, Page 1620 in the City Register's Office, together with all schedules and exhibits thereto (including, without limitation, the Condominium By-laws and the Depositary Agreement), as same may be amended from time to time.

"**Cooperative Conversion Date**": The date as of which legal title to the Residential Unit is conveyed to the Apartment Corporation.

"**Department of Buildings**": The Department of Buildings of The City of New York.

"**Department of Law**": The New York State Department of Law, headed by the Attorney General.

"**Directors**": See "Board of Directors".

"**HDC**": New York City Housing Development Corporation.

"**HDC First Mortgage**": The first mortgage on the Residential Unit in the approximate original principal amount of $31,615,000 held by HDC, as same may be modified, consolidated and/or extended from time to time.

"**HDC First Note**": The note evidencing the loan secured by the HDC First Mortgage, as same may be modified, consolidated and/or extended from time to time.

"**HDC Regulatory Agreement**": The Regulatory Agreement entered into as of June 25, 1999 by the Partnership, the Apartment Corporation, Sponsor and HDC and thereafter recorded in the City Register's Office, as same may be amended from time to time.

"**HDC Resale Profits**": 50% of the Net Appreciation, if any, received by the Tenant-Shareholder under this Proprietary Lease upon the sale of the Shares owned by the Tenant-Shareholder, payable by the Tenant-Shareholder to the Apartment Corporation and thereafter payable by the Apartment Corporation to HDC in accordance with the HDC Subordinate Note and HDC Regulatory Agreement.

"**HDC Restriction Period**": The period during which the restrictions set forth in the HDC Regulatory Agreement remain in effect, which restrictions terminate as of the date the HDC First Note and HDC Subordinate Note are paid in full.

"**HDC Subordinate Mortgage**": The second mortgage on the Residential Unit, in the original principal amount of $6,935,000 held by HDC, as same may be modified, consolidated and/or extended from time to time.

"**HDC Subordinate Note**": The note evidencing the loan secured by the HDC Subordinate Mortgage, as same may be modified, consolidated and/or extended from time to time.

"**HPD**": New York City Department of Housing Preservation and Development.

"**HPD Apartment Resale Profits**": The amount by which the Total Consideration that the Tenant-Shareholder under this Proprietary Lease receives upon the transfer of the Shares attributable to Tenant-Shareholder's Apartment exceeds the original cash purchase price paid by Tenant-Shareholder in acquiring the Shares (excluding the proportionate share of the Underlying Mortgages allocable to the Shares), minus the following: the reasonable costs incurred by Tenant-Shareholder in acquiring the Shares and the reasonable costs incurred by Tenant-Shareholder in selling the Shares, in each case including reasonable attorneys fees and disbursements, reasonable brokerage fees, title search and title policy fees, reasonable processing fees of the Apartment Corporation, transfer and stamp taxes, usual and reasonable fees and expenses in connection with financing or satisfying a cooperative share loan, including, without limitation, credit report fees, legal fees, points, etc., and if Tenant-Shareholder purchased Shares pursuant to the Offering Plan, contributions to capital. In accordance with the HPD Note and the HPD PM Note, 50% of HPD Apartment Resale Profits is payable to HPD once the HDC Subordinate Note is fully satisfied.

"**HPD Mortgage**": The third mortgage on the Residential Unit in the original principal amount of $6,000,000 held by HPD, as same may be modified, consolidated and/or extended from time to time.

"**HPD Note**": The note evidencing the loan secured by the HPD Mortgage, as same may be modified, consolidated and/or extended from time to time.

"**HPD PM Mortgage**": The fourth mortgage on the Residential Unit in the original amount of $1,757,594 held by HPD and securing the Apartment Corporation's purchase money obligation for the Residential Unit, as same may be modified, consolidated and/or extended from time to time.

"**HPD PM Note**": The note evidencing the Apartment Corporation's purchase money obligation for the Residential Unit to HPD, as same may be modified, consolidated and/or extended from time to time.

"**HPD Regulatory Agreement**": The Amended and Restated Regulatory Agreement entered into as of June 25, 1999 by the Partnership, the Apartment Corporation and the City of New York acting by and through HPD, and thereafter recorded in the City Register's Office, as same may be further amended from time to time.

"**HPD Restriction Period**": The term of the restrictions set forth in the HPD Regulatory Agreement, which commenced as of the date of the HPD Regulatory Agreement and continues throughout the period the HPD Note and HPD Mortgage are outstanding, or for a period of thirty-five (35) years from the date of the making of the HPD Note and HPD Mortgage, whichever is longer.

"**Income Determination Procedures**": The procedure for calculation of the Aggregate Annual Household Income of a potential purchaser of Shares in a manner consistent with the standards for determination of income under Section 8 of the United States Housing Act of 1937 as amended, as more fully described in the HDC Regulatory Agreement.

"**Land**": The land bounded by Malcolm X Boulevard (a/k/a/ Lenox Avenue) on the west, 117th Street on the north, 116th Street on the south and adjacent property on the east, on which the Project is constructed.

"**Land Disposition Agreement**" or "**LDA**": Agreement entered into by the City of New York acting by and through HPD and the Partnership, dated April 8, 1999 with respect to disposition of the Land and development of the Project, recorded on June 4, 1999 in Reel 2886, Page 1157 in the City Register's Office, as same may be amended from time to time.

"**Lessee**": The Tenant-Shareholder entitled to occupancy of the Apartment under this Proprietary Lease and the owner of the Shares appurtenant to the Apartment.

"**Limited Common Elements**": A Common Element of the Condominium that serves a specified Unit and thus is restricted in use to the owner and occupants of that Unit, as more fully described in the Condominium Declaration.

"**Maintenance**": Monthly rent payable by Tenant-Shareholder to the Apartment Corporation for operating expenses of the Residential Unit, including but not limited to, real estate taxes, debt service, insurance, and the Residential Unit's proportionate share of Common Expenses.

"**Managing Agent**": The managing agent engaged by the Apartment Corporation to manage the Residential Unit.

"**Median Income**": The area annual median income for the New York Metropolitan statistical area as determined from time to time by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or if such program is terminated, under such program as was in effect immediately before such termination.

"**Net Appreciation**": The amount by which Net Sales Proceeds received by the Tenant-Shareholder under this lease upon the sale of the Shares attributable to Tenant-Shareholder's Apartment, exceeds Tenant-Shareholder's Acquisition Cost for the Shares. The proportionate share of the Underlying Mortgages allocable to the Shares attributable to Tenant-Shareholder's Apartment is not deemed part of consideration received or paid by Tenant-Shareholder for the Shares, for the purposes of computing Net Appreciation. "Net Appreciation" is used in the calculation of Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HDC pursuant to the HDC Subordinate Note.

"**Net Sales Proceeds**": The total amount of cash and non-cash consideration received by the Tenant-Shareholder under this lease from a purchaser in exchange for the sale and conveyance of the Shares allocated to Tenant-Shareholder's Apartment, less the Permitted Expenses incurred by Tenant-Shareholder in connection with such sale. "Net Sales Proceeds" is used in the calculation of Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HDC pursuant to the HDC Subordinate Note.

"**Offering Plan**": The Offering Plan filed by Sponsor with the Department of Law as same may be amended from time to time.

"**On-Site Sales Office**": The office of Sponsor with respect to the Project located in or near the Building.

"**Permitted Expenses**": The following costs in connection with Tenant-Shareholder's sale or purchase of the Shares allocated to the Apartment: reasonable attorneys fees and disbursements, reasonable brokerage fees, title insurance fees, reasonable processing fees of the Apartment Corporation and fees of the Apartment Corporation's agents and attorneys related to such sale or purchase, recording fees, state and local transfer taxes, stamp taxes, and usual and reasonable fees and expenses in connection with financing or satisfaction of cooperative share loans, including without limitation, credit report fees, legal fees, appraisal fees and loan origination fees, as set forth in the HDC Subordinate Note. The term "Permitted Expenses" is used in the calculation of Tenant-Shareholder's HDC Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and forwarded by the Apartment Corporation to HDC pursuant to, and to repay a portion of, the HDC Subordinate Note.

"**Project**": The mixed-use residential and retail/parking complex being constructed by Sponsor on the Land.

"**Property**": The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.

"**Proprietary Lease**": The lease between the Apartment Corporation, as Lessor and a Tenant-Shareholder, as Lessee, permitting occupancy of an Apartment to which Shares have been allocated.

"**Prospective Purchaser**": The individual(s) who desire(s) to purchase, and to whom Tenant-Shareholder desires to sell, the Apartment, and who complete(s) and submits to Lessor the Purchaser Eligibility Documents required in connection with such potential purchase.

"**Purchase Agreement**": A written agreement between the Tenant-Shareholder under this lease and a purchaser by which Tenant-Shareholder agrees to sell and purchaser agrees to purchase the Shares and appurtenant Proprietary Lease allocated to the Apartment.

"**Purchaser Eligibility Documents**": Purchaser's Affidavit, Purchaser's Income Eligibility Worksheet, Acquisition Cost Worksheet and Seller's Affidavit, forms of which are attached to the HDC Regulatory Agreement.

"**Residential Unit**": The Unit identified in the Condominium Declaration and Tax Lot Drawings as the Residential Unit, together with the Common Interest appurtenant to the Unit.

"**Residential Unit Owner**": The owner in fee simple absolute of the Residential Unit.

"**Residential Unit Representative**": A representative to the Board of Managers of the Condominium appointed by the Apartment Corporation, as the Residential Unit Owner, in accordance with the Condominium Declaration, to represent the Residential Unit in matters concerning the Condominium.

"**Shares**": All issued corporate stock of the Apartment Corporation allocated to Apartments or the particular corporate stock of the Apartment Corporation issued and allocated to Tenant-Shareholder's Apartment, as the context of this Proprietary Lease dictates.

"**Site Development Agreement**" or "**SDA**": Agreement between the Partnership and Sponsor dated April 8, 1999, respecting development of the Project, as same may be amended from time to time.

"**SONYMA**": State of New York Mortgage Agency.

"**Sponsor**": Central Harlem Partnership Plaza, LLC., and its successors and assigns.

"**Sponsor or its Designee; Sponsor or a Designee of Sponsor; or Similar Terms**": Central Harlem Partnership Plaza, LLC or any affiliate of Central Harlem Partnership Plaza, LLC or any person or entity designated by Central Harlem Partnership Plaza, LLC to act for or on behalf of Central Harlem Partnership Plaza, LLC in connection with the Board of Directors and/or the

Offering Plan. An affiliate shall be deemed to be a person or an entity who or which (i) owns more than 50% of the legal and beneficial interest of Central Harlem Partnership Plaza, LLC or (ii) an entity with respect to which Central Harlem Partnership Plaza, LLC owns more than 50% of the legal or beneficial interest.

"**Suna/Levine**": Suna/Levine Industries, Inc. the managing member of Sponsor.

"**Superintendent's Apartment**": The Apartment in the Residential Unit designated for use and occupancy by the Building superintendent, which Apartment does not have Shares allocated to it and is not offered for sale under the Offering Plan.

"**Tax Lot Drawings**": The drawings prepared by Sponsor's Architect and filed simultaneously with the recording of the Condominium Declaration, showing the anticipated configuration and dimensions of the Units and the Common Elements, as same may be amended from time to time.

"**Tenant-Shareholder**": The Lessee under this Proprietary Lease and the owner of the Shares attributable to the Apartment demised hereunder, or any owner of Shares allocated to and tenant under a Proprietary Lease for, an Apartment, as the context of this Proprietary Lease dictates.

"**Total Consideration**": The cash and non-cash consideration which the Tenant-Shareholder under this lease receives in connection with sale of the Shares attributable to Tenant-Shareholder's Apartment, including cash, real property and personal property, but not including the proportionate share of any Underlying Mortgages on the Residential Unit allocable to the Shares. "Total Consideration" is used in the calculation of Tenant-Shareholder's HPD Apartment Resale Profits required to be paid by Tenant-Shareholder to the Apartment Corporation and by the Apartment Corporation to HPD under certain circumstances described in the HPD Note and in the HPD PM Note.

"**Underlying Mortgage**": Any and all mortgages of record encumbering the Residential Unit, at any time, as same may be modified, consolidated or extended from time to time.

"**Unit**": Any space at the Property intended for independent use or ownership and identified as a Unit in the Condominium Declaration and in the Tax Lot Drawings, together with such Unit's appurtenant Common Interest. The Condominium currently contains the Residential Unit and the Commercial Unit as the only Units.

"**Unit Owner**": The owner in fee simple absolute of a Unit.

"**Unsold Shares**": Those Shares allocated to Apartments not purchased and fully paid for by purchasers under the Offering Plan as of the Cooperative Conversion Date.

PROPRIETARY LEASE, made as of June 25, 1999, by and between RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION, a New York corporation formed pursuant to Article 11 of the Private Housing Finance Law and Section 402 of the Business Corporation Law, having an address at 130 Malcolm X Boulevard, New York, New York 10026, hereinafter called the "**Lessor**", and CENTRAL HARLEM PARTNERSHIP PLAZA, LLC, with an address c/o Levine Builders, 42-09 235th Street, Douglaston, New York 11363, hereinafter called the "**Lessee**" or the "**Tenant-Shareholder**."

WHEREAS, Lessor is the owner of the Residential Unit at The Renaissance Condominium, which Residential Unit has an address at 130 Malcolm X Boulevard, New York, New York 10026; and

WHEREAS, Lessee is the owner of the number of Shares of Lessor set forth on the cover page of this Proprietary Lease which have been allocated to the Apartment indicated on the cover page of this Proprietary Lease (the "**Apartment**");

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and agreements hereafter provided and contained, the parties hereto agree as follows:

Demised Premises and Term

Lessor hereby leases to Lessee, and Lessee hires from Lessor, subject to the terms and conditions hereof, the Apartment, for a term from June 25, 1999 until December 31, 2051 (unless sooner terminated as hereinafter provided). As used herein the "Apartment" means the rooms in the Residential Unit as partitioned on the date of the execution of this lease designated by the above-indicated Apartment number together with their appurtenances and fixtures, and the right to exclusive use of any additional space located outside of the partitioned rooms, which may include maids rooms, closets, storage bins, garage or parking spaces, or a terrace, balcony or a portion of the roof outside of and adjoining said partitioned rooms, which are allocated exclusively to the Apartment. Any such additional space or appurtenance, the use of which is allocated exclusively to the Apartment, is identified on the cover page of this Proprietary Lease.

Rent (Maintenance) How Fixed

1. (a) The rent (sometimes called "**Maintenance**") payable by Lessee for each year, or portion of a year, during the term shall equal that proportion of Lessor's cash requirements for such year, or portion of a year, which the number of Shares of Lessor allocated to the Apartment bears to the total number of shares of Lessor issued and outstanding on the date of the determination of such cash requirements. Such maintenance shall be payable in equal monthly installments, in advance, on the first day of each month, unless the Board of Directors of Lessor (hereinafter called the "**Board of Directors**" or the "**Directors**") or at the time of its determination of the cash requirements shall otherwise direct. Lessee shall also pay such additional rent as may be provided

for herein when due. Any special assessments enacted by the Directors shall be deemed additional Maintenance.

(b) Certain Underlying Mortgages and the requirements of insurers thereof, mandate that Lessor maintain certain reserves, which will be considered in determining Lessor's cash requirements. Lessor shall increase Maintenance proportionately to any increases in operating expenses not covered by other sources of revenue. Lessor also shall increase Maintenance at the direction of HDC, to the extent requested to do so in accordance with the HDC Regulatory Agreement.

Accompanying Shares to be Specified in Proprietary Leases

(c) In every Proprietary Lease heretofore executed by Lessor there has been specified, and in every Proprietary Lease hereafter executed by it there will be specified, the number of Shares of Lessor issued to a lessee simultaneously therewith.

Cash Requirements

(d) "Cash requirements" whenever used in this lease shall mean the estimated amount in cash which the Board of Directors shall from time to time in its judgment determine to be necessary or proper for (i) the operation, maintenance, care, alteration and improvement of the corporate property during the year or portion of the year for which such determination is made, (ii) the creation of such reserve for contingencies as it may deem proper, (iii) the creation of mortgage insurance escrows, property insurance and real estate tax escrows, operating deficit escrows and reserves for replacements in the amounts and at such times as may be required by holders or insurers of Underlying Mortgages, or which the Directors shall otherwise deem prudent and (iv) the payment of, or the establishment of a reserve for, any rentals and other sums payable under any obligations, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred, after giving consideration to (1) income expected to be received during such period (other than rent from proprietary lessees), and (2) cash on hand which the Directors in their discretion may choose to apply. The Directors may from time to time modify their prior determination and increase or diminish the amount previously determined as cash requirements of Lessor for a year or portion thereof. No determination of cash requirements shall have any retroactive effect on the amount of the rent payable by Lessee for any period prior to the date of such determination. All determinations of cash requirements shall be conclusive as to all lessees.

Authority Limited to Board of Directors

(e) Whenever in this paragraph or any other paragraph of this lease a power or privilege is given to the Directors, the same may be exercised only by the Directors, and in no event may any such power or privilege be exercised by a creditor, receiver or trustee.

Issuance of Additional Shares

(f) If Lessor shall hereinafter issue its corporate shares (whether now or hereafter authorized) in addition to those issued as of the date of the execution of this lease, the holders of the shares hereafter issued shall be obligated to pay rent at the same rate as the other proprietary lessees from and after the date of issuance. If any such shares shall be issued on a date other than the first or last day of the month, the rent for the month in which such shares are issued shall be apportioned. The cash requirements as last determined shall, upon the issuance of such shares, be deemed increased by an amount equal to such rent.

Paid-In-Surplus

(g) The Directors may from time to time as may be proper determine how much, if any, of the maintenance and other receipts received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures) shall be credited on the corporate accounts to "Paid-in-Surplus". Unless the Directors shall determine otherwise the amount of payments on account of principal of any mortgages shall be credited to Paid-in-Surplus.

Failure to Fix Cash Requirements

(h) The failure of the Directors to determine Lessor's cash requirements for any year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof, or a release of Lessee from the obligation to pay Maintenance or any installment thereof, but Maintenance computed on the basis of the cash requirements as last determined for any year or portion thereof shall thereafter continue to be the Maintenance until a new determination of cash requirements shall be made.

Limitations on Certain Expenditures

(i) Notwithstanding anything in this lease to the contrary, during the 2-year period following the Cooperative Conversion Date, Lessor, acting by its Directors or otherwise, may not, among other things, without the consent of Tenant-Shareholders owning at least 75% of the issued and outstanding Shares of Lessor, (i) increase the number of employees or provide services in addition to those contemplated in Schedule B of the Offering Plan (unless the aggregate annual cost of any such additional employees or services, when added to the aggregate annual costs of all other expenses for that year, does not exceed the aggregate projected income for that year, without increasing annual Maintenance for that year), (ii) undertake any capital or major improvements unless required by law or by the holder or insurer of an Underlying Mortgage in accordance with the provisions of applicable loan or insurance documents, (iii) increase, extend, modify or refinance the mortgage indebtedness of the Lessor, or (iv) enter into any new mortgage, contract of sale or ground lease of the Residential Unit, or (v) increase the reserves, or establish any reserves in addition to the reserves described in the Offering Plan, including without limitation, reserves for contingencies,

repairs, improvements or replacements, other than a reserve for contingencies not exceeding 5% of the annual operating budget for that year. The foregoing super-majority voting requirement shall not be required (1) after the 2nd anniversary of the Cooperative Conversion Date (unless Lessor decides to extend the super-majority requirement), (2) to comply with obligations of law (including subsequently enacted provisions), or (3) to cure or remedy any notices of violation of law, or any work orders or other requirements of the holder or insurer of an Underlying Mortgage on the Residential Unit.

Lessor's Repairs

2. Lessor shall at its expense keep in good repair the Residential Unit, including, without limitation, the Apartments, the Limited Common Elements appurtenant to the Residential Unit and the Residential Unit's equipment and apparatus, except those portions the maintenance and repair of which are expressly stated to be the responsibility of Lessee pursuant to Paragraph 18 hereof.

Services by Lessor

3. Lessor shall maintain and manage the Residential Unit as a first-class residential apartment building, and shall keep any sidewalks that are the responsibility of the Residential Unit Owner pursuant to the Condominium Declaration, and any courtyards or Limited Common Elements appurtenant to the Residential Unit clean and properly lighted, and shall provide the number of attendants requisite, in the judgment of the Directors, for the proper care and service of the Residential Unit, and shall provide the Apartment with a proper and sufficient supply of water, and if there be central air-conditioning equipment supplied by Lessor, air-conditioning when deemed appropriate by the Directors. The covenants by Lessor herein contained are subject, however, to the discretionary power of the Directors to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the Residential Unit, and also what existing services shall be increased, reduced, changed, modified or terminated.

Damage to Apartment or Building

4. (a) If the Apartment, or the means of access thereto, or the Residential Unit shall be damaged by fire or other cause covered by the property insurance maintained by or on behalf of Lessor with respect to the Residential Unit and/or the Common Elements (any other damage to be repaired by Lessor or Lessee pursuant to Paragraphs 2 and 18, as the case may be), Lessor shall, subject to the Condominium Declaration, using insurance proceeds or other funds of Lessor for such purpose, with reasonable dispatch after receipt of notice of said damage, repair or replace or cause to be repaired or replaced, with materials of a kind and quality then customary in buildings of the type of the Residential Unit, the Residential Unit, the Apartment, and the means of access thereto, including the walls, floors, ceilings, pipes, wiring and conduits in the Apartment.

(b) Anything in this Paragraph 4 or in Paragraph 2 to the contrary notwithstanding, Lessor shall not be required to repair or replace, or cause to be repaired or replaced,

equipment, fixtures, furniture, furnishings or decorations installed by the Tenant-Shareholder under this Lease or any of Tenant-Shareholder's predecessors in title nor shall Lessor be obligated to repaint or replace wallpaper or other decorations in the Apartment or to refinish floors located therein.

(c) Lessor shall be responsible for structural and extraordinary repairs and structural and extraordinary maintenance to terraces, patios and balconies appurtenant to the Apartment, if any, as a common expense of all Tenant-Shareholders, unless, however, the repair or maintenance was necessitated by the use or misuse of the terrace, patio or balcony by the Tenant-Shareholder having the exclusive use thereof, in which event the cost shall be assessed against that Tenant-Shareholder exclusively. Lessee shall have general maintenance responsibilities for any terrace, patio or balcony appurtenant to the Apartment, as described in Paragraph 7 of this lease.

Abatement of Maintenance Charges

(d) In case the damage resulting from fire or other cause shall be so extensive as to render the Apartment partly or wholly untenantable, or if the means of access thereto shall be destroyed, the rent hereunder shall proportionately abate until the Apartment shall again be rendered wholly tenantable or the means of access restored. However, if said damage shall be caused by the act or negligence of Lessee or the agents, employees, guests or members of the family of Lessee or any occupant of the Apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by Lessor with respect to the Apartment.

Expiration of Lease Due to Damage

(e) Subject to the provisions concerning casualty contained in the Condominium Declaration, if the Directors shall determine that the (i) the Residential Unit is totally destroyed by fire or other cause, or (ii) the Residential Unit is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted with the insurance carriers, or (iii) the destruction or damage was caused by hazards which are not covered under insurance policies then in effect with respect to the Residential Unit, and if in any such case the record holders of at least two-thirds of the issued and outstanding Shares of the capital stock of Lessor, at a shareholders' meeting duly called for that purpose held within 120 days after the determination by the Directors, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to Paragraph 31 hereof, this lease and all other Proprietary Leases and all right, title and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. Lessee hereby waives any and all rights under Section 277 of the Real Property Law of the State of New York and in no event shall Lessee have any option or right to terminate this lease by reason of casualty damages except as provided herein.

Waiver of Subrogation in Lessor's Insurance Policies

(f) Lessor agrees to use its best efforts to obtain a provision in all insurance policies carried by Lessor (or carried by the Board of Managers of the Condominium and naming Lessor as an insured), waiving the insurer's right of subrogation against Lessee, and, to the extent that any loss or damage is fully covered by any insurance policies payable to Lessor which contain such waiver of subrogation and if the proceeds of such policies are paid to Lessor, Lessor releases Lessee from any liability with respect to such loss or damage. In the event that Lessee suffers loss or damage for which Lessor would be liable, and Lessee carries insurance which fully covers such loss or damage and the proceeds of such policy(ies) are paid to Lessee, and such insurance policy or policies contain a waiver of subrogation against Lessor, then in such event Lessee releases Lessor from any liability with respect to such loss or damage.

Inspection of Books of Account

5. Lessor shall keep full and correct books of account at its principal office or at such other place as the Directors may from time to time determine, and the same shall be open during all reasonable business hours to inspection by Lessee or a representative of Lessee, upon Lessee's reasonable prior notice and request. Lessor shall deliver to Lessee within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

Changes in Terms and Conditions of Proprietary Lease

6. (a) Amendment by Shareholders. Each Proprietary Lease made by Lessor shall be in the form of this lease, except with respect to the statement as to the number of Shares owned by the lessee under such lease, unless a variation of a particular Proprietary Lease is authorized by lessees owning at least 66-2/3% of Lessor's Shares then issued and outstanding, and executed by Lessor and the affected lessee. In addition, the form and provisions of all Proprietary Leases in effect at a given time, as well as the form of each Proprietary Lease to be executed after that time, may be changed by the approval of lessees owning at least 66-2/3% of Lessor's Shares then issued and outstanding. Such changes shall be binding on all lessees even if they did not vote for such changes except that (i) the proportionate share of rent or cash requirements payable by any lessee may not be increased, (ii) the right of any lessee to cancel lessee's lease under the conditions set forth in Paragraph 35 may not be eliminated or impaired, without, in each of the foregoing instances, the express consent of the lessee affected, and (iii) the provisions hereof are subject to the provisions of Paragraph 38(d) of this lease. Approval by lessees as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

(b) Amendment to Conform to Plan. Notwithstanding the provisions of subparagraph (a) above to the contrary, Sponsor and Sponsor's successors and assigns are hereby appointed as the attorney-in-fact of Lessor, the Tenant-Shareholder hereunder, each contract vendee of Shares and this lease and each holder of an Underlying Mortgage or other lienholder or party

claiming a legal or equitable interest in the Apartments and/or the Residential Unit, with the power of substitution, for a period of five (5) years subsequent to the last Apartment Closing Date for an Apartment sold under the Offering Plan, to act in the name, place and stead for any of said parties with respect to any and all applications, documents, agreements, amendments or supplements to the form of Proprietary Lease of Lessor or the By-laws of Lessor, which may be required or necessary to carry out the provisions of the Offering Plan, or which may be required or necessary by any governmental or quasi-governmental agency, institutional lender or title insurance company, to complete development of the Apartments and/or the Property or otherwise in furtherance of the purposes of the Offering Plan. Any such act shall be in conformity with the HDC Regulatory Agreement and the Underlying Mortgages. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death, incompetence, disability or dissolution of any of the foregoing parties and is intended to deliver all right, title and interest of said parties in and to said powers.

(c) HDC Consent to Amendment. Notwithstanding anything in this Proprietary Lease to the contrary, during the HDC Restriction Period, any change in the form or content of this lease or in the form or content of all Proprietary Leases, shall require the prior written consent of HDC in order to be valid and effective.

Terraces, Balconies, Roofs, Gardens, Telecommunications

7. (a) If the Apartment includes, as an appurtenance, a terrace, patio, balcony, garden, yard or a portion of the roof as indicated on the cover page of this Proprietary Lease, Lessee shall have the exclusive use of such area, subject to (i) the applicable provisions of this lease, (ii) the use of these areas by Lessor to the extent permitted in this lease and (iii) the use of these areas by the Board of Managers to the extent permitted in the Condominium Declaration. Lessor and/or the Board of Managers of the Condominium, as applicable, shall have the right to erect (or to permit to be erected), equipment on the roof (and other portions) of the Building, including, without limitation, radio and television aerials and antennas and cellular and other telecommunication facilities, and appropriate conduits and/or wiring therefor, for use by Lessor, the Board of Managers, the Commercial Unit Owner, and/or by residential and/or non-residential lessees and other occupants in the Building, and/or for use by parties who are not occupants or tenants of the Building. In connection with all such installations and agreements, Lessor and/or the Board of Managers of the Condominium, as applicable, and its/their employees, contractors, agents and/or licensees (and their employees, contractors and agents) shall have the right of access to the roof (and all other portions of the Building) for such installations and for the repair thereof. Lessor also shall have the right of access to terraces, patios and balconies for such repair and/or maintenance as is the responsibility of Lessor under this lease and under the Condominium Declaration.

(b) No planting, fences, decks, pavings, structures, lattices or any other item shall be erected or installed on the roof of the Building by Lessee or on any terrace, patio or balcony

appurtenant to the Apartment, without the prior written approval of Lessor. Any planting or structure erected by the current Lessee under this Proprietary Lease or Lessee's predecessor in interest on any terrace, patio or balcony or portion of the roof appurtenant to the Apartment, may be removed by Lessor at the expense of the current Lessee for the purpose of repairs, upkeep or maintenance of the Building and/or the Residential Unit.

(c) If Lessee has the right to use a terrace, patio, balcony or portion of the roof appurtenant to the Apartment, Lessee shall be responsible for normal maintenance, repair and replacements to such terrace, patio, balcony, or roof area and to any fencing or other enclosure around the terrace, patio, balcony or roof area and to any decking, pavers or other surface of the terrace, patio, balcony or roof area. Lessee shall, in this regard, at a minimum, be obligated to keep all drains and gutters on or appurtenant to the terrace, patio, balcony or roof area free and clear of snow, ice, leaves and other debris, and to prevent water from backing up on the terrace, patio, balcony or roof area. Lessee's use of the terrace, patio, balcony or roof area shall be subject to all rules and regulations adopted by Lessor regarding such use, including, without limitation, type of materials for fencing and decking, maintenance and repair schedules for fencing and decking, restrictions regarding plantings, furniture, plant containers, watering, play equipment, laundry, barbecuing, etc. All construction by Lessee on the terrace or balcony or roof area, including, without limitation, pavers, partitions, decking, trellises, etc. shall require the prior written approval of Lessor. Lessee shall be liable for all damage arising out of Lessee's use or misuse of the terrace, patio, balcony or roof area or the fixtures, structures or furnishings thereon.

Assignment of Lessor's Rights Against Occupant

8. If at the date of the commencement or assignment, if applicable, of this lease, any third party shall be in possession or have the right to possession of the Apartment, then Lessor hereby assigns to Lessee all of Lessor's rights against said third party from and after the date of the commencement of the term hereof, or effective date of assignment, if applicable, and Lessee by the execution hereof assumes all Lessor's obligations to said third party only from said date. Lessor agrees to cooperate with Lessee, but at Lessee's expense, in the enforcement of Lessee's rights against said third party. Lessor and Lessee hereby agree that their rights under this lease are subject to the rights of such third party occupants and that Lessee's successors and assignees under this lease shall continue to be bound by such rights so long as such occupancy continues.

Cancellation of Prior Agreement

9. If at the date of the commencement of this lease or at the date of assignment of this lease to Lessee as applicable, Lessee has the right to possession of the Apartment under any interim lease or other lease or occupancy agreement or tenancy, this lease shall supersede such agreement or tenancy which shall be of no further effect after the date of commencement of this lease, except for claims theretofore arising thereunder.

Quiet Enjoyment

10. Lessee, upon paying the rent and performing the covenants and complying with the conditions on the part of Lessee to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the Apartment without any lawsuit, trouble or hindrance from Lessor, and subject to any and all mortgages and underlying leases of the Residential Unit.

Indemnity

11. Lessee agrees to save Lessor harmless from all liability, loss, damage and expense arising from injury to person or property occasioned by the failure of Lessee to comply with any provision of this Proprietary Lease, or due wholly or in part to any act, default or omission of Lessee or of any person dwelling, working or visiting in the Apartment, or by Lessor, its agents, servants or contractors when acting as agent for Lessee as in this lease provided. This paragraph shall not apply to any loss or damage incurred by Lessor's loss or damage to the extent Lessor's loss or damage is covered by insurance which includes a waiver of insurer's right of subrogation against Lessee.

Payment of Rent; No Set-Off

12. Lessee will pay the rent to Lessor upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which Lessee may have against Lessor. If Lessee shall fail to pay any installment of rent promptly, Lessee shall pay interest thereon at the maximum legal rate from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent hereunder.

House Rules

13. Lessor has adopted House Rules and the Directors may alter, amend or repeal such House Rules and adopt new House Rules as described in the By-laws. This lease shall be in all respects subject to such House Rules and Lessee hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of Lessee. Breach of a House Rule shall be a default under this lease. Lessor shall not be responsible to Lessee for the non-observance or violation of House Rules by any other lessee or person.

Use of Premises

14. (i) Lessee shall not, without the written consent of Lessor and upon such conditions as Lessor may prescribe, occupy or use the Apartment or permit the same or any part thereof to be occupied or used for any purpose other than as a private dwelling for Lessee and members of Lessee's family. As used herein, members of Lessee's family shall be limited to spouse, parents, children, parents in law, brothers, sisters, grandchildren or no more than three persons unrelated by blood or marriage. The term "spouse" as used herein shall mean an adult person to whom the Lessee

is married, or an adult lifetime partner whose relationship with the Lessee is characterized by emotional and financial commitment and interdependence. In addition to the foregoing, the Apartment may be occupied from time to time by guests of Lessee for a period of time not exceeding one month, unless a longer period is approved in writing by Lessor, but no guests may occupy the Apartment unless one or more of the permitted adult residents are then in occupancy or unless consented to in writing by Lessor.

(ii) During the HDC Restriction Period and the HPD Restriction Period, usage shall also be in compliance with the HDC Regulatory Agreement and the HPD Regulatory Agreement, respectively. Among the usage requirements imposed pursuant to the HDC and/or HPD Regulatory Agreements, are the following: the Apartment must be used as Tenant-Shareholder's primary residence (and Tenant-Shareholder shall take occupancy of the Apartment as Tenant-Shareholder's primary residence within sixty (60) days of Tenant-Shareholder's Apartment Closing Date), Tenant-Shareholder must be a natural person or persons, and Tenant-Shareholder may not use the Apartment as a vacation home or as investment property.

(iii) Notwithstanding the foregoing, Sponsor and any other party offering Shares for sale under the Offering Plan may use any Apartment owned by them for models, sales and/or rental offices and display "For Rent" and/or "For Sale" signs without the prior written consent of Lessor, HDC or HPD.

Subletting

15. (a) Pursuant to the provisions of the HPD Regulatory Agreement, Lessee may not sublease the Apartment during the HPD Restriction Period.

(b) Following expiration of the HPD Restriction Period, the Lessor may adopt a new policy regarding subletting on such terms and conditions as Lessor shall determine in its discretion, provided, however, if the HDC Restriction Period is then still in effect, any subletting policy adopted by the Lessor shall require that all subtenants must satisfy the same income and debt requirements as Prospective Purchasers, which requirements are described in Paragraph 16(a)(i) of this lease.

(c) Interim Leases entered into by Sponsor in connection with sales under the Plan, and any other leases of Apartments entered into by Sponsor or Suna/Levine Industries, Inc. as the initial owners of all Shares of the Apartment Corporation, shall not be considered subleases within the meaning of the foregoing and thus shall not be deemed to violate the foregoing prohibition against subletting.

Assignment

16. (a) During the HDC Restriction Period and the HPD Restriction Period, Lessee shall comply with the following conditions of HDC and HPD (which are required pursuant to the

HDC Regulatory Agreement and HPD Regulatory Agreement), in connection with the assignment of this lease and sale of the Shares appurtenant hereto, to a Prospective Purchaser:

(i) **HDC Requirements**

(A) Not more than 14 days prior to execution of a Purchase Agreement for the Shares and this lease by a Prospective Purchaser, Lessee must (i) see to it that the Prospective Purchaser completes and executes a Purchaser's Affidavit, a Purchaser Income Eligibility Worksheet, and an Acquisition Cost Worksheet (all of which are part of the Purchaser Eligibility Documents), (ii) complete and execute a Seller's Affidavit (a form of which also is part of the Purchaser Eligibility Documents), and (iii) arrange for all completed and executed Purchaser Eligibility Documents to be submitted to Lessor.

(B) Prior to approving the sale to the Prospective Purchaser, Lessor must review all the Purchaser Eligibility Documents to ascertain that (i) the Prospective Purchaser's income and liabilities have been calculated consistently with the Income Determination Procedures required by the HDC Regulatory Agreement, and (ii) the Prospective Purchaser is eligible to purchase in accordance with the Median Income and Annual Income Ratio and Annual Debt Ratio requirements set forth in the HDC Regulatory Agreement. In connection with the foregoing, Lessor initially will determine if the Prospective Purchaser satisfies the maximum Median Income restrictions for the Apartment. This determination will depend upon classification of the Apartment as (i) an Apartment available to a Prospective Purchaser with a maximum Aggregate Annual Household Income not exceeding 165% of Median Income, or (ii) an Apartment available to a Prospective Purchaser with a maximum Aggregate Annual Household Income not exceeding 250% of Median Income. The income classification for each Apartment in the Residential Unit is listed on **Exhibit 1** attached to this lease. An Apartment limited to purchase by a Prospective Purchaser with a maximum Aggregate Annual Household Income not exceeding 165% of Median Income (and otherwise in compliance with the HDC Regulatory Agreement), must always be resold to a Prospective Purchaser within that income category (and otherwise in compliance with the HDC Regulatory Agreement). However, an Apartment available for purchase by a Prospective Purchaser with a maximum Aggregate Annual Household Income not exceeding 250% of Median Income (and otherwise in compliance with the HDC Regulatory Agreement) may be resold to a Prospective Purchaser with a maximum Aggregate Annual Household Income greater than 165% of Median Income but not exceeding 250% of Median Income (and otherwise in compliance with the HDC Regulatory Agreement), but is not required to be resold to a Prospective Purchaser at this higher income level.

(C) A Prospective Purchaser whose Aggregate Annual Household Income exceeds the income limitations included in Section 7 of the HDC Regulatory Agreement or whose Aggregate Annual Household Income is insufficient or whose annual household liabilities are excessive, according to the HDC standards in Section 7 of the HDC Regulatory Agreement, will not be found eligible to purchase.

(D) This lease may not be assigned to a Prospective Purchaser and the Shares may not be transferred to a Prospective Purchaser without prior written approval of the Prospective Purchaser by HDC and Lessor. Accordingly, if the Prospective Purchaser appears to satisfy the eligibility requirements of the HDC Regulatory Agreement and any additional requirements of Lessor, and if Lessor itself has approved the Prospective Purchaser, Sponsor (with respect to sales pursuant to the Offering Plan), or Lessor (with respect to all other sales), shall forward the completed Purchaser Eligibility Documents for the Prospective Purchaser to HDC for review.

(E) If HDC approves a Prospective Purchaser, Lessor shall require that the Prospective Purchaser execute the Reaffirmation included in the Purchaser Eligibility Documents and same shall be forwarded by Sponsor or Lessor as applicable, to HDC no later than five (5) days prior to the anticipated closing, if the Apartment Closing Date is more than six (6) months after the Prospective Purchaser executed the Purchaser's Affidavit. Changed information must be disclosed and if any changed information appears, no closing may occur until HDC re-approves the Prospective Purchaser. If HDC does not re-approve the Prospective Purchaser, the sale may not be consummated.

(F) "Aggregate Annual Household Income" of a Prospective Purchaser is to be determined in accordance with the Income Determination Procedures. The Income Determination Procedures require that the calculation take into consideration the annual household income of the Prospective Purchaser and any other person(s) expected to reside in the Apartment with the Prospective Purchaser. Annual household income includes gross pay, overtime pay, part-time pay, bonuses, commissions, tips, dividends, interest, royalties, trust income, net rental income, Veterans Administration compensation, pensions, social security benefits, unemployment compensation, alimony, child support, public assistance, sick pay, business activity income, investment income and all other income, calculated in accordance with the requirements of the HDC Regulatory Agreement.

(G) During the period the HDC Subordinate Mortgage is outstanding, upon the sale by Lessee of the Shares allocated to the Apartment demised by this lease (excluding a sale made pursuant to the Offering Plan), Lessee shall be obligated to remit to Lessor a payment in the amount of HDC Resale Profits, if any, received by Lessee in connection with the sale. ("HDC Resale Profits" means 50% of the Net Appreciation, if any, received by Lessee upon such sale. "Net Appreciation" and the capitalized terms used within the definition of "Net Appreciation" are all defined in the section of this lease entitled "Definitions"). Lessor shall in turn remit a payment in the same amount to HDC, who shall apply same in reduction of the then outstanding principal balance of the HDC Subordinate Note, as described in the HDC Subordinate Note. The proceeds of sale in excess of HDC Resale Profits shall be the property of the selling Lessee.

(ii) **HPD Requirements**

(A) The HPD Regulatory Agreement requires that Lessee may sell the Apartment only to an "Eligible Purchaser." "Eligibility" is based on maximum income limitations similar to HDC's maximum income limitations discussed above. Thus, a Prospective Purchaser approved by HDC as described above, is likely to be determined by HPD to be an Eligible Purchaser pursuant to the HPD Regulatory Agreement, if HPD's analysis of the information provided by the Prospective Purchaser confirm's HDC's determination.

(B) In accordance with the terms of the HPD Regulatory Agreement, the HPD Note and the HPD PM Note, if Lessee is selling the Shares and assigning the lease allocated to the Apartment after the HDC Subordinate Note is paid in full, Lessee shall be obligated to remit to Lessor a payment in the amount of 50% of HPD Apartment Resale Profits, if any, received by Lessee in connection with the sale. Lessor shall be obligated to remit a payment in the same amount to HPD who shall apply it first to reduce the outstanding principal balance of the HPD Note, and once the HPD Note is fully paid, to reduce the outstanding principal balance of the HPD PM Note. The proceeds of sale in excess of 50% of HPD Apartment Resale Profits shall be the property of the selling Lessee.

(C) "HPD Apartment Resale Profits," together with all other capitalized terms used in the definition of "HPD Apartment Resale Profits," are defined in the section of this lease entitled "Definitions."

(b) Lessor may promulgate a new set of procedures with respect to assignment of Proprietary Leases and the transfer of Shares for the period from and after expiration of the HDC Restriction Period and expiration of the HPD Restriction Period.

(c) Lessee shall not assign this lease or transfer the Shares or any interest therein, and no such assignment or transfer shall take effect as against Lessor for any purpose, until:

(i) An instrument of assignment in form approved by Lessor executed and acknowledged by the assignor shall be delivered to Lessor; and

(ii) An agreement executed and acknowledged by the assignee in form approved by Lessor assuming and agreeing to be bound by all the covenants and conditions of this lease to be performed or complied with by Lessee on and after the effective date of said assignment shall have been delivered to Lessor, or, at the request of Lessor, the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term; and

(iii) All Shares of Lessor to which this lease is appurtenant shall have been transferred to the assignee, with any applicable transfer taxes paid and stamps affixed; and

(iv) All fees, charges and other sums due from Lessee shall have been paid to Lessor or the applicable party including, without limitation, HDC Resale Profits and HPD Apartment Resale Profits (if applicable), together with a reasonable fee fixed by the Directors to cover processing by Lessor, including legal and other expenses of Lessor, and any fees imposed by Lessor's Managing Agent in connection with such assignment and transfer of Shares; and

(v) A satisfactory search or certification from a title insurance or abstract company as the Directors may require is obtained and delivered to the Directors; and

(vi) Notice shall have been given to the Board of Directors of the proposed assignment or transfer of Shares in accordance with Paragraph 16(a) hereof, and a majority of the Directors shall have consented to the transfer in writing. Notwithstanding anything in this lease to the contrary, consent by the Directors may not be denied based upon race, creed, color or other ground prohibited by law.

Release of Lessee Upon Assignment

(d) If this lease shall be assigned in compliance herewith, Lessee-assignor shall have no further liability on any of the covenants of this lease to be performed, from and after the date of the assignment.

Further Assignment

(e) Regardless of any prior consent or waivers theretofore given, neither Lessee nor Lessee's executor, nor administrator, nor any trustee or receiver of the property of Lessee, nor anyone to whom the interest of Lessee shall pass by law, shall be entitled further to assign this lease, except in compliance with the requirements of this lease.

Statement by Lessor

(f) If this lease is then in force and effect, Lessor will, upon request of Lessee, deliver to the assignee a written statement that this lease remains on the date thereof in force and effect. However, no such statement shall be deemed an admission that there is no default under this lease.

No Waiver

(g) The restrictions on the assignment of this lease as set forth above, are a special consideration and inducement for the entering into of this lease by Lessor with Lessee (or for the granting by Lessor of consent to the assignment of this lease to Lessee, as applicable). No demand or acceptance of rent from a sublessee or an assignee hereof shall constitute or be deemed to constitute a consent to or approval of any sublease or assignment.

Exceptions

(h) Notwithstanding anything contained in this Paragraph 16 to the contrary, (i) an assignment, transfer or bequest of the Shares and this lease to Lessee's spouse (which term, for purposes of this lease, shall be defined as an adult person to whom the Lessee is married, or an adult lifetime partner whose relationship with the Lessee is characterized by emotional and financial commitment and interdependence), or (ii) an assignment of this lease and transfer of Shares through testamentary disposition, intestacy (or, to the extent permitted under the HDC Regulatory Agreement, through foreclosure or assignment and transfer pursuant to agreement in lieu of foreclosure by a lender to whom this lease and the Shares have been pledged as collateral for a loan as permitted pursuant to Paragraph 17 of this lease), or otherwise by operation of law, shall not, during the HDC Restriction Period and the HPD Restriction Period, constitute a transfer of Shares requiring compliance with the procedures outlined above. However, the individual(s) or entity (in the case of an estate or lending institution) acquiring Shares in such a manner shall be deemed to be the Lessee for purposes of this lease and the HDC Regulatory Agreement, and shall be subject, during the HDC and HPD Restriction Periods, to the terms and conditions of Paragraph 16(a) of this lease in connection with such party's sale of the Shares and assignment of this lease. Notwithstanding the foregoing, an entity, but not a natural person, that acquires the Shares through testamentary disposition, intestacy (or, to the extent permitted under the HDC Regulatory Agreement, through foreclosure or assignment and transfer pursuant to agreement in lieu of foreclosure), or otherwise by operation of law, shall be exempt from the provisions of Section 4 of the HDC Regulatory Agreement for a period not to exceed one year.

Pledge of Shares and Lease

17. (a) A pledge of this lease and the Shares to which it is appurtenant by Lessee to a bank or other recognized lending institution, shall not be a violation of this lease, provided, however, that Lessee shall not be in default under this lease at the time of such pledge and the lien of the secured party shall in all respects be subordinate to the lien of Lessor for payment of Maintenance and other amounts due Lessor pursuant to this lease or otherwise. In the event of such pledge, except as otherwise provided in this lease, neither the pledgee nor any transferee of pledgee shall be entitled to have the Shares transferred of record on the books of Lessor, to occupy or permit occupancy by others of the Apartment demised by this lease, or to sell the Shares or this lease, without in each instance complying with the provisions of Paragraphs 15 and/or 16 of this lease, as applicable. Acceptance by Lessor of payments by the pledgee or any transferee of the pledgee on account of Maintenance or additional rent, shall not constitute a waiver of the foregoing provisions.

(b) Lessor shall be authorized to enter into a recognition agreement with any permitted pledgee of this lease and the Shares and to implement the provisions of any such executed recognition agreement. Such agreement may contain an acknowledgment by Lessor of the lien in favor of pledgee, an agreement by Lessor to notify pledgee of any default by Lessee hereunder, the grant to pledgee of a right to cure any such default, and such other terms and conditions as shall be acceptable to Lessor in its sole discretion.

(c) Nothing contained in this Paragraph 17 shall be construed to restrict the authority of the Directors to establish a policy from time to time limiting the amount that may be borrowed by Lessee to a percentage of value of this lease and the Shares to which it is appurtenant, or to establish additional rules and regulations governing the procedures to be followed in connection with the pledge or assignment of this lease and the appurtenant Shares as collateral security for a loan.

Repairs by Lessee

18. (a) Lessee agrees that Lessee takes possession of the Apartment and its appurtenances and fixtures "as is" as of the date Lessee enters into this lease or succeeds to the Lessee's interest hereunder by assignment, as applicable. Subject to the provisions of Paragraph 4 hereof, Lessee shall keep the interior of the Apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, and entrance doors and doors leading to terraces, balconies or patios appurtenant to this Agreement, and frames and saddles) in good repair, shall do all of the painting and decorating required for the interior of the Apartment, including, without limitation, the interior of window frames, sashes and sills. Lessee shall be solely responsible for the maintenance, repair and replacement of interior walls, floors and ceilings, and all plumbing, electrical, gas and heating fixtures, appliances and equipment within the Apartment, including, without limitation, toilets, bathtubs, sinks, refrigerator, dishwasher, incremental units (if any), including the fans inside the units, air-conditioning equipment, ranges and other appliances. Plumbing, gas and heating fixtures as said terms are used in this paragraph shall include exposed gas, steam and water pipes within the Apartment attached to fixtures, appliances and equipment in the Apartment, and the fixtures, appliances and equipment in the Apartment to which they are attached, and any special pipes or equipment which Lessee may install within the walls or ceilings, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors of the Building or air conditioning or heating equipment which is part of the standard building equipment. Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Apartment. Any ventilator or air conditioning device which shall be visible from the outside of the Building shall, if mandated by Lessor, be painted by Lessee in a standard color which Lessor may select for the Residential Unit and/or shall be limited to such model(s) as the Directors shall prescribe. The prior written consent of Lessor shall be required before Lessee commences any additions or alterations in connection with Lessee's responsibilities under this Paragraph 18(a), or otherwise. Lessee shall be liable for loss or damage to the Residential Unit or elsewhere in the Building or the contents thereof, and to any other Apartment and the contents therewith, arising out of Lessee's failure to comply with Lessee's maintenance and repair obligations and responsibilities in this Paragraph 18 and elsewhere in this lease.

Odors and Noises

(b) Lessee shall not permit unreasonable cooking or other odors to escape into the Residential Unit or elsewhere in the Building. Lessee shall not permit or suffer any unreasonable noises or anything which will interfere with the rights of other lessees or unreasonably annoy them or obstruct the public halls or stairways in the Residential Unit or elsewhere in the Building.

Equipment and Appliances

(c) If, in Lessor's judgment (or pursuant to judgment of the Board of Managers communicated to Lessor), any of Lessee's equipment or appliances shall result in damage to the Residential Unit or any other part of the Building, or poor quality services or interruption of service to the Residential Unit or any other part of the Building, or overloading of, or damage to facilities maintained by Lessor, the Commercial Unit Owner or the Board of Managers for the supplying of water, gas, electricity or air-conditioning to the Residential Unit, the Commercial Unit or any other part of the Building, or if any such appliances visible from the outside of the Building shall become rusty or discolored, Lessee shall promptly, on notice from Lessor, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

Rules and Regulations and Requirements of Mortgagees and Ground Lessors

(d) Lessee will comply with all requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the Apartment. If any Underlying Mortgage or ground lease affecting the Residential Unit shall contain any provisions pertaining to the right of Lessee to make changes or alterations in the Apartment, or to remove any of the fixtures, appliances, equipment or installations, Lessee herein shall comply with the requirements of such mortgage or ground lease relating thereto. Upon Lessee's written request, Lessor will furnish Lessee with copies of applicable provisions of each and every such mortgage and/or ground lease.

Lessor's Right to Remedy Lessee's Defaults

19. If Lessee shall fail for thirty (30) days after written notice from Lessor to make repairs to any part of the Apartment, its fixtures or equipment, or shall fail to remedy a condition which has become objectionable to Lessor for reasons above set forth, or if Lessee or any person dwelling in the Apartment shall request Lessor, its agents or servants to perform any act not hereby required to be performed by Lessor, Lessor may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on Lessor; provided that, if the condition requires prompt action, notice of less than thirty (30) days may be given or, in case of emergency, no notice need be given. In all such cases Lessor, its agents, servants and contractors shall, as between Lessor and Lessee, be conclusively deemed to be acting as agents

of Lessee and all contracts therefor made by Lessor shall be so construed whether or not made in the name of Lessee. If Lessee shall fail to perform or comply with any of the other covenants or provisions of this lease within the time required by a notice from Lessor (which notice shall provide at least five (5) days for such performance or compliance), then Lessor may, but shall not be obligated to, comply therewith, and for such purpose may enter upon the Apartment of Lessee. Lessor shall be entitled to recover from Lessee all expenses incurred or for which it has contracted hereunder, such expenses to be payable by Lessee, or Lessees as appropriate, on demand as additional rent.

Increase in Rate of Fire Insurance

20. Lessee shall not permit or suffer anything to be done or kept in the Apartment which will increase the rate of fire insurance on the Residential Unit, the Commercial Unit or the Condominium or the contents thereof. If, by reason of the occupancy or use of the Apartment by Lessee, the rate of fire insurance on the Residential Unit, the Commercial Unit or the Condominium or any other Apartment in the Residential Unit or the contents of the Residential Unit, the Commercial Unit or the Condominium or any other Apartment shall be increased, Lessee shall (if such occupancy or use continues for more than thirty (30) days after written notice from Lessor, specifying the objectionable occupancy or use) become personally liable for the additional insurance premiums incurred by Lessor, the Commercial Unit Owner, the Board of Managers, or any other lessee of an Apartment in the Building on all policies so affected, and Lessor shall have the right to collect the same for its benefit or the benefit of any such party as additional rent for the Apartment due on the first day of the calendar month following written demand therefor by Lessor.

Alterations

21. (a) Lessee shall not, without first obtaining the written consent of Lessor, make, in the Apartment or the Residential Unit or anywhere else in the Building, or on any roof, terrace, patio or balcony appurtenant to the Apartment or to any other part of the Building, any alteration, enclosure or addition, or any alteration of or addition to the water, gas, or steam risers or pipes, heating or air-conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, communication or alarm system, or any other installation or facility, as may be owned by Lessor in the Apartment or Residential Unit, or, except as hereinafter authorized, remove any additions, improvements or fixtures from the Apartment. Lessor's consent to a request for any such work proposed to be performed in the Apartment shall not be unreasonably withheld or delayed. The performance by Lessee of any work in the Apartment shall be in accordance with any applicable rules and regulations and/or alteration agreement of Lessor and rules and regulations of all governmental agencies having jurisdiction thereof. Lessee shall not in any case install any appliances which will overload the existing wires, systems or equipment in the Residential Unit or elsewhere in the Building. Anything contained in this Paragraph 21 to the contrary notwithstanding, any Tenant-Shareholder offering Shares for sale pursuant to the Offering Plan shall not be required to obtain the consent of Lessor for any of the foregoing alterations, enclosures or additions proposed to be made by such party, or for the removal of any additions, improvements of fixtures by such

party, from Apartments appurtenant to Shares owned by such party, provided such alteration work is performed in accordance with the Offering Plan and provisions of applicable law.

Removal of Fixtures

(b) Subject to the provisions in Paragraph 21(a) above, Lessee shall not remove any fixtures, appliances, additions or improvements from the Apartment without Lessor's consent, except as hereinafter provided. If Lessee, or a prior lessee, shall have heretofore placed, or Lessee shall hereafter place in the Apartment, at Lessee's own expense, any additions, improvements, appliances or fixtures, including but not limited to fireplace mantels, lighting fixtures, refrigerators, air conditioners, dishwashers, washing machines, ranges, microwaves, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work, special stair railings or other built-in ornamental items which can be removed without structural alterations or permanent damage to the Apartment, then title thereto shall be vested in Lessee and Lessee shall have the right, prior to the termination of this lease and without Lessor's consent, to remove the same at Lessee's sole cost and expense, subject to the provisions of the next sentence. Specifically, Lessee may effectuate such removal provided: (i) that Lessee at the time of such removal shall not be in default in the payment of rent or in the performance or observance of any other covenants or conditions of this lease; (ii) that Lessee shall, at Lessee's own expense, prior to the termination of this lease and/or prior to assignment of this lease by Lessee, as applicable, repair all damage to the Apartment which shall have been caused by either Lessee's installation or removal of any of such additions, improvements, appliances or fixtures; (iii) that if Lessee shall have removed from the Apartment any articles or materials owned by Lessor or its predecessor in title, or any fixtures or equipment necessary for the use of the Apartment, Lessee shall either restore such articles and materials and fixtures and equipment necessary for the use of the Apartment, and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to Lessor; (iv) that if any holder of an Underlying Mortgage had acquired a lien on any such property prior to the execution of this lease, Lessor shall have first procured from such mortgagee its written consent to such removal, and any cost and expense incurred by Lessor in respect thereof shall have been paid by Lessee, and (v) that prior to any such removal, Lessee shall give written notice thereof to Lessor.

Surrender on Expiration of Term

(c) On the expiration or termination of this lease, Lessee shall surrender to Lessor possession of the Apartment with all additions, improvements, appliances and fixtures then included therein, except as hereinabove provided. Any additions, improvements, fixtures or appliances not removed by Lessee on or before such expiration or termination of this lease shall, at the option of Lessor, be deemed abandoned and shall become the property of Lessor and may be disposed of by Lessor without liability or accountability to Lessee. Any other personal property not removed by Lessee at or prior to the termination of this lease shall, at the option of Lessor, be deemed abandoned and shall become the property of Lessor and may be disposed of by Lessor without liability or accountability to Lessee, or may be removed by Lessor to any place of storage and stored for the

account of Lessee without Lessor in any way being liable for trespass, conversion or negligence by reason of any acts of Lessor or of Lessor's agents, or of any carrier employed in transporting such property to the place of storage, or by reason of the negligence of any person in caring for such property while in storage.

Lease Subordinate to Agreements, Mortgages and Ground Leases

22. This lease is and shall be subject and subordinate to any and all Underlying Mortgages, and any other present and future ground or underlying leases and agreements and/or mortgages now or hereafter liens upon such leases or on the Residential Unit, and to any extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such mortgagee or ground or underlying lessee. In confirmation of such subordination, Lessee shall at any time, and from time to time, on demand, execute any instruments that may be required by the holder of an Underlying Mortgage, or by Lessor, for the purpose of more formally subjecting this lease to the lien of any such agreements, mortgage or ground or underlying leases. Each of the duly elected officers of Lessor is hereby irrevocably appointed the attorney-in-fact and agent of Lessee to execute any such instrument upon such demand. Lessee hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

Mechanic's Lien

23. In case a notice of mechanic's lien against the Residential Unit, the Commercial Unit or the Condominium shall be filed purporting to be for labor or material furnished or delivered at the Building or the Apartment to or for Lessee, or anyone claiming under Lessee, Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise. If Lessee shall fail to discharge such lien as described in the previous sentence within ten days after written notice from Lessor, then Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto. In such event, Lessor shall have the right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment.

Cooperation

24. Lessee shall always in good faith endeavor to observe and promote the cooperative purposes for the accomplishment of which Lessor is incorporated.

Lessor's Right of Entry; Keys

25. (a) Lessor and its agents and their authorized employees shall be permitted to visit, examine, or enter the Apartment, any terrace, patio, balcony or other areas appurtenant thereto, and any storage space assigned to Lessee in the Residential Unit, at any reasonable hour of the day

upon reasonable advance notice to Lessee, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the Residential Unit or elsewhere in the Building for which Lessor is responsible under this lease or the Condominium Declaration, or to cure any default by Lessee. Lessor shall have the right to remove such portions of the walls, floors and ceilings of the Apartment, terrace, patio, balcony, storage space and other areas and appurtenances as may be required for any such purpose, but Lessor shall thereafter restore the Apartment, terrace, patio, balcony or storage space, and other areas and appurtenances, to their proper and usual condition at Lessor's expense if such repairs are the obligation of Lessor, or at Lessee's expense if such repairs are the obligation of Lessee or are caused by the act or omission of Lessee or any of Lessee's family, guests, licensees, agents, employees or subtenants. Lessor shall in no event, however, have an obligation to repaint or replace wallpaper or other decorations in the Apartment, or to refinish floors therein.

(b) In order that Lessor shall at all times have access to the Apartment, terrace, patio, balcony, appurtenant areas and storage space in the Residential Unit, if any, for the purposes provided for in this lease, Lessee shall provide Lessor with a key to each lock providing access to the Apartment, terrace, patio, balcony, appurtenant area or the Residential Unit storage space, and if any such lock shall be altered or new lock installed, Lessee shall provide Lessor with a key to each such altered or new lock. If any lock shall be altered or new lock installed, Lessee shall provide Lessor with a key thereto immediately upon installation.

(c) If Lessee shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to Lessor, Lessor or Lessor's agents (but, except in an emergency, only when specifically authorized by a officer of Lessor or an officer of the managing agent) may forcibly enter the Apartment, terrace, patio, balcony or storage space without liability for damages by reason thereof (if during such entry Lessor shall accord reasonable care to Lessee's property), and without in any manner affecting the obligation and covenants of this lease. The right and authority hereby reserved do not impose, nor does Lessor assume by reason thereof, any responsibility or liability for the care or supervision of the Apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

Waivers

26. The failure of Lessor to insist, in any one or more instances upon a strict performance of any of the provisions of this lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provisions, options or rights shall continue and remain in full force and effect. The receipt by Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Directors.

Notices

27. Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested: if by Lessee, addressed to Lessor at the address set forth above with a copy sent by regular mail to Lessor's Managing Agent; if to Lessee, addressed to Lessee at the Residential Unit. Either party may by notice served in accordance herewith designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed, except notices of change of address shall be deemed served where received.

Reimbursement of Lessor's Expenses

28. If Lessee shall at any time be in default hereunder and Lessor shall incur any expense (whether paid or not) in performing acts which Lessee is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim, in any action or proceeding brought by Lessee, the expense thereof to Lessor, including reasonable attorneys' fees and disbursements, shall be paid by Lessee to Lessor, on demand, as additional rent.

Lessor's Immunities

29. (a) Lessor shall not be liable, except by reason of Lessor's gross negligence, for any failure or insufficiency of heat, air conditioning, water supply, electrical current, gas, telephone, elevator service or other service to be supplied by Lessor hereunder, or for interference with light, air, view or other interests of Lessee. No abatement of rent or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in maintaining any repairs, alterations or decorations to the Residential Unit or elsewhere in the Building, or any fixtures or appurtenances therein, or for space taken to comply with any laws, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by Lessor, due to accidents, alterations or repairs, or the difficulty or delay in securing supplies or labor or other cause beyond Lessor's control, unless due to Lessor's negligence.

Storage Space; Laundry; Community Room

(b) If Lessor shall furnish to Lessee any storage bins or other storage space in the Residential Unit, use of laundry facilities in the Residential Unit, or use of any other facility outside the Apartment but within the Residential Unit, the same shall be deemed to have been furnished by Lessor under a revocable license. Lessee shall not use such storage space, if any, for the storage of valuable or perishable property and any such storage space assigned to Lessee shall be kept by Lessee clean and free of toxic, inflammable and combustible materials. If washing machines or other equipment are made available to Lessee as part of the Residential Unit's laundry facilities, Lessee shall use the same on the understanding that such machines or equipment may or may not be in good order and repair and that Lessor is not responsible for such equipment, nor for any

damage caused to the property of Lessee resulting from Lessee's use thereof, and that any use that Lessee may make of such equipment shall be at Lessee's own cost, risk and expense.

(c) The community room in the basement of the Residential Unit shall be available for use by Lessee on such terms and conditions and during such hours and for such fees, if any, as the Directors shall establish. Any use Lessee shall make of the equipment and facilities in the community room shall be at Lessee's own risk.

Automobiles and Other Property

(d) Lessor shall not be responsible for any damage to any automobile or other vehicle of a Lessee or any other party using the parking facilities at the Property or otherwise, or left in the care of any employee, agent or contractor of Lessor by Lessee. Lessee hereby agrees to hold Lessor harmless from any loss, damage or other liability including, without limitation, attorney's fees and disbursements, arising out of, or in any way connected with, any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee, agent or contractor. Lessor shall not be responsible for any property left with or entrusted to any employee, agent or contractor of Lessor or for the loss of or damage to any property within or without the Apartment, by theft or otherwise.

Window Cleaning

30. Lessee will not require, permit, suffer or allow the cleaning of any window in the Residential Unit from the outside (within the meaning of Section 202 of the New York Labor Law) unless the equipment and safety devices required by law, ordinance, rules and regulations are provided and used, and unless the industrial code of the State of New York is fully complied with and Lessee hereby agrees to indemnify Lessor and its employees, other lessees and the managing agent, for all losses, damages or fines suffered by them as a result of Lessee's requiring, permitting, suffering or allowing any window in the premises to be cleaned from the outside in violation of the requirements of the aforesaid law, ordinances, regulations and rules.

Termination of Lease by Lessor

31. If upon, or at any time after the happening of any of the events mentioned in subdivisions (a) to (j) inclusive of this Paragraph 31, Lessor shall give to Lessee a notice stating that the term hereof will expire on a date at least five (5) days thereafter. If such notice is given, the term of this lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of Lessee hereunder shall thereupon wholly cease and expire. Upon such expiration Lessee shall quit and surrender the Apartment to Lessor, it being the intention of the parties hereto to create hereby a conditional limitation, and upon such expiration Lessor shall have the right to re-enter the Apartment and to remove all persons and personal property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law or in equity or by force or otherwise, and

to repossess the Apartment in its former estate as if this lease had not been made, and no liability whatsoever shall attach to Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved.

Lessee Ceasing to Own Accompanying Shares

(a) If Lessee shall cease to be the owner of the Shares, or if this lease shall pass or be assigned pursuant to Paragraph 16 hereof to anyone who is not then the owner of the Shares, or if this lease and the Shares appurtenant hereto shall pass or be assigned to anyone other than Lessee pursuant to a pledge or security agreement or loan agreement entered into by Lessee and secured by this lease and the Shares.

Lessee Becoming a Bankrupt

(b) If at any time during the term of this lease (i) the then holder hereof shall be adjudicated a bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty (30) days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the Shares owned by such holder to which this lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty (30) days; or (v) this lease or any of the Shares shall pass by operation of law or otherwise to anyone other than Lessee herein named or a person to whom such Lessee has assigned this lease in the manner herein permitted, but this clause (v) shall not be applicable if this lease shall devolve upon the executors or administrators of Lessee and provided that within eight (8) months (which period may be extended by the Directors) after the death of Lessee, this lease and Shares shall have been transferred to an assignee in accordance with Paragraph 16 hereof.

Unauthorized Occupancy

(c) If there be any subletting hereunder or an assignment of this lease in violation of this lease or without full compliance with the requirements of Paragraph 15 or 16 hereof; or if any person not authorized by Paragraph 14 shall be permitted to use or occupy the Apartment, and Lessee shall fail to cause such unauthorized person to vacate the Apartment within ten (10) days after written notice from Lessor.

Default in Rent

(d) If Lessee shall be in default for a period of one month in the payment of any rent or additional rent or of any installment thereof and shall fail to cure such default within ten (10) days after written notice from Lessor.

Default in Other Covenants
and/or Under Regulatory Agreements

(e) If Lessee shall be in default in the performance of any covenant or provision hereof, other than the covenant to pay rent, and/or if during the HPD Restriction Period or HDC Restriction Period, Lessee is in default under the HPD Regulatory Agreement or the HDC Regulatory Agreement, and such default shall continue for thirty (30) days after written notice from Lessor; provided, however, that if said default consists of the failure to perform any action the performance of which requires any substantial period of time, then if within said period of thirty days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, Lessee shall be deemed to have cured said default.

Lessee's Objectionable Conduct

(f) If at any time Lessor shall determine, upon the affirmative vote of the record holders of at least 66-2/3% in amount of its then issued and outstanding corporate shares, at a shareholders' meeting duly called for that purpose, that because of objectionable conduct on the part of Lessee, or of a person dwelling or visiting in the Apartment, repeated after written notice from Lessor, the tenancy of Lessee is undesirable (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the House Rules or to permit or tolerate a person of loose or immoral character to enter or remain in the Building or the Apartment, shall be deemed to be objectionable conduct).

Default Under Pledge Agreement

(g) If Lessee shall be in default in the payment of any note or the terms, covenants and conditions of any loan security agreement secured by a pledge of this lease and the Shares.

Termination of All Proprietary Leases

(h) If at any time Lessor shall determine, upon the affirmative vote of two-thirds of its then Board of Directors at a meeting of such directors duly called for that purpose, or the affirmative vote of the record holders of a least 66-2/3% in amount of its then issued and outstanding corporate Shares, at a shareholders meeting duly called for that purpose, to terminate all Proprietary Leases.

Destruction of the Building

(i) If the Residential Unit or the Building shall be destroyed or damaged and the shareholders shall decide not to repair or rebuild as provided in Paragraph 4, and/or if the Unit Owners decide not to rebuild the Property pursuant to the Condominium Declaration.

Condemnation

(j) If at any time the Residential Unit or a substantial portion thereof shall be taken by condemnation proceedings.

Lessor's Rights After Lessee's Default

32. (a) (i) In the event Lessor resumes possession of the Apartment, either by summary proceedings, action of ejectment or otherwise, because of default by Lessee in the payment of any rent or additional rent due hereunder, or on the expiration of the term pursuant to a notice given as provided in Paragraph 31 hereof upon the happening of any event specified in subsections (a) to (j) inclusive of Paragraph 31, Lessee shall continue to remain liable for payment of a sum equal to the rent which would have become due hereunder and shall pay the same in installments at the time such rent would be due hereunder. No suit brought to recover any installment of such rent or additional rent shall prejudice the right of Lessor to recover any subsequent installment.

(ii) After resuming possession, Lessor may, at its option, from time to time (1) relet the Apartment for its own account or (2) relet the Apartment as the agent of Lessee, in the name of Lessee or in its own name, for a term or terms which may be less than or greater than the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent, in its discretion. Any reletting of the Apartment shall be deemed for the account of Lessee, unless within ten (10) days after such reletting Lessor shall notify Lessee that the premises have been relet for Lessor's own account. The fact that Lessor may have relet the Apartment as agent for Lessee shall not prevent Lessor from thereafter notifying Lessee that it proposes to relet the Apartment for its own account. If Lessor relets the Apartment as agent for Lessee, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the Apartment, apply the remaining avails of such reletting against Lessee's continuing obligations hereunder. There shall be a final accounting between Lessor and Lessee upon the earliest of the four following dates: (A) the date of expiration of the term of this lease as stated on page 1 hereof; (B) the date as of which a new Proprietary Lease covering the Apartment shall have become effective; (C) the date Lessor gives written notice to Lessee that it has relet the Apartment for its own account; (D) the date upon which all Proprietary Leases of Lessor terminate. From and after the date upon which Lessor becomes obligated to account to Lessee, as above provided, Lessor shall have no further duty to account to Lessee for any avails of reletting and Lessee shall have no further liability of sums thereafter accruing hereunder, but such termination of Lessee's liability shall not affect any liabilities theretofore accrued.

Acceptance of Rent from Subtenant

(b) If Lessee shall at any time sublet the Apartment either in accordance with the provisions of this lease or otherwise, and if Lessee shall thereafter default in the payment of any rent or additional rent, Lessor may, at its option, and subject to the provisions of General Business Law Section 352-l (as same may be amended from time to time), as long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to Lessee,

and apply the amount to pay sums due and becoming due from Lessee to Lessor. Any payment by a subtenant to Lessor shall constitute a discharge of the obligation of such subtenant to Lessee to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting by Lessee, or a release or discharge of any of the obligations of Lessee hereunder.

Sales of Shares

(c) (i) Upon the termination of this lease under any of the provisions of subdivisions (a) to (g) inclusive of Paragraph 31, Lessee shall surrender to Lessor the certificate for the Shares and Lessee's certificate shall be canceled by Lessor. Whether or not said certificate is surrendered, Lessor may issue a new Proprietary Lease for the Apartment and issue a new certificate for the Shares when a purchaser therefor is obtained, provided that the issuance of such Shares and such lease to such purchaser is authorized by a resolution of the Directors, or by writing signed by a majority of the Directors or by lessees owning of record, at least a majority of the corporate shares of Lessor accompanying Proprietary Leases then in force, and that during the HDC and HPD Restriction Periods, such purchaser is approved by HDC and HPD in accordance with the provisions for such approval set forth in this lease.

(ii) Upon such issuance the certificate owned or held by Lessee shall be automatically canceled and rendered null and void. Lessor shall apply the proceeds received for the issuance of such Shares toward the payment of Lessee's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by Lessor, and if the proceeds are sufficient to pay the same, Lessor shall pay over any surplus to Lessee, but, if insufficient, Lessee shall remain liable for the balance of the indebtedness. Upon the issuance of any such new Proprietary Lease and certificate, Lessee' s liability hereunder shall cease and Lessee shall only be liable for rent and expense accrued to that time. Lessor shall not, however, be obligated to sell such Shares and appurtenant lease or otherwise make any attempt to mitigate damages.

Waiver of Right of Redemption

33. Lessee hereby expressly waives any and all right of redemption in case Lessee shall be dispossessed by judgment or warrant of any court or judge. The words "enter", "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning.

Surrender of Possession

34. Upon the termination of this lease under any of the provisions of subdivisions (a) to (g), inclusive, of Paragraph 31, Lessee shall remain liable as provided in Paragraph 32 of this lease. Upon the termination of this lease under any other of its provisions, Lessee shall be and remain liable to pay all rent, additional rent and other charges due or accrued and to perform all covenants and agreements of Lessee up to the date of such termination. On or before any such termination Lessee shall vacate the Apartment and surrender possession thereof to Lessor or its assigns, shall execute,

acknowledge and deliver to Lessor or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of Lessee in the Apartment, the Residential Unit and the Condominium.

Lessee's Option to Cancel

35. (a) This lease may be canceled by Lessee on any December 31st after the third anniversary of the Cooperative Conversion Date, upon Lessee's compliance with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by Lessee to Lessor on or before July 1st, in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with Lessor by Lessee:

Deposits Required

(i) Lessee's counterpart of this lease with a written assignment in form required by Lessor, in blank, effective as of November 30 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever;

(ii) Lessee's certificate for the Shares of Lessor endorsed in blank for transfer and with any necessary transfer tax stamps affixed and with payment of any applicable state or local transfer taxes or other transfer taxes due in connection with the transfer, as determined by Lessor in its sole discretion; and

(iii) a written statement setting forth in detail those additions, improvements, fixtures or equipment which Lessee has the right to remove under the terms of this lease and intends to remove.

Removal of Fixtures; Possession

(b) All additions, improvements, appliances and fixtures which are removable under the terms of this lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by Lessee prior to November 30th of the year of cancellation, and on or before said November 30th Lessee shall deliver possession of the Apartment to Lessor in good condition with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances and other charges (except as aforesaid) and pay to Lessor all rent and other charges which shall be payable under this lease up to and including the following November 30.

Permission to Show and Occupy Premises

(c) Lessor and its agents may show the Apartment to prospective lessees, contractors and architects at reasonable times, after notice of Lessee's intention to cancel. After August 31st or the earlier vacating of the Apartment, Lessor and its agents, employees, and lessees

may enter the Apartment, occupy the same and make such alterations and additions therein as Lessor may deem necessary or desirable without diminution or abatement of the rent due hereunder.

Effective Date of Cancellation

(d) If Lessee is not otherwise in default hereunder and if Lessee shall have timely complied with all of the provisions of subdivisions (a) and (b) hereof, then this lease shall be canceled and all rights, duties and obligations of the parties hereunder shall cease as of the December 31st fixed in said notice, and the Shares of Lessor theretofore owned by Lessee shall become the absolute property of Lessor, provided, however, that Lessee shall not be released for any indebtedness owing Lessor on said last mentioned date and shall be liable to Lessor for same.

Rights on Lessee's Default

(e) If Lessee shall give the notice but fail to comply with any of the other provisions of this paragraph, Lessor shall have the option at any time prior to December 31st (i) of returning to Lessee this lease, the certificate for the Shares and other documents deposited, and thereupon Lessee shall be deemed to have withdrawn the notice of intention to cancel this lease or (ii) of treating this lease as canceled as of the December 31st named in the notice of intention to cancel as the date for the cancellation of such lease, and bringing such proceedings and actions as it may deem best to enforce the covenants of Lessee hereinabove contained and to collect from Lessee the payments which Lessee is required to make hereunder, together with reasonable attorneys' fees and expenses.

Extension of Option to Cancel

36. (a) If in any year the total number of corporate Shares of Lessor owned by lessees holding Proprietary Leases for Apartments in the Residential Unit, who have given notice pursuant to Paragraph 35 of intention to cancel such proprietary lease on December 31st of said year, shall aggregate ten (10%) percent or more of Lessor's outstanding and issued corporate Shares, exclusive of treasury shares, then Lessor shall, on or prior to July 31st in such year, give a written notice to the holders of all issued and outstanding Shares of Lessor, stating the total number of Shares owned by lessees holding Proprietary Leases who have given notice of intention to cancel. In such case the proprietary lessees to whom such notice shall have been given shall have the right to cancel their lease in compliance with the provisions of Paragraph 35 hereof, provided only that written notice of the intention to cancel such leases shall be given on or before October 1st instead of July 1st.

Right of Lessees to Cancel

(b) If lessees owning at least 66-2/3% of the then issued and outstanding corporate Shares of Lessor shall exercise the option to cancel their lease in one year, then, with the prior consent of HDC during the HDC Restriction Period, this and all other Proprietary Leases shall thereupon terminate on December 31st of the year in which such options shall have been exercised,

as though every lessee had exercised such option. In such event none of the lessees shall be required to surrender their Shares to Lessor and all certificates for Shares delivered to Lessor by those who had, during the year, served notice of intention to cancel their lease under the provisions hereof, shall be returned to such lessees.

Continuation of Cooperative Management of Building After All Leases Are Terminated

37. No later than thirty (30) days after the termination of all Proprietary Leases for Apartments in the Residential Unit, whether by expiration of their terms or otherwise, a special meeting of shareholders of Lessor shall take place to determine whether (a) to continue to operate the Residential Unit as a residential building, (b) to alter, demolish or rebuild the Residential Unit or any part thereof, or (c) to sell the Residential Unit and liquidate the assets of Lessor. The Directors shall carry out the determination made by the holders of a majority of the Shares of Lessor then issued and outstanding. Such majority shall be present in person or by proxy and voting at said special meeting of shareholders of Lessor, and all of the holders of the then issued and outstanding Shares of Lessor shall have such rights as enure to shareholders of corporations having leasehold or fee title to real estate.

Sale of Shares Under the Offering Plan

Unsold Shares

38. (a) The term **"Unsold Shares"** means and has exclusive reference to the Shares of Lessor offered under the Offering Plan which were not purchased and fully paid for by purchasers under the Offering Plan as of the Cooperative Conversion Date, and were owned by Sponsor or Suna/Levine Industries, Inc. (**"Suna/Levine"**) as of that date. Unsold Shares lose their characterization as Unsold Shares upon their transfer by Sponsor or Suna/Levine, as applicable, to any transferee unless the transferee to whom the Shares are transferred is acquiring the Shares for purposes other than occupancy of the appurtenant Apartment by the transferee or transferee's family and offers the Shares for sale under the Offering Plan. For a transferee to be deemed a "holder" of Unsold Shares, the Shares must be Unsold Shares and the transferee must be explicitly designated in writing by Sponsor as a "holder" of Unsold Shares at the time of transfer. Such "holder" designation must be in writing by Sponsor to the transferee to be a valid designation as a holder of Unsold Shares. If the transferee/Tenant-Shareholder has been designated a holder of Unsold Shares by Sponsor, Sponsor shall be deemed to have guaranteed that Tenant-Shareholder's Maintenance under the Proprietary Lease. Sponsor's guarantee shall exist only with respect to a holder of Unsold Shares designated as such by Sponsor while that holder owns the Unsold Shares and shall not run to transferees of that holder. If a holder of Unsold Shares, or a person related by blood, marriage or adoption to the holder of Unsold Shares, takes occupancy of the Apartment to which the Unsold Shares are appurtenant, the Shares shall cease to be Unsold Shares.

Sale of Shares

(b) Any sale of Shares and their appurtenant Proprietary Leases pursuant to the Offering Plan, be they Unsold Shares or otherwise, shall be in accordance with the terms of the Offering Plan. Sponsor and any other party selling Shares under the Offering Plan is permitted to use Apartments to which Unsold Shares are appurtenant for models or offices, and may make alterations or additions to such Apartments without the consent of Lessor. All such alterations and additions must comply with relevant building codes and related laws.

Fees

(c) No expenses referred to in this lease established by (or required to be collected by) Lessor, its Directors, or its Tenant-Shareholders, or any agent of Lessor, its Directors or its Tenant-Shareholders (including, but not limited to, legal fees, transfer fees, resale fees, HDC Resale Profits, HPD Apartment Resale Profits, move-in fees, move-out deposits or similar fees) shall be due on or in connection with sales or sublets of Apartments appurtenant to Shares being offered for sale under the Offering Plan.

Change in Form of Lease; Amendments to Lease

(d) No change in the form, terms or conditions of this lease, as permitted by Paragraph 6 or otherwise, shall be made (i) which adversely affects the rights of parties selling Shares under the Offering Plan as said rights are set forth in this lease, or (ii) which eliminates, modifies or adversely affects any other rights, privileges or obligations under this lease or the Offering Plan of any party selling Shares under the Plan, without the consent of each such party. This lease may not be altered, amended or repealed in such a manner as would adversely affect the rights or interests of parties selling Shares under the Offering Plan, without the unanimous consent of all such parties.

Limitation on Option to Cancel

(e) The provisions of Paragraph 35 may not be availed of by a party who is engaged in the sale of Shares under the Offering Plan unless (i) lessees owning a majority of Lessor's outstanding Shares shall have given notice of intention to cancel pursuant to Paragraph 35 or 36, (ii) all Shares then being offered for sale under the Plan constitute 15% or less of Lessor's outstanding and issued Shares, or (iii) at least two (2) years have elapsed since the Cooperative Conversion Date. On the effective date of cancellation such party shall pay to Lessor a sum equal to the product of the then current monthly Maintenance payable under this lease multiplied by twenty-four (24).

Cooperation

(f) Lessor will cooperate with any party offering Shares for sale pursuant to the Offering Plan in connection with the sale of such Shares and in connection with the filing of

amendments to the Offering Plan. Such cooperation shall include, without limitation, the furnishing of all relevant information concerning the Residential Unit, the Apartment Corporation, the Building and their operation, and the furnishing of all required documents. If such documents are not in existence, the party requesting them shall pay the cost of their preparation, subject to the following: if Lessor reasonably should have those documents in its possession, Lessor shall pay for their preparation.

Additional Rights & Non-Interference
with Marketing of Shares Under the Plan

(g) (i) If any provision of the Offering Plan grants any specific rights or privileges to parties engaged in the sale of Shares under the Plan, other than rights contained in this lease, those provisions shall be deemed to be incorporated in this lease and any party so engaged in the sale of Shares pursuant to the Plan shall be entitled to those rights and privileges as if those provisions were expressly set forth in this lease.

(ii) Anything contained in this lease and the House Rules of Lessor to the contrary notwithstanding, Lessor shall not prevent, impede or interfere in any way with the sale of Shares under the Offering Plan or the effectuation by Sponsor of its obligations and rights under the Offering Plan. Any party offering Shares for sale under the Plan shall have the right to display "For Sale" and/or "For Rent" signs and similar promotional signs and material on or about the exterior of the Building, the Residential Unit, the Commercial Unit, the lobby and Apartments appurtenant to Shares owned by that party. In addition, prospective purchasers of Shares under the Plan and sales personnel of any seller under the Plan, shall be given access to the public areas of the Residential Unit, including, without limitation, the lobbies, elevators and hallways, for purposes of ingress and egress, without being subject to any charge or fee therefor. No discriminatory charge or fee may be imposed on any lessee who is offering Shares for sale under the Plan.

Inconsistencies

(h) If there are any inconsistences between this lease and the Offering Plan with respect to the rights and privileges of parties selling Shares under the Offering Plan, the provisions of the document containing the broader rights and privileges shall control. Inconsistencies between this lease and the Offering Plan with respect to obligations of parties selling Shares under the Plan shall be resolved in favor of the document with fewer and/or less onerous obligations.

Voting

(i) At meetings for the election of Directors, each Lessee , including, without limitation, Sponsor and any other holder of Unsold Shares with respect to shares it then owns, will be entitled to cast as many votes as equal the number of Directors to be elected multiplied by

the number of shares owned by the Lessee. Lessee may cast all of such votes for a single director or may distribute them among the number of directors to be voted for, as such Lessee may see fit. Such right, when exercised, is known as "cumulative voting." Directors will be elected by a plurality of the votes cast at a meeting at which a quorum is present.

Defaults or Foreclosure - Receiver of Rents

39. Notwithstanding anything to the contrary contained in this lease, if any action shall be instituted to cure any default by the holder of any Underlying Mortgage or to foreclose any Underlying Mortgage on the Residential Unit, Lessee shall, on demand, pay to the receiver of the rents appointed in such action rent, if any is owing hereunder on the date of such appointment, and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as rent hereunder, the higher of (i) the rent for the Apartment as last determined and established by the Directors prior to the commencement of said action, or (ii) the rent for the Apartment determined and established by the Directors as of the fiscal year prior to the fiscal year in which the foreclosure action was commenced, and such rent shall be paid during the period of such receivership, whether or not the Directors shall have determined and established the rent payable hereunder for any part of the period during which such receivership may continue. The provisions of this paragraph are intended for the benefit of present and future holders of Underlying Mortgages on the Residential Unit and may not be modified or annulled without the prior written consent of any such mortgage holders.

To Whom Covenants Apply

40. The references herein to Lessor shall be deemed to include its successors and assigns, and the references herein to Lessee or to a shareholder or Tenant-Shareholder of Lessor shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of Lessee or of such shareholder or Tenant-Shareholder . The covenants herein contained shall apply to, bind and inure to the benefit of Lessor and its successor and assigns, and Lessee and the executors and administrators, legal representatives, legatees, distributees and assigns of Lessee, except as hereinabove stated.

Waiver of Trial by Jury

41. To the extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this lease, Lessee's use or occupancy of the Apartment, or any claim of damage resulting from any act or omission of the parties in any way connected with this lease or the Apartment, appurtenant terrace, patio, balcony, roof area or storage area in the Residential Unit assigned to Lessee, or any other portion of the Residential Unit or the Building.

Lessor's Additional Remedies

42. In the event of a breach or threatened breach by Lessee of any provision hereof, Lessor shall have the right of injunction and the right to invoke any remedy at law or in equity, as if reentry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude Lessor from any other remedy.

Lessee More Than One Person

43. If more than one person is named as Lessee hereunder, Lessor may require the signatures of all such persons in connection with any notice to be given or action to be taken by Lessee hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this lease, or any request for consent to assignment. Each person named as Lessee shall be jointly and severely liable for all of Lessee's obligations hereunder. Any notice by Lessor to any person named as Lessee shall be sufficient, and shall have the same force and effect as though given to all persons named as Lessee.

Action by Lessee

44. Lessee may not institute an action or proceeding against Lessor, or defend or make a counterclaim in any action by Lessor related to Lessee's failure to pay rent, if such action, defense or counterclaim is based upon Lessor's failure to comply with its obligations under this lease or any law, ordinance or governmental regulation unless such failure shall have continued for thirty (30) days after the giving of written notice thereof by Lessee to Lessor.

Conditions of Ownership of Shares

45. The Shares have been acquired and are owned subject to the following conditions agreed upon with Lessor and with each of the other proprietary lessees for their mutual benefit:

(a) the Shares represented by each certificate are transferable only as an entirety;

(b) the Shares shall not be sold except to Lessor or to an assignee of this lease after compliance with all of the provisions of Paragraph 16 of this lease relating to assignments; and

(c) the Shares represented by each certificate and the accompanying proprietary lease are subject to a first lien of the Corporation, as described in the By-Laws.

Utilities

46. If at any time or times during the term of this lease the consumption of gas or electricity, or both, in the Apartment is measured by a meter which also measures consumption outside the Apartment, Lessor may determine from time to time by resolution of the Board of Directors thereof, the charges, if any, to be paid by Lessee on account of such consumption of gas or electricity, or both and any such charges shall be payable monthly in advance or in such payments or installments as shall be required by the Directors, and at such times as shall be provided in such resolution.

No Discrimination

47. Lessor will not discriminate against any person because of Lessee's race, creed, color, national origin, sex, age, disability, marital status or sexual orientation when exercising any right reserved to it in this lease.

Validity of Provisions

48. If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other clause or provision of this lease, or constitute any cause of action in favor of either party as against the other.

Paragraph Headings

49. The headings of the paragraphs of this lease shall not be deemed a part of this lease, nor used as evidence of the intent of the parties.

Changes to Lease in Writing

50. The provisions of this lease cannot be changed orally.

Gender

51. A reference in this lease to any one gender, masculine or feminine includes the other gender, and any singular reference includes the plural and vice versa, unless the context otherwise requires.

Conflict of Laws

52. If any provision of this lease conflicts with the laws of the State of New York, the laws of the State of New York shall prevail. The conflicting provision of this lease shall be void to the extent that it varies from applicable law. Except for the conflicting provision, this lease shall continue in full force and effect.

Other Conflicts

53. If any provision of this lease conflicts with the terms of the HDC Regulatory Agreement, the HPD Regulatory Agreement or any of the Underlying Mortgages, the terms of the applicable document shall prevail over the terms of this lease. The conflicting provision of this lease shall be void to the extent it varies from the provision of said document. Except for the conflicting provision, this lease shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this lease.

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION, Lessor

By:_____
Name:
Office:

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC, Lessee

By: Suna/Levine Industries, Inc.

By:_____
Name:
Office:

STATE OF NEW YORK)
: ss.
COUNTY OF NEW YORK)

On the 25th day of June in the year 1999 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of whom the individual acted, executed the instrument.

_____
Signature and Office of Individual
Taking Acknowledgment.

STATE OF NEW YORK)
:ss.
COUNTY OF NEW YORK)

On the 25th day of June in the year 1999 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of whom the individual acted, executed the instrument.

_____
Signature and Office of Individual
Taking Acknowledgment.

EXHIBIT 1
TO
PROPRIETARY LEASE FOR
RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

A. During the HDC Restriction Period, the following sixty (60) Apartments will be available only to Prospective Purchasers whose Aggregate Annual Household Income does not exceed 250% of Median Income and who otherwise satisfy all requirements of the HDC Regulatory Agreement:

204	528	628	804	906	1005
208	602	632	805	907	1006
230	604	702	808	908	1007
234	608	704	815	909	1102
320	609	705	816	910	1103
415	615	708	820	911	1104
420	616	715	821	915	1105
508	617	716	902	916	1106
515	620	720	904	1002	1107
520	627	802	905	1004	1108

B. Any Apartment not listed in Section A of this Exhibit 1, will, during the HDC Restriction Period, be available only to Prospective Purchasers whose Aggregate Annual Household Income does not exceed 165% of Median Income.

7. RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION: HOUSE RULES

I. PUBLIC AREAS AND ELEVATORS

A. The public halls and stairways of the Residential Unit (hereinafter, the "***Building***") of The Renaissance Condominium (hereinafter, the "***Renaissance Condominium***") shall not be obstructed or used for any purpose other than ingress to and egress from the Apartments in the Building, and the fire towers shall not be obstructed in any way.

B. No person shall be permitted on the main roof, except under the auspices or supervision of the Board of Directors of Renaissance Housing Development Fund Corporation (the "***Apartment Corporation***"), or the Board of Managers of The Renaissance Condominium (the "***Condominium Board***").

C. No lounging or loitering shall be permitted by any person in the vestibule, lobby or area immediately outside the entrance of the Building.

D. Children shall not play in the main lobby, public halls, stairways or elevators of the Building, nor shall they be permitted upon terraces, balconies or patios of the Building unless accompanied by a responsible adult.

E. No public hall in the Building shall be decorated or furnished by any Tenant-Shareholder in any manner without the prior written consent of the Board of Directors of the Apartment Corporation.

F. No article shall be placed in the halls or on the staircase landings or fire towers, nor shall anything be hung or shaken from the doors, windows, patios, terraces or balconies or placed upon the windowsills of the Building.

G. No bicycles, scooters, shopping carts, baby carriages or similar vehicles shall be allowed to stand in the public halls, lobby, passageways, areas or courts of the Building.

H. No awnings or ventilators shall be used in or about the Building except such as shall have been expressly approved by the Apartment Corporation, nor shall anything be projected out of any window of the Building without similar approval.

I. No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building, except as permitted in the Declaration of Condominium.

J. No notices of any sort shall be posted in the hallways or elevators of the Building, except by the managing agent of the Apartment Corporation, nor shall any such be affixed to the doors or walls of any public area in the Building.

K. The entrance, vestibule and lobby of the Building shall not be cluttered or impeded with baggage or other personal belongings and shall be kept free of such articles except for a brief period when loading or unloading.

L. No radio or television aerial be attached to or hung from the exterior of the Building without the prior written approval of the Apartment Corporation or its managing agent.

M. No Tenant-Shareholder shall install any plantings on any terrace, balcony, patio or roof without the prior written approval of the Apartment Corporation. Plantings shall be contained in boxed of wood lined with metal or other material impervious to dampness and standing on supports at least two inches from the terrace, balcony, patio or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the box to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hallow tile walls which shall be at least three inches from the parapet and flashing, and raised at least two inches from the terrace, balcony, patio or roof surface, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. It shall be the responsibility of the Tenant-Shareholder who installs any planting to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition.

II. SANITATION AND ORDER

A. Each Tenant-Shareholder shall keep Tenant-Shareholder's Apartment and any other space in the Building rented by Tenant-Shareholder in a good state of preservation and cleanliness and shall not sweep or throw or permit to be thrown therefrom, or from the doors, windows, terraces, balconies or patios thereof, any dirt, bird food, cigarettes or cigar stubs, cans, bottles or other substances. Pigeons or other birds or animals shall not be fed from windows, windowsills, terraces, balconies or patios, or in or from the public portions of the Building or surrounding areas. Tenant-Shareholders are prohibited from maintaining bird feeders on windowsills, balconies, terraces or patios.

B. Garbage and refuse from Apartments shall be disposed of only at such times and in such manner as the superintendent or managing agent of the Apartment Corporation may direct. No bottles shall be deposited in the compactor chute.

C. Garbage and refuse from Apartments shall be deposited in and forced down the shaft provided therefor in the compactor room. No paper, garbage or refuse shall be left on the floor of the compactor room other than clean bottles and newspapers neatly stacked. All items too large to be deposited in the chute provided for garbage and refuse shall be carried by Tenant-Shareholders to the garbage room in the basement.

D. The agents of the Apartment Corporation, and any contractor or workman authorized by the Apartment Corporation, may enter any Apartment at any reasonable hour of the day for the purpose of inspecting such Apartment to ascertain whether measures are necessary or desirable to control or exterminate any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

E. Water closets, toilets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed, nor shall any sweepings, rubbish, rags or any other articles be thrown into the water closets. The cost of repairing any damage resulting from misuse of any water closets or other apparatus shall be paid for by the Tenant-Shareholder in whose Apartment it shall have been caused.

F. Tenant-Shareholders shall maintain their terraces, balconies and patios in a neat and orderly condition and shall not use the terraces, balconies or patios as storage space.

G. Tenant-Shareholders shall be responsible for all dirt and garbage created by any outside employee, contractor or tradesperson serving them and shall see to it that such agents leave the Apartment and the Building in an orderly and clean condition at the close of each day's work.

H. Tenant-Shareholders shall comply with all recycling laws regarding the disposal of garbage and refuse. In the event that a violation is imposed against the Apartment Corporation or the Building by reason of a Tenant-Shareholder's non-compliance with such recycling laws, that Tenant-Shareholder shall be responsible for payment of fines, penalties, attorney's fees and other costs of compliance incurred by the Apartment Corporation.

III. SECURITY

A. Each Tenant-Shareholder shall leave with the superintendent a key or keys to Tenant-Shareholder's Apartment. No Tenant-Shareholder shall alter or install a new lock on any door leading into Tenant-Shareholder's Apartment without notifying the superintendent. If Tenant-Shareholder alters or installs a new lock on any door leading into Tenant-Shareholder's Apartment, Tenant-Shareholder shall provide the superintendent with a key for the Apartment Corporation's use. If this rule is not observed and it becomes necessary for any reason to break into an Apartment, the Tenant-Shareholder shall be liable for all damages to the door, and for all damages to any other parts of the Building or of the Renaissance Condominium of which the Building is a part, caused by delay in obtaining access to the Apartment.

B. Each Apartment key or keys will be maintained by the Apartment Corporation in a secure manner and in the event a Tenant-Shareholder shall withdraw a key, Tenant-Shareholder shall be required to sign a receipt therefor. The keys so deposited are intended for the Apartment Corporation's use in case emergency entry is needed; they are not deposited for use of a Tenant-Shareholder or resident member of Tenant-Shareholder's family who forgot or lost his or her key.

C. In the event access to the Apartment by an exterminator or Building personnel is requested or required by a Tenant-Shareholder, a separate key shall be provided by Tenant-Shareholder on such occasion and the emergency key shall remain undisturbed.

D. All visitors must be announced and acknowledged before admittance. If a Tenant-Shareholder anticipates more than ten (10) guests on a particular occasion, Tenant-Shareholder shall furnish the concierge in advance with a list of their names to provide admittance, on such occasion only, without the necessity of announcement.

E. Canvassing, soliciting or peddling in the Building is prohibited. No advertising matter may be placed in the mailboxes except that which is delivered by the Post Office. No circulars or other soliciting material shall be placed under or near any Tenant-Shareholder's entrance door. Each Tenant-Shareholder is requested to report promptly any violations of this rule to the superintendent or the concierge.

F. No Tenant-Shareholder shall send any employee of the Apartment Corporation on any private business of Tenant-Shareholder during such employee's working hours, nor shall any Tenant-Shareholder engage the services of any employee of the Apartment Corporation for personal use or work in Tenant-Shareholder's Apartment during such hours.

IV. ALTERATIONS

A. No structural alteration shall be made in any Apartment without the prior written consent by the Board of Directors of the Apartment Corporation to plans submitted to and reviewed by the Board, nor shall any alteration of any type be made to any portion of the Building fronting on the street, by any Tenant-Shareholder.

B. All contractors engaged by Tenant-Shareholders shall be licensed and shall carry such insurance as shall be required by the Board of Directors.

C. No structure, including but not limited to, fences, flower boxes or other planting installations, shall be erected on the terraces, balconies or patios of the Building. Any such structure erected on the roof of the Building shall require the approval of the Board of Directors of the Apartment Corporation and the Condominium Board. Anything erected with such approval shall be subject to removal and replacement at the expense of the Tenant-Shareholder for the purpose of necessary repairs, upkeep or maintenance of the Building or the Renaissance Condominium. In the event the Tenant-Shareholder fails or refuses to comply with respect to a request for such removal, the Apartment Corporation may cause the removal thereof without any liability and may charge the expenses incurred by such removal to the Tenant-Shareholder.

D. Every contractor employed by a Tenant-Shareholder shall file with the Board of Directors or the managing agent a waiver of contractor's right to place any lien on the Building.

V. GENERAL

A. Complaints regarding the services of the Building or violations of these rules shall be made in writing to the managing agent of the Apartment Corporation.

B. Any consent or approval given under these House Rules by the Apartment Corporation shall be revocable at any time.

C. These rules shall be enforced uniformly and in a non-discriminatory manner. Failure to enforce any rule on any occasion shall not constitute a waiver or abrogation thereof.

D. These House Rules shall be binding not only on the Tenant-Shareholders, but also, where applicable, on the family, guests, servants, authorized sub-Tenant-Shareholders, and other occupants of Apartments. Neither the superintendent not any employee of the Apartment

Corporation has any authority to modify these rules or to give any consent or approval that is required thereunder, unless expressly and explicitly stated in these Rules.

THESE HOUSE RULES MAY BE ADDED TO, AMENDED OR REPEALED AT ANY TIME BY RESOLUTION OF THE DIRECTORS OF THE APARTMENT CORPORATION.

8. APARTMENT CORPORATION BY-LAWS

BY-LAWS

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

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BY-LAWS
OF
RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

ARTICLE 1

DEFINITIONS

"**Apartment**": An apartment in the Residential Unit.

"**Apartment Closing Date**": The date as of which a Purchaser under the Offering Plan closes under Purchaser's Purchase Agreement and becomes the owner of the Shares and the Tenant-Shareholder under the Proprietary Lease allocated to that Apartment.

"**Apartment Corporation**": Renaissance Housing Development Fund Corporation, a corporation formed under Article 11 of the New York Private Housing Finance Law and the New York Business Corporation Law.

"**Board of Directors**" or "**Board**": The governing body of the Apartment Corporation.

"**Board of Managers**": The governing body of the Condominium.

"**Building**": The structure erected on the Land.

"**By-Laws**": This document, which governs the operation of the Apartment Corporation.

"**Commercial Unit**": The Commercial Unit in the Condominium.

"**Condominium**": The Renaissance Condominium located at 130 Malcolm X Boulevard as established by the Declaration.

"**Condominium By-Laws**": The By-Laws of the Condominium attached to and made part of the Declaration.

"**Cooperative Conversion Date**": The date on which title to the Residential Unit is conveyed by the Partnership to the Apartment Corporation and the Apartment Corporation closes on its permanent financing with HDC and HPD.

"**Corporation**": The Apartment Corporation, as defined above.

"**Declaration**": The Declaration establishing The Renaissance Condominium dated April 8, 1999 and recorded in the City Registers Office New York County on June 4, 1999 in Reel 2886, Page 1620.

"**Department of Law**": The New York State Department of Law, occasionally referred to as the "Attorney General's Office."

"**HDC**": The New York City Housing Development Corporation.

"**HDC Regulatory Agreement**": The Regulatory Agreement between HDC, Sponsor, the Partnership and the Apartment Corporation, as same may be amended from time to time.

"**HPD**": The New York City Department of Housing Preservation and Development.

"**HPD Regulatory Agreement**": The Regulatory Agreement between HPD and the Apartment Corporation, as same may be amended from time to time.

"**Land**": The land located at 130 Malcolm X Boulevard in New York, New York.

"**Maintenance**": Monthly rent payable by Tenant-Shareholders to the Apartment Corporation for operating expenses of the Residential Unit, including but not limited to, Mortgage debt service, insurance and the Residential Unit's pro-rata share of Condominium common charges.

"**Mortgage**": A mortgage of record secured by the Residential Unit, as same may by modified or extended from time to time.

"**Residential Unit Managing Agent**": The managing agent, if any, engaged by the Apartment Corporation to manage the Residential Unit.

"**Mortgagee**": Any holder of a Mortgage on the Residential Unit and any assignee, transferee or other subsequent holder of a Mortgage.

"**Offering Plan**" or "**Plan**": The offering plan for the sale of the Shares of the Apartment Corporation, together with their appurtenant Proprietary Leases, filed by Sponsor with the Department of Law, as same may be amended from time to time.

"**Partnership**": New York City Partnership Housing Development Fund Company, Inc.

"**Project**": The mixed use residential and commercial Condominium project developed on the Land.

"**Property**": The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.

"**Proprietary Lease**": The lease between the Apartment Corporation, as Lessor and a Tenant-Shareholder, as Lessee, which permits residential occupancy of an Apartment to which Shares have been allocated.

"**Shares**": The outstanding and issued corporate stock of the Apartment Corporation.

"Sponsor" or "Sponsor's Designee" or a "Designee of Sponsor" (or similar terms): Central Harlem Partnership Plaza, LLC, any affiliate of Central Harlem Partnership Plaza LLC, or any person or entity designated by Central Harlem Partnership Plaza, LLC to act for or on behalf of Central Harlem Partnership Plaza, LLC in connection with the Apartment Corporation, its Board of Directors and/or the Offering Plan. An affiliate shall be deemed to be a person or an entity or an affiliate of a person or entity who or which (i) owns or controls some or all of the legal or beneficial interest in Central Harlem Partnership Plaza, LLC or in one or more of its members or in one or more of the principals of its members, or (ii) an entity with respect to which Central Harlem Partnership Plaza, LLC, or any member of Central Harlem Partnership Plaza, LLC or any principal of a member of Central Harlem Partnership Plaza, LLC owns or controls some or all of the legal or beneficial interest.

"Tenant-Shareholder": An owner of Shares allocated to and the tenant under a Proprietary Lease for, an Apartment.

ARTICLE 2

PURPOSE OF CORPORATION

The primary purposes of the Corporation are (i) to provide residences for income eligible persons who shall be entitled, solely by reason of their ownership of Shares, to Proprietary Leases for Apartments, and (ii) to own and operate the Residential Unit in which these residences are located.

ARTICLE 3

MEETINGS OF TENANT-SHAREHOLDERS

Section 3.1. Place of Meeting. All meetings of the Tenant-Shareholders of the Corporation shall be held at such place within the City of New York specified in the notice of the meeting or in the waiver of notice thereof.

Section 3.2. Annual Meetings. The Corporation shall hold a meeting of its Tenant-Shareholders at least once annually. The first annual meeting of Tenant-Shareholders of the Corporation shall be held within approximately ninety (90) days after the Cooperative Conversion Date. Subsequent annual meetings shall be held on or about the annual anniversary of the first annual meeting at such time and place as may be designated by the Board of Directors of the Corporation. The notice of the meeting shall be in writing and signed by the president, the vice president, the secretary, or the assistant secretary. Such notice shall state the time when and the place within the state where such meeting is to be held. The secretary shall cause a copy of such notice to be delivered personally or mailed to each Tenant-Shareholder of record entitled to vote at such meeting at least ten (10) but not more than forty (40) days before the meeting. If mailed, the notice of meeting shall be sent directly to each such Tenant-Shareholder at Tenant-Shareholder's address as it appears in the share book of the Corporation, unless the Tenant-Shareholder shall have filed with the secretary of the Corporation a written request that

notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 3.3. Special Meetings. Special meetings of Tenant-Shareholders, other than those the calling of which is regulated by statute, may be called at any time by the president, the secretary or by a majority of the Board of Directors. It shall also be the duty of the secretary to call such meetings whenever requested in writing to do so by Tenant-Shareholders owning at least twenty-five (25%) percent of the outstanding Shares. The secretary shall cause a notice of such special meeting, stating the time, place and objective thereof and the officer or the person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 3.2 of these By-Laws to each Tenant-Shareholder of record entitled to vote at such meeting at least ten (10) but not more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding Shares be present thereat in person or by proxy.

Section 3.4. Waiver of Notices. The notice provided for in the two foregoing sections is not indispensable, but any Tenant-Shareholders' meeting shall be valid for all purposes if all the outstanding Shares are represented thereat in person or by proxy, or if a quorum is present, as provided in the next section, and waiver of notice of the time, place and object of such meeting shall be duly executed in writing either before or after said meeting by such Tenant-Shareholders as are not so represented and were not given such notice.

Section 3.5. Quorum. At each meeting of Tenant-Shareholders, except where otherwise provided by law, Tenant-Shareholders representing, in person or by proxy, at least one-third of the Shares then issued and outstanding shall constitute a quorum. In case a quorum shall not be present at any meeting, the holders of a majority of the Shares represented in person or by proxy at that meeting may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those Tenant-Shareholders who, if present at the original meeting, would have been entitled to vote at the original meeting shall be entitled to vote at any such adjourned meeting.

Section 3.6. Voting; Proxies.

(a) At each meeting of Tenant-Shareholders each Tenant-Shareholder (including Sponsor with respect to any Shares it then owns) present in person or by proxy shall be entitled to one vote for each Share registered in Tenant-Shareholder's name at the time of service of notice of such meeting, or at such prior date (but not more than forty (40) days before such meeting) as may be prescribed by the Board for the closing of the corporate share transfer books or fixed by the Board of Directors as the date for determining which Tenant-Shareholders of record are entitled to notice of and to vote at such meeting. Proxies shall be in writing duly signed by the Tenant-Shareholder, but need not be acknowledged or witnessed, and the person named as proxy by any Tenant-Shareholder need not himself or herself be a Tenant-Shareholder of the Corporation. Voting by Tenant-Shareholders shall be by voice vote unless any Tenant-Shareholder present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Tenant-Shareholder voting and the number of Shares owned by Tenant-Shareholder and in addition, the name of the proxy if such ballot is cast by a proxy.

(b) In all elections of directors of the Corporation, each Tenant-Shareholder (including Sponsor with respect to any Shares it then owns) eligible to vote at that meeting will be entitled to vote as many votes as equal the number of Shares allocated to Tenant-Shareholder's Apartment and owned by Tenant-Shareholder, multiplied by the number of directors to be elected. Such Tenant-Shareholder may cast all of such votes for a single director or may distribute them among the number of directors to be voted for, as such Tenant-Shareholder may see fit. Such right, when exercised, is known as "cumulative voting".

(c) Directors will be elected by a plurality of the votes cast at a meeting at which a quorum is present.

Section 3.7. Inspectors of Elections. Inspectors of election shall not be required to be appointed at any meeting of Tenant-Shareholders unless requested by a Tenant-Shareholder present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 3.8. Order of Business. So far as consistent with the purpose of the meeting, the order of business of each meeting of Tenant-Shareholders shall be as follows:

1. Call to order.
2. Presentation of proof of due calling of meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of committees.
7. If the annual meeting or a special meeting called for that purpose, the election of directors.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE 4

DIRECTORS

Section 4.1. Qualification and Number.

(a) Upon the adoption of these By-Laws, the Tenant-Shareholders of the Corporation shall elect three directors. These directors shall serve until the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, or until their successors are elected or appointed, whichever is later. At the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, the three initial directors shall resign and a seven-member Board of Directors shall be established. From and after this first annual meeting, the number of directors of the Corporation shall be seven. The number of directors of the Corporation shall never be more than seven or less than three, unless these By-Laws are amended to provide otherwise. The number of directors may be changed by resolution of the Tenant-Shareholders at any annual or special meeting, provided that the notice of such meeting shall state that a resolution will be considered to change the number of directors and shall set forth the proposed number in such resolution. Any such resolution shall specify the manner in which the selection of directors necessitated by an increase in the number of directors shall be accomplished or shall state that a decrease in the number of directors shall not shorten the term of any incumbent director, as the case may be. The number of directors so determined shall be the number of directors of the Corporation until changed by further action of the Tenant-Shareholders in accordance with the foregoing. At least one director of the Corporation shall be a resident of the State of New York. All directors shall be at least 18 years of age.

(b) Each director shall be either a Tenant-Shareholder (with respect to natural person Tenant-Shareholders), or in the case of an entity Tenant-Shareholder, shall be either a principal or employee or appointee of that entity with authority to bind the entity. Notwithstanding the foregoing, pursuant to Section 14.2 of the HDC Regulatory Agreement and pursuant to Section 8(B) of the HPD Regulatory Agreement, in the event of default by the Corporation under the HDC Regulatory Agreement or the HPD Regulatory Agreement, HDC or HPD, as applicable, has the right to remove any or all of the then existing directors of the Corporation (and any or all of the Residential Unit Representatives serving on the Board of Managers pursuant to the Condominium By-Laws), and to appoint directors to the Board of Directors (and Residential Unit Representatives to the Board of Managers) to serve in the places of those directors (and Residential Unit Representatives) so removed. Directors so appointed need not be Tenant-Shareholders.

(c) If a Tenant-Shareholder comprises two or more natural persons in their individual capacities (i.e., wife and husband, siblings, parent and child, life or other partner, etc.), only one person from the Tenant-Shareholder may be a director.

Section 4.2. Election and Term.

(a) The initial Tenant-Shareholders of the Corporation shall elect three (3) directors to the Board of Directors, who shall hold office until the election of directors at the first annual meeting

of Tenant-Shareholders held after the Cooperative Conversion Date, as described in this Article 4. At the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, and at all annual meetings and special meetings held thereafter at which directors are to be elected, directors shall be elected by cumulative voting.

(b) The term of office of directors elected at the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date shall be two years for three directors and one year for four directors (or, in either case, until their successors are duly elected or appointed). The three candidates receiving the highest number of votes shall serve the two-year terms and the four candidates receiving the next highest number of votes shall serve one-year terms. Thereafter, at all annual meetings of Tenant-Shareholders, directors shall be elected for two-year terms (or until their successors are duly elected or appointed).

(c) Directors may serve for more than one term.

Section 4.3. Quorum. The presence in person of a majority of the directors at a particular date comprising the Board of Directors shall constitute a quorum at that meeting of the Board of Directors.

Section 4.4. Vacancies. Vacancies in the Board of Directors resulting from death, resignation or otherwise may be filled without notice to Tenant-Shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present. In the event of the failure to hold any election of directors at the time designated for the annual election of directors or in the event that the Board of Directors shall not have filled any such vacancy, a special meeting of Tenant-Shareholders to elect a new Board of Directors or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of Tenant-Shareholders. Vacancies in the Board of Directors resulting from an increase in the Board of Directors by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of directors by amendment to these By-Laws or by a resolution adopted by Tenant-Shareholders, the directors, if any whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 4.5. Resignation and Removal.

(a) Any director may resign at any time by written notice delivered in person or sent by certified mail to the president or the secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

(b) Any director may be removed from office at any time with or without cause upon affirmative vote of Tenant-Shareholders representing more than 50% of the Shares of the Corporation present in person or by proxy, at a duly-called Tenant-Shareholders' meeting, provided notice of the proposed removal was given to the director and in the notice of the meeting. Any member of the Board whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding anything in these By-laws to the contrary, the foregoing removal provisions shall not

be applicable to any director appointed to the Board by HDC or HPD in accordance with the provisions of Section 4.1(b) of these By-laws.

(c) A director who ceases to meet the qualifications to be a director as set forth above, shall be deemed to have resigned as a director effective as of the date of disqualification.

(d) Notwithstanding anything above to the contrary, and as discussed in Section 4.1(b) of these By-laws, in the event of a default under the HDC Regulatory Agreement or under the HPD Regulatory Agreement, HDC or HPD as applicable, shall have the right to remove any or all of the then existing directors (and any or all of the Residential Unit Representatives serving on the Board of Managers of the Condominium), and replace same with designees of the applicable agency. No such removal by HDC or HPD may take place without written notice and an opportunity for the affected director(s) (or Residential Unit Representatives, as applicable), to appear and be heard by HDC or HPD as applicable.

Section 4.6. Meetings. The Board of Directors shall meet immediately after each annual meeting of Tenant-Shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two directors then holding office upon notice given to each director, by delivering personally, mailing or telegraphing the same to such directors at least two days prior to such meeting at the last address furnished by such directors to the Corporation. Regular meetings may be held without notice at such times and places as the Board of Directors may determine, but at least six times annually. Any meeting of the Board of Directors at which all the members shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of directors may be held either at the principal office of the Corporation or elsewhere within the City of New York as provided in the notice calling the meeting, unless the Board of Directors by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Directors, each director shall be entitled to one vote. The vote of a majority of the Board of Directors present at the time of a vote or a duly constituted meeting shall be the act of the Board of Directors.

Section 4.7. House Rules. The Board of Directors may from time to time, adopt and amend such House Rules as it may deem necessary in respect to the Residential Unit and the amenities located at the Residential Unit for the health, safety and convenience of the Tenant-Shareholders and all residents of the Residential Unit. All House Rules shall be binding upon all Tenant-Shareholders and residents. Copies thereof and of changes therein shall be furnished to each Tenant-Shareholder.

Section 4.8. Executive Committee and Other Committees. The Board of Directors may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of at least three directors of the Corporation. Such committees shall have and may exercise such powers of the Board of Directors in the management of the business and affairs of the Corporation during the intervals between the meetings of the Board of Directors as may be determined by the authorizing resolution of the Board of Directors and so far as may be permitted by law, except that no committee shall have power to determine the cash requirements defined in the Proprietary Leases, or to fix the rent to be paid under the Proprietary Leases, or to vary the terms of payment thereof

as fixed by the Board of Directors. Vacancies in membership on the Executive Committee or other committees shall be filled by the Board of Directors at a regular or special meeting.

Section 4.9. Appointments to Condominium Board of Managers. Of the three initial directors of the Corporation elected in accordance with Section 4.1 of these By-Laws, two (2) shall be appointed by Sponsor to serve as the Residential Unit Representatives on the Board of Managers in accordance with Section 2.1 of the Condominium By-Laws. They shall serve until their successors are designated, as provided in this Section 4.9. Following the establishment of a 7-member Board of Directors at the first annual meeting of Tenant-Shareholders held after the Cooperative Conversion Date, the newly elected Board of Directors shall meet and designate two (2) Tenant-Shareholders (who do not necessarily have to be members of the Board of Directors), to serve as the Residential Unit Representatives on the Board of Managers. In accordance with Section 2.2(a) of the Condominium By-Laws, the Board of Directors shall designate the term of one Residential Unit Representative to be one year and the term of the other Residential Unit Representative to be two years. Their terms shall be deemed to commence as of the first annual meeting of Condominium Unit Owners held in accordance with the Condominium By-Laws. Upon such commencement, the initial two Residential Unit Representatives shall step down. Thereafter, the Board of Directors shall designate Tenant-Shareholders to serve two-year terms as Residential Unit Representatives at each annual meeting of Condominium Unit Owners in accordance with the Condominium By-Laws.

ARTICLE 5

OFFICERS

Section 5.1. Election, Qualification and Removal. The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected at the first meeting of the Board of Directors after these By-Laws become effective, and thereafter at the regular meeting of the Board of Directors in each year following the annual meeting of Tenant-Shareholders, and shall serve until removed or until their successors shall have been elected. All officers of the Corporation must be Tenant-Shareholders, subject to the provisions of the following sentence and subject to the right of HDC and HPD to remove Board members in the event of default under the HDC or HPD Regulatory Agreement, and replace them with non-Tenant-Shareholders, as described above. The Board of Directors may at any time or from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board of Directors and may accord to such officers such power as the Board of Directors deems proper. Any such appointed assistant secretary need not be a Tenant-Shareholder. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of directors. The president shall be a member of the Board of Directors, but none of the other officers need be a member of the Board of Directors. One person may hold more than one office at the same time but not more than two offices, except that the president and secretary may not be the same person. Vacancies occurring in the office of any officer may be filled by the Board of Directors at any time.

Section 5.2. Duties of President and Vice President. The president shall preside at all meetings of Tenant-Shareholders and of the Board of Directors. The president or any vice president

shall sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board of Directors. The president, subject to the control of the Board of Directors shall have general management of the affairs of the Corporation and perform all the duties incidental to the office. In the president's absence or inability to act, any vice president shall have the powers and perform the duties of the president.

Section 5.3. Duties of Treasurer.

(a) The treasurer shall, subject to the control of the Board, have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the Directors may from time to time determine, and shall perform all other duties incidental to the office. If so required by the Board of Directors, the treasurer shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety, in such form and amount as said Board of Directors from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within three (3) months of the close of each calendar year, the treasurer shall cause to be furnished to each Tenant-Shareholder whose Proprietary Lease is then in effect, a statement prepared by a certified public accountant of any deductions available for income tax purposes and indicating thereon any such other information as may be necessary or useful to permit Tenant-Shareholders to compute their income tax returns in respect thereof. Such statement shall not relate to independent business operations, but only cooperative ownership.

(b) Within three (3) months after the end of each calendar year, the treasurer shall cause to be transmitted to each Tenant-Shareholder whose Proprietary Lease is then in effect, an annual report of operations and balance sheet of the Corporation which shall be certified by an independent certified public accountant.

(c) In the absence or inability of the treasurer, the assistant treasurer, if any, shall have all the powers and shall perform all the duties of the treasurer.

Section 5.4. Duties of Secretary. The secretary shall keep the minutes of the meetings of the Board of Directors and of the meetings of Tenant-Shareholders, shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the Corporation's seal to all written instruments authorized by the Board of Directors or these By-Laws. The Secretary shall also perform all other duties incidental to the office of Secretary. The Secretary shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are Tenant-Shareholders of the Corporation, showing their places of residence, the number of shares held by them, respectively, the time when they became the owners thereof, and the amount paid thereon, and the denomination and the amount of all shares issued or transfer stamps affixed thereto, and such book shall be open for inspection as provided by law. In the absence or inability of the secretary, the assistant secretary, if any, shall have all powers and shall perform all the duties of the secretary.

ARTICLE 6

PROPRIETARY LEASES

Section 6.1. Form of Lease.

(a) The Board of Directors shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing of Apartments to Tenant-Shareholders. Such Proprietary Lease shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions with respect to the assignment thereof, the subletting of the premises demised thereby and the sale and/or transfer of the shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board of Directors may determine, and/or as may be required by or consistent with the HDC Regulatory Agreement and the HPD Regulatory Agreement.

(b) After a Proprietary Lease in the form so adopted by the Board of Directors shall have been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be in the same form, except with respect to the statement as to the number of Shares owned by the lessee and the date of the commencement of the term, unless any change or alteration is approved by lessees in accordance with the voting set forth Section 3.6 of these By-Laws.

(c) Notwithstanding the foregoing, no change or alteration may be made to the form of Proprietary Lease if such change or alteration is prohibited by the terms of the Proprietary Lease itself.

Section 6.2. Assignment. Proprietary Leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of, the terms, conditions or provisions of such Proprietary Leases. A duplicate original of each Proprietary Lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the Corporation.

Section 6.3. Allocation of Shares. The Board of Directors shall allocate to each Apartment to be leased to Tenant-Shareholders under Proprietary Leases the number of Shares of the Corporation which must be owned by the proprietary lessee of such Apartment.

Section 6.4. Assignment of Proprietary Lease and Transfer of Shares.

(a) No assignment of any Proprietary Lease or transfer of the Shares of the Corporation shall take effect as against the Corporation for any purpose until the Tenant-Shareholder has complied with the assignment requirements of the Proprietary Lease, a proper assignment has been delivered to the Corporation, the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term of the Proprietary Lease, all Shares of the Corporation appurtenant to the lease have been transferred to the assignee, all sums due under the Proprietary Lease or otherwise have been paid to the Corporation, and all necessary consents have been obtained.

(b) No person to whom the interest of a lessee or Tenant-Shareholder shall pass by law, shall be entitled to assign any Proprietary Lease, transfer any Shares, or to sublet or occupy any Apartment, other than upon compliance with the requirements of the Proprietary Lease and these By-Laws.

(c) The Board of Directors shall be authorized, in connection with determining whether or not to approve a proposed assignment of the Proprietary Lease and transfer of Shares, as more fully described in the Proprietary Lease, to request from the potential purchaser such financial and other information about the purchaser as the Board of Directors shall deem reasonably necessary to enable it to make a prudent decision on behalf of the Corporation, and/or as may be required pursuant to the HDC Regulatory Agreement or the HPD Regulatory Agreement.

Section 6.5. Fees on Assignment or Sublet. The Board of Directors shall have authority before an assignment of a Proprietary Lease or a sublet of an Apartment or a reallocation of Shares takes effect as against the Corporation as lessor (excluding, however, assignments, sales, transfers, sublets or reallocations arising in connection with sales or other provisions under the Offering Plan as to which the Board of Directors shall not have such authority), to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment or sublet or reallocation.

Section 6.6. Lost Proprietary Leases. In the event that any Proprietary Lease in full force and effect is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new Proprietary Lease in lieu thereof, in the same form and with the same terms, provisions, conditions and limitations. The Board of Directors may, in its discretion, before the issuance of any such new Proprietary Lease, require the owner thereof, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 6.7. Regrouping of Space.

(a) The Board of Directors, upon the written request of the owner or owners of Shares appurtenant to one or more Proprietary Leases covering one or more Apartments in the Residential Unit may in its discretion, at any time, but subject to all applicable laws, codes, zoning requirements and provisions of any Mortgage encumbering the Residential Unit and/or the provisions of the HDC Regulatory Agreement and/or HPD Regulatory Agreement to the extent applicable during the term thereof, permit such Tenant-Shareholder(s), at the Tenant-Shareholder's (or Tenant-Shareholders') own expense: (A)(i) to subdivide any Apartment into any desired number of Apartments, (ii) to combine all or any portions of any such Apartments into one or any desired number of Apartments, and (iii) to reallocate the Shares issued to accompany the Proprietary Lease(s), but the total number of the Shares so reallocated shall be the same as the number of Shares previously allocated to the Apartment or Apartments involved, subject to the right of the Board of Directors to require that the number of Shares allocated to the Apartment or Apartments involved, be increased from the number of Shares allocated to the original Apartment or Apartments, and to authorize the issuance of Shares from its treasury for such purpose, or (B) to incorporate space in the Residential Unit not covered by a Proprietary Lease, into

one or more Apartments covered by a Proprietary Lease, whether in connection with any regrouping of space pursuant to clause (A) of this Section 6.7 or otherwise, and in allocating Shares to any such resulting Apartment or Apartments, shall determine the number of Shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

(b) Upon any regrouping of space in the Residential Unit, the Proprietary Leases so affected, and the accompanying share certificates shall be surrendered and there shall be executed and delivered in place thereof respectively, a new Proprietary Lease for each separate Apartment involved, and a new certificate for the number of Shares so reallocated to each new Proprietary Lease.

Section 6.8. Proprietary Lease Controls. If there are any inconsistencies between these By-Laws and the Proprietary Lease and the Offering Plan, the provisions of the Proprietary Lease shall control.

ARTICLE 7

CAPITAL SHARES

Section 7.1. Rights of Tenant-Shareholders. No Shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by Tenant-Shareholder and delivery by the Corporation of a Proprietary Lease for an Apartment in the Residential Unit. The ownership of Shares shall entitle the holder thereof to occupy the Apartment for the purpose specified in the Proprietary Lease to which the Shares are appurtenant, subject to the provisions, covenants and agreements contained in such Proprietary Lease.

Section 7.2. Form and Share Register. Certificates of the Shares of the Corporation shall be in the form adopted by the Board of Directors, shall be signed by the president or a vice president, and secretary, sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the Shares and the date of issue. Each certificate exchanged or returned to the Corporation shall be cancelled, and the date of cancellation shall be indicated thereon and such cancelled certificate shall be retained in the corporate records.

Section 7.3. Issuance of Certificates. Shares appurtenant to each Proprietary Lease shall be issued in the amount allocated by the Board of Directors to the Apartment or other space described in such Proprietary Lease and shall be represented by a single certificate.

Section 7.4. Transfers. Transfers of Shares shall be made upon the books of the Corporation only by the holder in person or by power of attorney, duly executed and filed with the secretary of the Corporation and on the surrender of the certificate for such Shares, except that Shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such Shares. No transfer of Shares shall be valid as against the Corporation, its Tenant-Shareholders and creditors, for any purpose except to render the transferee liable for the debts

of the Corporation to the extent provided for in the applicable provisions of the Business Corporation Law of the State of New York, until it shall have been entered in the share ledger, or as required by any then existing applicable provision of law, by an entry stating from whom and to whom transferred. Subject to the provisions of the form of Proprietary Lease adopted by the Board of Directors and in accordance with the provisions of Section 6.5 of these By-Laws, the Board of Directors shall have authority before an assignment of Shares takes effect as against the Corporation, to fix and receive a reasonable fee to cover actual expenses and attorneys' fees of the Corporation in connection with each such proposed assignment, and may direct that such attorneys' fees be paid directly to the attorneys.

Section 7.5. Units of Issuance. Except as otherwise provided in Section 6.7 of these By-Laws, unless and until all Proprietary Leases which shall have been executed by the Corporation shall have been terminated, the Shares appurtenant to each Proprietary Lease shall not be sold or assigned except as an entirety to the Corporation or an assignee of such Proprietary Lease, after complying with and satisfying the requirements of such Proprietary Lease in respect to the assignment thereof.

Section 7.6. Corporation's Lien. The Corporation shall at all times have a first lien upon the Shares owned by each Tenant-Shareholder for all indebtedness and obligations owing and to be owing by such Tenant-Shareholder to the Corporation, arising under any Proprietary Lease issued by the Corporation and at any time held by such Tenant-Shareholder, or otherwise arising. Unless and until such Tenant-Shareholder, as lessee, shall default in the payment of any indebtedness or obligation owing by such Tenant-Shareholder to the Corporation under the Proprietary Lease or otherwise arising, such Shares shall continue to stand in the name of the Tenant-Shareholder upon the books and records of the Corporation, and Tenant-Shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Corporation shall have the right to issue to any purchaser of such Shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate for the Shares so purchased substantially of the tenor of the certificate issued to such defaulting Tenant-Shareholder. Upon issuance of such certificate the certificate for Shares previously issued to the defaulting Tenant-Shareholder shall be void and the defaulting Tenant-Shareholder shall be obligated to surrender such certificate to the Corporation upon the Corporation's demand. The failure of such defaulting Tenant-Shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof. The Corporation may refuse to consent to the transfer of Shares of any Tenant-Shareholder who is (i) in default under the Proprietary Lease to which those Shares are appurtenant, or (ii) indebted to the Corporation in connection with the Apartment to which such Shares and Proprietary Lease are appurtenant, unless and until such default is cured and/or such indebtedness is paid.

Section 7.7. Lost Certificate. In the event that any share certificate is lost, stolen, destroyed or mutilated, the Board of Directors may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The Board of Directors may, in its discretion, before the issuance of such new certificate require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 7.8. Legend on Share Certificates. Certificates representing shares of the Corporation shall bear a legend reading as follows:

> The rights of any holder of this certificate are subject to the provisions of the By-Laws of Renaissance Housing Development Fund Corporation and to all the terms, covenants, conditions and provisions of the proprietary lease of Renaissance Housing Development Fund Corporation appurtenant to the shares represented by this certificate, which proprietary lease limits and restricts the rights of any transferee hereof. The shares represented by this certificate are transferable only as an entirety and only to an approved assignee of such proprietary lease. Such transfer also shall be subject to the prior written consent of HDC.
>
> The directors of this Corporation may refuse to consent to the transfer of the shares represented by this certificate until any indebtedness of the shareholder to the Corporation is paid or default of the shareholder under the proprietary lease is cured. The Corporation, by the terms of its By-Laws and proprietary lease, has a first lien on the shares represented by this certificate for all sums due and to become due under said proprietary lease.

ARTICLE 8

INDEMNIFICATION

Section 8.1. In Actions by or in the Right of the Corporation. To the extent allowed by law, the Corporation shall indemnify any person made, or threatened to be made, a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that said individual, his or her testator or intestate, is or was a director or officer of the Corporation, against amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred by said individual in connection with an appeal therein, if such director or officer acted in good faith, for a purpose which said individual reasonably believed to be in the best interests of the Corporation. Notwithstanding the foregoing, no indemnification under this paragraph shall be made in respect of (a) a threatened action, or a pending action which is settled or otherwise disposed of, or (b) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expense as the court deems proper.

Section 8.2. In Other Actions or Proceedings.

(a) To the extent allowed by law, the Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding (other than one by or in the right of the Corporation to procure a judgment in its favor), whether civil or criminal, by reason of the fact that said individual, his or her testator or intestate, was a director or officer of the Corporation, against judgments,

fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which said individual reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful.

(b) The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such director or officer did not act, in good faith, for a purpose which he or she reasonable believed to be in the best interests of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 8.3. Payment.

(a) A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 722 of the Business Corporation Law shall be entitled to indemnification as authorized in said Section.

(b) Except as provided in Paragraph (a) of Section 723 of the Business Corporation Law, any indemnification under Section 722 or otherwise permitted by Section 721 of the Business Corporation Law, unless ordered by a court under Section 724 thereof, shall similarly be permitted to be made by the Corporation only if authorized for a corporation in the specific case in accordance with the provisions of Paragraph (b) of said Section 723.

(c) Expenses incurred in defending a civil or criminal action or proceeding may be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount as, and to the extent, required by Paragraph (a) of Section 725 of the Business Corporation Law.

Section 8.4. Other Provisions. Indemnification of directors or officers shall be subject to the other provisions affecting the same as set forth in Section 725 of the Business Corporation Law, including, but not limited to, the provisions that require that if any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the Tenant-Shareholders, the Corporation shall, not later than the next annual meeting of Tenant-Shareholders unless such meeting is held within three months from the date of such payment, and, in any event, within fifteen months from the date of such payment, mail to its Tenant-Shareholders of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

Section 8.5. No Limitation. Nothing contained in this article shall limit any right to indemnification to which any director or any officer may be entitled by contract or under any law now or hereafter enacted.

ARTICLE 9

SEAL

Section 9.1. Form of Seal. The seal of the Corporation shall be circular in form and have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal" and "New York".

ARTICLE 10

NEGOTIABLE INSTRUMENTS

Section 10.1. Signatures.

(a) All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board of Directors may from time to time, by standing resolution or special order, prescribe.

(b) Endorsements or transfers of Shares, bonds, or other securities shall be signed by the president or any vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary unless the Board of Directors by special resolution in one or more instances, prescribes otherwise.

Section 10.2. Safe Deposit Boxes. Such officer or officers as from time to time shall be designated by the Board of Directors, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 10.3. Securities. Such officer or officers as from time to time shall be designated by the Board of Directors shall have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE 11

FISCAL YEAR; FINANCIAL MATTERS

Section 11.1. General. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by the resolution of the Board of Directors.

Section 11.2. Annual Cash Requirements. The Board of Directors shall determine the cash requirements of the Corporation (as defined in the Proprietary Lease of the Corporation) and fix the terms and manner of payment of rent under the Proprietary Lease of the Corporation. The Board of Directors shall adopt annual resolutions relating to the cash requirements of the Corporation and the

payment of rent by Tenant-Shareholders for each year during the term of the Proprietary Lease. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the Residential Unit and to determine the cash requirements of the Corporation and the manner and terms of rent payments to be paid as aforesaid by the Tenant-Shareholders under their respective Proprietary Leases. Every such determination by the Board of Directors shall be final and conclusive as to all Tenant-Shareholders and any expenditures made by the Corporation's officers or its Managing Agent under the direction or with the approval of the Board of Directors of the Corporation shall, as against the Tenant-Shareholders, be deemed necessarily and properly made for such purpose.

Section 11.3. Distributions. No Tenant-Shareholder shall be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the Corporation, to receive any distribution not out of earnings and profits of the Corporation.

ARTICLE 12

MISCELLANEOUS

Section 12.1. Compensation. No salary or other compensation for services shall be paid to any director or officer of the Corporation for services rendered as such director or officer, unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of Tenant-Shareholders, by the record holders of more than 50% of the then outstanding Shares of the Corporation.

Section 12.2. References. A reference in these By-Laws to any one gender, masculine, feminine, includes the other, and the singular includes the plural, and vice versa, unless the context otherwise requires. The term spouse shall have the meaning given in the Proprietary Lease.

ARTICLE 13

AMENDMENTS

Section 13.1. Procedure. These By-Laws may be amended (a) by the Tenant-Shareholders at any Tenant-Shareholders' meeting by affirmative vote of Tenant-Shareholders present in person or by proxy owning in the aggregate at least two-thirds of the outstanding and issued Shares, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Tenant-Shareholders of the Corporation are present in person or by proxy at that meeting, or (b) by the Board of Directors at any meeting of the Board of Directors, by vote of two-thirds of the number of directors fixed pursuant to Section 4.1 of these By-Laws or fixed pursuant to resolution adopted by the Tenant-Shareholders pursuant to Section 4.1 of these By-Laws, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the directors are present in person. However, the directors may not repeal a By-Law amendment adopted by the Tenant-Shareholders as provided above. Notwithstanding the foregoing, during the first two years following the Cooperative Conversion Date, any change to these By-Laws shall require the

consent of Tenant-Shareholders representing at least 80% of the total authorized and issued Shares of the Corporation.

Section 13.2. Compliance with Certificate of Incorporation. Any amendment to these By-Laws shall be in conformity with the certificate of incorporation of the Corporation.

Section 13.3. Consent of HDC Required. During the period of time the HDC Regulatory Agreement is in effect, an amendment to these By-Laws enacted pursuant to the foregoing shall also require the written consent of HDC to become effective.

ARTICLE 14

REGULATORY AGREEMENTS

Section 14.1. Incorporation. Copies of the HDC Regulatory Agreement and the HPD Regulatory Agreement are attached to these By-Laws as Exhibit 1 and Exhibit 2, respectively. Their terms are incorporated into these By-Laws and made a part thereof.

Section 14.2. Conflicts. In the event of inconsistencies between these By-Laws and the HDC Regulatory Agreement or the HPD Regulatory Agreement, the provisions of the applicable Regulatory Agreement shall control.

EXHIBIT 1

TO APARTMENT CORPORATION BY-LAWS

REGULATORY AGREEMENT

among

RENAISSANCE HOUSING
DEVELOPMENT FUND CORPORATION,

N.Y.C. PARTNERSHIP HOUSING DEVELOPMENT
FUND COMPANY, INC.,

CENTRAL HARLEM
PARTNERSHIP PLAZA, LLC

and

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

June 25, 1999

Block: 1600

Lot: 1002

RECORD AND RETURN TO:
New York City Housing
Development Corporation
75 Maiden Lane, 8th Floor
New York, New York 10038
Attention: General Counsel

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("Agreement") is made and entered into as of the 25th day of June, 1999 by and among CENTRAL HARLEM PARTNERSHIP PLAZA, LLC, a New York limited liability company, whose address is c/o Suna/Levine Industries Inc., 42-22 22nd Street, Long Island City, New York 11101 ("Sponsor") and RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION, a corporation formed under Article 11 of the Private Housing Finance Law and the Business Corporation Law of the State of New York whose address is c/o Suna/Levine Industries Inc., 42-22 22nd Street, Long Island City, New York 11101 ("Apartment Corporation"), the N.Y.C. PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC. whose address is One Battery Park Plaza, New York, New York 10004 ("Partnership") and the NEW YORK CITY HOUSING DEVELOPMENT CORPORATION, a corporate governmental agency constituting a public benefit corporation of the State of New York ("HDC"), whose address is 75 Maiden Lane, 8th Floor, New York, New York 10038.

WITNESSETH:

WHEREAS, it is anticipated that Sponsor will cause to be developed on the land described on Exhibit A hereto (the "Land"), a mixed-use residential and commercial building (the "Building"; the Land and Building together, the "Property"); and

WHEREAS, a declaration of condominium dated April 8, 1999 was recorded against the Property by the Partnership as the current owner of the Property on June 4, 1999 in Reel 2886 Page 1620 in the City Register's Office for New York County (the "Declaration') which Declaration established the Property as a two-unit condominium (the "Condominium"); and

WHEREAS, one unit of the Condominium is anticipated upon completion of construction to contain 241 apartments and areas for the exclusive use of the residential occupants of the Building (the "Residential Unit" or the "Project"), and the other unit is anticipated upon completion of construction to contain space for non-residential use including retail and parking; and

WHEREAS, it is anticipated that Sponsor will offer for sale, on behalf of Apartment Corporation, the shares of Apartment Corporation attributable to cooperative apartments in the Residential Unit pursuant to an offering plan to be filed with the New York State Department of Law as may be amended from time to time (the "Offering Plan"); and

WHEREAS, it is further anticipated that once sufficient sales under the Offering Plan have been made, Sponsor will declare the Offering Plan effective and thereafter, upon completion of construction, the Apartment Corporation will take title to the Residential Unit; and

WHEREAS, Sponsor desires to finance construction of the Condominium and has asked HDC and HDC has consented, to finance a portion of the costs of constructing the Residential Unit and to provide permanent financing for the Residential Unit upon its acquisition by Apartment Corporation from the Partnership; and

WHEREAS, HDC has issued its Multi-Family Housing Revenue Bonds, 1999 Series A-1 and A-2 (the "Bonds") in order to, among other purposes, fund a loan to the Sponsor and the Partnership to provide a portion of the construction financing for the Residential Unit in an amount not to exceed TWENTY-EIGHT MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND DOLLARS ($28,565,000) ("First Construction Loan") which First Construction Loan will be evidenced by one or more notes ("First Construction Note") and secured by one or more mortgages ("First Construction Mortgage") dated the date hereof; and

WHEREAS, upon completion of the Residential Unit and satisfaction of certain conditions, HDC expects (i) to make a supplemental loan in an amount not to exceed THREE MILLION FIFTY THOUSAND DOLLARS ($3,050,000) to the Apartment Corporation, (ii) to release the Sponsor and the Partnership from the First Construction Loan and (iii) to consolidate the First Construction Loan with such supplemental loan to make a permanent mortgage loan to the Apartment Corporation in an amount not to exceed THIRTY-ONE MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS ($31,615,000), (such consolidated loan, the "First Permanent Loan", collectively, with the First Construction Loan, "First Loan"), which First Permanent Loan will be evidenced by one or more notes ("First Permanent Note", and together with the First Construction Note, the "First Note") and secured by one or more mortgages ("First Permanent Mortgage", and together with the First Construction Mortgage, the "First Mortgage"); and

WHEREAS, the First Permanent Mortgage shall be the subject of a Commitment to Insure and Certificate of Insurance from the State of New York Mortgage Agency ("SONYMA"); and

WHEREAS, an additional portion of the construction and permanent financing of the Residential Unit will be funded with the proceeds of a subordinate loan financed by HDC ("HDC Subordinate Loan") in an amount not to exceed $6,935,000, which HDC Subordinate Loan will be evidenced by one or more notes ("HDC Subordinate Note") and secured by one or more mortgages subordinate to the First Mortgage ("HDC Subordinate Mortgage") dated the date hereof; and

WHEREAS, the Residential Unit is expected to receive a tax exemption pursuant to Section 421-a of the New York State Real Property Tax Law ("421-a tax benefits"); and

WHEREAS, all of the issued shares of the Apartment Corporation will initially be owned by Sponsor (with the exception of shares allocated to one apartment which are anticipated to be

owned by a member of the Sponsor, and collectively with the Sponsor as holder of the issued shares, the "Initial Shareholder"); and

WHEREAS, at Unit Share Closing (as defined herein) the Initial Shareholder will transfer, or cause to be transferred, shares appurtenant to each cooperative unit that has been sold to the purchaser under the Offering Plan and such purchaser thereupon will become a tenant-shareholder of the Apartment Corporation ("Tenant-Shareholder").

NOW, THEREFORE, in consideration of the premises and for the purpose of inducing HDC to provide the moneys required for the funding of the First Loan and the HDC Subordinate Loan and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

Section 1 - General Provisions

1.1 The Apartment Corporation, the Sponsor and the Partnership shall comply at all times with Article XII of the Private Housing Finance Law of the State of New York ("PHFL"), and any rules and regulations adopted by HDC to regulate those cooperative housing projects financed and assisted by HDC pursuant to and in accordance with the PHFL.

Section 2 - Compliance with Other Agencies

2.1 The Apartment Corporation, the Sponsor and the Partnership shall do all things necessary to keep the SONYMA mortgage insurance for the First Permanent Mortgage ("SONYMA Insurance") in effect and 421-a tax benefits for the Residential Unit in good standing and shall comply with the requirements of agencies, including without limitation the New York City Department of Housing Preservation and Development, administering any programs which provide benefits to the Project or the Building.

2.2 The Apartment Corporation, the Sponsor and the Partnership, as applicable shall comply with all terms and conditions of this Agreement, all documents relating to the financing of the Project (including, without limitation, the HDC First Loan, HDC First Note, HDC First Mortgage, HDC Subordinate Loan, any HPD loan documents or regulatory agreement and all terms and conditions of the Declaration, Condominium By-Laws, and any rules and regulations, directives or instructions of the Board of Managers of the Condominium or its designees ("Condominium Documents").

Section 3 - Certificate of Incorporation; By-Laws; Proprietary Lease; Stock Certificates

3.1 The following documents of the Apartment Corporation shall be subject to prior written approval of HDC and may not be amended without the prior written consent of HDC:

(a) Certificate of Incorporation;
(b) By-Laws;
(c) Form of Stock Certificate; and
(d) Form of Proprietary Lease.

Each of the above documents shall contain a provision stating that no amendment is permitted without the prior written consent of HDC.

3.2 This Agreement shall be appended to the By-Laws of the Apartment Corporation and made a part thereof.

3.3 The restrictions contained in this Agreement, which apply to Tenant-Shareholders during their ownership of shares of stock of the Apartment Corporation allocable to their units in the Project ("Shares"), shall be deemed incorporated into the form of proprietary lease to be used by the Apartment Corporation. The Apartment Corporation shall use a proprietary lease expressly subordinate to the First Mortgage and the HDC Subordinate Mortgage.

Section 4 - Residence Requirement

4.1 The Apartment Corporation shall require each of the Tenant-Shareholders to occupy their units as their principal residences within sixty (60) days from the date of Unit Share Closing (as hereinafter defined). The transfer of Shares to a Tenant-Shareholder and the effective date of a proprietary lease for the applicable unit by such Tenant-Shareholder shall constitute a "Unit Share Closing" under this Agreement.

4.2 The Apartment Corporation shall prohibit Tenant-Shareholders from subleasing units in the Project unless such subtenant meets the requirements of Section 7 hereof.

4.3 The Apartment Corporation shall prohibit Tenant-Shareholders from using their units as an investment property or as a vacation home.

4.4 The Apartment Corporation shall require that Tenant-Shareholders only be natural persons.

Section 5 - Cooperative Housing Requirement

5.1 During the term of this Agreement, the Apartment Corporation shall operate the Residential Unit as a cooperative housing project.

Section 6 - Sale of Shares Procedures

6.1 Not more than fourteen (14) days prior to the execution of any contract for the purchase of Shares by a prospective Tenant-Shareholder ("Purchaser"), the Apartment Corporation and/or the Sponsor shall require (a) each Purchaser to complete and execute (i) a Purchaser's Affidavit, substantially in the form attached hereto as Exhibit B; (ii) a Purchaser Income Eligibility Worksheet, substantially in the form attached hereto as Exhibit C, and (iii) an Acquisition Cost Worksheet, substantially in the form attached hereto as Exhibit D, and (b) each selling Tenant-Shareholder or, in the case of a direct sale by the Apartment Corporation and/or the Initial Shareholder, the Apartment Corporation and/or the Initial Shareholder to complete and execute a Seller's Affidavit, substantially in the form attached hereto as Exhibit E.

6.2 Prior to approving any sale of Shares, the Apartment Corporation and/or the Sponsor shall (a) review (i) the applicable Purchaser's Affidavit, (ii) the applicable Purchaser Income Eligibility Worksheet in order to determine that the Purchaser's income has been calculated in a manner consistent with the standards for determination of income under Section 7 of the United States Housing Act of 1937, as amended ("Income Determination procedures"), and (iii) the applicable Acquisition Cost Worksheet, (b) review or complete, as the case may be, the applicable Seller's Affidavit, (c) reject any Purchaser whose annual household income exceeds the applicable income limit as more fully described in Section 7 of this Agreement, and (d) reject any Purchaser whose annual household income is insufficient or whose annual household debt is excessive according to HDC standards described in Section 7 of this Agreement.

6.3 No Shares may be transferred without the prior written consent of HDC and a statement to this effect shall appear in bold type as a legend on the Apartment Corporation's form of stock certificate. The Apartment Corporation and/or Sponsor shall require each Purchaser to re-affirm and re-execute the Purchaser's Affidavit, and Apartment Corporation and/or Sponsor shall furnish the same to HDC no later than five (5) business days from the expected or actual date of Unit Share Closing, if such Unit Share Closing date is greater than six (6) months from the date Purchaser executed the Purchaser's Affidavit. If the re-affirmation and re-execution reveals that any information set forth in the Purchaser's Affidavit or Purchaser Income Eligibility Worksheet has changed since the date of initial execution of such documents by the Purchaser, the Purchaser shall indicate such changed information in the space provided on the Purchaser's Affidavit. If the Purchaser revises either of these documents, then the Apartment Corporation and the Sponsor shall not permit a transfer of the applicable Shares until HDC has approved such revisions.

6.4 On the first day of the fourth month following the occupancy of ten percent (10%) of the units in the Project for which a Unit Share Closing has occurred and every three months thereafter, the Apartment Corporation shall provide HDC with a listing of all Unit Share Closings which have occurred during the previous three (3) months.

6.5 A devise or bequest by a Tenant-Shareholder of the Shares allocable to such Tenant-Shareholder's unit through testamentary disposition, intestacy, or otherwise by operation of law shall not constitute a sale of Shares under this Agreement. However, the individuals or entities (in the case of an estate) acquiring Shares in such a manner shall be deemed Tenant-Shareholders under this Agreement and shall be fully subject to the terms and conditions contained in this Agreement including upon the resale of the Shares those requirements for (i) the sale of Shares set forth in Section 6 and (ii) the income and acquisition cost limitations set forth in Sections 7 and 8 respectively of this Agreement. Apartment Corporation shall report any transfer of Shares made pursuant to this Section 6.5 to HDC in accordance with the requirements of Section 6.4 of this Agreement. Notwithstanding the foregoing, an entity (but not a natural person) that acquires Shares as aforesaid shall be exempt from the provisions of Section 4 of this Agreement for a period not to exceed one (1) year.

Section 7 - Income Limitations

7.1 (a) At the time of a Unit Share Closing by a Purchaser with the Initial Shareholder ("Initial Unit Share Closing"), the annual household income of such Purchaser shall not exceed 165% of the area annual median income for the New York Metropolitan statistical area as determined from time to time by the Secretary of HUD under Section 8 of the United States Housing Act of 1937, as amended, or if such program is terminated, under such program as was in effect immediately before such termination ("Median Income"); provided, however, that the Initial Unit Share Closings of Shares for up to 25% of the units in the Project may be made with Purchasers whose annual household income shall not exceed 250% of Median Income (but in each instance such Purchasers shall still be required to be in compliance with the applicable provisions of this Agreement including Section 7.3). Annual household income includes the annual gross income of the Purchaser and any other person who is expected to reside in the unit. HDC shall furnish the Apartment Corporation, upon request, with the current Median Income amounts.

(b) For any unit sold at Initial Unit Share Closing to a Purchaser whose annual household income at the time of the Initial Unit Share Closing did not exceed 165% of Median Income, any subsequent sale of such unit shall only be made to a Purchaser whose annual household income does not exceed 165% of Median Income and who is otherwise in compliance with this Agreement. For any unit sold at Initial Unit Share Closing to a Purchaser whose annual household income at the time of the Initial Unit Share Closing exceeded 165% of Median Income and did not exceed 250% of Median Income, any subsequent sale of such unit shall only be made to a Purchaser whose annual household income does not exceed 250% of Median Income and who is otherwise in compliance with this Agreement.

7.2 Annual household income is to be determined pursuant to the Income Determination procedures. Annual household income includes gross pay, overtime pay, part-time pay, bonuses, commissions, tips, dividends, interest, royalties, trust income, net rental income,

Veterans Administration compensation, pensions, social security benefits, unemployment compensation, alimony, child support, public assistance, sick pay, business activity income, investment income and other income.

7.3 With respect to any sale of Shares, the Purchaser shall have sufficient annual household income as set forth in Part 2 of the Purchaser Income Eligibility Worksheet to comply with the following: the ratio of Purchaser's annual payments for the maintenance charges applicable to that unit assessed by the Apartment Corporation ("Maintenance Charges") to Purchaser's annual household income as set forth in Part 2 of the Purchaser Income Eligibility Worksheet shall be no greater than thirty percent (30%) ("Annual Income Ratio") as determined by HDC. With respect to any sale of Shares, the Purchaser's overall annual household liabilities shall comply with the following: the Purchaser's (i) annual household liabilities as set forth in Part 3 of the Purchaser Income Eligibility Worksheet plus (ii) the Maintenance Charges shall not exceed thirty-six percent (36%) of Purchaser's annual household income as set forth in Part 2 of the Purchaser Income Eligibility Worksheet ("Annual Debt Ratio"). Notwithstanding the foregoing, if the Sponsor can demonstrate that after using its best efforts to market units in the Project it has not been able to attract sufficient Purchasers with both Annual Income Ratios of thirty percent (30%) and Annual Debt Ratios of thirty-six percent (36%), then HDC may, upon terms and conditions satisfactory to HDC including without limitation the provision of adequate security as determined by HDC, increase the maximum Annual Income Ratio and Annual Debt Ratio set forth herein for fifty percent (50%) of the units in the Project so that the Annual Income Ratios and Annual Debt Ratios of Purchasers of such units do not exceed thirty-three percent (33%) and thirty-eight percent (38%) respectively at Initial Unit Share Closing.

Section 8 - Resale Profits

8.1 Upon resale of any unit, Resale Profits (as defined in the HDC Subordinate Note) shall be paid to HDC to be applied by HDC to the repayment of the HDC Subordinate Loan until the indebtedness evidenced by the HDC Subordinate Note is paid in full. Apartment Corporation agrees to collect such Resale Profits and transmit them to HDC not later than two business days from Unit Share Closing.

Section 9 - Marketing/Offering Plan

9.1 The Apartment Corporation and/or the Sponsor shall comply with all HDC procedures pertaining to the marketing of the apartments in the Project as HDC may require from time to time.

9.2 The sales prices of all Shares being sold under the Offering Plan as well as the Maintenance Charges allocable to each unit in the projected budget for the first year of operation of the Apartment Corporation as set forth in the Offering Plan shall be approved by HDC.

Section 10 - Management

10.1 The managing agent, any sub-agents, any management agreement or management plan and any change in management or renewals of the management agreement or management plan shall be approved in writing by HDC. The management agreement or management plan shall contain a provision that it is subject to termination, with or without cause and without penalty upon a request made by HDC to Apartment Corporation in accordance with this Section 10.1. In the event HDC determines, after written notice to the Apartment Corporation and reasonable opportunity to cure, that the Project is not being operated by the managing agent in compliance with this Agreement and/or the terms and conditions of the First Mortgage and/or HDC Subordinate Mortgage, HDC may request that Apartment Corporation terminate the management agreement or management plan. Upon such request, the Apartment Corporation shall terminate the management agreement within a period of time not to exceed thirty (30) days thereafter and shall make arrangements satisfactory to HDC for continuing proper management of the Project.

Section 11 - Restrictions on Ownership and Leasing

11.1 The Apartment Corporation covenants that it shall not sell, lease, sublease, convey or transfer the Residential Unit or any portion thereof without the prior written consent of HDC. This covenant shall not be construed to prohibit the Apartment Corporation from entering into proprietary leases for units in the Project with Tenant-Shareholders.

11.2 The Apartment Corporation covenants that it shall not incur any debt other than that reasonably necessary for the operation and maintenance of the Project.

Section 12 - Increase of Maintenance Charges

12.1 If HDC determines, in its sole discretion, that the Apartment Corporation's projected annual revenues are not sufficient to pay for the projected annual maintenance and operating expenses for the Project, including payments due with respect to the First Loan and the HDC Subordinate Loan, then the Apartment Corporation shall, if requested by HDC, either increase the Maintenance Charges paid by the Tenant-Shareholders or charge a special assessment to the Tenant-Shareholders. If the Apartment Corporation furnishes HDC in a timely fashion with a certification of a recognized expert in the field of building management as to the adequacy of the Apartment Corporation's budget, HDC shall review such certification prior to making any request to increase Maintenance Charges or to impose a special assessment, provided, however, HDC shall not be bound by such certification in making its final determination.

Section 13 - Reporting Requirements

13.1 In addition to the documents described elsewhere herein, the Apartment Corporation and/or the Sponsor shall furnish any reports, records, documents or information reasonably requested by HDC, in form and substance satisfactory to HDC, regarding, without limitation, the construction, marketing, occupancy, maintenance and operation of the Project including a status report on unsold shares, an annual schedule of Maintenance Charges for all units in the Project and annual financial reports and budgets of the Apartment Corporation. Audited financial statements shall be prepared and maintained in accordance with generally accepted accounting principles; provided, however, to the extent and in a manner approved by HDC in its sole discretion, such financial statements may be modified in accordance with government auditing standards as set forth by the Comptroller General of the United States.

13.2 The Apartment Corporation shall maintain and keep current all books, documents, contracts, invoices, plans and records concerning the Project. Upon prior notice, HDC may, during business hours,(a) audit and examine these books, documents, contracts, invoices, plans and records and remove the same for duplication and (b) inspect the buildings, units, grounds, equipment and offices of the Project.

Section 14 - Enforcement

14.1 Upon violation of any of the provisions of this Agreement by the Apartment Corporation, the Sponsor and/or the Partnership, as applicable, HDC may give written notice thereof to the Apartment Corporation, the Sponsor and/or the Partnership, as applicable. If after giving written notice, such violation is not corrected or if the Apartment Corporation, the Sponsor and/or the Partnership, as applicable has not commenced to correct such violation to the satisfaction of HDC within thirty (30) days after the date of such notice or, if HDC determines that such violation cannot be cured by the Apartment Corporation, the Sponsor and/or the Partnership, as applicable within such thirty (30) days or within such further time as may be necessary to cure such violation, as determined by HDC, provided that the Apartment Corporation, the Sponsor and/or the Partnership, as applicable shall proceed promptly and diligently to do so, then HDC, without further notice, may declare a default under this Agreement effective on the date of such written notice of violation, provided, however, if such violation is not capable of cure, HDC may declare a default under this Agreement simultaneously with the giving of written notice of such violation. Upon such default, HDC may resort to one, all or any combination of the following courses of action:

(a) direct the Apartment Corporation to evict any Tenant-Shareholders who are in violation of their proprietary leases as a result of non-compliance with those terms of this Agreement which have been incorporated into their proprietary leases;

(b) declare the entire unpaid principal balance of the First Note and/or the HDC Subordinate Note together with all interest accrued and unpaid thereon, if any, and all other sums due under such notes and the First Mortgage and/or the HDC Subordinate Mortgage immediately due and payable;

(c) foreclose the First Mortgage and/or the HDC Subordinate Mortgage, subject to the terms thereof; and/or

(d) apply, with notice to the Apartment Corporation, the Sponsor and/or the Partnership, as applicable, to any court of competent jurisdiction for:

(i) specific performance of this Agreement;

(ii) an injunction against any violation of this Agreement;

(iii) any other or further relief which may be appropriate or desirable.

14.2 Notwithstanding Section 14.1 hereof, in the event of a default by the Apartment Corporation under this Agreement, the First Mortgage or the HDC Subordinate Mortgage, HDC reserves the right to remove any or all of the existing directors of the Apartment Corporation and any or all of the Apartment Corporation's representatives on the Condominium's Board of Managers, and appoint such person or persons as HDC, in its sole discretion deems advisable including officers or employees of HDC, as new directors or representatives to serve in the places of those removed. Directors or representatives so appointed need not be shareholders or meet other qualifications which may be prescribed by the Certificate of Incorporation or By-laws of the Apartment Corporation or the Condominium Documents. Directors or representatives so appointed shall not be personally liable for debts, obligations or liabilities of the Apartment Corporation or the Board of Managers, as applicable, and shall be defended, indemnified and held harmless by the Apartment Corporation or the Board of Managers, as applicable. Directors or representatives so appointed shall serve only for a period coexistent with the duration of such default or until HDC is assured in a manner satisfactory to it against violations of a similar nature. Officers or employees of HDC who are so appointed as directors or representatives shall serve in such capacity without compensation. No such removal may take place without written notice and an opportunity for the affected directors or representatives to appear and be heard before HDC with respect to any alleged violation and the respective parties may be represented by counsel.

14.3 After having given notice to the Apartment Corporation, the Sponsor and/or the Partnership as applicable and opportunity to cure, and if a default shall have occurred, HDC may, in its sole discretion, remedy such default, and charge any costs and expenses incurred to remedy

the default, including, but not limited to, attorney's fees, to the Apartment Corporation and/or the Sponsor, as applicable.

14.4 All rights and remedies of HDC shall be cumulative and may be exercised singularly or concurrently, at the option of HDC, and the exercise or enforcement of any one such right or remedy shall neither be condition to nor bar the exercise or enforcement of any other right to remedy. The enumeration of the rights and remedies herein shall not preclude the enforcement or exercise by HDC of any other rights and remedies available to HDC.

14.5 The delay or failure of HDC to act (beyond notice periods set forth herein) shall not constitute a waiver and shall not preclude the enforcement of any of its rights or remedies. Any waiver by HDC of any default hereunder shall not be deemed a waiver of a preceding, current or subsequent default, whether of a same, similar or different nature.

Section 15 - Equal Opportunity

15.1 The Apartment Corporation and/or the Sponsor shall use its best efforts to ensure that businesses owned by minority groups, which traditionally have been disadvantaged, and women are afforded equal opportunity to participate in any development and construction contracts entered into in connection with the Project.

Section 16 - Modification

16.1 This Agreement may not be altered, modified or amended except by a written document signed by the Apartment Corporation, the Sponsor, the Partnership and HDC; provided, however, the consent of Sponsor and the Partnership shall not be required subsequent to the date of the delivery of the release to such entities pursuant to Section 24 and/or Section 25 of this Agreement.

Section 17 - Term of Agreement

17.1 This Agreement shall terminate on the date the First Loan and the HDC Subordinate Loan are paid in full.

17.2 Upon termination or expiration of all the provisions of this Agreement, HDC shall provide Apartment Corporation, upon request, with a termination of this Agreement in recordable form.

Section 18 - Parties

18.1 This Agreement shall bind the Apartment Corporation, the Sponsor, the Partnership and HDC and their respective successors and assigns.

Section 19 - Severability

19.1 The invalidity of any clause or provision of this Agreement shall not affect the validity of the remaining portions of the Agreement.

Section 20 - Covenants Run with the Land

20.1 This Agreement shall be recorded against the Residential Unit in the County in which the Property is located. The Apartment Corporation, the Sponsor, the Partnership and HDC agree that, during the term hereof, all provisions herein shall run with the Residential Unit and be enforceable by HDC and its successors and assigns, and against the Apartment Corporation, the Sponsor, the Partnership and their successors and assigns. HDC, the Apartment Corporation, the Sponsor and the Partnership hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that the Apartment Corporation's, the Sponsor's and the Partnership's legal and/or other interest in the Project is rendered less valuable thereby. HDC, the Apartment Corporation, the Sponsor and the Partnership hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Project by persons for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable dwelling accommodations, the intended beneficiaries of such covenants.

Section 21 - Notices

21.1 Any notice, demand, service of process, direction, request or other instrument authorized or required hereunder to be given to or filed with the parties named below shall be deemed to have been sufficiently given or filed for all purposes hereof if and when sent by registered or certified mail return receipt requested, facsimile transmission or hand delivery to the following respective addresses; if to the Apartment Corporation to the address set forth above; Attention: President of Board of Directors; if to the Sponsor to the address set forth above; Attention: Stuart Match Suna; if to the Partnership to the address set forth above; Attention: Jon Vogel; and if to HDC, to the address set forth above; Attention: General Counsel, or to such other address as may be subsequently designated by any party by written notice to the other parties.

Section 22 - Non-Recourse Liability

22.1 HDC agrees that in the enforcement of any monetary obligations of the Apartment Corporation, the Sponsor or the Partnership under this Agreement it will look solely to the property subject to the First Mortgage or the Subordinate Mortgage, to the maintenance, rents, income and profits thereof and to any reserve or escrow held for the benefit of the Apartment Corporation, the Sponsor or the Project. Nothing contained in this Agreement shall be deemed

to impose any personal liability on any officers, directors, members, shareholders or employees of the Apartment Corporation, the Sponsor or the Partnership except that HDC may seek to impose personal liability to the extent of (i) fraud or gross negligence (ii) misappropriation of funds or other property, or (iii) damage intentionally inflicted to the Project.

Section 23 - Forum

23.1 The Apartment Corporation, the Sponsor, the Partnership and HDC unconditionally and irrevocably agree that this Agreement shall be governed by and construed in accordance with the applicable laws of the State of New York and the parties hereto unconditionally and irrevocably accept the nonexclusive jurisdiction of the courts of the State of New York, waive any objection to the bringing of action in such jurisdiction, and consent to venue in any state or Federal court located in New York City, County of New York.

Section 24 - Regarding the Sponsor

24.1 The Sponsor will prepare the Offering Plan and submit the Offering Plan to the New York State Department of Law for filing and upon receipt of the requisite number of purchase agreements set forth in the Offering Plan shall declare the Offering Plan effective. The Sponsor will market the cooperative units pursuant to the Offering Plan and this Agreement. The provisions of this Section 24.1 and Sections 1, 2, 6, 7, 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 23 of this Agreement shall be binding upon and enforceable against the Sponsor until Unit Share Closing for all of the Shares allocable to the units in the Project shall have occurred at which time Sponsor shall be released from this Agreement. HDC shall, upon the request of Sponsor, execute a release, in recordable form, of the Sponsor from this Agreement. The Sponsor is a party to this Agreement solely to confirm its consent to be bound as specified in this Section 24.

Section 25 - Regarding the Partnership

25.1 The Partnership shall hold title to the Residential Unit, during construction of the Building. The provisions of this Section 25.1 and Sections 1, 2, 14, 16, 18, 20, 21, 22 and 23 of this Agreement shall be binding upon and enforceable against the Partnership until such time as title to the Residential Unit is transferred to the Apartment Corporation at which time the Partnership shall be released from this Agreement. HDC shall, upon the request of Partnership, execute a release, in recordable form, of the Partnership from this Agreement. The Partnership is a party to this Agreement solely to confirm its consent to be bound as specified in this Section 25.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto by their duly authorized agents have executed this Agreement on the date first here above written.

RENAISSANCE HOUSING
DEVELOPMENT FUND CORPORATION

By: Michael Kessler
Name: Michael Kessler
Title: secty

CENTRAL HARLEM PARTNERSHIP
PLAZA, LLC, as to the provisions of
Section 24 only

By: Michael Kessler
Name: Michael Kessler
Title: asst secty, Sac/Lev re Industries, Inc. Managing Membe

N.Y.C. PARTNERSHIP HOUSING
DEVELOPMENT FUND COMPANY, INC.,
as to the provisions of Section 25 only

By: Sandra Acosta
Name: SANDRA ACOSTA
Title: VICE PRES.

NEW YORK CITY HOUSING
DEVELOPMENT CORPORATION

By: Charles Brass
Charles A. Brass, First Senior Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 24 day of June, 1999, before me, the undersigned, a notary public in and for said state, personally appeared Michael Kessler personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public
Commission expires:

ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 20[illegible]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 24 day of June, 1999, before me, the undersigned, a notary public in and for said state, personally appeared Michael Kessler personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public
Commission expires:

ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 20[illegible]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 24 day of June, 1999, before me, the undersigned, a notary public in and for said state, personally appeared Sandra Acosta personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 20
Commission expires:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 24th day of June, 1999, before me, the undersigned, a notary public in and for said state, personally appeared Charles A Bass personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public
Commission expires:

JOY F. WILLIG
Notary Public, State of New York
No. 02WI5079477
Qualified in Bronx County
Commission Expires June 9, 2001

t:\michelle\2001-500\m0002492.wpd

EXHIBIT [redacted] A

(DESCRIPTION)

The Condominium Unit (the "Unit") known as Unit No. RESIDENTIAL UNIT building designated as THE RENAISSANCE CONDOMINIUM in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York condominium Act"), dated the 4/8/99 recorded in the Office of the Register of New York County (the "Register's Office") on 6/4/99 in Reel 2886 Page 1620, and also designated as Tax Lot 1002 in Block 1600, of the Borough of Manhattan on the Tax Map of the Real Property assessment Department of The City of New York and on the floor plans of said building, and filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. 1073, and also filed in the City Register's Office on 6/4/99, as Map No. 5607.

TOGETHER with an undivided 71% interest in the Common Elements.

The premises within which the Unit is located are more particularly described as follows:

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

***BEGINNING** at a point being the corner formed by the intersection of the northerly side of W. 116th Street with the easterly side of Lenox Avenue;*

***RUNNING THENCE** northerly along the easterly side of Lenox Avenue, 201.83 feet to the corner formed by the intersection of the easterly side of Lenox Avenue with the southerly side of W. 117th Street;*

***RUNNING THENCE** easterly along the southerly side of W. 117th Street, 450.00 feet;*

***RUNNING THENCE** southerly and at right angles to the southerly side of W. 117th Street, 201.83 feet to the northerly side of W. 116th Street;*

***RUNNING THENCE** westerly along the northerly side of W. 116th Street, 25.00 feet;*

***RUNNING THENCE** northerly and at right angles to the northerly side of W. 116th Street, 100.92 feet;*

Continued...

EXHIBIT [redacted] A

(DESCRIPTION)

RUNNING THENCE *westerly and parallel with the northerly side of W. 116th Street, 100.00 feet;*

RUNNING THENCE *southerly and at right angles to the northerly side of W. 116th Street, 100.92 feet to the northerly side of W. 116th Street;*

RUNNING THENCE *westerly along the northerly side of W. 116th Street; 325.00 feet to the point or place of beginning.*

EXHIBIT B

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION PURCHASER'S AFFIDAVIT

[PARAGRAPHS 2 AND 7 OF THIS DOCUMENT MUST BE COMPLETED.?]

I/We, _____ [insert names of all purchasers to be listed on proprietary lease] as purchaser(s) ("Purchaser") of _____ [insert number of shares] shares ("Shares") of _____ Corporation ("Cooperative Corporation") which Shares are allocable to a proprietary lease ("Proprietary Lease") for Apt. _____ ("Residence") located at _____, New York ("Project"), understanding and acknowledging that a portion of the construction and permanent financing of the Project (the "Mortgage Loan") is provided by the New York City Housing Development Corporation ("HDC"), do hereby represent and warrant to HDC and the Cooperative Corporation as follows:

1. The information in this Affidavit, (my/our) cooperative apartment application and (my/our) Purchaser Income Eligibility Worksheet is true, accurate and complete.

2. (I/We) intend to occupy the Residence as (my/our) principal place of residence within 60 days after (I/we) acquire (my/our) Shares and execute (my/our) Propriety Lease.

3. Other than as described in this Affidavit, (I/we) have no present intent, understanding or agreement (i.e. other than a mere expectation or possibility) to lease, sell, assign or transfer any interest in the Residence to another party and have not entered into any agreement, understanding or other arrangement to lease, sell, assign or transfer the Residence.

4. Acquisition Costs.

   A. The Acquisition Cost of the Shares allocable to the Residence is $_____ [insert amount set forth on line 1 of Acquisition Cost Worksheet] (the "Worksheet"). (I/We) hereby certify that a true and correct copy of the purchase contract representing the terms of the entire transaction for the purchase of the Shares allocable to the Residence from the seller, and all other contracts, agreements and understandings between (me/us) or anyone acting on (my/our) behalf, directly or indirectly, and the seller or anyone acting on behalf of the seller, directly or indirectly, or any other person, relating to the purchase of the Shares allocable to the Residence and any related real or personal property or fixtures has been provided to the Cooperative Corporation.

B. Neither (I/We) nor anyone on (my/our) behalf has made any payment other than the amount indicated in item 4A above to the seller or to any person on behalf of the seller, nor have (I/we) canceled any debt of the seller or any related person to the seller.

C. (I/We) certify that the information contained in the completed Worksheet which is made part of this affidavit is true and accurate and complete.

5. All the information (I/we) provided on the Purchaser Income Eligibility Worksheet is true, accurate, complete and correct.

6. (I/We) understand that if (I/We) have made any material misstatements in the foregoing representations or have omitted to state any of the information requested such misstatement or omission will be considered an event of default under the Mortgage Loan, the proprietary lease for the Residence and the By-Laws of the Cooperative Corporation and will be grounds for (a) termination of (my/our) proprietary lease, (b) eviction from (my/our) Residence and (c) forfeiture of the Shares allocable to (my/our) Residence.

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: This document must be executed not more than fourteen (14) days prior to execution of the sales contract by the Purchaser.

Date: _____, 199__ L.S._____
Purchaser

Date: _____, 199__ L.S._____
Purchaser

Date: _____, 199__ L.S._____
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me the he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me the he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

REAFFIRMATION

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: Purchaser(s) must execute this reaffirmation if title closing is expected to occur or actually occurs, more than six (6) months subsequent to the date the Purchaser(s) executed their Purchaser Income Eligibility Worksheet. The reaffirmation must be submitted to HDC at least five (5) business days prior to the expected date of title closing (or earlier if there has been a change in family composition, assets or liabilities).

(I/We) as Purchaser(s) of the Residence have reviewed all of the foregoing representations and warranties made by (me/us) including information set forth on my/our Purchaser Income Eligibility Worksheet as of this _____ day of _____, 19_.

(I/We) do hereby reaffirm all of the foregoing representations and warranties previously made except as otherwise provided in the space below (e.g. list changes in family composition, assets and liabilities):

_____

_____

_____

_____

_____

_____

L.S._____
Purchaser

L.S._____
Purchaser

L.S._____
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19_____, before me personally came _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 19___, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

EXHIBIT C

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION PURCHASER INCOME ELIGIBILITY WORKSHEET

Cooperative Corporation: [_____]

Residence: _____ _____
(Address) *(Apartment No.)*

The financial information requested on this worksheet must be provided by all purchasers and any other persons who (a) are expected to reside in the Residence located in the Project financed by a mortgage provided by the New York City Housing Development Corporation ("HDC") and (b) receive income ("Other Household Members"). The information requested below must be provided in order to determine eligibility under certain income and debt limits. These limits have been established principally in response to HDC's programmatic requirements.

THIS DOCUMENT MUST BE COMPLETED PRIOR TO THE EXECUTION OF A SALES CONTRACT BY THE SPONSOR AND/OR COOPERATIVE CORPORATION.

Part 1 - General Information *(Names and Social Security Numbers)*

A. Purchasers
1. _____ Soc Sec No: _____
2. _____ Soc Sec No: _____
3. _____ Soc Sec No: _____

B. Other Household Members
1. _____ Soc Sec No: _____
2. _____ Soc Sec No: _____
3. _____ Soc Sec No: _____
4. _____ Soc Sec No: _____

Part 2 - Determine the Current Gross Income for all Purchasers and Other Household Members

SOURCES OF CURRENT ANNUAL INCOME

1. Gross Pay (including any Part-time Pay) $_____
2. Overtime $_____
3. Bonuses, Commissions, and Tips $_____
4. Dividends, Interest, Royalties & Trust $_____
5. Business Activities $_____
6. Net Rental Income $_____
7. Pension/Social Security Benefits $_____
8. Veterans Administration $_____

9. Unemployment Compensation $_____
10. Sick Pay $_____
11. Public Assistance $_____
12. Any other $_____
13. Alimony, Child Support or separate Maintenance Income
$_____
14. TOTAL ANNUAL GROSS INCOME $_____

Part 3 - Determine the Current Annual Liabilities for all Purchasers and Other Household Members

TYPES OF CURRENT ANNUAL LIABILITIES: *(List total debt ("TD") amount or monthly payment ("MP") amount)*

1. Credit Cards *(List each card and number)*

A. _____ TD $_____

B. _____

C. _____

2. Student Loans MP $_____
3. Automobile Loans or Leases MP $_____
4. Personal Loans or Lines of Credit (Circle: TD or MP) $_____
5. Home Equity Loans MP $_____
6. Alimony and/or Child Support MP $_____

NOTE TO PURCHASERS: If Total Annualized Gross Income or Annualized Liabilities are above the applicable limits at the time of computation, then you will not be eligible to purchase the shares allocable to the Residence.

NOTE TO SPONSOR AND/OR COOPERATIVE CORPORATION: Execution of this Worksheet by Purchasers and Other Household Members must occur not more than fourteen (14) days prior to execution of the sales contract by the Purchasers. The Sponsor and/or Cooperative Corporation may not countersign the sales contract until HDC approves the income eligibility of the Purchasers. HDC's approval is valid for six (6) months from the date Purchasers execute this Worksheet. HDC's approval is void after such six (6) month period and title closing for the Residence may not occur after such date except with HDC's prior written approval and only after Purchasers execute the Reaffirmation on the Purchaser's Affidavit and list all information changes, if any.

PURCHASERS' AFFIDAVIT: I/We, being duly sworn, (1) certify that the information in this Purchaser Income Eligibility Worksheet is true and complete to the best of my/our knowledge and belief; (2) understand and agree that all of the above information is being relied upon by the Sponsor and/or the Cooperative Corporation in order to determine my/our eligibility as a purchaser of the Residence and that any false, misleading or incomplete information in this Purchaser Income Eligibility Worksheet will be considered an event of default under the HDC mortgage, the proprietary lease for the Residence and the By-laws of the Cooperative Corporation and will be grounds for (a) termination of my/our proprietary lease (b) eviction from my/our Residence and (c) forfeiture of the shares allocable to my/our Residence; and (3) consent to disclosure of all of the above information and any verification materials to HDC.

L.S. _____
Purchaser

L.S. _____
Purchaser

L.S. _____
Purchaser

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

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

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF_____)

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

_____
Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

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

_____
Notary Public

EXHIBIT D

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION ACQUISITION COST WORKSHEET

Purchaser(s): _____

Seller(s): _____

Cooperative Corporation: Renaissance Housing Development Fund Corporation

Residence Address: _____

Apartment No.: _____

The acquisition cost of the shares of the Cooperative Corporation allocable to the above-referenced apartment ("Shares"), which Shares are to be acquired by the Purchaser(s) from the Seller(s) is computed as follows:

Amount paid, in cash or in kind, by the Purchaser(s) to or for the benefit of the Seller(s) or a related party to the Seller(s) for the Shares (excluding usual and reasonable settlement and financing costs).

$_____

Note: The acquisition cost does not include: reasonable attorney's fees and disbursements, reasonable brokerage fees, title insurance fees, reasonable processing fees of the cooperative corporation and its agents and attorneys related to such acquisition, recording fees, State and local transfer taxes, stamp taxes and the usual and reasonable fees and expenses in connection with the financing or satisfaction of cooperative share loans, including, without limitation, credit report fees, legal fees, appraisal fees and loan origination fees.

This document must be executed not more than fourteen (14) days prior to the execution of the sales contract by the Purchasers.

Dated: _____

_____
Purchaser

_____
Purchaser

EXHIBIT E

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION COOPERATIVE APARTMENT SELLER'S AFFIDAVIT

THIS DOCUMENT MUST BE COMPLETED FOR ALL SALES

In order to comply with the requirements of the New York City Housing Development Corporation, as mortgagee of the Project (as hereinafter defined), in connection with the acquisition of shares of Renaissance Housing Development Fund Corporation ("Cooperative Corporation") by _____ **[insert name of Purchaser(s)]** (the "Purchaser" whether one or more) from the undersigned, which shares are allocable to a proprietary lease for Apt. ____ (including fixtures) ("Residence") at ("Project"), the undersigned does hereby depose and say:

The acquisition cost of the shares of the Cooperative Corporation allocable to the above-referenced apartment ("Shares"), which Shares are to be acquired by the Purchaser(s) from the Seller(s) is computed as follows:

1. The Acquisition Cost of the Residence is $_____ **[insert amount set forth in the Acquisition Cost Worksheet]**. The information contained in the Worksheet is true, correct and complete to the best of (my/our) knowledge and belief. A true and correct copy of the sales contract representing the terms of the entire transaction for the acquisition of the shares for the Residence has been provided to the Cooperative Corporation.

2. In connection with the sale of shares for the Residence, neither (I/we) nor anyone acting on (my/our) behalf (directly or indirectly) has entered into any contract, arrangement or understanding to make any payment to any persons other than as included in the calculations contained in the Acquisition Cost Worksheet.

This document must be executed not more than fourteen (14) days prior to the execution of the sales contract by the Purchaser.

L.S. _____
Seller

L.S. _____
Seller

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally came _____, to me known and known to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY PARTNERSHIP

STATE OF NEW YORK) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 1999, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally came _____, to me personally known and known to me to be the same person described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

_____
Notary Public

ACKNOWLEDGMENT BY CORPORATION

STATE OF NEW YORK) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, 1999, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

EXHIBIT 2

TO APARTMENT CORPORATION BY-LAWS

AMENDED AND RESTATED REGULATORY AGREEMENT

This **AMENDED AND RESTATED REGULATORY AGREEMENT** ("Amended Regulatory Agreement") is entered into as of June 25, 1999 by and among The N.Y.C. Partnership Housing Development Fund Company, Inc., a not-for-profit corporation whose address is c/o New York City Partnership and Chamber of Commerce, One Battery Park Plaza, New York, NY 10004 (the "Sponsor"), Renaissance Housing Development Fund Corporation, a New York corporation formed pursuant to Article 11 of the Private Housing Finance Law and the Business corporation Law ("Apartment Corporation"), and the City of New York ("City"), a municipal corporation acting by and through its Department of Housing Preservation and Development ("HPD"), having its office at 100 Gold Street, New York, New York 10038.

WHEREAS, the City conveyed certain real property (the "Premises") to the Sponsor pursuant to that certain Land Disposition Agreement between the Sponsor and the City, dated April 8, 1999 and recorded on June 4, 1999 in Reel 2886, at Page 1157, of the City Register of New York County (the "LDA"), and the related deed dated of even date with the LDA, and recorded on June 4, 1999 in Reel 2886, at Page 1106, of the City Register (the "Deed");

WHEREAS, in connection with such conveyance, the Regulatory Agreement between Sponsor and the City, dated April 8, 1999 ("Regulatory Agreement"), was recorded against the Premises on June 4, 1999 in Reel 2886, at Page 1267, of the City Register;

WHEREAS, Sponsor has submitted the Premises to the New York State Condominium Act pursuant to the Declaration of Condominium dated April 8, 1999 recorded by Sponsor on June 4, 1999 in Reel 2886, at Page 1620 (the "Condominium Declaration") which Condominium Declaration established the Premises as a two-unit Condominium, with one unit identified as the "Residential Unit" as described in Exhibit A annexed hereto and made apart hereof and the other unit identified as the "Commercial Unit";

WHEREAS, the Residential Unit will be developed as a residential cooperative for persons and families of low and moderate income ("Project") pursuant to Article 16 of the General Municipal Law;

WHEREAS, upon completion of construction of the Project, it is intended that the Sponsor will convey title to the Residential Unit to Apartment Corporation, which will thereafter own and operate the Project;

WHEREAS, it is contemplated that during construction, Central Harlem Partnership Plaza, LLC ("Developer") will offer the shares of the Apartment Corporation for sale pursuant to an offering plan;

WHEREAS, it is expected that HPD will provide subordinate permanent financing for the Project in the amount of $6,000,000, which will be evidenced and secured by a note and mortgage or an extended and modified note and mortgage ("Note" and "Mortgage"), to be recorded in the land records of New York in the office of the City Register for New York County;

WHEREAS, it is expected that additional construction and permanent financing for the Project will be provided by the New York City Housing Development Corporation ("HDC") through notes and mortgages ("HDC Notes and Mortgages") in the aggregate amount of $38,550,000 and pursuant thereto HDC will enter into a regulatory agreement with the Apartment Corporation, Sponsor and Developer (the "HDC Regulatory Agreement");

WHEREAS, the parties hereto contemplated that at the closing of the construction financing for the Project (the "Loan Closing"), the Regulatory Agreement would be amended and restated, in its entirety, as the Amended Regulatory Agreement to, among other things, release the Commercial Unit from the coverage of the Regulatory Agreement entirely; and

WHEREAS, in order for the Project to enjoy the benefits of the City financing, HPD requires the Sponsor and Apartment Corporation to agree to the restrictions set forth in this Amended Regulatory Agreement.

NOW AND THEREFORE, in consideration of the mutual promises contained herein, the parties do hereby agree as follows:

1. Restatement. This Amended Regulatory Agreement amends and restates and supersedes in its entirety, the Regulatory Agreement.

2. Release of Commercial Unit. From and after the date hereof, the Commercial Unit is hereby released from the requirements of this Amended Regulatory Agreement; and this Amended Regulatory Agreement shall be deemed to apply only to the Residential Unit.

3. Term of Restrictions. The term of the restrictions set forth in this Amended Regulatory Agreement shall commence immediately and shall remain in effect during the time the Note and Mortgage are outstanding or for a period of at least thirty-five (35) years from the date of the making of the Note and Mortgage, whichever is later ("Restriction Period").

4. Initial Sales Price of Project Units. The initial sales prices for the shares of stock of the Apartment Corporation ("Shares") allocable to each cooperative apartment (the Shares allocable to each cooperative apartment and the cooperative apartment to be known collectively as a "Unit") shall be set by the Developer and approved by HPD. The Units may only be sold to purchasers who qualify under the requirements of Section 5 below ("Eligible Purchasers"). HPD must approve all of the initial sales of the Units to the Eligible Purchasers. In order for HPD to approve such sales, the Developer shall deliver to HPD any documentation relating to such sales which is requested by HPD.

5. Eligibility of Purchasers

   A. The Units shall be sold only to Eligible Purchasers. Eligible Purchasers are households whose annual incomes, at the time of the purchase of a Unit, from all sources do not exceed the following percentages of the median annual family income for the New York, New York Primary Metropolitan Statistical Area, as published annually by the United States Department of Housing and

Urban Development, or any comparable successor index ("Area Median Income"). Eligibility shall be determined as of the time such prospective purchasers enter into contracts of sale for the Units. The Eligible Purchasers' aggregate annual household incomes ("Aggregate Annual Income") shall be calculated in accordance with the HDC Regulatory Agreement.

Units shall be sold as follows:

(a) At least 75% of the Units will be sold to purchasers whose Aggregate Annual Income is no greater than 165% of Area Median Income;

(b) Up to 25% of the Units may be sold to purchasers whose Aggregate Annual Income is no greater than 250% of Area Median Income.

B. The Developer and the Apartment Corporation, as the case may be, shall consult with HPD to obtain advice and guidance with respect to income determinations. The Apartment Corporation shall require prospective purchasers to include in their eligibility applications such documentation as is required pursuant to the HDC Regulatory Agreement. The Apartment Corporation must retain documentation of all records and documents relating to the Apartment Corporation's determination for at least three (3) years after the date that the Eligible Purchaser commences occupancy.

Any Eligible Purchaser shall be entitled to remain in occupancy, notwithstanding that such Eligible Purchaser's Aggregate Annual Income, after initial occupancy, may exceed the maximum for initial eligibility.

C. The Apartment Corporation shall submit to HPD no later than sixty (60) days after the date of the Mortgage and upon each anniversary thereafter until the Mortgage has been fully satisfied, a written certification setting forth the Aggregate Annual Incomes of all purchasers of Units who began occupancy during the prior year together with all supporting documentation.

6. Resale of Units

A. A shareholder of the Apartment Corporation ("Shareholder") may sell a Unit only to Eligible Purchasers who qualify under Section 5 above and under the HDC Regulatory Agreement.

B. Upon sale of a Unit by a Shareholder, "resale profits" (as defined in the Note) shall be apportioned 50% to HPD and 50% to the Shareholder in accordance with and as required by the Note and Mortgage. The portion of resale profits apportioned to HPD shall be applied by HPD first to the Note until any balance remaining on the Note is paid off. Upon resale of a Unit, the amount of the Mortgage shall be reduced by the amount of resale profits paid to HPD. After the Note is repaid, HPD's 50% portion of resale profits shall be applied to payment of the Extended and Modified Purchase Money Note A to be made by the Apartment Corporation to HPD at the time the Apartment Corporation

acquires title to the Residential Unit (the "Purchase Money Note A") until the Purchase Money Note A is paid off. Notwithstanding the above, if "HDC Resale Profits" (as defined in the HDC Notes and Mortgages) are required to be paid under the HDC Notes and Mortgages, then no resale profits shall be payable to HPD while such requirement exists.

C. The Apartment Corporation shall provide in its form of proprietary lease that all resales of shares must be approved in writing by the Apartment Corporation. A legend shall be included on the stock certificates advising purchasers that the Apartment Corporation may refuse to consent to transfer of the shares until any indebtedness of the Shareholder to the Apartment Corporation under the Regulatory Agreement is paid.

D. All books and records of the Apartment Corporation concerning sales shall be subject to inspection by HPD.

7. Subleasing of Units: Primary Residency. During the term of the Restriction Period no Unit shall be subleased and all Unit owners must occupy their Unit as their primary residences.

8. Marketing Plan. The marketing of the Units must adhere to the marketing plan which shall be attached as Schedule A hereto.

9. Amendments. This Amended Regulatory Agreement may only be amended by an instrument in recordable form, executed by both parties.

10. Enforcement.

A. If a violation of any of the foregoing covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of sixty (60) days after written notice by HPD, the City and its successors and assigns, without regard to whether the City and its successors and assigns is an owner of any land or interest therein to which these covenants relate, shall have the right and option to (i) institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance of the obligations hereunder, and may (ii) at its sole discretion extend the Restriction Period by up to ten (10) years. No delay in enforcing the provisions hereof as to any breach, violation or attempted violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof to obtain relief or recover for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

B. Notwithstanding the foregoing, in the event of a violation or default of a provision of this Amended Regulatory Agreement, the LDA, the Deed, the HDC Regulatory Agreement or the HDC Notes and Mortgages or in the event of a violation of law or a provision of the Certificate of Incorporation or By-laws of the Apartment Corporation, and such default or violation is uncorrected for a period of sixty (60) days after written notice by HPD to the Apartment Corporation, HPD reserves the right to remove any or all of the existing directors of the Apartment Corporation, and appoint such person or persons as

HPD, in its sole discretion deems advisable including officers or employees of HPD, as new directors to serve in the places of those removed. Directors so appointed need not be shareholders or meet other qualifications which may be prescribed by the Certificate of Incorporation or By-laws of the Corporation. In the absence of fraud or bad faith, directors so appointed shall not be personally liable for debts, obligations or liabilities of the Apartment Corporation. Directors so appointed shall serve only for a period coexistent with the duration of such default or until HPD is assured in a manner satisfactory to it against violations or a similar nature. Officers or employees of HPD who are so appointed as directors shall serve in such capacity without compensation. No such removal may take place without written notice and an opportunity for the affected directors to appear and be heard before HPD with respect to any alleged violation and the respected parties may be represented by counsel.

11. Subordination. All of the terms and conditions of this Amended Regulatory Agreement shall be subject and subordinate to the lien of the HDC Notes and Mortgages as and to the extent provided in the subordination instrument to be delivered to HDC at the Loan Closing.

12. General. The Sponsor, at its sole cost and expense, shall cause this Amended Regulatory Agreement to be recorded against the Residential Unit. The Apartment Corporation, once it acquires title to the Residential Unit, shall submit to HPD an annual certified income and expense statement.

13. Exculpation. Notwithstanding any other provision of this Amended Regulatory Agreement to the contrary, the obligation to pay the indebtedness payable pursuant to the Note and to perform, observe and make good the covenants, warranties and agreements contained in this Amended Regulatory Agreement shall not be enforced by any action or proceeding whereby damages or any money judgment (including any deficiency judgment) shall be sought against any of the shareholders, officers and/or directors of the Sponsor, Developer, or Apartment Corporation.

14. Investigations. Sponsor agrees to be bound by the provisions of the Investigations Clause, attached hereto as Exhibit B.

15. Covenants Running With The Land. This Amended Regulatory Agreement shall be recorded against the Residential Unit in the Office of the City Register for the county in which the Residential Unit is located. The restrictions set forth in this Amended Regulatory Agreement shall run with the land and bind the Sponsor, Sponsor's successors, assigns, heirs, grantees, and lessees. All references to "Sponsor" in this Amended Regulatory Agreement shall include Sponsor's successors, assigns, heirs, grantees, or lessees, including, but not limited to the Apartment Corporation.

16. HDC Regulatory Agreement. In the event of any conflict between the terms of this Amended Regulatory Agreement and the HDC Regulatory Agreement, the more restrictive terms shall govern.

THE CITY OF NEW YORK, by its DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

By: _____
Assistant Commissioner

N.Y.C. PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC.

By: _____
Vice President

RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION

By: _____
Secretary

APPROVED AS TO FORM BY
NEW YORK CITY CORPORATION COUNSEL

By: _____
Acting Corporation Counsel

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 25 day of June, 1999, before me personally came JAMES F. LIMA, Assistant Commissioner of the Department of Housing Preservation and Development of the City of New York, the person who executed the foregoing instrument and she/he acknowledged to me that she/he executed the same as such Assistant Commissioner for the purpose and pursuant to the authority therein recited.

NOTARY PUBLIC
ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 20 00

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 25 day of June, 1999, before me personally came SANDRA ACOSTA, to me known, who being duly sworn, did depose and say that deponent resides at [redacted], that deponent is the VICE PRESIDENT of the N.Y.C. Partnership Housing Development Fund Company, Inc., the corporation described in, and which executed the foregoing instrument; and that she/he signed his/her name thereto by order of the Board of Directors of said corporation.

NOTARY PUBLIC
ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 20 00

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the 25th day of June, 1999, before me personally came MICHAEL KESSLER, to me known, who, being by me duly sworn, did depose and say that he/she resides at [redacted]; that he/~~she~~ is the SECRETARY of RENAISSANCE HOUSING DEVELOPMENT FUND CORPORATION, the corporation described in and which executed the foregoing instrument; and that he/~~she~~ signed his/her name thereto by authority of the board of directors of said corporation.

Notary Public ARTHUR D. BRENNAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 03-4777338
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES JUNE 30, 2000

EXHIBIT A

PROPERTY DESCRIPTION
CITY OF NEW YORK, COUNTY OF NEW YORK

All those certain plats, pieces and parcels of land, with the building and improvements thereon erected, situate, lying and being in the City and State of New York, designated on the Tax Map of the City of New York as:

Block:	Lot:
1600	1002

EXHIBIT B

INVESTIGATION CLAUSE RIDER

1.1 The parties to this agreement agree to cooperate fully with any investigation, audit, or inquiry conducted by a State of New York ("State") or City of New York ("City") governmental agency or authority that is empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath, or conducted by the Inspector General of a governmental agency that is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit, or license that is the subject of the investigation, audit or inquiry.

1.2 (a) If any person who has been advised that his or her statement, and any information from such statement, will not be used against him or her in any subsequent criminal proceeding refuses to testify before a grand jury or other governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to examine witnesses under oath concerning the award of or performance under any transaction, agreement, lease, permit, contract or license entered into with the City, the State or any political subdivision or public authority thereof, or the Port Authority of New York and New Jersey, or any local development organization within the City, or any public benefit corporation organized under the laws of the State, or;

(b) If any person refuses to testify for a reason other than the assertion of his or her privilege against self incrimination in an investigation, audit or inquiry conducted by a City or State governmental agency or authority empowered directly or by designation to compel the attendance of witnesses and to take testimony under oath, or by the Inspector General of the governmental agency that is a party in interest in, and is seeking testimony concerning the award of, or the performance under, any transaction, agreement, lease, permit, contract or license entered into with the City, the State, or any political subdivision thereof or any local development corporation within the City, then:

1.3 (a) The commissioner or the agency head whose agency is a party in interest to the transaction, submitted bid, submitted proposal, contract, lease, permit or license may convene a hearing, upon not less than five (5) days' written notice to the parties involved to determine if any penalties should attach for the failure of a person to testify.

(b) If any non-governmental party to the hearing requests an adjournment, the commissioner or the agency head who convened the hearing may, upon granting the adjournment, suspend any contract, lease, permit or license pending the final determination pursuant to paragraph 1.5 below without the City incurring any penalty or damages for delay or otherwise.

1.4 The penalties that may attach after the final determination by Permittor may include, but shall not exceed:

(a) The disqualification for a period not to exceed five (5) years from the date of any adverse determination for any person or any entity of which such person was a member, shareholder, officer, director, employee or agent at the time the testimony was sought, from submitting bids for, or transacting business with, or entering into or obtaining any contract, lease, permit or license with or from the City; and/or

1.7 (a) Borrower warrants and represents that the best of its knowledge, (i) no officer, agent, employee or representative of the City has received any payment or other consideration for the making of this agreement or in connection with the performance thereof, and (2) that no officer, agent, employee or representative of the City has any interest, directly or indirectly, in this agreement or the proceeds thereof. Borrower agrees that it shall not hereafter make or pay any consideration as aforesaid and that it will cooperate fully with the Commissioner of Investigation of the City and will promptly report in writing any solicitation of money, goods, requests for future employment or other benefit or thing of value, by or on behalf of any employee of the City or other person, firm, corporation or entity for any purpose which may be related to the procurement or obtaining of this agreement by Permittee, or affecting the performance of this agreement.

(b) In the event of a violation of 1.7(a), the Commissioner of the Department of Housing Preservation and Development may convene a hearing pursuant to Section 1.3(a) hereof and upon such hearing, make a determination in accordance with the considerations set forth in Section 1.5 hereof as to whether a violation has occurred. In the event the Commissioner determines a violation has occurred, the penalties imposed may include but shall not exceed the penalties set forth in Section 1.4(a) hereof.

SCHEDULE
~~EXHIBIT~~ A

MARKETING PLAN
ANCHOR - THE RENAISSANCE
LIMITED EQUITY COOPERATIVES

GENERAL

1. Within five (5) months of acquisition of the property by the NYC Partnership Housing Development Fund Company, Inc. ("Partnership"), Central Harlem Partnership Plaza, LLC ("Developer"), as sponsor of a proposed Offering Plan, will submit to the Attorney General ("AG") an application to test the market pursuant to Cooperative Policy Statement No. 1 (the "CPS-1 Application"), to begin marketing activities. The CPS-1 Application will include a marketing brochure and advertising materials prepared by Developer in conjunction with the Partnership (the "Marketing Information"). Marketing activities during the "Preliminary Marketing Period" (i.e., after the CPS-1 Application is filed but before the Offering Plan is accepted for filing) will consist of an outreach, advertising and mailing period. During the Preliminary Marketing Period, a list will be compiled of those interested persons who respond to the Preliminary Marketing Period activities and the Marketing Information. The Partnership will provide technical and administrative assistance to Developer with respect to marketing, both during the Preliminary Marketing Period and after the Offering Plan is accepted for filing, as set forth in this Marketing Plan. However, all decision-making and other marketing responsibilities reside in Developer.

2. Developer also will be assisted in local outreach by the Malcolm Shabazz Development Corporation ("Community Sponsor") pursuant to separate agreement. The Community Sponsor's representatives are expected to contact elected officials, community boards, school boards, houses of worship, institutions and major area employers to inform them of the opportunities for homeownership in this project. These representatives are also expected to provide local residents information, generate local interest and encourage applications, particularly from area residents, for units in the project. Community Sponsor's representatives may also be asked to provide other marketing assistance as deemed appropriate by the Developer, and as permitted pursuant to the CPS-1 Application and the Offering Plan. Developer will establish a Sales and Marketing Center to be housed initially on an off-site property near the development site, and eventually at the project itself. Developer will provide flyers, brochures, and other marketing material for distribution as permitted pursuant to the CPS-1 Application and the Offering Plan after such materials have been approved by HDC.

3. Applicants who reside in Manhattan Community Board 10 (hereinafter "Community Residents") and whose applications are postmarked within the 45 day period described in Paragraph 5(a) below will receive preferential consideration for 30% of the apartments (the "Community Preference"). A total of 5% of the units for the mobility impaired applicants and another 2% of the units for the visually or hearing impaired applicants will receive preferential consideration for apartments.

4. Following acceptance of the CPS-1 Application, Developer will run newspaper advertisements in at least three newspapers (i.e., one local, one ethnic and one City-wide), for

at least three (3) days with at least one (1) day falling on a weekend. The advertisements will contain the postmark deadline date and the address and/or phone number from which to obtain the application in the text of the ad. Individuals who identify themselves in a request for information will be mailed an application. During the Preliminary Marketing Period, applications also will be sent to persons who previously expressed interest in apartments to Developer, the Partnership or, to the extent Community Sponsor has notified Developer, to the Community Sponsor. Only Developer will authorize parties to distribute application forms. Advertisements to be used during the Preliminary Marketing Period shall not be run, and the applications shall not be mailed, until after they have been approved by HDC. If HDC has not advised the Partnership or the Developer of its disapproval within five (5) days of receipt, HDC's approval shall be deemed given.

5.(a) Applications, which will require purchasers to supply preliminary income data, and a check in the amount of $25 for a credit check, will be required to be returned to the Partnership postmarked during the period expiring forty-five (45) days from the date of the first advertisement. Applications will remain unopened at the Partnership until at least one (1) week after that deadline date. At least one (1) week after the postmark deadline, the unopened applications will be randomly ordered, opened, and then logged by the Partnership in numbered sequence with names, current residence and preliminary income data for evaluation, in the presence of a representative of the Developer and HPD. No brokers fees or application fees other than the fee for a credit check referred to above are to be paid by applicants in connection with this portion of the application process.

(b) The list or log created pursuant to Paragraph 5(a) is called the "Basic Sequence List". The Basic Sequence List, once created, will be maintained by the Partnership on behalf of Developer at its office and updated regularly with any additional applications received. Accordingly, all applications received after the expiration of the 45-day period will be retrieved and opened promptly by the Partnership, logged in and added to the Basic Sequence List in order received and will be considered in that order. The Partnership, on behalf of Developer, will create separate logs to track the Community Preference application list and the general application list. References herein to the Basic Sequence List shall be deemed to include both logs, unless otherwise specified.

6. The Partnership, on behalf of Developer, will evaluate each applicant on the Basic Sequence List based on information provided by applicant in the application form, and a credit check investigation to ascertain on a tentative basis, each applicant's income and credit eligibility for the project.

7. Eligibility criteria have been established based on requirements of HDC and HPD, and will be included in the Marketing Information and the Offering Plan. Criteria deal with calculation of qualifying income and the debt ratios to be applied. The Partnership will conduct the credit checks for all applicants on behalf of Developer and work with HPD and Developer to ensure compliance with HDC and HPD requirements. Developer will provide staff assistance to the Partnership at various stages with respect to tasks being performed by the Partnership on behalf of Developer.

All applicants who appear to the Partnership to be ineligible based on their application because of income or creditworthiness, will receive a letter on behalf of Developer advising them of their ineligibility, allowing them seven days to appeal to the Partnership on behalf of Developer. This letter will stipulate that, due to apparent ineligibility, the applicant has been

placed at the end of the Basic Sequence List or the Community Preference List, as applicable. If on appeal an applicant appears to be qualified based on new information submitted, that applicant will be restored to applicant's original place in the Basic Sequence List or the Community Preference List, as applicable, when that new determination of preliminary eligibility is made. An applicant whose preliminary ineligibility is confirmed on appeal or who chooses not to appeal the preliminary determination of ineligibility, but whose income or credit situation changes so that applicant later reapplies and is found eligible to purchase, will be added to the end of the Basic Sequence List or the Community Preference List, as applicable, at the time applicant reapplies and applicant's updated information is received; applicant will then be considered in the order applicant's name appears on the Basic Sequence List or the Community Preference List, as applicable.

8. Once the Offering Plan has been accepted for filing by the AG, Developer will notify those applicants on the Community Preference List who preliminarily have been determined to be eligible to purchase (based on information contained in the application), to come to the sales office and obtain a copy of the Offering Plan. In this notice, Developer will advise applicants that they will have a period of fifteen (15) business days following the date of the notice (the "15-Day Period"), within which to obtain a copy of the Offering Plan, enter into a purchase agreement, complete all the associated formal income verification documents, and pay the requisite down payment. After all the preliminarily eligible applicants on the Community Preference List have been contacted to come to the sales office, then, if Developer shall not at that time have obtained contracts for all of the apartments, Developer will commence notifying the applicants on the Basic Sequence List who submitted applications by the deadline date to come to the sales office to sign contracts. Developer will give a 15-Day Period to all such applicants from the Basic Sequence List.

9. After expiration of the applicable 15-Day Period, if all apartments are not contracted to be purchased, Developer will send written notice in the order their names appear, to additional applicants from the Basic Sequence List. Once notices are sent to applicants beyond those on the original Basic Sequence List, applicants who were previously invited to sign a purchase agreement, will still be entitled to do so, but will no longer have priority over applicants listed later in the Basic Sequence List. At that time, apartments will be available to all eligible applicants whether or not they have been notified to purchase, on a first-come, first-served basis.

10. Applications will continue to be sent out upon request until such time as it is clear that there are sufficient numbers of qualified applicants on the Basic Sequence List to purchase all of the apartments. Applications will be logged in as received.

11. Once sales are completed, the Basic Sequence List, containing the names of all eligible applicants that were not offered an opportunity to purchase an apartment, will be turned over to the apartment corporation operating the residential cooperative ("Apartment Corporation") to use as a waiting list for resale purposes.

12. Developer and the Partnership shall comply with all applicable Federal, State and City equal opportunity and non-discrimination laws and the non-discrimination requirements set forth in the deed and the land disposition agreement between the City and the Partnership with respect to marketing and sales.

13. All marketing will be conducted in conformance with the terms of the HDC and HPD Regulatory Agreements, the CPS-1 Application and the Offering Plan.

CONTRACT PROCEDURES

1. Any applicant who intends to sign a purchase agreement will be required to have obtained an Offering Plan at least three (3) business days in advance of signing a purchase agreement. A deposit of $100 will be required to obtain a copy of the Offering Plan. This deposit will be returned when a purchase agreement is signed or when the Offering Plan is returned if applicant does not sign a purchase agreement. In addition, a check in the amount of up to $25 per applicant will be required for a credit report.

2. Applicants will be requested to be prepared with the items noted below and additional required documents at the purchase agreement signing:

A) Check for the down payment in the amount of 50% of the cash purchase price;
B) The Purchaser Eligibility Documents required by HDC pursuant to the terms of the HDC Regulatory Agreement;
C) Form W-9, Request For Taxpayer I.D. No.;
D) Designation of Interest-Recipient (where purchaser comprises more than one person).

3. Each purchase agreement that has been fully signed by a purchaser, together with purchaser's required documentation and checks, will be reviewed by Developer to confirm preliminarily, compliance with HDC and HPD Regulatory Agreements. Developer will complete or cause to be completed, an applicant information form (using a form approved by HDC), for each purchaser who signs a purchase agreement (the "Applicant Information Form"). Upon completion of this step, the purchase agreement and Applicant Information Form will be delivered by Developer to the Partnership for review. Following such review, the Partnership will send a copy of the Applicant Information Form (which will include the verified income), a copy of the purchase agreement and any other information required by HDC, to HDC, and a copy of the Applicant Information Form to HPD, for review. HPD will review the Applicant Information Form to ensure adherence to the Marketing Plan. Developer will execute each purchase agreement that is the subject of an Applicant Information Form approved by both HDC and HPD, and will arrange for subsequent distribution of that purchase agreement to the purchaser and escrow agent who holds the down payment.

RESALE PROCEDURES

1. Resale procedures will be in accordance with the terms of the Regulatory Agreements to be entered into between the Apartment Corporation and HPD and HDC. The income of resale purchasers will be based on the limits, if any, to be set forth in said Regulatory Agreements.

2. Resale procedures generally provide that any cooperator wishing to sell his or her apartment must sell to a qualified purchaser. The Apartment Corporation may maintain a waiting list of qualified interested parties, which may be maintained and updated periodically by the Apartment Corporation, and may be referred to by a cooperator interested in reselling. Cooperators will not be required, however, to sell to persons on the waiting list. The waiting list if maintained by the Apartment Corporation for the convenience but not the required use, of cooperators.

3. All resale purchasers are subject to the approval of the Apartment Corporation, HDC and HPD, based on any guidelines promulgated in the Regulatory Agreements.

9. FORM OF LIMITED WARRANTY

FORM OF LIMITED WARRANTY

OWNER ACKNOWLEDGES RECEIPT OF THIS LIMITED WARRANTY

Renaissance Housing Development Fund Corporation

LIMITED WARRANTY

NAME OF OWNER	Renaissance Housing Development Fund Corporation
ADDRESS OF OWNER	
DESIGNATION OF PROPERTY WARRANTED	Residential Unit described in that certain declaration of condominium dated April 8, 1999, recorded on June 4, 1999 in Reel ____, Page ____ ("Condominium Declaration")(the "Residential Unit").
NAME OF DEVELOPMENT	Renaissance
NAME OF BUILDER	Central Harlem Partnership Plaza, LLC
ADDRESS OF BUILDER	C/o Suna/Levine, Inc. 42-22 22nd Street Long Island City, New York 11101

BUILDER'S LIMIT OF TOTAL LIABILITY:

The Builder's aggregate total limit of liability to Owner for deficiencies of the Residential Unit shall be strictly limited to one-hundred (100%) percent of the actual cost to replace the Residential Unit, in accordance with the requirements of the Building Code to its condition as of the date of the Builder's receipt of the applicable Notice of Warranty Claim Form from the Owner, less the Aggregate Acquisition Cost paid by the Owner to acquire the Residential Unit. All capitalized terms utilized in this paragraph shall have the meanings as set forth in the text of this Limited Warranty.

NOTE: THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW OR EXCEPT AS OTHERWISE SET FORTH HEREIN. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED, ON THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT, ITS WORKMANSHIP AND MATERIALS, AND ITS FITNESS FOR USE AND HABITABILITY. THIS LIMITED WARRANTY IS ACCEPTED BY OWNER IN LIEU OF ALL OTHER WARRANTIES. THE BUILDER MAKES NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE BUILDER'S RESPONSIBILITIES FOR DEFECTS OF A LATENT OR HIDDEN NATURE THAT WOULD NOT HAVE BEEN FOUND OR DISCLOSED ON THE FINAL INSPECTION.

1. **TO WHOM GIVEN.** This Limited Warranty is extended exclusively to Owner, while the Owner owns the Residential Unit. It does not extend to subsequent owners of the Residential Unit, except to a mortgagee of Owner who acquires the Residential Unit through foreclosure or otherwise, during the term of this Limited Warranty.

2. **BY WHOM MADE.** This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1 of this Limited Warranty. However, Levine Builders, who served as general contractor for construction of the Residential Unit, guarantees Builder's obligations as set forth in this Limited Warranty.

3. **FINAL INSPECTIONS.**

(a) Before Owner accepts delivery of the Residential Unit, the Builder will set up an appointment for the Final Inspection with an authorized designee of Owner. The purpose of the Final Inspection is to discover any Defects of a visible, apparent or patent nature, or any unfinished work in the Residential Unit;

(b) In addition, before the earlier of (i) the date on which the shares of Owner attributable to an Apartment in the Residential Unit ("Shares") are transferred to a purchaser who has signed a Purchase Agreement for the Shares pursuant to the Offering Plan (a "Purchaser") or (ii) the date on which the Purchaser takes occupancy of the Apartment under an interim lease or otherwise, Builder will set up an appointment for a Final Inspection of the Apartment that is the subject of the Purchase Agreement with the Purchaser named in the Purchase Agreement, to inspect the Apartment. The purpose of the Final Inspection of the Apartment is to permit Purchaser and Builder to establish a list of outstanding items in the Apartment that Purchaser wished Builder to complete and/or repair and which Builder agrees to complete or repair (the "Punch List"). Items on the Punch List are referred to as "Punch List Items." Builder's obligation to conduct a Punch List inspection and establish a Punch List, shall run only to initial Purchasers from Seller, and shall not extend to subsequent purchasers on resale.

(c) Defects in the Residential Unit found on the Final Inspection with Owner's authorized designee or Punch List Items in an Apartment identified during the Final inspection with a Purchaser will be itemized on a Final Inspection Form, annexed hereto as Schedule A and B respectively, that includes a schedule for each item that will be corrected or completed. The Final Inspection Form will be signed by Owner or Purchaser, as applicable, and the Builder before acceptance of the Residential Unit or occupancy of the Apartment, as applicable.

The purpose of this Limited Warranty is to itemize the Builder's responsibilities for Defects of a latent or hidden kind that would not have been found or disclosed on the Final Inspection.

Once Owner accepts delivery of the Residential Unit, the Builder's responsibility is limited to:

(i) as to the Owner or Purchaser, the repair, replacement or payment to the Owner or Purchaser, as applicable of the reasonable fair market cost of repairing or replacing the items listed on the Final Inspection Form of Owner or the Punch List of Purchaser in accordance with the provisions of this Limited Warranty; and

(ii) performance of warranty obligations under the provisions of this Limited Warranty, as contained in this document.

DEFINITIONS. As used in this Limited Warranty, the following terms have the following meanings:

(a) **"Apartment"** means a dwelling unit in the Residential Unit constructed by the Builder, the cooperative shares attributable to which are to be acquired by a Purchaser.

(b) **"Aggregate Acquisition Cost"** means aggregate of the principal amounts of all permanent and purchase money mortgages secured by the Residential Unit as of the date Owner acquires title to the Residential Unit plus the aggregate cash offering price for the Shares pursuant to the Offering Plan as of that same date.

(c) **"Builder"** means the Person identified as the Builder on page 1 of this Limited Warranty. Whenever the term "Builder" is utilized herein, it shall be deemed to include, solely for the purpose of establishing the Builder's liability under this Limited Warranty, any agent of the Builder, contractor retained exclusively by the Builder or subcontractor retained exclusively by the Builder's contractor. Nothing herein shall be deemed to establish any privity of contract between the Owner or Purchaser and any of the above agents, contractors or subcontractors or any privity of contract between the Builder and a subcontractor retained by the Builder's contractor.

(d) **"Building"** means the building located at 130 Malcolm X Boulevard, New York, New York, which contains the Residential Unit and the Commercial Unit described in the Condominium Declaration.

(e) **"Building Code"** means the Building Code of the City of New York, as defined in Title 27 of the Administrative Code of the City of New York, or the Uniform Fire Prevention and Building Code promulgated under Section 377 of the Executive Law, local building code standards approved by the Uniform Fire Prevention and Building Code Council under Section 379 of the Executive Law, whichever is applicable, as said codes and standards shall exist on the Warranty Date.

(f) **"Common Areas"** means those portions of the Residential Unit which an Apartment shares in common with other Apartments. The determination by the Builder as to which portions of the Residential Unit constitute Common Areas shall be final.

(g) **"Consumer Product"** shall include, but not be limited to, any appliance, piece of equipment, or other item which is a "consumer product" under the Magnuson-Moss Warranty Act, 15 USC Section 2301 et seq., and which is installed in the Residential Unit by the Builder. Examples of Consumer Products include, when installed by the Builder: air purifiers, kitchen appliances, refrigerators, freezers, ovens, stoves, microwaves, mixers, sinks, toilets, bathtubs, compactors, garbage disposals, dishwashers, fans, faucets and plumbing fixtures, clothes washers, clothes dryers, water heaters, water softeners, humidifiers, pumps, furnaces, oil tanks, heaters, air conditioners, light fixtures, circuit breakers, floor coverings, windows, doors, doors, door openers, siding, brick, and roofing.

(h) **"Defect"** means defective workmanship performed by the Builder and defective materials supplied by the Builder, determined solely by reference to the specific standards of the Building Code and the Locally Accepted Building Practices. The term "Defect" does not include a condition in the Residential Unit or an Apartment that would have been apparent or ascertainable upon the Final Inspection. A condition that is disclosed to the Owner or Purchaser at any time prior to acceptance of the Residential Unit or occupancy of the Apartment respectively, by notation on the Final Inspection Form, Punch List or otherwise, is not a Defect within the meaning of this Limited Warranty. Unless otherwise indicated, the term "Defect" shall be deemed to include "Major Structural Defects".

(i) **"Development"** means the construction of the Residential Unit by Builder for Owner.

(j) **"Electrical System"** means the following items, if installed in the Residential Unit by the Builder: electrical wiring, electrical boxes, switches, outlets and connections up to the public utility connection and extensions to any Consumer Product installed by the Builder; cable television systems; intercom systems; burglar, fire and smoke alarm systems. The Electrical System does not include any Consumer Product.

(k) **"Final Inspection"** means the final inspection of the Residential Unit or the Apartment, as applicable, prior to Owner's acceptance of the Residential Unit or Purchaser's occupancy of the Apartment, respectively.

(l) **"Heating/Cooling/Ventilation System"** means the following items, if installed in the Residential Unit by the Builder: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. The Heating/Cooling/Ventilation System does not include any Consumer Product.

(m) **"Locally Accepted Building Practices"** means the performance standards annexed to and incorporated in this Limited Warranty as Schedule C.

(n) **"Major Structural Defects"** means Defects resulting in actual physical damage to the Residential Unit caused by failure of the Major Structure which affects its load-bearing functions to the extent that the Residential Unit or any Apartment in the Residential Unit, becomes unsafe, unsanitary or otherwise unlivable.

(o) **"Major Structure"** means the following portions of the Building that are load-bearing: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems, and nonload-bearing portions of the Building such as: roofing and sheathing; roof shingles and tar paper; Electrical System, Plumbing System, and Heating/Cooling/Ventilation System. Major Structure does not include floor covering material; wall tile or paper and other wall coverings; non-load bearing walls and partitions; drywall, lathes and plaster; exterior siding; brick, stone or stucco veneer; flooring and subflooring material; asphalt parking lot; patios; terraces; balconies; basements that are built separately from foundation walls or other structural elements of the Building; Consumer Products, appliances, fixtures and items of equipment; paint and stains; doors and windows; trim; cabinets; hardware; insulation; electric smoke detectors; sidewalks, walkways and driveways.

(p) **"Offering Plan"** means the cooperative Offering Plan for the sale of Shares of Owner as accepted for filing by the New York State Department of Law, as same may be amended from time to time.

(q) **"Owner"** means the Renaissance Housing Development Fund Corporation.

(r) **"Owner accepts delivery of the Residential Unit"** means Owner commences operation of the Residential Unit as a residential unit, and shall be deemed to have occurred as of the date the first Person takes occupancy of an Apartment in the Residential Unit.

(s) **"Person"** means any individual.

(t) **"Plumbing System"** means the following items, if installed in the Residential Unit by the Builder: gas supply lines and fittings; water supply waste and vent pipes and their fittings; septic tanks and their drain fields, water, gas and sewer service piping, and their extensions to any Consumer Product installed by the Builder, the tie-in of a public utility connection, or on-site well and sewage disposal system. The Plumbing System does not include any Consumer Product.

(u) **"Purchaser"** shall have the meaning given in Section 3(b) above.

(v) **"Residential Occupancy"** means occupancy of any Apartment for residential purposes by any Person, their designee or invitee.

(w) **"Residential Unit"** means the Residential Unit defined and identified as such on page 1 of this Limited Warranty.

(x) **"SDA"** means a certain Site Development Agreement by and between the Builder and N.Y.C. Partnership Housing Development Fund Company, Inc., relating to the Development, as same may be amended from time to time.

(y) **"Shares"** shall have the definition given in Section 3(b) above.

(z) **"Warranty Date"** means for the purpose of the Residential Unit (i.e., the "Residential Unit Warranty Date"), the date on which Owner accepts delivery of the Residential Unit.

5. **PRODUCTS AND PARTS COVERED BY LIMITED WARRANTY.** Coverage A of this Limited Warranty applies to those parts of the Residential Unit that have been constructed by the Builder and to those Consumer Products that have been installed in the Residential Unit by the Builder. Coverage A does not apply to any part of the Residential Unit that has been constructed, altered or damaged by any Person other than the Builder or to any Consumer Product that has been installed, altered or damaged by any Person other than the Builder.

Coverage B of this Limited Warranty applies to those products or parts of the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System that have been installed by the Builder. Coverage B does not apply to any products or parts that have been installed, altered or damaged by any Person other than the Builder. Coverage B does not extend to any Consumer Product.

Coverage C of this Limited Warranty applies to those parts of the Major Structure that have been constructed by the Builder. Coverage C does not apply to any part of the Major Structure that has been constructed, altered or damaged by any Person other than the Builder. Coverage C does not extend to any Consumer Product.

Coverages A, B and C are subject to the definitions, limitations, exclusions, and all other terms and conditions of this Limited Warranty.

6. **WARRANTY COVERAGE PERIODS.** Warranty coverages A, B and C begin on the Warranty Date respecting the Residential Unit. The warranty coverages end as follows:

COVERAGE A: one year following the Residential Unit Warranty Date.
COVERAGE B: two years following the Residential Unit Warranty Date.
COVERAGE C: six years following the Residential Unit Warranty Date.

No fact, condition or circumstance delays or extends the Warranty Date or any time or period of warranty coverage. Nothing herein shall be deemed to limit Owner's right to commence an action for damages or other relief caused by a breach of this Limited Warranty within one (1) year after the last date that the Builder makes repairs in response to a warranty claim made in strict compliance with Paragraph 13 of this Limited Warranty or within ninety (90) days after the expiration of any applicable warranty period.

7. **WARRANTY COVERAGES.**

COVERAGE A: The Builder warrants to Owner that, for one year following the Residential Unit Warranty Date, the Residential Unit will be free from Defects due to failure by the Builder to have constructed the Residential Unit in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices. The above coverage shall include, but not be limited to, Builder's warranty that the roof and basement of the Building shall be free from leaks and walkways and driveways shall be free from cracks in excess of 1/4 inch in width or 1/8 inch in vertical displacement.

The Builder further warrants to Owner that, for one year following the Warranty Date, Consumer Products installed in the Residential Unit by the Builder will be free from Defects due solely to faulty installation by the Builder. (For Consumer Products, see further details in Paragraph 9 of this Limited Warranty, below.)

COVERAGE B: The Builder warrants to Owner that, for two years following the Residential Unit Warranty Date, the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System of the Residential Unit will be free from Defects due to failure by the Builder to have installed such systems in the Residential Unit in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices.

The Builder reserves the right in lieu of the foregoing, to assign to Owner upon Owner's acceptance of delivery of the Residential Unit, written warranties of the Builder's plumbing, electrical, heating, cooling, or ventilation system subcontractors, and to deliver written copies of such warranties to Owner, which substituted warranties shall be in substantial compliance with

the terms of this Limited Warranty. Said warranties will be in substantial conformance with the Locally Accepted Building Practices. In the event of such substitution, Owner will be required to address any requests for warranty service under Coverage B and any warranty claims under Coverage B to the subcontractor, with a copy of any such written request or claim to the Builder.

In the event that the subcontractor under an assigned warranty does not repair, replace or pay Owner the reasonable fair market cost or repairing or replacing the defective item(s) within a reasonable time, Owner shall have the right to make a warranty claim under Coverage B to the Builder in conformance with the requirements contained in Paragraph 13 hereunder. Any request by Owner to a subcontractor under an assigned warranty for warranty service under Coverage B shall toll the running of the period during which Owner may submit a Notice of Warranty Claim Form to the Builder pursuant to Paragraph 13(a) hereunder during such reasonable time as Owner shall be seeking redress of a warranty claim form said designated subcontractor.

COVERAGE C

Terms and Scope of Coverage

The Builder warrants to Owner that, for six years after the Residential Unit Warranty Date, the Major Structure of the Residential Unit will be free from Major Structural Defects due to faulty workmanship performed by the Builder or defective materials used by the Builder which make the Residential Unit unsafe, unsanitary or unlivable.

PROCEDURE FOR FILING WARRANTY CLAIM

Owner shall be required to address any requests for warranty service under Coverages A, B and C and any warranty claims under Coverages A, B and C to the Builder in strict conformance with the filing and all other requirements contained in this Limited Warranty. Purchasers and Residential Unit residents generally shall forward their requests for work in their Apartment to the Owner, who shall determine if said request is covered under this Limited Warranty, and if so shall forward same to the Builder in accordance with the procedures described in this section.

8. EMERGENCY ACCESS. If emergency repairs under this Limited Warranty are needed to the Building, the Residential Unit or to an Apartment therein, and the Owner or Apartment dweller, as applicable, cannot be contacted within a reasonable period of time, both Owner and the Apartment dweller waive advance notice. Such entry with or without notice, shall be made with as little inconvenience as possible to the Owner or occupant.

9. CONSUMER PRODUCTS. This Limited Warranty as it concerns each Apartment, covers Consumer Products in an Apartment for the 365-day period beginning with the date the Purchaser takes occupancy of the Apartment, and this Limited Warranty as it concerns Common Areas, covers Consumer Products in the Common Areas only during the first year after the Residential Unit Warranty Date. In each case the Limited Warranty covers only to the extent of Defects caused solely by faulty installation by the Builder. Damage caused or made worse by any manufacturer's or distributor's defect, by installation by any Person other than the

Builder, from misuse by Owner, Purchaser or user, or from a malfunction of an electric company, gas company, water supplier or any other utility is not covered.

The Builder will convey and assign to Owner, to the extent that they are assignable, at the time Owner accepts delivery of the Residential Unit, all warranties provided to the Builder on any Consumer Products and manufactured items that have been installed by the Builder in the Residential Unit, other than those respecting Consumer Products installed in an Apartment, which will be delivered to the Purchaser at closing under the Purchase Agreement. Owner will accept this assignment and acknowledge that the Builder's only responsibility relating to such assigned warranties is to lend assistance to Owner in settling claims under the assigned warranties.

10. EXCLUSIONS FROM COVERAGE. The following are excluded from Coverages A, B and C, except as otherwise noted below:

(a) Loss or damage caused by workmanship performed by any Person other than the Builder.

(b) Loss or damage cause by defective materials supplied by any Person other than the Builder.

(c) Loss or damage caused by defective design, unless the design professional was retained exclusively by the Builder.

(d) Loss or damage that would have been apparent or ascertainable upon the Final Inspection, including, but limited to, any defect of a patent, visible or apparent nature that a prudent examination by Owner or a Purchaser would have revealed.

(e) Loss or damage that is disclosed to Owner or a Purchaser at any time prior to acceptance of delivery of the Residential Unit or occupancy of the Apartment respectively, by notation on the Final Inspection Form or otherwise.

(f) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the Plumbing System, Electrical System, or Heating/Cooling/Ventilation System serving the Building); site located swimming pools and other recreational facilities; sidewalks (except those fronting the Building); patios; terraces; balconies; parking lots; courtyard; landscaping (including sodding, seeding, shrubs, trees and plantings); deck areas; curbs (except those fronting the Building); off-site improvements or any other improvements not a part of the Residential Unit.

(g) Damage to real property which is not part of the Residential Unit covered by this Limited Warranty.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Builder; or

(ii) failure by Owner or Purchaser or anyone other than the Builder to comply with the warranty requirements of manufacturers or suppliers of Consumer Products, appliances, fixtures or items of equipment; or

(iii) failure of Owner to give notice to the Builder of any Defects or damage in the manner set forth in Paragraph 13 of this Limited Warranty or failure of the Purchaser or other Apartment occupant to give notice to the Owner in accordance with Paragraph 7 of this Limited Warranty; or

(iv) changes in the grading of the ground by anyone other than the Builder; or

(v) changes, alterations, or additions made to the Residential Unit or the Apartments therein by anyone, except the Builder, after the Residential Unit Warranty Date; or

(vi) dampness or condensation due to failure of any party other than the Builder to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Residential Unit, including, but not limited to, uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials, except as otherwise provided by law. This Paragraph 10(i) shall not be deemed to limit any remedies that Owner or the Builder may have under applicable law.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcano eruption, wind-driven water, or changes in the underground water table which were not reasonably foreseeable by the Builder.

(k) Loss or damage caused by seepage of water.

(l) Loss or damage caused by or resulting from soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Changes, alterations, or additions made to the Residential Unit by anyone after initial occupancy or Owner's acceptance of delivery of the Residential Unit, except those performed by the Builder.

(n) Loss or damage which is covered under any other warranty or insurance policy.

(o) Loss or damage which Owner or Purchaser or other occupant of an Apartment has not taken timely action to mitigate.

(p) Normal wear and tear and normal deterioration.

(q) Insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests.

(r) Bodily injury, personal injury, death, or loss or damage to personal property.

(s) Failure of the Builder to complete construction of the Residential Unit.

(t) Loss or damage which arises while the Residential Unit is being used primarily for nonresidential purposes or which arises as the result of nonresidential use.

(u) Loss or damage due to loading on floors by Owner which exceeds design loads as established by the Building Code.

(v) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience, relocation, or loss of use, during repair.

(w) Incidental, special and indirect damages.

(x) Consequential damages, except for property damage to the Residential Unit or the Building proximately caused by a Defect.

(y) Loss or damage arising from any claim not filed in strict compliance with the procedures set forth below in Paragraph 13, **"Step-by-Step Claims Procedures"** with respect to any claim. OWNER'S FAILURE TO COMPLY WITH ANY OF THE PROCEDURES SET FORTH IN PARAGRAPH 13 WITH RESPECT TO A CLAIM ON ITS OWN BEHALF OR ON BEHALF OF ANY PERSON WILL VOID SAID CLAIM UNDER THIS LIMITED WARRANTY.

(z) Loss or damage of any kind in excess of the Builder's Total Limit of Liability, as set forth in Paragraph 13 of this Limited Warranty.

(aa) Loss or damage to any improvements or additions to the Residential Unit made by Owner, or any other party other than Builder.

(ab) Loss or damage to the Residential Unit or any Apartment therein which cannot be remedied due to the Builder's inability to gain reasonable access to the affected area because of Owner's or anyone else's improvements or additions to the Building, Residential Unit or an Apartment therein, or because of the actions or inactions of Owner or any other party.

(ac) Defects in any work or materials ordered directly by Owner from the Builder's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental, consequential, special or indirect damages resulting from such work or materials.

(ad) Raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surfaced or grooves) and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops.

(ae) Any hairline cracks (1/4 inch or less in width or 1/8 inch or less in vertical displacement) in driveways and walkways.

11. OWNER'S RESPONSIBILITIES.

The Residential Unit requires active maintenance effort on Owner's part to reduce the likelihood of damage due to neglect, improper maintenance, abnormal use or any other use proscribed under applicable law. Some specific Owner's responsibilities are set out in the performance standards of the Locally Accepted Building Practices, attached to and included in this Limited Warranty as Schedule C. Owner is required to abide by all operating instructions provided by the Builder or by any manufacturer or supplier of component parts of the Residential Unit.

Owner is required, prior to the time that the Builder has received notice of a claim, whether on behalf of Owner or any Person to use reasonable efforts to timely mitigate damages caused by a Defect. Except in the event of an actual emergency, Owner's obligation to mitigate damages will not require the Owner to expend any monies to mitigate damages. The Builder will be required to reimburse Owner for any monies reasonably expended by Owner to mitigate damages in the event of an actual emergency.

NOTE: DAMAGE CAUSED OR MADE WORSE BY NEGLIGENCE, IMPROPER MAINTENANCE, IMPROPER OPERATION OR ILLEGAL USE BY OWNER OR ANY PERSON OTHER THAN BUILDER, OR OWNER'S FAILURE TO TIMELY MITIGATE DAMAGES IS EXPRESSLY EXCLUDED FROM COVERAGE UNDER THIS LIMITED WARRANTY.

Further responsibilities of Owner are described in Paragraph 13 of this Limited Warranty, below.

12. WHAT THE BUILDER WILL DO. If a Defect occurs in an item covered by this Limited Warranty, the Builder will (i) respond to Owner's Notice of Warranty Claim Form (which form is attached hereto as Schedule D) within fourteen (14) days from the Builder's actual receipt of same, and (ii) repair, replace or pay Owner the reasonable fair market cost of repairing or replacing the defective item(s) within sixty (60) days after the Builder's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond the Builder's control. The choice among repair, replacement or payment is solely that of the Builder. In making any repairs or replacements, the Builder will have the sole right to select the method and materials to be used in performing such repairs or replacements and shall commence the repair or replacement within thirty (30) days after the Builder's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond Builder's control.

In case of a Defect that is identified in the Locally Accepted Building Practices, the Builder will respond according to the "Builder Correction" as described in the Locally Accepted Building Practices.

In no event will Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability set forth in Paragraph 15 herein. Any payments made by the Builder or the fair market costs of repairs and/or replacements made by the Builder will be

applied to reduce the Builder's Limit of Total Liability set forth in Paragraph 15 herein. Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Residential Unit itself which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Residential Unit damaged by the Major Structural Defect which made the Residential Unit unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the Defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the Defect must be signed by the Owner, and if the claim was made by Owner on behalf of a Person(s), then by the Person(s) as well, and delivered to the Builder. In the event Owner and/or the Person(s) on whose behalf the claim was made, fail to execute a full release, the builder will notify the Owner as to what action(s) it has taken with respect to the applicable Defect and thereafter the Builder will be deemed to have complied with all of its obligations under this Limited Warranty with respect to the applicable Defect. Notwithstanding the above, in the event the Builder elects to repair or replace the Defect, the Builder shall be required, during the applicable warranty coverage period, to make any further repairs or replacements necessary to remedy the Defect in the event that the essential condition which cause the existence of the original Defect shall continue to be present or shall reoccur.

13. STEP BY STEP CLAIMS PROCEDURES. If Owner believes that a Defect has occurred in an item covered by this Limited Warranty, Owner must take the following steps:

(a) Written notice of any warranty claim must be made on the "Notice of Warranty Claim Form" annexed hereto as Schedule D, and must be actually received by the Builder identified on page 1, no later than the date on which warranty coverage on that item expires. Notice of any warranty claim must be given by Owner to the Builder as follows: (1) by hand, with a written acknowledgment of receipt from the Builder, or (2) by certified or registered mail, return receipt requested. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. FAILURE TO COMPLETE AND DELIVER THE NOTICE OF WARRANTY CLAIM TO THE BUILDER VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Owner or any other party to inspect, test or correct defects will extend the period of warranty coverage or any other time period under this Limited Warranty. Nothing herein shall be deemed to limit Owner's right to commence an action for damages or other relief caused by a breach of this Limited Warranty within one (1) year after the last date that the Builder makes repairs in response to a warranty claim made in strict compliance with this Paragraph 13.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of Owner, the Builder and the Builder's agents will have the right to inspect and test the portion of the Residential Unit to which the claim, complaint or request relates. Owner and occupants of the Residential Unit must provide Reasonable Access to the Builder and the Builder's agents and contractors during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement.

"Reasonable Access" by Owner for inspection, testing and completion of the work will (a) require Owner or its representative to be physically present during any work period and (b) require Owner and occupants of an Apartment, if applicable, to allow the Builder to inspect, test and complete the work and not obstruct the Builder in any way during the Builder's performance of its duties. In the event, after a work appointment has been set by the Builder and Owner, Owner (and/or Apartment occupants, as required) fails to provide Reasonable Access to the Builder, the Builder will have the right to assess Owner a $50.00 service fee.

IN THE EVENT, AFTER A SECOND WORK APPOINTMENT HAS BEEN SET BY THE BUILDER AND OWNER, OWNER (AND/OR APARTMENT OCCUPANTS, AS REQUIRED) AGAIN FAILS TO PROVIDE REASONABLE ACCESS TO THE BUILDER, THE OWNER AND APARTMENT OCCUPANT, IF APPLICABLE, WILL BE ESTOPPED FROM ASSERTING ANY CLAIMS WITH RESPECT TO THE APPLICABLE DEFECT UNDER THIS LIMITED WARRANTY AND THE BUILDER WILL BE DEEMED TO HAVE COMPLIED WITH ALL OF ITS OBLIGATIONS UNDER THIS LIMITED WARRANTY WITH RESPECT TO THE APPLICABLE DEFECT.

(d) The Builder is not responsible for repairs performed by anyone other than the Builder or an authorized service representative of the Builder. The Builder will not reimburse Owner or any other party for the costs of any unauthorized work or materials. The Builder will not repair or replace an item that has been repaired, altered or replaced by anyone other than the Builder or the Builder's authorized service representative. _____ is Builder's only authorized representative. USE OF UNAUTHORIZED REPRESENTATIVES VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

14. LEGAL ACTIONS.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Builder in any court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in Paragraph 13 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any court or forum more than ninety (90) days after the expiration of the applicable warranty coverage under Paragraph 6 of this Limited Warranty or more than one (1) year after the last date that the Builder makes repairs in response to a warranty claim.

15. BUILDER'S LIMIT OF TOTAL LIABILITY.

The Builder's aggregate total liability to Owner for Defects in the Residential Unit shall be strictly limited to one hundred (100%) percent of the actual cost to replace the Residential Unit, in accordance with the requirements of the Building Code, to its condition as of the date of the Builder's receipt of the applicable Notice of Warranty Claim from Owner, less the Aggregate Acquisition Cost.

In the event that there shall be a dispute between the Builder and Owner as to the Builder's total limit of liability hereunder, the Builder shall have the right to submit said dispute on behalf of the Builder and Owner for settlement by arbitration in accordance with the Rules and Procedures for the Conciliation and Arbitration of Home Warranty Disputes of the National

Academy of Conciliators, or if said arbitration service shall not be available, such similar nationally recognized arbitration service to be selected by the Builder, which arbitration proceeding shall take place in the City of New York. Nothing herein shall be deemed to limit any and all rights that the Owner may have under applicable law and under this Limited Warranty to challenge as arbitrator's determination as to the Builder's total limit of liability hereunder.

GENERAL PROVISIONS.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Builder and Owner, or successor to Owner by operation of law, their heirs, executives, administrators, successors and assigns, and on the tenant-shareholders of Owner.

(c) Should any provision of this Limited Warranty be deemed unenforceable by a court of competent jurisdiction, said determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular.

(e) This Limited Warranty is to be governed in accordance with the laws of the State of New York.

SCHEDULE A

[Punchlist to be prepared by Developer with the lender's engineer in conjunction with the final payment requisition.]

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SCHEDULE B

PROJECT NAME
INSPECTION STATEMENT
and
CHECKLIST

NAME & ADDRESS OF OWNER

Re: Premises: 130 Malcolm X Boulevard
Apartment #

(the "Apartment")

As a result of my/our final pre-closing inspection, please be advised that except as set forth in the column called "Exceptions, if any", I/we found the entire Apartment, including the items listed in the "Items" column, in good condition, in working order, free of chips, mars, breaks or other defects.

Items	OK	(Exceptions, if any)
Windows		
Electric Fixtures		
Sink, Basin, Tub Bowl		
Shower		
Plumbing Fixtures		
Kitchen Cabinets		
Vanity, Medicine Cabinet, Mirror		
Doors & Hardware		
Carpeting		
Appliances		
Interior Painted Surfaces		

I/we understand that to prevent pilferage, some items such as toilet seats, shower heads, faucet aerators, and door knobs may be installed just prior to my/our date of occupancy. Any adjustments listed in the exceptions, if any column, shall be completed within a reasonable time after closing.

Inspection Date: _____

_____ _____

Builder's Representative

Purchaser –

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SCHEDULE C

ONE-YEAR WARRANTY ITEMS

1. SITE WORK

1.1 EXCAVATING AND BACKFILLING
DEFICIENCY: Settling of ground around foundation, utility trenches or other filled areas
CONSTRUCTION STANDARD:
Settling of ground around utility trenches or other filled areas; maximum allowable 6 inches. Settling of backfill around foundation shall not interfere with water drainage away from the house
BUILDER CORRECTION:
Upon request from the buyer, the Builder shall recompact and backfill excessively settled areas one time only during the first year of warranty. The owner shall be responsible for any grass, shrubs or other landscaping affected by placement of such fill.

1.2 SITE DRAINAGE
DEFICIENCY: Improper drainage of the site.
CONSTRUCTION STANDARD:
The necessary grades and swales should be established to insure proper drainage away from the house. Site drainage is limited to the immediate grades and swales affecting the structure. No standing or ponding of water should remain in this immediate area twenty-four (24) hours after a rain, except swales which may drain longer than other areas after a rain, or sump pump discharge. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.
BUILDER CORRECTION:
The Builder is responsible only for establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established and stabilized by the Builder

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1.3 CRAWL SPACES
DEFICIENCY: Water in crawl space.
CONSTRUCTION STANDARD:
Crawl spaces should be graded and drained properly to prevent water from accumulating in the crawl space area.
BUILDER CORRECTION:
The Builder is responsible for providing proper grading and drainage of crawl space areas. Water should not be present in the crawl space area thirty (30) days after the owner has closed on a Home.

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2. CONCRETE

2.1 EXPANSION AND CONTRACTION JOINTS
DEFICIENCY: Separation or settling of concrete slabs within the structure or at expansion or contraction joints.
CONSTRUCTION STANDARD:
Concrete slabs within the structure are designed to move at expansion and contraction joints. Movement caused by expansion and contraction should not cause cracks and voids to appear in the slab.
BUILDER CORRECTION:
Builder to take whatever corrective action is necessary to repair excessive cracks and voids. If cracking and movement are within designed tolerances then no correction is necessary.
2.2 CAST-IN-PLACE CONCRETE (NON-STRUCTURAL)
DEFICIENCY: Basement or foundation wall cracks.
CONSTRUCTION STANDARD:
Non-structural cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch are considered excessive
BUILDER CORRECTION:
The Builder shall repair non-structural cracks in excess of 1/8 inch. Surface patching is acceptable for non-structural cracks
DEFICIENCY: Uneven concrete floors.
CONSTRUCTION STANDARD:
Concrete floors in basements or rooms designed for habitability should not have pits, depressions or areas of unevenness that would prevent its use as a finished floor or exceeding 1/4 inch slope in 32 inches. The floor slope, unless designed for specific drainage purposes, shall not exceed 1/240 of the room width. Structural slab foundation systems that have experienced some movement but are within the foundation's design performance criteria are excluded from this standard.
BUILDER CORRECTION:
Builder to correct or repair to meet the above standard.
DEFICIENCY: Pitting, scaling or spalling of non-excluded concrete work and attached porch concrete work supported by a foundation system.
CONSTRUCTION STANDARD:
Concrete surfaces should not disintegrate to the extent that the aggregate is exposed under normal conditions of weathering and use.
BUILDER CORRECTION:
Builder to take whatever corrective action necessary to repair or replace defective concrete surfaces. The Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond the Builder's control.
DEFICIENCY: Excessive powdering or chalking of non-excluded concrete surfaces.
CONSTRUCTION STANDARD:
Powdering or chalking of concrete surfaces is not permissible, but should not be confused with surface dust
BUILDER CORRECTION:
The Builder shall take whatever corrective action is necessary to repair or resurface defective areas.
DEFICIENCY: Standing water on stoops.
CONSTRUCTION STANDARD:
Water should drain from outdoor stoops and steps. During and immediately following a rain, minor water standing is permissible.
BUILDER CORRECTION:
The Builder shall take corrective action to assure drainage of stoops and steps.
DEFICIENCY: Cracking of basement floor.
CONSTRUCTION STANDARD:
Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch width or 1/8 inch in vertical displacement are considered excessive.
BUILDER CORRECTION:
Builder should repair cracks exceeding maximum tolerances by surface patching or other methods as required.
DEFICIENCY: Cracking of attached garage slab

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CONSTRUCTION STANDARD:
Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement are considered excessive and unacceptable. (See expansion joints)
BUILDER CORRECTION:
Builder shall repair excessive cracks as required.
DEFICIENCY: Cracking, scaling, heaving or separating of structurally attached stoops or steps.
CONSTRUCTION STANDARD:
Stoops or steps should not settle, heave or separate in excess of 1 inch in relation to the house structure. No cracks except hairline cracks (less than 1/16 inch) are acceptable in structurally attached concrete stoops.
BUILDER CORRECTION:
Builder shall take whatever corrective action is required to meet acceptable standards.
DEFICIENCY: Cracks in structurally attached patios with footing or foundation system.
CONSTRUCTION STANDARD:
Cracks in excess of 1/4 inch in width or 1/8 inch in vertical displacement are considered excessive and unacceptable in structurally attached patios.
BUILDER CORRECTION:
Builder to repair as required.
DEFICIENCY: Cracks in concrete slab-on-grade finished floors.
CONSTRUCTION STANDARD:
Cracks which significantly impair the appearance or performance of the finish flooring material shall not be acceptable.
BUILDER CORRECTION:
The Builder shall repair cracks as necessary so as not to be readily apparent when the finish flooring material is in place.

3. MASONRY

3.1 UNIT MASONRY (NON-STRUCTURAL)
DEFICIENCY: Basement or foundation non-structural wall cracks.
CONSTRUCTION STANDARD:
Small non-structural cracks are not unusual in mortar joints of masonry foundation walls. Such cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair non-structural cracks in excess of 1/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warranty period.
DEFICIENCY: Cracks in masonry walls or veneer.
CONSTRUCTION STANDARD:
Small cracks are common in mortar joints of masonry construction. Cracks greater than 3/8 inch in width are considered excessive.
BUILDER CORRECTION:
Repair cracks in excess of 3/8 inch by pointing or patching. These repairs should be made toward the end of the first (1st) year of the warranty period to permit normal sealing and stabilizing of the home.

4. WOOD AND PLASTICS

4.1 ROUGH CARPENTRY
DEFICIENCY: Floor squeak or subfloor appears loose.
CONSTRUCTION STANDARD:
Floor squeaks and loose subfloor are often temporary conditions common to new home construction.
BUILDER CORRECTION:
Builder should locate and make a reasonable effort to correct the problem.
DEFICIENCY: Uneven wood floors.
CONSTRUCTION STANDARD:
Finished floors should not have ridges or depressions exceeding 1/4 inch in a 32 inch measurement, when measured parallel to the floor joists. Floor slope within any room shall not exceed 1/240 of the room width. Allowable floor and ceiling joist deflections should be taken into consideration when measuring.
BUILDER CORRECTION:
Builder will correct to standard only if caused by an underlying construction defect.
DEFICIENCY: Bowed walls.
CONSTRUCTION STANDARD:
All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the walls finished surface. Allowable structural deflections are governed by the approved building code specifications, however bowing greater than 1/240 of the wall length will be considered unacceptable.
BUILDER CORRECTION:
Repair interior and exterior walls as required.
DEFICIENCY: Out of plumb walls.
CONSTRUCTION STANDARD:
Walls should not be more than 1/2 inch out of plumb for any 8 foot vertical measurement.
BUILDER CORRECTION:
Builder to repair to meet the above standard.

4.2 FINISH CARPENTRY — INTERIOR
DEFICIENCY: Quality of interior trim workmanship.
CONSTRUCTION STANDARD:
Joints in moldings or joints between moldings and adjacent surfaces should not result in joints exceeding 1/8 inch in width.
BUILDER CORRECTION:
Repair defective joints, as defined above. Caulking is acceptable.

4.3 FINISH CARPENTRY — EXTERIOR
DEFICIENCY: Quality of exterior trim workmanship.
CONSTRUCTION STANDARD:
Joints between exterior trim elements, including siding and masonry, should not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.
BUILDER CORRECTION:
Builder to repair open joints. Caulking is acceptable.

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4.4 WOOD TREATMENT
DEFICIENCY: Delamination or deterioration of exterior siding.
CONSTRUCTION STANDARD:
Siding should not delaminate beyond the tolerances set out in the manufacturer's specifications. Natural wood sidings can be expected to weather and change color as they age.
BUILDER CORRECTION:
Builder will repair or replace as needed unless caused by owner's failure to maintain siding properly. Repaired area of prefinished material may not match in color and/or texture. The owner can expect that the newly painted surface may not match original surface in color.

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5. THERMAL AND MOISTURE PROTECTION

5.1 WATERPROOFING
DEFICIENCY: Leaks in basement.
CONSTRUCTION STANDARD:
Leaks resulting in actual trickling of water are unacceptable. However, leaks caused by improper landscaping installed by owner, or failure of owner to maintain proper grades that have been stabilized by the Builder are not covered by the warranty. Dampness of the walls may occur in new construction and is not considered a deficiency.
BUILDER CORRECTION:
The Builder shall take such action as necessary to correct basement leaks except where the cause is determined to result from owner negligence.

5.2 INSULATION
DEFICIENCY: Insufficient insulation.
CONSTRUCTION STANDARD:
Insulation should be installed in accordance with applicable energy and building code requirements.
BUILDER CORRECTION:
Install insulation in sufficient amounts to meet above standards.

5.3 SHINGLES AND ROOFING TILES
DEFICIENCY: Leaks due to snow or rain being driven into the attic through vents or louvers.
CONSTRUCTION STANDARD:
Attic vents and/or louvers must be provided in order to properly ventilate your house. Infiltration of rain or snow depends on the force and direction of the wind.
BUILDER CORRECTION:
Builder not responsible for force and direction of driving rain or snow.

5.4 ROOFING AND SIDING
DEFICIENCY: Ice build-up on roof.
CONSTRUCTION STANDARD:
During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate, and gutters and downspouts freeze up
BUILDER CORRECTION:
This is a Homeowner(s) maintenance item unless the roof design is found to be improper for the weather conditions associated with the area.
DEFICIENCY: Roof or flashing leaks.
CONSTRUCTION STANDARD:
Roof and flashing should not leak under normally anticipated conditions, except where cause is determined to result from severe weather conditions, such as ice build-up
BUILDER CORRECTION:
Builder shall correct or repair any verified roof leaks.
DEFICIENCY: Delamination of veneer siding or joint separation.
CONSTRUCTION STANDARD:
All siding shall be installed according to the manufacturer's and industry's accepted standards. Joint separation and delamination are not acceptable except where the manufacturer indicates that some shrinkage may be anticipated
BUILDER CORRECTION:
Builder shall re-secure, caulk, repair or replace to meet the above standard

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5.5 FLAT BUILT-UP ROOFING
DEFICIENCY: Standing water on flat built-up roof.
CONSTRUCTION STANDARD:
Water should drain from a flat built-up roof, with minimum ponding.
BUILDER CORRECTION:
The Builder shall take corrective action to assure proper drainage of roof.

5.6 FLASHING AND SHEET METAL
DEFICIENCY: Flashing, valley, gutters and/or downspouts leak.
CONSTRUCTION STANDARD:
Flashing, valleys, gutters and downspouts must not leak but gutters may overflow during heavy rain. It shall be the Homeowner's(s') responsibility to keep gutters and downspouts free from leaves and debris which could cause excessive overflow.
BUILDER CORRECTION:
Repair leaks.
DEFICIENCY: Water stands in gutters.
CONSTRUCTION STANDARD:
When gutter is unobstructed by debris, the water level may not exceed 1 inch.
BUILDER CORRECTION:
Industry practice is to install gutters with slight amounts of pitch. It is possible that small amounts of water will stand in certain sections of the gutter immediately after a rain.

5.7 SEALANTS
DEFICIENCY: Leaks in exterior walls due to inadequate caulking.
CONSTRUCTION STANDARD:
Joints and cracks in exterior wall surfaces and ground openings should be properly caulked to exclude the entry of water. Properly installed caulking will shrink and must be maintained by the Homeowner(s) during the life of the home.

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BUILDER CORRECTION:
Builder shall repair/or caulk joints or cracks in exterior wall surfaces as required to correct deficiency.

6. DOORS AND WINDOWS

6.1 WOOD AND PLASTIC DOORS
DEFICIENCY: Warpage of exterior doors.
CONSTRUCTION STANDARD:
Exterior doors will warp to some degree due to temperature differential on inside and outside faces. However, they should not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association standards (1/4 inch).
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: Warpage of interior passage and closet doors.
CONSTRUCTION STANDARD:
Interior doors (full opening) should not warp to exceed National Woodwork Manufacturers Association standards (1/4 inch), provided the proper levels of humidity have been maintained in the home.
BUILDER CORRECTION:
Correct or replace and refinish defective doors to match existing doors as nearly as possible.
DEFICIENCY: Shrinkage of insert panels showing raw wood edges.
CONSTRUCTION STANDARD:
Panels will shrink and expand and may expose unpainted surface.
BUILDER CORRECTION:
None; Builder not responsible.
DEFICIENCY: Split door panel.
CONSTRUCTION STANDARD:
Split panels should not allow light to be visible or allow the weather to get through the door.
BUILDER CORRECTION:
If light is visible or the weather is getting through the door, fill split to match paint or stain as closely as possible, one time in first (1st) year.

6.2 GARAGE DOORS ON ATTACHED GARAGE
DEFICIENCY: Garage door fails to operate properly.
CONSTRUCTION STANDARD:
Garage door should operate properly.
BUILDER CORRECTION:
The Builder shall correct or adjust garage doors as required, except where the cause is determined to result from the owner installing an electric garage door opener.
DEFICIENCY: Garage door allows entrance of snow or water.
CONSTRUCTION STANDARD:
Garage door should seal properly under normal conditions.
BUILDER CORRECTION:
Some entrance of the elements can be expected under abnormal conditions. Builder shall adjust or correct garage doors or garage slab to meet normal conditions.

6.3 METAL WINDOWS
DEFICIENCY: Malfunction of windows.
CONSTRUCTION STANDARD:
Windows should operate with reasonable ease as designed
BUILDER CORRECTION:
Builder to correct or repair as required.
DEFICIENCY: Condensation and/or frost on windows.
CONSTRUCTION STANDARD:
Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions.
BUILDER CORRECTION:
Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

6.4 WOOD AND PLASTIC WINDOWS
Refer to 6.3

6.5 WEATHERSTRIPPING AND SEALS
DEFICIENCY: Infiltration around doors and windows.
CONSTRUCTION STANDARD:
Some infiltration is normally noticeable around doors and windows, especially during high winds. Poorly fitted weatherstripping is not permissible. It may be necessary for the owner to have storm windows and doors installed to provide a satisfactory solution in high wind areas.
BUILDER CORRECTION:
The Builder shall adjust or correct open cracks, poorly fitted doors or windows, or poorly fitted weatherstripping.

7. FINISHES

7.1 LATH AND PLASTER
DEFICIENCY: Cracks in interior wall surfaces.
CONSTRUCTION STANDARD:
Hairline cracks are not unusual in interior wall surfaces. Cracks greater than 1/8 inch in width are considered excessive
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch as required.

7.2 GYPSUM WALLBOARD
DEFICIENCY: Defects caused by poor workmanship such as blisters in tape, excess compound in joints, cracked corner beads, or trowel marks.

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CONSTRUCTION STANDARD
Slight "imperfections" such as nail pops, seam lines and cracks are common in plaster and gypsum wallboard installation. However, obvious defects of poor workmanship resulting in blisters in tape or excess compound in joints, trowel marks and cracked corner beads are not acceptable.
BUILDER CORRECTION:
Builder to correct such defects within applicable tolerance and repaint repaired areas. Builder is not responsible for color variations in paint.

7.3 CERAMIC TILE
DEFICIENCY: Ceramic tile cracks and becomes loose.
CONSTRUCTION STANDARD:
Ceramic tile should not crack or become loose
BUILDER CORRECTION:
The Builder shall replace any cracked tiles and re-secure any loose tiles unless the defects were caused by the owner's negligence. Builder is not responsible for discontinued patterns or color variations in ceramic tile.
DEFICIENCY: Cracks appear in grouting in ceramic tile joints or at junctions with other material such as a bathtub.
CONSTRUCTION STANDARD:
Cracks in grouting in ceramic tile joints are commonly due to normal shrinkage conditions. Regrouting of these cracks is a maintenance responsibility of the Homeowner(s) within the life of the home. Builder is not responsible for color variations or discontinued color grout.
BUILDER CORRECTION:
Builder will repair grouting (unless cracks are due to normal shrinkage) as necessary one time within the first (1st) year of warranty.

7.4 RESILIENT FLOORING
DEFICIENCY: Nail pops appear on the surfaces of flooring.
CONSTRUCTION STANDARD:
Readily apparent nail pops should be repaired.
BUILDER CORRECTION:
The Builder shall correct nail pops, which have broken the surface. The Builder shall repair or replace resilient floor covering in the affected area with similar material. Builder is not responsible for discontinued patterns or color variation in the floor covering.
DEFICIENCY: Depressions or ridges appear in the flooring due to subfloor irregularities.
CONSTRUCTION STANDARD:
Readily apparent depressions or ridges exceeding 1/8 inch should be repaired. The ridge or depression measurement is taken at the gap created at one end of the 6-inch straight edge placed over the depression or ridge within 3 inches on one side of the defect held tightly to the floor.
BUILDER CORRECTION:
The Builder shall take corrective action, as necessary to bring the defect within acceptable tolerances so that it is not readily visible. Builder is not responsible for discontinued patterns or color variations in floor covering.
DEFICIENCY: Resilient flooring loses adhesion.
CONSTRUCTION STANDARD:
Resilient flooring should not lift, bubble or become unglued.
BUILDER CORRECTION:
The Builder shall repair or replace resilient flooring as required. The Builder shall not be responsible for discontinued patterns or color variation of floor covering or for problems caused by owner neglect or abuse
DEFICIENCY: Seams or shrinkage gaps show resilient flooring joints.
CONSTRUCTION STANDARD:
Gaps shall not exceed 1/16 inch width in resilient floor covering joints. Where dissimilar materials abut, a gap not to exceed 1/8 inch is permissible.
BUILDER CORRECTION:
The Builder shall take action as necessary to correct the problem.

7.5 CARPETING
DEFICIENCY: Carpeting becomes loose, seams separate or excessive stretching occurs.
CONSTRUCTION STANDARD
Wall-to-wall carpeting, installed as the primary floor covering, when stretched and secured properly should not come up, become loose, separate or stretch excessively at its points of attachment.
BUILDER CORRECTION:
Builder is to restretch or re-secure carpeting as needed one time within the first (1st) year of warranty.

7.6 SPECIAL COATING
DEFICIENCY: Cracks in exterior stucco wall surfaces
CONSTRUCTION STANDARD:
Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch in width are considered excessive.
BUILDER CORRECTION:
The Builder shall repair cracks exceeding 1/8 inch in width as required.

7.7 PAINTING
DEFICIENCY: Mildew or fungus on painted surfaces.
CONSTRUCTION STANDARD:
Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposures, (i.e., rainfall, ocean, lake or river front).
BUILDER CORRECTION:
Mildew or fungus formation is a condition the Builder cannot control and is a Homeowner(s) maintenance item, unless it is caused by moisture entry into wood, in which case, the Builder shall eliminate the source of water entry and refinish.
DEFICIENCY: Exterior paint or stain peels or deteriorates.
CONSTRUCTION STANDARD:
Exterior paints or stains should not fail during the first (1st) year of ownership. However, fading may occur and the degree varies with climatic conditions.
BUILDER CORRECTION:
Builder shall properly prepare and refinish affected areas, matching color as closely as possible. Where finish deterioration affects the majority of the wall or area, the whole area should be refinished. The warranty on the newly repainted surfaces will not extend beyond the original warranty period.
DEFICIENCY: Painting required as corollary repair because of other work

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CONSTRUCTION STANDARD.
Necessary repairs required under this warranty should be refinished to match surrounding areas as closely as possible
BUILDER CORRECTION:
Refinish repaired areas as indicated.
DEFICIENCY: Deterioration of varnish or lacquer finishes.
CONSTRUCTION STANDARD:
Natural finish on interior woodwork should not deteriorate during the first (1st) year of ownership. However, varnish-type finish used on the exterior will deteriorate rapidly and is not covered by the warranty.
BUILDER CORRECTION:
Retouch affected area of natural finished interior woodwork, matching the color as closely as possible.
DEFICIENCY: Interior paint application and coverage:
CONSTRUCTION STANDARD:
Interior paint shall be applied in a manner sufficient to visually cover wall, ceiling and trim surfaces where specified.
BUILDER CORRECTION:
The Builder shall retouch wall, ceiling or trim surfaces where inadequate paint has been applied to cover original surfaces.

7.8 WALL COVERING
DEFICIENCY: Peeling of wallpaper.
CONSTRUCTION STANDARD: Peeling of wallpaper is unacceptable.
BUILDER CORRECTION:
The Builder shall repair or replace defective wallpaper. Builder is not responsible for minor mismatching in pattern or color

8. SPECIALTIES

8.1 LOUVERS AND VENTS
DEFICIENCY: Inadequate ventilation of attics and crawl spaces.
CONSTRUCTION STANDARD:
Attic and crawl spaces shall have a natural ventilation area as required by the approved building code specifications.
BUILDER CORRECTION:
The Builder shall provide for adequate ventilation. Builder is not responsible for Homeowner(s) alterations to the original system.

8.2 FIREPLACES
DEFICIENCY: Fireplace or chimney does not draw properly.
CONSTRUCTION STANDARD:
A properly designed and constructed fireplace and chimney should function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some houses may need to have a window opened slightly to create an effective draft.
BUILDER CORRECTION:
Determine the cause of malfunction and correct as required if the problem is one of design and construction.
DEFICIENCY: Chimney separation from structure to which it is attached.
CONSTRUCTION STANDARD:
Newly built fireplaces will often incur slight amounts of separation from the main structure. Separations shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.
BUILDER CORRECTION:
Builder to determine the cause of separation and correct as required. Caulking is acceptable for slight separations.

9. EQUIPMENT

9.1 RESIDENTIAL EQUIPMENT
DEFICIENCY: Warpage and operation of kitchen cabinet doors and drawer faces.
CONSTRUCTION STANDARD:
Cabinet doors and drawer faces should not warp to exceed 1/4 inch, provided the proper levels of humidity have been maintained. Both cabinet doors and drawer faces should be properly adjusted and operating in a smooth, efficient manner.
BUILDER CORRECTION:
Adjust, repair or replace defective cabinet doors and drawer faces to correct condition.
DEFICIENCY: Surface cracks, delaminations and chips in high pressure laminated vanity and kitchen cabinet countertops:
CONSTRUCTION STANDARD:
Countertops fabricated with high pressure laminate coverings should not delaminate or have chips or surface cracks. The deck areas joint may have a maximum of 1/16 inch gap. All other areas of the joint may have a maximum of 1/16 inch differential in surface alignment.
BUILDER CORRECTION:
Repair or replace to meet the above criteria.
DEFICIENCY: Countertop separating from finished wall.
CONSTRUCTION STANDARD:
Countertop separation should not exceed 1/8 inch.
BUILDER CORRECTION:
The Builder shall repair or replace the countertop to eliminate or correct the gap caused by separation. Caulking is acceptable.

10. MECHANICAL

10.1 WATER SUPPLY SYSTEM
DEFICIENCY: Plumbing pipes freeze and burst.
CONSTRUCTION STANDARD:
Drain, waste and vent or water pipes should be adequately protected, as required by the applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE designed temperatures to prevent freezing.
BUILDER CORRECTION:
The Builder shall correct the condition responsible for pipes freezing, and repair piping damage caused by freezing except where there has been an obvious lack of heat due to Homeowner(s) neglect.
DEFICIENCY: Water supply system fails to deliver water.
CONSTRUCTION STANDARD:
All service connections to municipal water main and private water supplies are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes

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BUILDER CORRECTION:
Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond the Builder's control disrupt or eliminate the source of the supply then it is not the Builder's responsibility.

10.2 SEPTIC TANK SYSTEMS
DEFICIENCY: Septic system fails to operate properly.
CONSTRUCTION STANDARD:
Septic system should be capable of properly handling normal flow of household effluent. It is possible that due to freezing, soil saturation, changes in the ground water table or excessive use of plumbing systems or appliances, an overflow can occur. Periodic pumping of the septic tank is considered Homeowner(s) maintenance, and a normal need for pumping is not a deficiency
BUILDER CORRECTION:
Builder shall be responsible for the installation of an operational system and shall take corrective action to repair. Builder shall not be responsible for malfunctions which occur through owner negligence or abuse and from conditions that are beyond his/her control. The following are considered owner negligence or abuse as an exclusion under the warranty:
A. Excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use.
B. Connection of sump pump, roof drains or backwash from water conditioner, to the system.
C. Placing of non-biodegradable items in the system.
D. Addition of any harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners.
E. Use of a food waste disposer not supplied by Builder.
F. Placement of impervious surfaces over the disposal area.
G. Allowing vehicles to drive or park over the disposal area.
H. Failure to periodically pump out the septic tank, when required

10.3 PLUMBING
DEFICIENCY: Faucet or valve leak
CONSTRUCTION STANDARD:
No valve or faucet should leak due to defects in material or workmanship. However, leakage caused by worn washers or seals is a Homeowner(s) maintenance item.
BUILDER CORRECTION:
Builder shall repair or replace the leaking faucet or valve unless leakage is due to a worn washer or seal.
DEFICIENCY: Defective plumbing fixtures, appliances or trim fittings.
CONSTRUCTION STANDARD:
Fixtures, appliances or fittings should comply with their manufacturer's standards.
BUILDER CORRECTION:
The Builder shall replace any fixture or fitting which is outside of acceptable standards as defined by the manufacturer.
DEFICIENCY: Noisy water pipes
CONSTRUCTION STANDARD:
There will be noise emitting from the water pipe system, due to the flow of water.
BUILDER CORRECTION:
Builder cannot remove all noises due to water flow and pipe expansion. The Builder shall correct any noise problems that are due to faulty workmanship or installation.
DEFICIENCY: Leakage from any piping.
CONSTRUCTION STANDARD:
No leaks of any kind should exist in any soil, waste, vent, gas or water pipe. Condensation on piping does not constitute leakage, and is not covered. Should a gas pipe leak occur, the Homeowner(s) should call the appropriate public utility service immediately.
BUILDER CORRECTION:
Builder shall make necessary repairs to eliminate leakages in any piping he/she installed. If a gas or water leak occurs in a piping system the Builder installed, then the Builder will make the necessary repairs. If a gas or water leak occurs in a piping system installed by a public service utility authority, then the public service utility authority should be contacted to make the necessary repairs.
DEFICIENCY: Stopped up sewers, fixtures and drains.
CONSTRUCTION STANDARD:
Sewers, fixtures and drains should operate properly.
BUILDER CORRECTION:
The Builder is not responsible for sewers, fixtures and drains which are clogged through the owner's negligence. Where defective construction is the cause the Builder shall assume the cost of the repair; where owner negligence is shown to be the cause, the owner shall assume all repair costs.
DEFICIENCY: Cracking or chipping of porcelain or fiberglass surfaces
CONSTRUCTION STANDARD:
Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when the surface is hit with sharp or heavy objects.
BUILDER CORRECTION:
Builder to repair any chips or cracks noted prior to first occupancy.

10.4 HEATING
DEFICIENCY: Inadequate heating.
CONSTRUCTION STANDARD
Heating system should be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outside winter design conditions as specified in the ASHRAE handbook. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted.
BUILDER CORRECTION:
Builder shall correct the heating system as required to provide the required temperatures. The owner shall be responsible for balancing dampers, registers and other minor adjustments.

10.5 COOLING
DEFICIENCY: Inadequate cooling
CONSTRUCTION STANDARD
Where air conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor, under local outside summer design conditions as specified in ASHRAE handbook. In the case of outside temperatures exceeding 95 degrees Fahrenheit, a differential of 15 degrees Fahrenheit from the outside temperature will be maintained. Federal, state or local energy codes shall supersede this standard where such codes have been locally adopted

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BUILDER CORRECTION:
Correct cooling system to meet temperature conditions in accordance with specifications.
DEFICIENCY: Refrigerant line leak.
CONSTRUCTION STANDARD:
Refrigerant lines should not develop leaks during normal operation
BUILDER CORRECTION:
Repair leaking refrigerant lines and recharge unit.

10.6 CONDENSATION LINES
DEFICIENCY: Condensation lines clog up.
CONSTRUCTION STANDARD:
Condensation lines will clog under normal use. This is a Homeowner(s) maintenance item.
BUILDER CORRECTION:
Builder to provide unobstructed condensation lines at closing.

10.7 EVAPORATIVE COOLING
DEFICIENCY: Improper mechanical operation.
CONSTRUCTION STANDARD:
Equipment must function properly at temperature standard set.
BUILDER CORRECTION:
Correct and adjust so that blower and water system operate as designed.

10.8 AIR DISTRIBUTION
DEFICIENCY: Ductwork noisy.
CONSTRUCTION STANDARD:
When metal is heated it expands and when cooled it contracts. The result is "ticking" or "crackling" which is generally to be expected.
BUILDER CORRECTION:
The stiffening of the ductwork and the gauge of the metal used shall be such that the ducts do not "oilcan". The booming noise caused by "oilcanning" is not acceptable and the Builder must take necessary steps to eliminate this sound.
DEFICIENCY: Ductwork separates or becomes unattached.
CONSTRUCTION STANDARD:
Ductwork should remain intact and securely fastened.
BUILDER CORRECTION:
Reattach and resecure all separated or unattached ductwork.

11. ELECTRICAL

11.1 ELECTRICAL CONDUCTORS
DEFICIENCY: Failure of wiring to carry its designed fuse load to the electrical box.
CONSTRUCTION STANDARD:
Wiring should be capable of carrying the designed load for normal residential use to the electrical box.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.

11.2 SWITCHES AND RECEPTACLES
DEFICIENCY: Fuses blow or circuit breakers kick out.
CONSTRUCTION STANDARD:
Fuses and circuit breakers should not activate under normal usage.
BUILDER CORRECTION:
Check wiring for conformity with local and state electrical code requirements. Repair wiring if it does not conform to code specifications.
DEFICIENCY: Malfunction of electrical outlets, switches or fixtures.
CONSTRUCTION STANDARD:
All switches, fixtures and outlets should operate as intended.
BUILDER CORRECTION:
Repair or replace defective switches, fixtures and outlets.

11.3 SERVICE AND DISTRIBUTION
DEFICIENCY: Ground fault interruptor trips frequently.
CONSTRUCTION STANDARD:
Ground fault interruptors are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.
BUILDER CORRECTION:
Builder is to install ground fault interruptor in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to faulty installation.

ONE AND TWO YEAR WARRANTY ITEMS

10.9 WATER SUPPLY SYSTEM
DEFICIENCY: Plumbing pipes freeze and cause leaks.
CONSTRUCTION STANDARD:
Drain, waste and vent or water pipes should be adequately protected, as required by applicable codes, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures to prevent freezing.
BUILDER CORRECTION:
The Builder shall correct the condition responsible for pipes freezing, and repair piping damage caused by freezing except where there has been an obvious lack of heat and/or Homeowner(s) neglect.
DEFICIENCY: Water supply system fails to deliver water.
CONSTRUCTION STANDARD:
All service connections to municipal water and private water supply are the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes

BUILDER CORRECTION:
Builder to repair as necessary if failure is the result of defective workmanship or materials. If conditions beyond the Builder's control disrupt or eliminate the source of the supply then it is not the Builder's responsibility.

10.10 SEPTIC TANK SYSTEMS
DEFICIENCY: Septic system fails to operate properly.
CONSTRUCTION STANDARD:
[illegible] it is possible that due to freezing soil saturation.

SCHEDULE D

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser:

To ask the Builder to correct a defect in your Home that you think is covered by the Builder's Limited Warranty, you must complete this form and deliver it to the Builder. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Builder is aware of the problem, fill out this form and deliver it to the Builder.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any item blank.

Your Name: _____
Mailing Address: _____
Phone: _____
Limited Warranty No.: _____
Warranty Date: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____ _____
(signature) (date)

_____ _____
(signature) (date)

NOTE: THIS COMPLETED AND SIGNED FORM MUST BE DELIVERED TO THE BUILDER AS FOLLOWS: (1) BY HAND, WITH A WRITTEN ACKNOWLEDGEMENT RECEIPT FROM THE BUILDER, OR (2) BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. YOUR RIGHTS TO WARRANTY COVERAGE UNDER THIS LIMITED WARRANTY WILL BE VOIDED UNLESS YOU STRICTLY COMPLY WITH ALL OF THE PROCEDURES SET FORTH IN PARAGRAPH 13 OF THIS LIMITED WARRANTY.

10. FORM OF APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: Renaissance Housing Development Fund Corporation
130 Malcolm X Boulevard
New York, New York 10026

File Number: CC00-0001

Application is made to the Attorney General to consider and determine the disposition of down payment held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

_____

_____

4. This is an application for

[ ] return of down payment.
[ ] forfeiture of down payment.
[ ] other: _____

_____

5. The project is

[ ] a conversion of occupied premises.
[ ] newly constructed or rehabilitated.
[ ] vacant (as is).

6. The project is structured as

[ ] a cooperative.
[ ] a condominium.
[ ] a homeowners association.
[ ] a timeshare.

[ ] other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If down payment is maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If down payment has been secured by a bond:

(a) Name and address of bond issuer or surety: _____

_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

11. If down payment has been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons: _____

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

11. CONDOMINIUM DECLARATION AND BY-LAWS

REEL 2886 PG 1620

CONDOMINIUM NO. 1073

MAP # 5607

DECLARATION OF CONDOMINIUM

ESTABLISHING

THE RENAISSANCE CONDOMINIUM

130 MALCOLM X BOULEVARD
NEW YORK, NEW YORK 10026
aka 120-122 Lenox Avenue

DECLARANT: **NYC PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC.**
1 Battery Park Plaza
New York, New York 10004

DATE OF DECLARATION: April 8, 1999

RECORDING INFORMATION:

Section:	6
Block:	1600
Lots:	Formerly Known as Lot 1 Now Known as Lots 1001-1002*
County:	New York
State:	New York

* Lots: 1001 -- Commercial Unit (Unit 1)
1002 -- Residential Unit (Unit 2)

RECORD AND RETURN TO:

ROBINSON SILVERMAN PEARCE
ARONSOHN & BERMAN LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Erica Forman, Esq.

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Schedule D - Depositary Agreement

REEL 2886 PG 1622

DECLARATION OF CONDOMINIUM

THE RENAISSANCE CONDOMINIUM

130 MALCOLM X BOULEVARD
NEW YORK, NEW YORK 10026

ARTICLE 1

INTRODUCTORY PROVISIONS

Section 1.1 Creation of the Condominium. NYC PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC. ("***Declarant***"), is the fee owner of the land described on **Schedule** A attached to this Declaration (the "***Land***"). The Land, and all improvements now and hereafter constructed thereon, are referred to collectively as the "***Property***." Declarant hereby submits the Property, together with all rights, privileges and appurtenances thereto appertaining, to the Condominium Act.

Section 1.2 Name of Condominium. The name of the Condominium is "The Renaissance Condominium."

Section 1.3 Location of Property. The Property is located at 130 Malcolm X Boulevard in the City, County and State of New York.

Section 1.4 Description of Property and Units. The Condominium contains two Units: the Commercial Unit and the Residential Unit. As of the date of this Declaration, neither Unit has been constructed, but each Unit contains the space described in Section 2.3 of this Declaration. It is anticipated that when completed, the Building will be constructed with a foundation of reinforced concrete and structural walls of reinforced concrete block, and will include one cellar level and six to eleven floors above grade depending on the location of the Building under discussion. Specifically, on the West 117th Street (north) elevation the Building will contain six floors, on the West 116th Street (south) elevation the Building will contain nine floors and on the Malcolm X Boulevard (west) elevation, the Building will contain eleven floors. The exterior walls of the completed Building are anticipated to be masonry cavity walls. Upon completion the Property is expected to continue to contain one Commercial Unit and one Residential Unit.

Section 1.5 Anticipated Conveyances. Upon completion of construction of the Building, Declarant intends to convey (i) fee title to the Residential Unit to the Apartment Corporation, which thereby will become the Residential Unit Owner, and (ii) fee title to the Commercial Unit to Sponsor or an Affiliate of Sponsor, which thereby will become the Commercial Unit Owner.

Section 1.6 Definitions. Unless otherwise defined in this Declaration or in the By-laws of the Condominium annexed hereto as Schedule C, all capitalized terms in the Condominium Documents shall have the meanings specified for said terms in the Condominium Act.

"1999 Equivalent Dollars" means the equivalent purchasing power at any time of the value of the same number of US dollars in calendar year 1999. The 1999 equivalent dollars of any amount shall be determined by multiplying said amount by 1, plus a fraction expressed as a percentage (but not less than zero), the numerator of which is the difference obtained by subtracting (i) the Consumer Price Index for January 2000 from (ii) the monthly Consumer Price Index most recently published prior to the date such determination of 1999 equivalent dollars is to be made, and the denominator of which is the Consumer Price Index for January 2000. As used in this definition, "Consumer Price Index" means the Consumer Price Index for Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York, Northwestern New Jersey Area, All Items (1982-84=100) or similar index agreed to by the Board of Managers if such index is no longer available. If the Board of Managers shall fail to agree on a substitute index within thirty (30) days, the selection shall be subject to Arbitration in accordance with Article 11 of the By-laws.

"***Affiliate***" shall have the meaning given in Section 9.1(b) of this Declaration.

"***Apartment Corporation***" means Renaissance Housing Development Fund Corporation, a New York corporation formed pursuant to Article 11 of the New York Private Housing Finance Law and pursuant to the New York Business Corporation Law.

"***Appurtenant Interests***" means the interests appurtenant to ownership of a Unit, which includes the Common Interest appurtenant to the Unit and the Unit Owner's undivided interest in any and all assets of the Condominium.

"***Arbitrable Dispute***" means a dispute arising under the Condominium Documents which shall be subject to Arbitration pursuant to Article 12 of the By-laws.

"***Arbitration***" means the process of dispute resolution described and discussed in Article 12 of the By-laws.

"***Architect***" shall have the meaning given in Section 16.1 of the By-laws.

"***Architect Allocation Ratio***" shall have the meaning given in Section 7.4(b) of the By-laws.

"***Architect Condemnation Ratio***" shall have the meaning given in Section 11.5(c) of the By-laws.

"***Attorney General***" means the New York State Attorney General, who is the head of the New York State Department of Law.

"***Award***" shall have the meaning given in Section 11.2 of the By-laws.

"***Board of Managers***" or "***Board***" means the Board of Managers of the Condominium.

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"***Building***" means the Building erected on the Land after the date of this Declaration and all alterations and replacements made to the Building.

"***Buildings Department***" means the New York City Department of Buildings.

"***By-laws***" means the By-laws of the Condominium, which By-laws are annexed to this Declaration, as such By-laws may be amended from time to time.

"***Certifying Professional***" means an architect (which may be the Architect) or a licensed professional engineer or engineering or construction consulting firm providing engineering and/or architectural services, who or which is experienced in the design and operation in the City of New York of structures similar to the Building and has provided services comparable to those for which the Certifying Professional is to be engaged under the Condominium Documents within at least three (3) of the ten (10) years immediately preceding engagement, selected under (a) Article 7 of the By-laws in connection with damage under (i) Section 7.1 or 7.2 of the By-laws, by the Damaged Owner and approved by its Recognized Mortgagee, or (ii) Section 7.3 of the By-laws by the Board of Managers and approved by the Recognized Mortgagees, or (b) Article 11 of the By-laws, by the Board of Managers and approved by the Recognized Mortgagees, and who shall be paid out of Restoration Funds or Net Awards, as provided in the By-laws.

"***City Register's Office***" means the New York County Office of the Register of The City of New York.

"***Commercial Unit***" means a Unit designated as a Commercial Unit on Schedule B to this Declaration, together with the Common Interest appurtenant to such Unit.

"***Commercial Unit Owner***" means the Owner of a Commercial Unit.

"***Commercial Unit Representative***" means a representative to the Board of Managers appointed by the Commercial Unit Owner(s).

"***Common Charges***" means the annual assessments payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses. Assessments, both special and otherwise, will be characterized and treated as Common Charges of the Unit Owner to whom assessed, all as more fully described in Article 5 of the By-laws.

"***Common Elements***" means those facilities and areas of the Condominium that are not part of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use.

"***Common Expenses***" means all costs and expenses in connection with repair, maintenance, replacement, restoration, operation of, and alteration, addition or improvement to, the Common Elements, including but not limited to insurance and establishment of reserves for repairs and replacements.

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"***Common Interest***" (also referred to occasionally as "***percentage of interest in the Common Elements***") means the proportionate undivided interest in fee simple absolute in the Common Elements allocated and appurtenant to a Unit, as set forth in the Declaration. Said interest is expressed as a numerical percentage. The total of all Common Interest percentages appertaining to all Units equals 100%.

"***Common Surplus***" means the excess of all Common Charges over all Common Expenses.

"***Condominium***" means the Units and Common Elements comprising the Property.

"***Condominium Act***" means Article 9B of the New York State Real Property Law.

"***Condominium Documents***" means this Declaration and the By-laws attached hereto, as same may be amended from time to time.

"***Condominium Taking***" shall have the meaning given in Section 11.1(c) of the By-laws.

"***Construction Period***" means the period from the date this Declaration is recorded through the date a temporary certificate of occupancy covering the Building is issued.

"***Cooperative Apartment***" means a residential apartment in the Residential Unit during such time as the Residential Unit is owned by the Apartment Corporation.

"***Cooperative Conversion Date***" means the date of the first closing of a purchase agreement for a Cooperative Apartment sold pursuant to the Offering Plan.

"***CP Statement***" shall have the meaning given in Section 7.5(a) of the By-laws.

"***Creditor Owner***" means a Unit Owner (a) to whom payment of money is owed under the Condominium Documents or (b) who has exercised any self-help remedy provided for in the Condominium Documents, and who is referred to in the Condominium Documents as a Creditor Owner.

"***Damaged Owner***" shall have the meaning given in Section 7.1 of the By-laws.

"***Date of Taking***" shall have the meaning given in Section 11.2 of the By-laws.

"***Declarant***" means NYC Partnership Housing Development Fund Company, Inc.

"***Declaration***" means this Declaration of Condominium, as same may be amended from time to time.

"***Default Rate***" means a rate of interest equal to the lesser of (a) the floating rate equal to 4% over the annual rate of interest announced by The Chase Manhattan Bank from time to time at its New York office (or any successor thereto) as its base or reference rate of interest (or announced by such other Institutional Lender as shall be designated by the Board of Managers if The Chase Manhattan Bank ceases to publish such rate), or (b) the then maximum lawful rate of interest in New York State.

"***Defaulting Owner***" shall mean a Unit Owner who has failed to perform any of its duties or obligations required under the Condominium Documents or to make payment of money owed under the Condominium Documents and who is referred to in the Condominium Documents as a Defaulting Owner.

"***Department of Law***" means the New York State Department of Law, which is headed by the New York State Attorney General.

"***Depositary***" means an Institutional Lender selected by the Board of Managers and approved by the Recognized Mortgagees, agreeing to perform the obligations of "Depositary" as described in the Condominium Documents. Any Institutional Lender designated to serve as Depositary must have an office in the City of New York.

"***Depositary Agreement***" means an agreement substantially in the form attached as **Exhibit D** to this Declaration (or as otherwise approved by the Unit Owners, the Board of Managers and the Recognized Mortgagees), to be entered into with a Depositary as and if required under the Condominium Documents.

"***Emergency Situation***" means a situation (a) impairing or imminently likely to impair structural support of any portion of the Building or causing or imminently likely to cause bodily injury to persons or physical damage to the Building or any property in, on, under, within, upon or about the Building, (b) causing or imminently likely to cause substantial economic loss to a Unit Owner or to a tenant of a Unit, (c) causing or imminently likely to cause loss of any utility, elevator or other essential services to the Building, or (d) causing or imminently likely to cause interference with ingress to and egress from the Building.

"***Estimate***" shall have the meaning given in Section 7.5(a) or 11.5(c) of the By-laws, as applicable.

"***Institutional Lender***" means (1) a governmental agency, or (2) (i) any domestic or foreign savings bank, savings and loan association, commercial bank, trust company, or institutional finance company (whether acting individually or in a representative, custodial or fiduciary capacity) whose investments are regulated by the laws of the United States, or any State thereof, (ii) an insurance company organized and existing under the laws of the United States or any State thereof, (iii) a federal, state or municipal teachers' or other public employees' welfare, benefit, pension, profit-sharing or retirement trust or similar fund or system, (iv) a credit union, trust or endowment fund, (v) a consortium of any of the foregoing, or (vi) any other entity the Board of Managers determines to consider an Institutional Lender, provided that any entity listed in clause 2 of this definition, to qualify as an Institutional Lender, must (a) be subject to service

of process within the State of New York, and (b) have a net worth of not less than $500,000,000 and net assets of not less than $2,500,000,000 (in 1999 Equivalent Dollars).

"***Land***" means the land upon which the Building is to be built, as described in Section 1.1 of this Declaration.

"***Main Roof***" means the roof over the 11th floor of the Building.

"***Managing Agent***" means any management company or agent engaged by the Board of Managers to manage the Condominium.

"***Mortgagee***" means any Institutional Lender holding or insuring a mortgage of record encumbering a Unit.

"***Net Award***" shall have the meaning given in Section 11.2 of the By-laws.

"***Offering Plan***" (or "***Plan***") shall mean the "Offering Plan for the Sale of Cooperative Apartments in the Residential Unit of The Renaissance Condominium" filed after the date of this Declaration by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"Owner" (see ***"Unit Owner"***).

"***Permittees***" means the Unit Owners, Tenant-Shareholders, Recognized Mortgagees, tenants of either the Residential Unit or the Commercial Unit, and any other party who by lease or license is entitled to use or occupy space within the Building, and their respective beneficiaries, officers, directors, employees, agents, partners, shareholders, contractors, guests, invitees and licensees, it being understood that the term "Permittees" shall in no event or circumstance create or be deemed to create any rights hereunder generally to members of the general public.

"***Property***" means the Land and all improvements now and hereafter erected thereon submitted by this Declaration to the Condominium Act, as described in Section 1.1. of this Declaration.

"Recognized Mortgagee" shall have the meaning given in Section 9.1 of the By-laws. Notwithstanding anything in the Condominium Documents to the contrary, the Recognized Mortgagees as of the date of this Declaration are the New York City Housing Development Corporation ("***HDC***"), The Chase Manhattan Bank, the City of New York acting by and through its Department of Housing Preservation and Development, and SONYMA, during such time any mortgage held by HDC is insured by SONYMA.

"***Residential Unit***" means the Unit designated as the Residential Unit on Schedule B to this Declaration, together with the Common Interest appurtenant to such Unit.

"***Residential Unit Owner***" means the Owner of the Residential Unit.

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"***Residential Unit Representative***" means a representative to the Board of Managers appointed by the Residential Unit Owner.

"***Restoration Funds***" shall have the meaning given in Section 15.1 of the By-laws.

"***Restoration Work***" shall have the meaning given in Section 15.1 of the By-laws.

"***Rules and Regulations***" means the rules and regulations adopted by the Board of Managers pertaining to the use of the Condominium, as same may be amended from time to time.

"***Second Floor Roof***" means the roof over the second floor of the Building.

"***Signs***" shall have the meaning given in Section 8.7(i) of the By-laws.

"***Site Development Agreement***" means the agreement between Declarant and Sponsor with respect to development of the Property dated as of April 8, 1999, as same may be amended from time to time.

"***Sponsor***" means Central Harlem Partnership Plaza, LLC, in its capacity as, and having the rights and obligations of, Sponsor, as set forth in the Offering Plan and in the Condominium Documents.

"***Substantially All of the Property***" shall have the meaning given in Section 11.2 of the By-laws.

"***Surface Parking Area***" shall mean the portion of the Property appurtenant to the east side of the Building and the entrances thereto designated on the Tax Lot Drawings as the Surface Parking Area.

"***Tax Lot Drawings***" means the drawings of the Property filed with the Real Property Assessment Department of the City of New York and the City Register's Office simultaneously with the recording of this Declaration, as same may be modified and amended from time to time to reflect, among other things, completion of construction of the Building, as more fully described in Article 2 of this Declaration.

"***Tenant-Shareholder***" means an owner of the corporate shares of the Apartment Corporation attributable to a Cooperative Apartment which owner is the lessee under a proprietary lease for that Cooperative Apartment entered into with the Apartment Corporation as lessor.

"***Unavoidable Delays***" means delays from any and all causes beyond an Owner's reasonable control, including, without limitation, delays resulting from actions or inactions of the other Owner (provided such are not themselves the result of actions or inactions by the Owner obligated to perform), governmental restrictions, labor disputes (including strikes, slowdowns and similar labor problems), accident, mechanical breakdown, shortages or inability to obtain labor, fuel, steam, water, electricity or materials (for which no substitute is readily available at a

comparable price), acts of God (including inordinately severe weather conditions), removal of hazardous materials, enemy action, civil commotion, fire or other casualty, of which the Owner required to perform has given the other Owner notice within thirty (30) days after such Owner knows of same.

"***Unit***" means any space at the Property intended for independent use or ownership and designated as a Unit in this Declaration, as same may be amended from time to time, together with such Unit's Common Interest.

"***Unit Owner***" or "***Owner***" means any owner of a Unit in fee simple absolute.

Section 1.7 Schedules. All Schedules referred to in this Declaration are incorporated into this Declaration as integral parts hereof.

ARTICLE 2

UNITS

Section 2.1 Schedule of Information. Annexed hereto and made a part hereof as **Schedule B** is a list of all Units comprising the Condominium, which list also contains Unit designations, location, Common Interest, approximate area and Common Elements to which each Unit will have access.

Section 2.2 Tax Lot Drawings. The approximate dimensions, classifications, area and location of each Unit comprising the Condominium, as well as the anticipated Common Elements of the Condominium, are shown on the Tax Lot Drawings. The Tax Lot Drawings as of the date of this Declaration are the construction drawings for the Building as approved by the Buildings Department. Upon completion of construction of the Units, a set of as-built drawings containing the certification required by the Condominium Act, will be filed as amended Tax Lot Drawings.

Section 2.3 Unit Boundaries and Measurements.

(a) ***Boundaries and Measurements of Units Prior to Construction***

(i) As of the date of this Declaration, the Commercial Unit is bounded by and contains all that volume of space situate, lying and being in the Borough of Manhattan, City, County and State of New York, lying within the vertical and horizontal planes formed by projecting upward and across, respectively, the boundaries of the Commercial Unit, as depicted on the Tax Lot Drawings.

(ii) As of the date of this Declaration, the Residential Unit is bounded by and contains all that volume of space situate, lying and being in the Borough of Manhattan, City, County and State of New York, lying within the vertical and horizontal planes formed by projecting upward and across, respectively, the boundaries of the Residential Unit depicted on the Tax Lot Drawings.

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(b) ***Boundaries and Measurements of Units Upon Completion of Construction***

Upon completion of construction, each Unit shall consist of that part of the Property containing the Unit (and the Owner of the Unit shall be deemed the owner of all facilities, systems and components, except for those facilities, systems and components that are Common Elements) within the area bounded, described and measured as follows:

(i) Each Unit extends horizontally from and is measured from and includes the exterior face of the glass and/or masonry or other material comprising exterior walls of the Building to the center line of concealed block work or plaster or drywall partitions separating the Unit from any other Unit (and, where applicable, to the center line of concealed block work or plaster or drywall partitions separating the Unit from any Common Elements), or from the exterior face of the glass and/or masonry or other material comprising one exterior wall of the Building to the exterior face of the glass and/or masonry or other material comprising the opposite exterior wall of the Building, as applicable;

(ii) Each Unit extends vertically from and is measured from the center line of the concrete slab in each of the lowest portions of the Unit (however, if there is no Unit or Common Element below all or any portion of the Unit, then the Unit extends vertically from and is measured from and includes, with respect to such portion, the concrete slab forming such lowest portion), up to the center line of the concrete slab forming all or part of the bottom of the Unit above it, and if there is no Unit above it, then up to the center line of the concrete slab forming all or part of the floor, roof, or other Common Element above it. Notwithstanding the foregoing, where a concrete slab is a Common Element, as described in Section 2.4(a)(i), the Unit shall be measured from the center line of the slab, as described in this Section 2.3(b)(ii), but the slab shall not be part of the Unit; and

(iii) With respect to the Commercial Unit, the Unit also will include the portion of the Property identified on the Tax Lot Drawings as the Surface Parking Area.

Section 2.4 Components of Units.

(a) ***Components of Each Unit***

Each Unit includes as part of the Unit, without limitation, the following components:

(i) Concrete slabs wholly within a Unit consisting of two or more contiguous floors shall be part of the Unit. However, concrete slabs serving two or more Units or serving a Unit and a Common Element, or located between two Units or between a Unit and a Common Element, shall be Common Elements.

(ii) Doors (and appurtenant locks) accessing a Unit from a Common Element or from the outdoors are part of the Unit unless otherwise specified in this Declaration.

(iii) Heating, ventilating and air conditioning equipment exclusively servicing a Unit are part of the Unit, as are any pipes, ducts, wires, flues, conduits, drains, or similar facilities connecting such equipment to the Unit if they service the Unit exclusively, regardless of where located. Electric service lines originating at the meter measuring consumption of electricity in a Unit are part of the Unit, regardless of where located. If the electric meter measures the electricity consumed in that Unit only, the electric meter shall be part of the Unit as well. Branch water lines servicing a Unit exclusively, also are part of the Unit, regardless of where located.

(iv) In general, any facility[1] or facility area located within a Unit and serving only that Unit, is part of that Unit and is not a Common Element, and any facility or facility area located outside of a Unit and serving only that Unit, is part of that Unit and not a Common Element. Access, however, to facilities and facility areas that are part of a Unit and located outside of the Unit, is not absolute, and must be exercised by the affected Unit Owner in a manner that will not unreasonably interfere with the use and operation of the Unit or Common Element in which the facility or facility area is located, as more fully described elsewhere in this Declaration and in the By-laws.

(b) ***Components of the Commercial Unit***

Upon construction the Commercial Unit will include as part of the Unit, without limitation, the following specific components:

(i) The sprinkler system and associated water tank;

(ii) All space and Building components below the structural slab under the Second Floor Roof, except for those spaces and components located on the cellar, first or second floors of the Building identified in the Condominium Documents and/or in the Tax Lot Drawings as part of the Residential Unit or as a Common Element; and

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[1] As used herein, the word "facility" or "facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of that term: structural columns, system, equipment, apparatus, connector, radiator, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, installation, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shutoff valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main, shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture or planting tub or box. A "facility area" is the area or room in which the facility is located.

(iii) The Surface Parking Area together with all paving, drains, walkways, railings, lighting or other installations in or on the Surface Parking Area.

(c) *Components of the Residential Unit*

Upon construction the Residential Unit will include as part of the Unit, without limitation, the following specific components:

(i) All roofs and roof components located on set backs on floors 6, 8 and 9 of the Building.

(ii) The standpipe system.

(iii) Watertank on Main Roof for residential domestic water supply and residential fire protection.

(iv) Elevator core, shafts and cabs.

(v) Trash compactor and trash room in cellar.

(vi) Stairways A, B, C and D and associated stairwells, including the emergency egress doors from these stairs opening to the outdoors on the ground floor of the Property.

(vii) The lobby of the Building on the Malcolm X Boulevard side of the Property, together with all doors, canopies and lighting appurtenant thereto.

Section 2.5 Excluded from Units. Except as otherwise provided in this Declaration, a Unit shall not be deemed to include foundations, columns, girders, beams, joists, supports, interior load bearing walls, pillars, structural floor slabs or ceilings between two Units or between a Unit and a Common Element, central installations and equipment for power, sprinklers, lights, air conditioning, heating, ventilation, and utility lines which are utilized for or serve more than one Unit. If a Common Element runs through a Unit, the Common Element shall not thereby be deemed part of the Unit and the Unit shall not be deemed to include the Common Element.

Section 2.6 No Partition. No Unit (including the Common Interest appurtenant thereto), shall be subject to partition from the Condominium or otherwise by the Unit Owner. The foregoing shall not be deemed to prohibit division or combination of Units, provided such action is taken in accordance with procedures outlined in this Declaration and the By-laws.

ARTICLE 3

COMMON ELEMENTS

Section 3.1 Schedule of Common Elements. Upon construction, the Common Elements will encompass all portions and elements of the Building that are not part of a Unit and will include, without limitation, the following:

(a) The Land, including sidewalks thereon or appurtenant thereto, together with all easements, rights and privileges appurtenant thereto;

(b) Any Building structural components which are utilized for or serve more than one Unit, including foundations and footings, structural columns and pillars, girders, beams, joists and supports and structural slabs, unless specifically provided to the contrary in the Condominium Documents;

(c) All interior load-bearing walls;

(d) The Second Floor Roof and roof components, with the exception of the terrace area and terraces themselves appurtenant to the Residential Unit which are Limited Common Elements, as described below.

(e) The Main Roof and roof components and all parapets, fencings and railings on the Main Roof;

(f) All exterior landscaping and lighting (with the exception of Residential Unit lobby lighting) installed in, on or along the sides of the Property facing the streets adjacent to the Property;

(g) Sanitary sewer pumping system from the point at which the sanitary sewer line leading from a Unit connects with the Building's main sewer line, to the point at which the Building's main sewer line connects with the municipal sewer system;

(h) Storm drainage system within the Building to the point at which it connects to the municipal storm sewer system;

(i) All passages and corridors, areas, rooms and other spaces, located at the Property and serving or benefitting (i) the Residential Unit and a Commercial Unit and/or (ii) the Residential Unit Owner and a Commercial Unit Owner; and

(j) All other facilities of the Property (including but not limited to shafts, pipes, wires, ducts, vents, cables, chases, conduits and lines), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Unit and a Commercial Unit, and/or the Residential Unit Owner and a Commercial Unit Owner.

Section 3.2 Limited Common Elements.

(a) Limited Common Elements are Common Elements of the Property that serve only a specified Unit and thus are restricted in use to the Owner of the Unit and/or to such occupants of the Unit as the Owner shall permit, subject to the right of the Board of Managers to enter upon such Limited Common Elements to make structural repairs or structural replacements thereto, and subject to the Rules and Regulations.

(b) Upon construction:

(i) The portions of the Second Floor Roof abutting the Residential Unit and serving as private terrace areas for the Cooperative Apartments in the Residential Unit located on the 2nd floor of the Building (to be located specifically upon the as-built Tax Lot Drawings filed upon completion of construction) will be Limited Common Elements appurtenant to the Residential Unit. Any and all pavers, decking and/or drains on the terrace areas will be part of the Limited Common Elements appurtenant to the Residential Unit.

(ii) The central area of the Second Floor Roof (to be located specifically upon the as-built Tax Lot Drawings to be filed upon completion of construction), will be a Limited Common Element appurtenant to the Residential Unit to be used as a landscaped roof deck sitting area for the residents of the Residential Unit. Any and all pavers, decking, lighting and drains installed in this area shall also be part of the Limited Common Elements appurtenant to the Residential Unit.

(c) Any Unit Owner having the exclusive right to use a Limited Common Element shall have the obligation, at the Unit Owner's expense, for day-to-day maintenance of the Limited Common Element, including, without limitation, cleaning of debris from drains and general cleaning and repairs, in accordance with the applicable provisions of this Declaration and the By-laws.

Section 3.3 No Severability or Partition. The Common Elements are not subject to partition nor are they severable from Units, except in accordance with the Condominium Act.

ARTICLE 4

COMMON INTEREST

Section 4.1 General. The aggregate Common Interest of all Units shall equal 100%. This provision of the Declaration may not be amended.

Section 4.2 Determination of Common Interest. The Common Interest of each Unit has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act. It is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit.

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Section 4.3 No Separation of Common Interest. The Common Interest may not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even through such interest is not expressly mentioned or described in the conveyance, encumbrance or other instrument.

ARTICLE 5

USE OF AND ACCESS TO COMMON ELEMENTS

Section 5.1 General Use of and Access to Common Elements.

(a) The Common Elements shall be used for the furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use. Each Unit Owner may use the Common Elements in accordance with the purposes for which they were intended and the limitations in use described in this Declaration, without hindering the exercise of or encroaching upon the rights of other Unit Owners, their tenants, licensees, invitees, clients or guests. A Unit Owner may not obstruct the Common Elements.

(b) The Board of Managers shall, if any question arises, determine the purpose for which a Common Element is intended to be used. The Board of Managers shall have the right to supervise access to Common Elements and to promulgate rules and regulations respecting the Common Elements. However, notwithstanding anything in the Condominium Documents to the contrary, the Board may not supervise or otherwise regulate access to the Second Floor Roof without the prior written consent of the Residential Unit Representatives except in an Emergency Situation as to which no prior consent shall be required.

(c) Notwithstanding anything in this Declaration or in the By-laws to the contrary, a Unit Owner may gain access to mechanical equipment rooms described as Common Elements in this Declaration, if any, only through clearance by the Board of Managers and under such supervision as the Board shall reasonably require.

Section 5.2 Easements for Utilities, Pipes and Conduits.

(a) Each Unit Owner and said Unit Owner's agents, contractors, invitees, licensees and employees shall have in common with all other Unit Owners, an easement of access to all other Units and to the Common Elements, and each Unit and the Common Elements shall be subject to such easement, as may be necessary for such Unit Owner to use, install, operate, maintain, repair, rebuild, restore and replace, as necessary, such Owner's Unit including, if any, the pipes, wires, flues, ducts, air conditioning equipment, condensers and conduits which are part of the Unit running from the meters or equipment servicing such Unit to the Unit.

(b) Each Unit Owner shall have an easement in common with the Owners of all other Units to use, in accordance with then present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines which are Common Elements, as well as

other Common Elements located in any other Unit and serving such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use, in accordance with then present use and present available facilities, Common Elements serving such other Units and located in such Unit.

Section 5.3 Access Easement of Board of Managers. Subject to the provisions of Section 5.4 of this Declaration and the notice provisions in the By-laws, the Board of Managers, its members, agents, contractors and employees, shall have an easement and a right of access to each Unit to (i) inspect the Unit in seeking to identify the source or cause of a plumbing, mechanical or other problem in the Building, (ii) abate violations in the Unit that are endangering the health or safety of occupants or other users of the Building, (iii) maintain, repair or improve pipes, wires, ducts, cables, conduits and utility lines or other Common Element located in any Unit, (iv) make repairs to the Unit to prevent damage to the Common Elements or to any other Unit or (v) abate any violation of any law, ordinance, statute or rule of any governmental authority having jurisdiction thereof. The Board shall have an easement and right of access to all Common Elements to remove violations, to prevent harm or damage to other Common Elements or Units, Owners, occupants or users of the Property, and for inspection, maintenance, repair or improvement.

Section 5.4 Exercise of Easements.

(a) The easements authorized pursuant to Sections 5.2 and 5.3 of this Declaration shall be exercised in such a manner as will not materially or unreasonably interfere with the normal conduct of business of an Owner, tenant(s) or other occupant(s) of a Unit, in the event access is needed, or with the use of any Units or the Common Elements, for their permitted purposes. Any pipes, wires, ducts or other facilities installed, operated, maintained and/or used pursuant to said easements, if located within the normal view of the occupants, patrons, customers, tenants or other users of Common Elements, a Unit or the use or businesses located therein, shall be reasonably consistent with the aesthetic character of the Unit or Common Element, in, on or through which the facility is located, and if installed, operated or maintained within a Unit, shall not be so installed, operated or maintained without the Unit Owner's prior written consent, which consent shall not be unreasonably withheld or delayed. Entry shall be permitted on reasonable prior notice to the applicable Unit Owner, except that notice will not be necessary in the case of an "emergency" (i.e., a condition requiring inspection, repair or replacement immediately necessary for the preservation or safety of the Property, or for the safety of occupants or users of the Property, or required to avoid the suspension of any necessary service to the Property).

(b) If the Board of Managers requires entry into a Unit, or if one Unit Owner requires entry into another Owner's Unit, in either case during nonbusiness hours or any other period when there ordinarily would not be security or other occupants present in the Unit, the Unit Owner whose Unit is being entered shall have the right to make reasonable arrangements for security of the Unit and its contents and oversight of the work being performed, during such period as access and entry shall continue. The cost of such security and oversight shall be borne exclusively by the party (i.e., the Board of Managers or the Unit Owner, as applicable), requiring the access and entry, unless, however, access is required due to the negligence, or other action or

inaction of the Owner of the Unit being entered, in which case the Owner whose Unit is being entered shall bear such cost.

(c) The Board of Managers shall not perform any work in a Unit to cure a violation or problem therein arising out of the action or failure to act of the Unit Owner or a tenant or other occupant of the Unit (except emergency work pursuant to the foregoing), unless the Board of Managers has given the Unit Owner notice of and opportunity to cure the violation or other problem emanating from Owner's Unit, in accordance with the By-laws.

Section 5.5 Easement for Encroachments. If any portion of a Unit or the Common Elements encroaches or shall hereinafter encroach upon another Unit or the Common Elements as a result of: (i) the construction, reconstruction or settling or shifting of the Building, or (ii) any repair or restoration made by the Board of Managers to the Building, any Unit or the Common Elements, or (iii) any reconstruction after a partial or total destruction as a result of a fire or other casualty or as a result of condemnation or eminent domain proceedings, a valid easement for the encroachment and the maintenance of the same shall and does exist, provided, however, that the encroachment is de minimis and does not materially or unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Unit, or Common Element being encroached upon, or with the use of the Common Element or Unit being encroached upon, for its or their permitted purposes. Such easements as provided in this Section shall exist so long as the Building shall stand.

Section 5.6 Easements of Necessity and Emergency Egress. Each Unit shall have and each Unit shall be subject to all easements of necessity and emergency egress in favor of such Unit or in favor of other Units and the Common Elements.

Section 5.7 Declarant's, Sponsor's and Board's Easements.

(a) Declarant, Sponsor and/or its or their designees and their respective successors and assigns, for so long as Sponsor is offering at least one Cooperative Apartment for sale under the Offering Plan, shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of Cooperative Apartments. Sponsor and/or its designees and their respective successors and assigns shall have an additional easement providing access in and to all Units and Common Elements consistent with Sponsor's rights and obligations under the Offering Plan and the Site Development Agreement, including, without limitation, an easement to develop, renovate, maintain, repair, refurbish, offer, sell and lease Cooperative Apartments and construct the Building.

(b) Declarant, Sponsor and/or its or their designees, and their respective successors and assigns, for so long as Declarant and/or Sponsor or either one of their affiliates or designees shall own all or any portion of the Commercial Unit, shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purpose of advertising the lease and/or sale of all or any portion of the Commercial Unit, and shall have an additional easement of access in and to all Units and the Common Elements, to develop,

renovate, maintain, repair, refurbish, offer, sell and/or lease all or any portion of the Commercial Unit.

(c) Declarant, Sponsor and/or its or their designee(s) and their successors and assigns and, upon completion of construction of the Condominium, the Board of Managers, shall have the right to grant such electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property generally, as Declarant, Sponsor and/or its or their designee(s), or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper construction, operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Owners, tenants and occupants of the Units, provided that such additional utility easements or the relocation of existing utility easements will not prevent or unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of a Unit or with the use of a Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the Owner, tenant(s) or other occupant(s) of the Commercial Unit or with the use of the Residential Unit for its permitted purposes.

Section 5.8 Commercial Unit Owner Easements. A Commercial Unit Owner and said Unit Owner's successors and assigns, shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property, for the purposes of advertising the sale or lease of all or any portion of that Owner's Unit and the operation of any business of that Owner or a tenant or other occupant of all or any portion of that Owner's Unit, subject in all events, however, to the provisions and conditions of the By-laws and/or Rules and Regulations respecting signage.

Section 5.9 Responsibility and Indemnity. The user of any easement granted by the above subparagraphs of this Article 5 shall have the responsibility of repairing any damage to the Common Elements or to any other Unit directly or indirectly resulting from the exercise of the easement. Additional obligations respecting maintenance and repair of Units and Common Elements arising out of these access and easement rights are found in the By-laws. Unit Owners shall be obligated to indemnify other Unit Owners and the Board of Managers, and the Board of Managers shall be obligated to indemnify Unit Owners, in connection with loss, damage or liability arising out of that party's exercise of rights pursuant to the easements granted in this Article 5.

ARTICLE 6

CONDOMINIUM GOVERNANCE; SERVICE OF PROCESS

Section 6.1 Board of Managers; Common Owner.

(a) The affairs of the Condominium shall be governed and controlled by a Board of Managers, as described in the By-laws. When in this Declaration or in the By-laws an action is to be undertaken, or is authorized to be done by the Condominium, it shall mean the Condominium acting through its Board of Managers, unless the text clearly requires another interpretation (i.e., through a vote of the Unit Owners). When the Board of Managers is authorized or obligated to act, it shall be acting on behalf of all Unit Owners in the Condominium.

(b) Notwithstanding anything to the contrary contained in this Declaration or in the By-laws, and to the extent permitted under applicable law, it is the intention of the Condominium Documents that while the Units are owned by the same Owner, such Owner shall operate the Property as if the Unit Owner were the owner and operator of the entire Property and the Property were not owned in the condominium form of ownership. Thus, it is intended that the Condominium will be managed entirely by such single Unit Owner who shall be deemed the Board of Managers for purposes of establishing the Condominium, but that neither the formal establishment of a Board of Managers, nor decision-making or governance by the Board of Managers, shall be required. That is, it is intended that the sole Unit Owner shall be authorized and required to perform all duties and to have all obligations, that would otherwise be the responsibility of the Board. While there is only one Unit Owner, a Board shall be established and shall perform such duties and undertake such obligations as set forth in the Condominium Documents, if required by applicable law, Recognized Mortgagees or if it otherwise determines to do so.

Section 6.2 Administration. The administration of the Condominium shall be in accordance with the provisions of this Declaration and the By-laws.

Section 6.3 Service of Process. The Secretary of State is hereby designated as agent of the Board of Managers upon whom process against the Board of Managers may be served. Service of process on the Secretary of State as agent for the Board of Managers shall be made personally, by delivering to and leaving with the Secretary of State or his or her deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Board of Managers shall be complete when the Secretary of State is so served. The Secretary of State is required under the Condominium Act to promptly send one of such copies by certified mail, return receipt requested, to the Board of Managers, at the post office address on file with the Department of State, specified for such purpose. ***The Board of Managers is required under the Condominium Act to file with the Secretary of State the name and post office address to which the Secretary of State shall mail a copy of any process served upon the Secretary of State, and to update such filing as necessary.***

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ARTICLE 7

CONDOMINIUM DOCUMENTS RUN WITH THE LAND

Section 7.1 All Owners, Tenants and Occupants Subject to Condominium Documents Which Run With the Land. All present and future Unit Owners, tenants, occupants or any other person that might use the Units or the facilities of the Property in any manner, are subject to the provisions of this Declaration, the By-laws and Rules and Regulations of the Condominium, as they may be amended from time to time. The acceptance of a deed of conveyance of, or the entering into of a lease for all or any portion of, or the entering into occupancy of all or any portion of a Unit shall signify that the provisions of this Declaration and the By-laws and Rules and Regulations of the Condominium, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed of conveyance or lease thereof.

ARTICLE 8

AMENDMENT AND TERMINATION

Section 8.1 Amendment.

(a) Except for the rights of Declarant and Sponsor to amend this Declaration or the By-laws as set forth in this Article 8 and elsewhere in this Declaration or in the By-laws, and the right of the Board of Managers discussed in this Declaration or in the By-laws to cause this Declaration to be amended to reflect the alteration of Common Elements by the Board of Managers and the alteration, combination or division of Unit(s) by Unit Owners, this Declaration and the By-laws may be modified, altered, amended or added to only by unanimous vote of all Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-laws or otherwise consented to in writing by all Unit Owners.

(b) Notwithstanding the foregoing, while Declarant is the only Unit Owner, Declarant may amend this Declaration or the By-laws without the necessity of calling a meeting.

(c) Declarant, its affiliates and its successors and assigns shall have the right, while Declarant is the Owner of the Residential Unit, and Sponsor shall have the right while the Apartment Corporation is the Owner of the Residential Unit and Sponsor controls the Board of Directors of the Apartment Corporation, to amend (or to cause the Board of Managers to amend, as applicable) this Declaration and the By-laws annexed hereto, and the Tax Lot Drawings, without calling a meeting and without obtaining any other party's consent, to effect changes and/or corrections, at Sponsor's written direction, consistent with Sponsor's rights and obligations under this Declaration and the By-laws and under the Offering Plan.

(d) An instrument evidencing an amendment to this Declaration or the By-laws must be duly recorded in the City Register's Office. Such instrument need not contain the written consent of the required number of Unit Owners, but shall contain a certification by the Board of Managers, or Declarant, if applicable, that the consents, if any, required for such change have been received and filed with the Board of Managers. With certain exceptions discussed below, the costs and expenses of preparing and recording an amendment to the Declaration or the By-laws shall be borne by the Unit Owners as a Common Expense. However, Sponsor shall bear the costs with respect to amendments filed pursuant to Sections 8.1(b) and 8.1(c). Further, if an amendment is necessitated as a result of alteration work performed by a Unit Owner, the Unit Owner shall bear the expense of preparing and recording the amendment, although the Board shall bear the responsibility of recording such amendment, provided it has been notified of same in accordance with this Declaration and the By-laws.

(e) Copies of amendments to this Declaration or the By-laws will be furnished by the Board of Managers to Unit Owners (as a Common Expense) if the amendment is prepared and recorded by the Board of Managers and affects the Condominium as a whole. Amendments filed by the Board of Managers on behalf of a Unit Owner shall be duplicated and distributed to all Unit Owners at the amending Unit Owner's sole cost and expense.

(f) No amendment to this Declaration or the By-laws may be enacted which (i) adversely affects Declarant's rights hereunder generally or Sponsor's rights hereunder with respect to the sale and/or leasing of Cooperative Apartments pursuant to the Offering Plan or with respect to the sale or leasing of the Commercial Unit, or with respect to the making of alterations, additions and improvements to Units owned by Declarant or Sponsor, (ii) adversely affects Declarant's or Sponsor's rights under this Declaration or the By-laws in any other way whatsoever, without Declarant's and/or Sponsor's, as applicable, prior written consent, or (iii) adversely affects any Unit Owner, without the affected Unit Owner's prior written consent.

(g) No amendment to this Declaration or the By-laws attached hereto, which shall impair or prejudice the rights or priorities of a Recognized Mortgagee, shall be adopted without the prior written consent of such Recognized Mortgagee. Any such amendment that is adopted without the prior written consent of an affected Recognized Mortgagee shall be deemed null and void ab initio.

(h) During such period of time as the New York City Department of Housing Preservation and Development ("**HPD**") holds a mortgage on a Unit, no amendment to the By-laws (except for ministerial amendments) shall be adopted without the prior written consent of HPD. Request for consent shall be in writing and addressed to the attention of the General Counsel of HPD. If HPD does not respond to a request for consent within thirty (30) days after the date the request letter is sent, then HPD shall be deemed to have approved the proposed amendment. In any event, HPD's consent to a proposed amendment shall not be unreasonably withheld or delayed.

Section 8.2 Termination and Withdrawal. The Condominium shall not be terminated or withdrawn from the Condominium Act except in accordance with this Declaration, the By-laws, and all laws, ordinances and regulations applicable to the Property at the time termination

or withdrawal is desired. In this regard, the Condominium may be terminated following a loss due to casualty or condemnation, as more fully described in the By-laws. In addition, the Condominium may be withdrawn from the provisions of the Condominium Act by the unanimous vote of Unit Owners. If withdrawal of the Condominium from the Condominium Act is authorized as provided in this Section 8.2, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale arising out of the partition action shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of the Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 9

GENERAL

Section 9.1 Declarant's and Sponsor's Rights and Obligations; Affiliates.

(a) Nothing contained in the Condominium Documents shall be deemed to impose upon Declarant or Sponsor any obligation of any nature to build, construct or provide any improvements on the Property. All rights accruing to Declarant under the Condominium Documents shall also accrue to an Affiliate of Declarant and to Sponsor and all rights accruing to Sponsor under the Condominium Documents shall also accrue to an Affiliate of Sponsor, as well as to any entity appointed by Declarant or Sponsor, as applicable, as its designee, or to any person or entity succeeding to Declarant's or Sponsor's rights hereunder by operation of law or otherwise.

(b) An Affiliate of Declarant or Sponsor, as applicable, shall be deemed to be (i) a person or entity who or which owns more than 25% of the legal or beneficial interest of Declarant or Sponsor, as applicable, (ii) a person or entity who or which has voting or other decision-making control with respect to Declarant or Sponsor, as applicable, (iii) an entity with respect to which Declarant or Sponsor, as applicable, owns or controls more than 25% of the legal or beneficial interest, or (iv) an entity owned or controlled directly or indirectly by the parent company of Declarant or a parent company of Sponsor or of Sponsor's principals, as applicable.

Section 9.2 Subordination to Land Disposition Agreement and Deed. This Declaration is and shall be subject and subordinate to the provisions of (a) the Land Disposition Agreement between The City of New York and Declarant dated as of April 8, 1999, and thereafter recorded in the City Register's Office (the "***LDA***"), for so long as the provisions of the LDA shall be in effect, and (b) the deed conveying the Property from The City of New York to Declarant dated as of April 8, 1999, and thereafter recorded in the City Register's Office (the "***Deed***"), so long as the restrictions in the Deed applicable to the Property shall be in effect.

Section 9.3 Inspection Right of Recognized Mortgagees. Each Recognized Mortgagee, while it holds a mortgage on a Unit, shall have the right, from time to time, upon reasonable advance notice to the Board of Managers and during reasonable business hours, to

have access to and to inspect the Property, in the company of a member of the Board of Managers or in the company of the Managing Agent of the Condominium, in the same manner and to the same extent as provided for access to and inspection of the mortgaged property that is subject to the lien of the Recognized Mortgagee's mortgage, as if the lien of the Recognized Mortgagee's mortgage extended to cover the entire Property rather than just a single Unit.

Section 9.4 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been made.

Section 9.5 Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches which may occur.

Section 9.6 Captions. The captions in the Condominium Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision thereof.

Section 9.7 Conflicts. Conflicts between this Declaration and the By-laws attached hereto shall be resolved in favor of this Declaration. Conflicts between this Declaration and the Condominium Act shall be resolved in favor of the Condominium Act.

IN WITNESS WHEREOF, NYC Partnership Housing Development Fund Company, Inc. has caused this Declaration to be executed as of this 8 day of April 1999.

NYC PARTNERSHIP HOUSING DEVELOPMENT FUND COMPANY, INC.

By: _____
Name: Sandra Acosta
Title: Vice President

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STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 13 day of April 1999 before me personally came Sandra Acosta, to me known, who, being by me duly sworn, did depose and say that s/he resides at [redacted]; that s/he is a Vice President of NYC Partnership Housing Development Fund Company, Inc., the corporation described in and which executed the foregoing instrument; and that s/he executed the instrument on behalf of said corporation pursuant to order of the board of directors of the corporation.

Notary Public

JONATHAN VOGEL
Notary Public, State of New York
No. 02VO6007018
Qualified in New York County
Commission Expires May 11, 2000

REEL 2886 PG 1645

LIST OF SCHEDULES

Schedule A - Legal Description

Schedule B - Unit Designations, Common Interest and Related Information

Schedule C - By-laws of the Condominium

Schedule D - Depositary Agreement

REEL 2886 PG 1646

SCHEDULE A

LEGAL DESCRIPTION

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

Beginning at a point being the corner formed by the intersection of the northerly side of W. 116th Street with the easterly side of Lenox Avenue;

Running thence northerly along the easterly side of Lenox Avenue, 201.83 feet to the corner formed by the intersection of the easterly side of Lenox Avenue with the southerly side of W. 117th Street;

Running thence easterly along the southerly side of W. 117th Street, 450.00 feet;

Running thence southerly and at right angles to the southerly side of W. 117th Street, 201.83 feet to the northerly side of W. 116th Street;

Running thence westerly along the northerly side of W. 116th Street, 25.00 feet;

Running thence northerly and at right angles to the northerly side of W. 116th Street, 100.92 feet;

Running thence westerly and parallel with the northerly side of W. 116th Street, 100.00 feet;

Running thence southerly and at right angles to the northerly side of W. 116th Street, 100.92 feet to the northerly side of W. 116th Street;

Running thence westerly along the northerly side of W. 116th Street; 325.00 feet to the point or place of beginning.

SCHEDULE B

UNIT DESIGNATIONS, COMMON INTEREST AND RELATED INFORMATION

UNIT DESIGNATION	TAX LOT NO.	APPROXIMATE SQUARE FOOT FLOOR AREA*	LIMITED COMMON ELEMENTS AND APPROXIMATE SQUARE FOOT AREAS	COMMON INTEREST	COMMON ELEMENTS TO WHICH UNIT HAS ACCESS	LOCATION
Commercial Unit (Unit 1)	1001	120,121	None	29%	Sidewalks	Portions of cellar, portions of first floor and entire Surface Parking Area
Residential Unit (Unit 2)	1002	296,260.6	Second Floor Roof Area: 18,005	71%	Sidewalks	Portions of cellar, portions of first floor, and second through eleventh floors
TOTALS		416,381.6	18,005	100%		

* The approximate square foot floor area in this column does not include the approximate square foot area of Limited Common Elements appurtenant to the Unit, which are listed in the next column.

REEL 2886 PG 1648

SCHEDULE C TO CONDOMINIUM DECLARATION

BY-LAWS

of

THE RENAISSANCE CONDOMINIUM

130 Malcolm X Boulevard
New York, New York 10026

ROBINSON SILVERMAN PEARCE ARONSOHN & BERMAN LLP
1290 Avenue of the Americas
New York, New York 10104

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BY-LAWS

of

THE RENAISSANCE CONDOMINIUM

130 Malcolm X Boulevard
New York, New York

ARTICLE 1

GENERAL

Section 1.1. Purpose. The purpose of these By-laws is to set forth the rules and procedures governing the operation and conduct of the Condominium. All capitalized terms used in these By-laws and not defined herein, shall have the meanings ascribed to them in the Declaration to which they are annexed.

Section 1.2. Applicability of By-Laws. The provisions of these By-laws are applicable to the Property and to the use and occupancy thereof.

Section 1.3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, agents and/or licensees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations, each as amended from time to time. The acceptance of a deed or conveyance or the entering into (or acceptance of assignment) of a lease for all or any portion of a Unit or the act of occupancy of all or any portion of a Unit shall constitute an agreement that these By-laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4. Title to Units.

(a) Title to Units may be taken in the name of two or more parties, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, limited liability company, partnership, fiduciary, trust, estate, unincorporated association, organization, syndicate, joint venture, government (or any mission, department or agency thereof), or any other entity. In no event may title to a Unit be held by an individual person.

(b) Notwithstanding the foregoing, before any such conveyance to a government or governmental mission, or to a department, agency or consulate of a government, or to any other individual or entity who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings

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in the United States of America or elsewhere, may occur or be valid or effective, the Board of Managers may require that certain additional conditions be satisfied.

(c) Specifically, the Board of Managers may require that the potential grantee enter into an agreement with the Board of Managers, on terms acceptable to the Board of Managers and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise, (and diplomatic and consular immunity, if applicable) from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Board of Managers or any other party claiming with respect to the Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Unit may be brought in the courts of the State of New York, and in the City of New York, or in the United States District Court for the Southern District of New York, as the Board of Managers shall elect, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers.

(d) The Board of Managers may require evidence satisfactory to the Board's counsel, of the authority of the party executing any such agreement to execute it, and confirming the binding nature of any agreement executed by such party.

(e) With respect to any potential grantee which is a governmental entity (i.e., any of the types of parties described in Section 1.5(b) above), or a corporation, limited liability company, partnership, trust or other entity including, without limitation, those itemized in Section 1.5(a) above, the Board of Managers shall have the right and authority to require personal guarantees and/or such other assurances and security as the Board of Managers shall reasonably deem necessary to insure that Common Charges due with respect to the Unit are paid and other obligations respecting the Unit are satisfied.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1. Number and Qualification.

(a) The affairs of the Condominium shall be governed by a Board of Managers (the "**Board of Managers**"). The Board of Managers shall comprise representatives of both the Residential Unit and the Commercial Unit. The initial Board of Managers shall consist of three (3) persons designated by Declarant. These individuals shall hold office until their successors shall have been installed at the first annual meeting of Unit Owners held pursuant to Section 3.1 of these By-laws, at which time a new three (3) member Board of Managers shall be established in accordance with these

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By-laws. Of these three (3) members, two (2) individuals shall be appointed by the Residential Unit Owner (the **"Residential Unit Representatives"**), and one (1) individual shall be appointed by the Commercial Unit Owner (the **"Commercial Unit Representative"**).

(b) Notwithstanding anything to the contrary contained in these By-laws, during such period as the Apartment Corporation owns the Residential Unit, but only while Sponsor has the right to control the Board of Directors of the Apartment Corporation, Sponsor shall have the right to appoint the Residential Unit Representatives.

(c) While the Apartment Corporation is the Residential Unit Owner, all Residential Unit Representatives to the Board of Managers shall be Tenant–Shareholders of the Apartment Corporation. From and after the first annual meeting of Tenant-Shareholders of the Apartment Corporation held after the Cooperative Conversion Date, all Residential Unit Representatives must be Tenant-Shareholders of the Apartment Corporation and residents of the Residential Unit. The foregoing requirement is subject to the right of a Recognized Mortgagee to remove Tenant-Shareholder Residential Unit Representatives and to appoint Residential Unit Representatives who are not Tenant–Shareholders in the event a receiver of the Recognized Mortgagee's loan is appointed, and/or in the event of foreclosure of the Recognized Mortgagee's mortgage, and/or if pursuant to the mortgage or regulatory agreement on the Residential Unit held by the Recognized Mortgagee, the Recognized Mortgagee is entitled to remove and replace the Board of Directors of the Apartment Corporation and the Recognized Mortgagee exercises such rights. Subject to the foregoing, members of the Board of Managers, other than the appointees of Declarant, Sponsor and/or its or their designee(s), shall be Unit Owners, the authorized designee of a Unit Owner or the authorized designee of a Mortgagee or of a Recognized Mortgagee of a Unit. In the case of partnership Unit Owners the Board member shall be a general partner of such partnership (and, if the general partner is a corporation or partnership, shall be an officer, director, shareholder or partner of such corporate or partnership general partner, as applicable). In the case of corporate Unit Owners, the Board member shall be an officer, director or shareholder of such corporation. In the case of limited liability company Unit Owners, the Board member shall be a member of such company or a principal of a member of the company. In the case of fiduciary Unit Owners the Board member shall be the fiduciary or an officer of such fiduciary. In any event, regardless of the type of Unit Owner or Mortgagee, the Board member must be an individual principal, member or other authorized designee of the Unit Owner, Mortgagee or Recognized Mortgagee.

(d) If a member of the Board of Managers ceases to meet the qualifications for membership set forth in the previous paragraph, he or she shall be deemed to have resigned from the Board effective as of the date such ownership, stock ownership, partnership, mortgage or other qualifying interest ceased.

Section 2.2. Term of Office.

(a) The term of office of members of the Board of Managers appointed at the first annual meeting of Unit Owners shall be two years for one (1) Residential Unit Representative, one (1) year for the other Residential Unit Representative and two (2) years for the Commercial Unit Representative, or until their respective successors are appointed. Thereafter at all annual meetings, candidates will be appointed for two-year terms.

(b) Members of the Board of Managers may serve for more than one term.

Section 2.3. Resignation and Removal of Members of the Board of Managers.

(a) Members of the Board of Managers may resign at any time by giving notice in writing to the Board. Unless otherwise stated in the notice, the resignation shall be effective immediately.

(b) At any regular or special meeting of the Board of Managers, any member of the Board of Managers may be removed with cause by vote of the Board of Managers, provided notice of such proposed removal was given to the Board member and in the notice of the meeting. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting.

(c) If a Recognized Mortgagee has the right under its mortgage or regulatory agreement to remove members of the governing body of the Owner of the Unit securing its loan, and if the Recognized Mortgagee exercises such right in accordance with its mortgage or regulatory agreement, then in such event the Recognized Mortgagee also shall have the right to remove the members of the Board of Managers appointed by that Unit Owner and to appoint its own representatives to serve as the Residential Unit Representatives or the Commercial Unit Representatives, as applicable.

Section 2.4. Vacancies. Subject to the right of a Recognized Mortgagee to remove and appoint members of the Board of Managers in certain instances as discussed above, only the Residential Unit Owner (or Sponsor, while Sponsor controls the Apartment Corporation) shall have the right to designate a replacement for a Residential Unit Representative and only the Commercial Unit Owner shall have the right to designate a replacement for a Commercial Unit Representative, who has been removed from or has resigned from the Board. Vacancies in the Board of Managers caused by resignation, removal, death or any other reason shall be filled promptly by Declarant, Sponsor, the Residential Unit Owner, the Commercial Unit Owner, or the Recognized Mortgagee, as applicable. Each person so appointed shall be a member of the Board of Managers for the remainder of the term of the predecessor member and until a successor shall be appointed.

Section 2.5. Powers and Duties.

(a) The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-laws may not be delegated to the Board of Managers by the Unit Owners. All determinations however, which (i) affect only the Residential Unit and do not "adversely affect" the Commercial Unit or the use of the Commercial Unit for its permitted purposes, shall be made by the Residential Unit Owner, and (ii) affect only the Commercial Unit and do not "adversely affect" the Residential Unit or the use of the Residential Unit for its permitted purposes, may be made by the Commercial Unit Owner. All other determinations with respect to administration of the affairs of the Condominium shall be made by the Board of Managers. A dispute with respect to whether the determination of one Unit of the Condominium adversely affects another Unit of the Condominium shall not be deemed to exist unless the objecting party specifies the ground for its objection in writing to the

other party within ten (10) days of receipt by it of notice of such determination. Both the Residential Unit Owner and the Commercial Unit Owner shall have a duty to notify each other in writing each time a determination is made by one of them that might reasonably be expected to have a material impact on the Residential Unit, if the determination is by the Commercial Unit Owner, or on the Commercial Unit, if the determination is by the Residential Unit. Any dispute as to whether a determination made by one Unit Owner "adversely affects" another Unit Owner or said Unit Owner's Unit, shall be an Arbitrable Dispute.

(b) Subject to the foregoing, the powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(i) Operation, care, upkeep, maintenance, repair, replacement and cleaning of the Common Elements.

(ii) Determination of Common Charges required to pay Common Expenses of the Condominium.

(iii) Collection of Common Charges and other assessments from Unit Owners and expenditure of same to pay Common Expenses.

(iv) Employment and dismissal of personnel necessary for maintenance and operation of the Common Elements.

(v) Adoption and amendment of Rules and Regulations covering operation and use of the Property, and seeking of damages and impositions of fines from Unit Owners for violations of Rules and Regulations. However, the Board of Managers may not enact rules or regulations or perform any acts, or make any other provisions that would interfere with Declarant's or Sponsor's rights set forth in these By-laws or in the Declaration relating to sales and leasing of Cooperative Apartments nor may the Board of Managers enact Rules and Regulations that interfere with the rights of the Commercial Unit Owner with respect to the sale or leasing of all or any portion of the Commercial Unit.

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

(vii) Reasonable leasing and/or licensing portions of the Common Elements, including, without limitation, licensing portions of the roof for cellular, satellite and/or other transmission or related purposes, to the extent same does not materially interfere with the use or enjoyment of the Units for their permitted purposes by the Unit Owners or other occupants of the Units.

(viii) Procuring and maintaining insurance for the Property, in accordance with these By-laws.

(ix) Making ordinary repairs, restorations, additions and improvements to or alterations of the Common Elements and making repairs to and restoration of the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, in accordance with these By–laws.

(x) Borrowing money and thereby incurring debt on behalf of the Condominium in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations, improvements or additions to or alterations of, the Common Elements, working capital, bad debts and unpaid Common Charges, depreciation, obsolescence or similar purposes, or otherwise in connection with any permitted action or activity of the Board. However, (i) the unanimous consent of Unit Owners voting at a meeting duly called and held for such purpose in accordance with the provisions of these By-laws, and the unanimous consent of Recognized Mortgagees of Units, shall be required for the borrowing of any sum in excess of $150,000 in any one fiscal year (regardless of the balance of loans outstanding from previous years) and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant Common Interest without the consent of the Owner of the Unit so affected (and the Recognized Mortgagee of the Unit). If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this subparagraph (x) or elsewhere in these By-laws is not repaid by the Board, a Unit Owner who pays to the creditor such Unit Owner's proportionate share of the sum based on such Unit Owner's Common Interest, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit. The foregoing sentence shall be deemed incorporated into each and every loan agreement or promissory note entered into or made by the Board of Managers pursuant to the authority granted it in the Condominium Documents.

(xi) In connection with a debt incurred by it pursuant to the foregoing paragraph, the Board of Managers, on behalf of the Unit Owners, may, with the prior consent of the Recognized Mortgagees, (i) assign to the lender the Board's rights in and to future Common Charges, (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that the Board holds, (iii) agree that, to the extent of any amounts due under any provisions of the agreements pursuant to which the debt was incurred, and subject to the provisions of Section 339-l of the Condominium Act, all Common Charges received and to be received by the Board of Managers, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and such funds shall be expended for such purpose before expending any part of the same for any other purpose, and (iv) agree that at the lender's direction the Board will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements pursuant to which the debt was incurred. The foregoing sentence shall not be construed to authorize the Board of Managers to create a lien on any Common Elements. Any assignment pursuant to clause (i) of this subparagraph (xi) may provide, subject to the provisions of subparagraph (x) above, that in the event of a default, the lender shall have the same right as the Board of Managers to file liens on Units for unpaid Common Charges, in the lender's name, in accordance with these By-laws and Section 339-z and 339-aa of the Condominium Act, and to foreclose such liens pursuant to Sections 339-aa of the Condominium Act and pursuant to these By-laws.

(xii) Levying fines or taking other action against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property. Fines shall be considered Common Charges payable by the Unit Owner against whom they are assessed.

(xiii) Adjusting and settling claims under insurance policies obtained pursuant to the provisions of these By-laws, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(xiv) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Board of Managers deems appropriate or necessary to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, or any other public agency or authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board of Managers deems necessary or appropriate.

(xv) Prepare, execute and record, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-laws whenever, in the estimation of the Board of Managers, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-laws.

(xvi) Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units as agent for each Unit Owner who has given appropriate written authorization (and to retain counsel in connection therewith on behalf of all such Unit Owners), provided that each such Unit Owner indemnifies the Board of Managers from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The foregoing shall not be deemed to prohibit a Unit Owner from commencing, pursuing, compromising or settling tax certiorari proceedings for its own Unit, and each Unit Owner may initiate, pursue and settle such proceedings for its own Unit independently from and without the consent of, any other Unit Owner or the Board of Managers.

Section 2.6. Managing Agent. The Board of Managers may employ for management of the Condominium a Managing Agent at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, provided that the Board retains the power to designate the signatories on any account opened by such Managing Agent. The Board of Managers may delegate such other tasks as hiring and firing employees, obtaining insurance policies, forming corporations and entering into contracts and leases for services and repairs to Common Elements, provided the Board retains the right to consent to the action or contract prior to execution of the task or contract.

Section 2.7. Organizational Meeting. The first meeting of the members of the Board of Managers following each annual meeting of the Unit Owners shall be held either immediately following the adjournment of the annual meeting or within ten (10) days thereafter at such time and place as shall

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be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the Board of Managers was present at the time the date was selected, or is present at the meeting itself.

Section 2.8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least six (6) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 2.9. Special Meetings. Special meetings of the Board of Managers may be called by the President on not less than three (3) business days' notice to each member of the Board of Managers, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers also shall be called by the President or Secretary (in like manner and on like notice), on the written request of at least two (2) members of the Board of Managers.

Section 2.10. Waiver of Notice; Telephone Participation.

(a) Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof.

(b) Any one or more members of the Board of Managers, or any committee thereof, may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 2.11. Quorums, Determinations and Adjournments.

(a) Except as otherwise set forth in these By-laws, all determinations of the Board of Managers shall be made at a meeting of the Board at which a quorum is present. At all meetings of the Board of Managers the presence of a majority of the members of the Board of Managers shall constitute a quorum for the transaction of business. The vote of a majority of the members of the Board of Managers present at a Board meeting at which a quorum is established shall constitute the decision of the Board of Managers. Notwithstanding the foregoing, if a vote held at a meeting of the Board of Managers at which the Commercial Unit Representative is not present purports to authorize action adversely affecting a Commercial Unit, a quorum shall not be deemed to have been established at that meeting. In such event, the vote taken at that meeting shall be voidable at the option of the Commercial Unit Representative, by written notice given to the Board within ten (10) days after the vote is taken. If the Residential Unit Owner disputes the Commercial Unit Owner's characterization of the action as adverse, and if the Board of Managers cannot resolve the issue, the matter shall promptly be submitted

to Arbitration, the cost of which shall be shared equally by the Residential Unit and the Commercial Unit.

(b) If at any meeting of the Board of Managers there shall be less than a valid quorum present, those present may adjourn the meeting. Notice of the adjournment and any rescheduled meeting, shall be given to all members of the Board of Managers. At any such adjournment meeting at which a valid quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

(c) Any action required or permitted to be taken by the Board of Managers or any committee thereof, may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 2.12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all members of the Board of Managers, officers of the Board of Managers and employees of the Condominium and of the Managing Agent, if any, handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 2.13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such unless the Unit Owners amend these By-laws to provide otherwise.

Section 2.14. Liability of the Board of Managers and Officers of the Condominium.

(a) The members and officers of the Board of Managers shall not be liable to the Unit Owners except for their own individual willful misconduct or bad faith actions or bad faith failures to act. The Unit Owners shall indemnify and hold harmless each of the members and officers of the Board of Managers against all loss, damage or liability that a Board member or officer incurs arising from his or her acts as, or by reason of the fact that such person was, a member of the Board of Managers or an officer of the Condominium, except with respect to liability arising from willful misconduct, bad faith actions or bad faith failures to act.

(b) Members of the Board of Managers shall have no personal liability with respect to any contract made by them as the Board of Managers within the scope of their authority or believed by them in good faith to be within the scope of their authority. The liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to the Unit Owner's proportionate share of the total liability based on the Unit Owner's Common Interest.

(c) Every agreement made by the Board of Managers or by the Managing Agent on behalf of the Condominium shall provide or be deemed to provide that the members of the Board of Managers, or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, if applicable), and that any

liability of a Unit Owner thereunder shall be limited to the Unit Owner's proportionate share of the total liability based on the Unit Owner's Common Interest.

Section 2.15. Committees. The Board of Managers may by resolution create such committees as it shall deem appropriate. Such committees shall each consist of at least two members of the Board and shall each have such powers and authority as the Board of Managers shall vest therein. The members of any such committee shall be appointed by the President of the Condominium. So long as the Residential Unit is owned by the Apartment Corporation and Sponsor or its designee has the right to appoint a majority of the members of the Board of Directors of the Apartment Corporation, Sponsor may appoint at least one member of each such committee.

Section 2.16. Rules and Regulations. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended from time to time by the Board of Managers provided that copies are furnished to each Unit Owner not less than five days prior to the time that they become effective. Each Unit Owner must comply with the By-laws and the Rules and Regulations, and the resolutions and decisions adopted pursuant thereto. Failure to comply with any of same shall be grounds for action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers, or in a proper case, by an aggrieved United Owner. In the case of repeated or flagrant violations, the Board may ask the offending Unit Owner for sufficient surety for future compliance.

ARTICLE 3

UNIT OWNERS

Section 3.1. Annual Meetings.

(a) Within approximately 90 days after the conveyance of title to the Residential Unit by Declarant to the Apartment Corporation, Sponsor shall call and conduct the first annual meeting of the Unit Owners. Sponsor reserves the right, however, to call the first annual meeting at such earlier date as Sponsor shall in its discretion select after title to the Residential Unit is conveyed to the Apartment Corporation. Thereafter, annual meetings of the Unit Owners shall be held within approximately three weeks of the anniversary of the first annual meeting.

(b) At all annual meetings of Unit Owners the Residential Unit Owner shall appoint its Residential Unit Representatives and the Commercial Unit Owner shall appoint its Commercial Unit Representative to the Board of Managers. The Unit Owners may transact such other business at annual meetings as may properly come before them.

Section 3.2. Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.3. Special Meetings. It shall be the duty of the President of the Board of Managers to call a special meeting of Unit Owners if so directed by resolution of the Board of Managers. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least five (5) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting and the notice shall be accompanied by the text of the proposed amendment. The mailing of a notice of meeting by regular mail or by certified mail return receipt requested in the manner provided in this Section shall be considered service of notice.

Section 3.5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than three (3) business days from the date the original meeting was scheduled. Notice of the date, time and location of the adjournment meeting shall be given to each Unit Owner in writing by mail, telegraph or personal delivery, at least three business days prior to the date of the adjournment meeting. At any such adjournment meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 3.6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.
(b) Proof of notice of meeting.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers.
(e) Report of Board of Managers.
(f) Reports of committees.
(g) Appointment of members of the Board of Managers (when so required).
(h) Unfinished business.
(i) New business.

Section 3.7. Voting.

(a) Each Unit Owner shall be entitled to cast one vote either in person or by proxy for each 1% of Common Interest attributable to said Owner's Unit(s), for each item voted upon at each meeting of Unit Owners. Accordingly, the total number of votes that may be cast at meetings of Unit Owners is 100. Votes attributable to one Unit may not be cumulated or split. The Board of Directors of the Apartment Corporation shall exercise the voting rights of the Residential Unit Owner once the Apartment Corporation takes title to the Residential Unit.

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(b) Each Unit Owner, or a party designated by the Unit Owner to act as proxy on the Unit Owner's behalf, shall be entitled to cast the votes attributable to said Unit Owner's Unit at meetings of Unit Owners. Those owning a Unit jointly or in common must act unanimously and may not cast more than one vote for each 1% of Common Interest attributable to the Unit, and may not split or cumulate said votes.

Section 3.8. Proxies. Each Unit Owner shall be entitled to vote by proxy at any meeting of Unit Owners. The designation of any such proxy shall be in writing and shall be filed with the Secretary at or prior to the meeting in which the same is to be used. Such proxy shall be valid only for such meeting or subsequent adjournment meetings thereof. Such proxy shall, however, be revocable at any time (i) by written notice to the Secretary by the Owner who designated the proxy, or (ii) by verbal notice given in person to the Secretary. A notation of such proxy shall be made in the minutes of the meeting. If a Unit is owned jointly or otherwise in common, the co-owner who is present must hold a proxy for each co-owner not present at the meeting where the proxy is to be used. Alternatively, one single proxy holder holding the proxies of all co-owners (who need not be a co-owner himself or herself), may vote the votes appurtenant to said Unit at the meeting. The holder of a Unit Owner's proxy need not be a Unit Owner.

Section 3.9. Majority of Unit Owners. As used in these By-laws the term "majority of Unit Owners" shall mean those Owners of Units representing more than 50% of the total authorized votes of all Unit Owners. In all cases, such majority must be present in person or by proxy and voting in favor of one position at any meeting of the Unit Owners in accordance with the provisions of Section 3.7 of these By-laws in order to constitute a valid vote of a majority of the Unit Owners when such vote is required.

Section 3.10. Quorum. Except as otherwise provided in these By-laws, the presence in person or by proxy of Unit Owners representing 50% of the total authorized votes of the Unit Owners shall constitute a quorum at meetings of Unit Owners.

Section 3.11. Binding Nature of Majority Vote. Except where otherwise provided by law, the Declaration or these By-laws, at meetings of Unit Owners the vote of a majority of Unit Owners present in person or by proxy at a meeting at which a quorum is established, shall be binding on all Unit Owners for all purposes.

Section 3.12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-laws or applicable law consents in writing to the adoption of a resolution authorizing such action and the writing is filed with the records of the Condominium.

ARTICLE 4

OFFICERS

Section 4.1. Designation and Qualification. The principal officers of the Condominium shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. All officers except the Secretary must satisfy the standards to be a Board member contained in Section 2.1 of these By-laws. The Secretary may be an employee of the Managing Agent, but in any event need not be a member of the Board of Managers. The Board of Managers may appoint such other officers as in its judgment may be necessary.

Section 4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers, and shall hold office at the pleasure of the Board of Managers.

Section 4.3. Removal, Resignation and Other Vacancies.

(a) Any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

(b) Officers may resign at any time by giving notice in writing to the Board. Unless stated otherwise in the letter of resignation, the resignation shall be effective immediately.

(c) Vacant offices caused by removal, resignation, death or otherwise, shall be promptly filled by vote of the Board of Managers.

Section 4.4. President. The President of the Condominium shall be the chief executive officer of the Condominium. He or she shall preside at all meetings of Unit Owners and of the Board of Managers. The President shall have all of the general powers and duties as would be incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the entire Condominium, as the case may be.

Section 4.5. Vice-President. The Vice-President shall take the place of the President and perform the President's duties as head of the Condominium whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 4.6. Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers. The Secretary shall have charge of such books and papers as the Board of Managers may direct. He or she shall, in general, perform all the duties as would typically be performed by a secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.7. Treasurer. The Treasurer of the Condominium shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements. The Treasurer shall be responsible for the preparation of all required financial data, for the deposit of all moneys and other valuable effects in the name of the Board of Managers or the Managing Agent, as applicable, in such depositories as may from time to time be designated by the Board of Managers. He or she shall, in general, perform all the duties as would typically be performed by a treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. Notwithstanding anything in the foregoing discussion to the contrary, the Board of Managers shall have the right to engage accountants, bookkeepers and other appropriate professionals to perform one or more of the tasks described as the Treasurer's responsibility in this Section 4.7. In the event such professional is engaged, it shall be the Treasurer's responsibility to oversee and examine the work performed by the professional, to ensure accuracy, timeliness and complete performance.

Section 4.8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other two (or more) persons as may be designated by the Board of Managers.

Section 4.9. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such, unless the Unit Owners amend these By-laws to provide otherwise. These By-laws may not be so amended while Declarant or its designee owns at least one Unit, without the consent of Declarant and its designee(s).

ARTICLE 5

COMMON EXPENSES, CHARGES AND ASSESSMENTS DETERMINATION, PAYMENT, COLLECTION AND ACCOUNTS

Section 5.1. Determination of Common Expenses and Fixing of Common Charges; Special Assessments.

(a) (i) The Board of Managers shall from time to time, and at least annually, prepare a budget to meet the Common Expenses of the Condominium and determine the overall amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium. Generally, Common Expenses will be allocated between the Units pro rata in accordance with the Common Interest attributable to each Unit. The Board, upon unanimous vote of all Board members, however, shall have the right to determine Common Charges for a particular item of expense on a different basis than Common Interest. Specifically, upon unanimous vote of all Board members, the Board

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may compute Common Charges for a particular item of expense based on the estimated amount by which the particular expense item benefits or is used by the Unit or the Unit Owner, provided the allocation is fairly attributable to the Unit and reasonable under the circumstances.

(ii) If a Unit Owner objects to any such allocation as between that Unit Owner and other Unit Owners, and the dispute cannot be resolved among the Board members, the dispute shall be submitted to Arbitration in accordance with these By-laws.

(iii) The Board of Managers shall advise the Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, as determined by the Board of Managers, and shall furnish copies of each budget on which such Common Charges are based to the Unit Owners, at least ten (10) days prior to the adoption thereof. That portion of the Common Charges which is allocated by the Board of Managers to principal payments on indebtedness or for capital improvements shall be treated upon the books of the Condominium as capital contributions.

(b) Each Unit Owner shall become responsible for all Common Charges assessed against Units owned by it from and after the date of first conveyance of a Unit by Declarant.

(c) The Common Expenses shall include, among other things, the cost of insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-laws. The Common Expenses may also include such amounts as the Board of Managers may deem proper for repairs, reserves, replacements, improvements, betterments, maintenance and other operating expenses of the Property, including, without limitation, an amount for working capital for the Condominium, for a general operating reserve, for a reserve fund for replacement, and an amount to cover any deficit in the Common Charges collected for any prior year. Common Expenses shall also include other items stated in the Declaration or these By-laws to be Common Expenses.

(d) In the event of casualty to the Common Elements for which insurance proceeds under policies maintained by the Board are forthcoming, the Board may levy and assess as a special assessment an amount anticipated to be needed to repair or restore the Common Elements, prior to receipt of such proceeds. Upon receipt of such proceeds, the Board will reimburse Unit Owners the amount they paid as a special assessment, or such lesser amount as shall be necessary to compensate for the Board's receipt of insurance proceeds in an insufficient amount to cover the cost of repair or restoration. In addition, to the extent insufficient insurance proceeds are received to cover the actual cost of repair or restoration, the Board may levy and assess as a special assessment the amount needed to cover such shortfall in insurance proceeds.

(e) Assessments other than and in addition to Common Charges shall be levied against and paid by Unit Owners in the same manner as provided in these By-laws for Common Charges. Failure to pay any such assessments shall be treated in the same manner as failure to pay Common Charges.

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Section 5.2. Accounts. The receipts and expenditures of the Condominium shall be Common Charges and Common Expenses, respectively, and shall be credited and charged to accounts deemed by the Board to be reasonably necessary for the prudent operation of the Property.

Section 5.3. Reserves.

(a) The Board shall not be obligated to expend all the revenues collected in any one accounting period. The Board may maintain reasonable reserves for, among other things, repairs, replacements, emergencies, contingencies of bad weather or uncollected accounts.

(b) The Board shall not be obligated to segregate physically the funds held in such reserve accounts but may, in its sole discretion, maintain the funds in one or more consolidated accounts.

Section 5.4. Payment of Common Charges and Assessments; Liability of Grantee and Grantor After Transfer of Unit.

(a) Unit Owners shall be obligated to pay Common Charges and other assessments at such time or times (but not less than monthly) as the Board of Managers shall determine. Unless otherwise determined, all Common Charges shall be payable monthly, in advance, on the first day of each month.

(b) Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property shall not be grounds for withholding or failure to pay Common Charges or any other assessments. Likewise, no Unit Owner shall deem itself or be deemed by the Board of Managers to be exempt from the obligation to pay Common Charges or other assessments for any reason, including, without limitation, waiver of use or enjoyment of the Common Elements, abandonment of Unit Owner's Unit, or by claiming the quantity or quality of services are not worthy of such payment or are not as were expected by such Owner at the time of acquisition of the Unit or at any other time.

(c) No Unit Owner shall be liable for the payment of Common Charges or other assessments assessed against such Owner's Unit from and after the date of sale, transfer or other conveyance of the Unit made by such Unit Owner in accordance with the Declaration and these By-laws, and applicable to the period subsequent to the sale, transfer or other conveyance.

(d) The grantee of a Unit shall be jointly and severally liable with grantor for unpaid Common Charges and other assessments assessed against such Unit and due up to the date of conveyance, without prejudice to the grantee's right to recover from the grantor any amounts paid by the grantee therefor. Accordingly, a party acquiring title through an arm's-length transaction or as a gift or donation, a mortgagee or other party acquiring title to a Unit through foreclosure or by deed in lieu of foreclosure, a creditor of a Unit Owner acquiring title to a Unit through a sale or other proceeding arising out of the bankruptcy of a Unit Owner, or any other grantee whatsoever, shall be liable for the payment of Common Charges and other assessments assessed against that Unit prior to that party's acquisition of the Unit. Accordingly, a Unit shall, upon transfer, always be subject to a lien for unpaid Common Charges that were assessed against the Unit and due and payable prior to the transfer.

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(e) A party acquiring a Unit through foreclosure or by deed in lieu of foreclosure, through a Unit Owner's bankruptcy or liquidation, through purchase, gift or donation, or through any other means, shall be liable for all Common Charges and assessments assessed against the Unit for the period on and after, and due from and after, the date of that party's acquisition of title to the Unit.

(f) If a petition in bankruptcy is filed by or against a Unit Owner, or if a trustee, receiver or similar official is appointed to administer a Unit Owner's assets, the Unit Owner, trustee, receiver or other official shall remain obligated to pay, and the Unit shall continue to be subject to, Common Charges and assessments for the entire duration of any bankruptcy or other reorganization proceeding.

Section 5.5. Default in Payment of Common Charges and Assessments.

(a) If any Common Charge or other assessment imposed by the Board of Managers, or any installment thereof, is not paid by the due date, then such payment shall be deemed delinquent and the Unit Owner shall be in default under these By-laws for such nonpayment.

(b) The Board of Managers may impose a late charge in the amount of not less than 2% of the overdue payment, or such other amount as the Board deems reasonable, provided such late charges are uniformly applied, with respect to Common Charges or other assessments not paid within 10 days after the due date.

(c) In addition to late charges, if the Common Charge or assessment (or installment thereof with respect to any assessment payable in installments), is not paid within thirty (30) days after the due date, then (i) such Common Charge or assessment shall bear interest from the due date in the amount of not less than 2% over the prime rate then announced by The Chase Manhattan Bank (or its successor, if applicable), but in no event more than the highest legal rate, (ii) the Board may accelerate the remaining installments of any assessment payable in installments, and (iii) the Board may bring legal action against the delinquent Unit Owner, foreclose the lien on such Unit granted under these By-laws and/or by the Condominium Act, or otherwise seek to recover the amounts due to the Condominium. The expenses, including without limitation, attorneys' fees and disbursements, incurred by the Board in any proceeding brought to collect such unpaid Common Charges or assessments, shall be added to the amount of such delinquent Common Charge, assessment or installment thereof, together with late charges and interest.

(d) Any amounts collected on account of past due Common Charges or other assessments through foreclosure or otherwise, shall be applied in the following order: attorneys fees and disbursements, other costs of collection, interest, late charges and Common Charges or assessments, beginning with the Common Charge or assessment due for the longest period.

Section 5.6. Collection of Common Charges and Assessments. The Board of Managers shall take prompt action to collect any Common Charge and/or other assessment previously imposed by the Board which remains unpaid for more than 30 days from the due date for payment thereof.

Section 5.7. Unpaid Common Charges and Assessments; Personal Obligation of Unit Owner and Lien on Unit. All sums assessed as Common Charges by the Board of Managers, as well as any other assessments made by the Board of Managers, but unpaid, together with late charges as may be established by the Board of Managers, interest thereon at such rate as may be fixed by the Board of Managers and reasonable attorneys' fees and other costs and expenses incurred in efforts to collect such past due Common Charges and/or other assessments, shall be the personal obligation of the Unit Owner. Such sums shall constitute a lien upon the Unit prior to all other liens except (i) any lien for past due and unpaid real estate taxes, and (ii) any lien for sums unpaid on a first mortgage of record against that Unit.

Section 5.8. Foreclosure of Lien for Common Charges and Assessments; Liability of Grantee in Foreclosure.

(a) Any lien for past due Common Charges and/or other assessments may be foreclosed by the Board of Managers in accordance with the laws of the State of New York, in like manner as a mortgage on real property, and the Board of Managers shall also have the right to recover all costs incurred in foreclosing on such lien, including but not limited to reasonable attorneys' fees and disbursements, as set forth in these By-laws.

(b) Notwithstanding anything to the contrary in these By-laws or in the Declaration, once an action to foreclose a lien for Common Charges or other assessments is commenced, if the representative(s) of the Owner of the Unit being foreclosed has (have) not previously resigned from the Board of Managers each such individual's membership on the Board shall be deemed terminated.

(c) In the event the proceeds of any foreclosure sale for non-payment of Common Charges or other assessments are not sufficient to pay such unpaid Common Charges, assessments and related expenses, the Board of Managers shall commence an action for the deficiency (if not yet commenced) against the Unit Owner who had failed to pay the Common Charges or other assessments. Following suit for a deficiency judgment, if the amounts collected are insufficient to pay outstanding costs, the remaining balance may be charged to all Unit Owners as a Common Expense.

Section 5.9. Proceedings to Foreclose Common Charge Liens or Otherwise Collect Unpaid Common Charges and Assessments; Unit Rentals.

(a) In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges or other assessments, the Unit Owner shall be required to pay a reasonable rental for the use of said Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(b) The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same.

(c) A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing, filing or waiving the lien securing the same, and foreclosure may be maintained despite the pendency of a suit to recover a money judgment.

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Section 5.10. Statement of Monies Owed. Upon the written request of a Unit Owner, lessee or Mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such Mortgagee holds a mortgage, or upon the written request of a prospective purchaser, lessee, Mortgagee or title insurer of such Unit, the Board of Managers, acting through the Managing Agent, if any, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate, (i) whether or not the Common Charges due have been paid, (ii) the amount of such Common Charges, including interest and costs, if any, due and payable, and (iii) whether any amounts or charges are owing to the Condominium, e.g., for the cost of extinguishing a violation of the Declaration, By-laws or Rules and Regulations. A reasonable charge, as determined by the Board of Managers as and when applicable, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Managers and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

ARTICLE 6

INSURANCE

Section 6.1. Casualty Insurance For Damage Against Property. The Board of Managers shall cause to be procured and maintained the following insurance for the Property:

(A) Coverage.

(i) Builder's Risk Insurance. During the Construction Period, "Builder's Risk" insurance (standard "all risk" or equivalent coverage) in an amount not less than one hundred percent (100%) of the replacement cost of the Building (exclusive of foundations and footings) including (a) any so-called "soft cost" value sums, written on a completed value (non-reporting basis) with respect to the initial construction of the Building, (b) water damage (including sprinkler leakage) and (c) collapse (subject to standard exclusions, e.g., defective materials, poor construction and improper maintenance), as well as flood insurance (to the extent the same can be maintained at commercially reasonable rates in the State of New York). Such insurance requirement shall also apply in connection with any alteration to or reconstruction of the Building, once construction is completed, being performed by or on behalf of or affecting all Unit Owners (for example, subsequent renovations, alterations or restoration to the Building impacting all Unit Owners' interests in the Building). The policies shall be endorsed with coverage for (a) increased construction costs due to changes in laws and (b) so-called "soft costs." Notwithstanding the foregoing, if, during the Construction Period, the loan documents of the Recognized Mortgagees contain requirements contrary to the foregoing, the requirements of the loan documents of the Recognized Mortgagees shall control.

(ii) All Risk Insurance. After the Construction Period, "all risk" coverage on each Unit and the Common Elements for an amount equal to one hundred percent (100%) of the replacement cost thereof. Replacement cost shall be determined annually by an independent appraiser, by reference to the Dodge Building Cost Index (or other published index of construction costs), or by such other method acceptable to the insurance company providing such coverages. Such policy shall be endorsed with (a) replacement coverage, (b) an agreed amount clause (waiving any applicable co-

insurance clause) in accordance with such determination or appraisal and (c) coverage for demolition costs and increased costs of construction due to changes in laws.

(iii) Boiler and Machinery Insurance. After the Construction Period, comprehensive boiler and machinery insurance on a blanket basis covering any Building equipment, machinery and apparatus (i.e., boilers, heating apparatus, fired and unfired pressure vessels, air conditioning equipment, miscellaneous electrical apparatus and their appurtenant equipment) that is a Common Element, in an amount equal to the full replacement cost thereof.

(iv) Earthquake Insurance. If not included within the builder's risk insurance required under Section 6.1(A)(i) and the all risk property insurance required under Section 6.1(A)(ii), earthquake insurance in an amount equal to not less than ten percent (10%) of the replacement cost of the Building (during the Construction Period), and the Units and Common Elements, after the Construction Period.

(B) Parties Named on Policies. For the insurance policies required pursuant to this Section 6.1, the Residential Unit Owner, the Commercial Unit Owner and the Board of Managers shall be a named insured as their interests may appear. Each Recognized Mortgagee shall be named as "mortgagee" of the Unit against which its lien is recorded (or, in the case of SONYMA, of the Unit on which it is insuring a mortgage), under a standard New York State mortgagee clause or its equivalent and the Depositary shall be named as "loss payee, as agent for the insureds." For the builder's risk insurance, any general contractor or construction manager shall be named as an "additional named insured" with respect to any of such general contractor's or construction manager's materials which are to become part of the Building. All losses payable under policies issued under this Section 6.1 in excess of $100,000 shall be payable to the Depositary who shall hold and/or disburse the same in accordance with these By–laws and the Depositary Agreement or as otherwise directed by all of the insureds and the Recognized Mortgagees in writing. Losses of $100,000 or less shall be paid to the Board of Managers who shall hold and disburse same in accordance with these By-laws.

(C) Waiver of Subrogation. The insurance policies required pursuant to this Section 6.1 shall contain waivers of subrogation against Unit Owners, the Board of Managers, Tenant-Shareholders of the Apartment Corporation and tenants of the Commercial Unit Owner.

(D) Allocation of Premium. For the insurance policies required pursuant to this Section 6.1, during the Construction Period, Sponsor shall pay all premiums. With respect to the all-risk policy under Section 6.1(A)(ii) after the Construction Period, and for any other insurance policies under this Section 6.1 required to be obtained and maintained by the Board of Managers, whether during or after the Construction Period, the Board of Managers in accordance with its right pursuant to §339-bb of the Condominium Act, shall apportion the premium based on the manner in which the insurance company (or if there is more than one insurance company, by reason of co-insurance or otherwise, then the lead insurance company) has allocated and underwritten the risks. The insurance company shall be directed to determine such allocation based upon the respective replacement costs and the particular uses and operations of the Units and the Common Elements, as well as the number of additional insureds requested by each Unit Owner and other relevant factors, and to notify the Board of Managers and the Unit Owners of its determination in writing. Any allocation by the insurance company shall be binding

unless objected to by a Unit Owner within thirty (30) days after the issuance of the allocation statement to the Board of Managers and the Unit Owner. In the event the Board of Managers is unable to resolve any such objection, the matter shall be submitted to Arbitration in accordance with Article 12 of these By-laws, provided, however, that pending the results of any Arbitration with respect to the apportionment of the premiums, the Unit Owners shall pay their indicated share of such insurance costs as initially determined by the insurance companies within ten (10) days after receipt of an invoice therefor accompanied by a statement setting forth the basis of apportionment thereof (subject to adjustment of such payments upon final determination of any objection made as provided above).

(E) No Invalidation. The insurance policies required pursuant to this Section 6.1 shall provide, by endorsement or otherwise, that (i) the acts or omissions of any insured party or their Permittees shall not invalidate the policy as against any other insured party or otherwise adversely affect the rights of any other insured party under any such policy to collect the full amount of the policy to the extent required to rebuild its portion of the Building, and (ii) the insurance shall not be invalidated should any of the insureds under the policy waive any or all rights of recovery against any party for loss occurring to the property insured under the policy.

(F) No Co-Insurance. No policy of casualty insurance under this Section 6.1 for damage against property shall contain a co-insurance clause.

Section 6.2. Commercial General Liability Insurance. The Board of Managers shall procure and maintain as a Common Expense for the Common Elements of the Condominium, and the Unit Owners shall each procure and maintain, at their sole cost and expense for their Units, the following insurance under their own policy or policies of insurance.

(A) Coverage. Commercial general liability insurance written on an ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage, which shall include a broad form providing equivalent coverage, which shall include a broad form CGL endorsement if the substitute form is a 1973 edition CGL form) covering claims for personal and bodily injury or property damage occurring in, on, under, within, upon or about the Common Elements or the Owner's Unit, as applicable, or as a result of operations thereon (including contractual liability covering obligations created by the Condominium Documents) in such amounts as may be required by law and as may from time to time be carried by prudent owners of first-class retail commercial or residential apartment buildings, as the case may be, in New York City, or as may be reasonably requested by a Recognized Mortgagee from time to time with respect to either or both of the Common Elements and the Unit on which the Recognized Mortgagee holds a mortgage, but in all events for limits, as to the Board of Managers and the Common Elements and as to each Unit Owner and its Unit, of not less than $1,000,000 per occurrence and not less than $2,000,000, in the annual aggregate per location, and excess or umbrella liability coverage in excess of the above, in amounts carried by prudent owners and operators of similar properties in New York City as determined from time to time. The party purchasing the insurance required pursuant to this Section 6.2 shall be responsible for the payment of any deductible in connection with a claim. The dollar amounts set forth in this Section 6.2(A) shall be adjusted every five (5) years to reflect the value in 1999 Equivalent Dollars, rounded to the nearest million. The Board of Managers and the Unit Owners each shall be deemed to agree that if its annual aggregate limit is reduced by more than half of the aggregate by the payment of a claim or claims or the establishment of a reserve or

reserves, it shall notify the other Unit Owner and/or the Board of Managers, as applicable, and each Recognized Mortgagee of such reduction.

(B) Parties Named on Policies. For the insurance policies required pursuant to this Section 6.2, the parties shall be named as follows: the party purchasing the policy (that is, the Board of Managers, the Residential Unit Owner or the Commercial Owner, as the case may be) shall be the "named insured", the non-purchasing Unit Owner, the Board of Managers and any Managing Agent of the Condominium or of either Unit of the Condominium, shall be named as "additional insureds", and all Recognized Mortgagees of the Unit, if applicable, shall be named as "additional insureds."

Section 6.3. Optional Separate Insurance. Nothing contained hereby shall be deemed to preclude (a) any Unit Owner from maintaining, or (b) any Recognized Mortgagee from requiring its mortgagor/Owner to maintain, increased, additional or other insurance in the types and amounts as may be desired or required from time to time, and without any requirement to name the other Unit Owner. However, neither a Unit Owner nor any Permittee shall carry any additional casualty insurance for damage against property (i) unless each policy contains a waiver of subrogation against the other Unit Owners, their tenants and the Board of Managers, or (ii) if the effect of such additional casualty insurance for damage against property is to affect adversely or otherwise diminish the liability of or coverage available from the carriers issuing the insurance obtained by the parties pursuant to the provisions of Section 6.1.

Section 6.4. General Requirements.

(A) Insurance policies required pursuant to this Article 6 shall be in such form and shall be issued by financially responsible insurance companies licensed to do business in the State of New York as are reasonably acceptable to the Unit Owners and the Board of Managers. Any insurance company having a rating of "A" or better and a financial size category of Class X or better (or the equivalent of such ratings if there is a change in the basis of the rating) as rated by A.M. Best's Insurance Guide (or any successor publication of comparable standing) shall be deemed a financially responsible company acceptable to the Unit Owners and the Board of Managers.

(B) Insurance policies required pursuant to this Article 6 shall provide for a minimum of thirty (30) days' prior written notice of the cancellation, nonrenewal or modification thereof to the Unit Owners, the Board of Managers and any Recognized Mortgagee.

(C) Neither a Unit Owner nor the Board of Managers may willfully or knowingly violate or suffer or permit the violation of the terms of any policy of insurance required hereunder, or do or permit or suffer anything to be done, or keep anything in any portion of the Building which could result in termination of any such policies, could adversely affect the right of recovery under any such policies, or would result in reputable and independent insurance companies refusing to insure the Building and or the Units or Common Elements in the amounts required hereunder at the regular rates.

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Section 6.5. Limits of Liability.

(A) Insurance specified in Sections 6.1 and 6.2 shall be reviewed by the Board of Managers periodically at the request of any Unit Owner or at the request of a Recognized Mortgagee, but no review will be required more often than annually (unless there is a substantial change in the Building or operations conducted in the Building), to determine if such limits, deductible amounts and types of insurance are reasonable and prudent in view of the type, place and amount of risk to be transferred, the financial responsibility of the insureds, the cost of the insurance and to determine whether such limits, deductible amounts and types of insurance comply with the requirements of all applicable statutes, laws, ordinances, codes, rules, regulations, or orders and whether on a risk management basis, additional types of insurance or endorsements against special risks should be carried or whether required coverages or endorsements should be deleted. Initially, deductible amounts for insurance required under Section 6.1 shall not exceed $25,000, except for earthquake insurance, which deductible shall not exceed $50,000. Based upon the review contemplated herein and upon the determination of the Board of Managers, (i) such limits may be increased or decreased, (ii) such deductible amounts may be increased or decreased or (iii) the types of insurance may be modified, if justified. However, the Board of Managers shall not amend or waive any of the insurance requirements set forth in Section 6.1 or 6.2 without the consent (not to be unreasonably withheld) of each Recognized Mortgagee, if such amendment or waiver would (i) effect a (x) reduction in insurance coverage, (y) increase in the amount of the deductible, or (z) reduction in an insurance carrier's rating or (ii) materially affect coverage or affect protection afforded to any Recognized Mortgagee.

(B) The Board of Managers may employ an insurance consultant to perform the review contemplated hereby or to administer insurance-related matters, and the cost of employing any such consultant shall be shared by the Unit Owners as a Common Expense.

Section 6.6. Renewal Policies. (a) Current copies of each Unit Owner's insurance policies must be maintained by the Unit Owner with the Board of Managers at all times. Certified copies of a Unit Owner's new or renewal policies replacing any expiring policies expiring shall be delivered by the Unit Owner to the Board of Managers within ninety (90) days following the expiration of expired policies, provided, however, that evidence of renewal policies, in binder form, shall be delivered by each Unit Owner to the Board of Managers (and to the Recognized Mortgagees) not less than thirty (30) days prior to the expiration dates of any expiring policies, together with proof that the premiums for at least the first year of the term of such policies (or installment payments then required to have been paid on account of such premiums) shall have been paid.

(b) The Board of Managers shall provide copies of its new or renewal policies to each Recognized Mortgagee within ninety (90) days following expiration of expired policies, and evidence of renewal policies, in binder form, shall be delivered by the Board of Managers to each Recognized Mortgagee at least thirty (30) days prior to the expiration dates of such policies, together with proof that the premiums for at least the first year of the term of such policies have been paid.

Section 6.7. Waiver. Provided that such a waiver does not invalidate the respective policy or policies or diminish or impair the insured's ability to collect under such policy or policies or unreasonably increase the premiums for such policy or policies unless the party to be benefitted by such

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waiver pays such increase, and without limiting any release or waiver of liability or recovery required or contained elsewhere in the Condominium Documents, each Unit Owner waives all claims for recovery from the other Unit Owner and the Board of Managers, and the Board of Managers waives all claims for recovery from the Unit Owners, for any loss or damage to any of its property insured (or required hereunder to be insured) under valid and collectible insurance policies to the extent of any recovery collectible (or which would have been collectible had such insurance required hereunder been obtained) under such insurance policies.

Section 6.8. Miscellaneous.

(a) The Board of Managers shall also be required to obtain and maintain, to the extent obtainable and/or to the extent required by law (i) fidelity insurance covering all employees of both the Condominium and Managing Agent who handle Condominium funds, (ii) workers' compensation insurance, and (iii) rent insurance in an amount equal to at least the annual aggregate of the Common Charges payable to the Board of Managers.

(b) If a Unit Owner fails to procure and maintain the insurance required under this Article 6, the Board of Managers may, but shall not be obligated to, procure such insurance on behalf of the Unit Owner and shall cause the cost of such premium to be charged to the Unit Owner as a special assessment. Failure to pay such assessment shall be treated in the same manner as failure to pay Common Charges.

(c) If the Board of Managers fails to obtain and maintain the insurance required in this Article 6, then the Unit Owners shall have a joint and several right, upon five (5) business days notice to the Board of Managers, to obtain such insurance in the required amounts. If the Unit Owners fail to obtain and maintain the insurance required in this Article 6 following the Board of Managers' failure, then the Depositary shall have the right, upon the request of a Recognized Mortgagee, upon five (5) business days notice to the Board of Managers and the Unit Owners, to obtain such insurance in the required amounts. All premiums paid therefor shall be deemed a debt and obligation of the Board of Managers to be repaid with interest at a rate equal to the prime rate of interest (as reported from day to day in The Wall Street Journal) imposed by The Chase Manhattan Bank or its successor, or if such rate is not available, the same rate or prime rate of interest at any "money center" bank as may be designated by a Recognized Mortgagee, plus 2% per year, upon demand. The Unit Owners shall be deemed to have a joint and several power of attorney from the Board of Managers to act on its behalf to perform the obligations of the Board of Managers as set forth herein. The Depositary also shall be deemed to have a power of attorney from the Board of Managers to act on its behalf to perform the obligations of the Board of Managers, in accordance with the provisions of this Section 6.8(c).

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ARTICLE 7

DAMAGE AND DESTRUCTION ARISING FROM CASUALTY

Section 7.1. Damage Affecting Only the Residential Unit or Only the Commercial Unit.

(a) If any portion of the Property is damaged by fire or other casualty and if such damage (i) occurs within and affects only the Residential Unit, or (ii) occurs within and affects only the Commercial Unit, then any such damage shall be promptly repaired and restored by the Owner of the Unit in which the damage occurred (the "**Damaged Owner**") with due diligence and in as timely a manner as is practicable under the circumstances. Such Damaged Owner shall obtain all required permits and shall adjust the claim with the insurance company (subject to approval rights of any Recognized Mortgagee of the Unit for a claim greater than $200,000 in 1999 Equivalent Dollars, which approval shall not be unreasonably withheld). In accordance with the provisions of Article 15 of these By-laws, the Damaged Owner shall be entitled to any insurance proceeds held by Depositary by reason of such damage, for application to the cost and expense of the repair and restoration of any such damage, as provided in these By-laws. The Damaged Owner shall be responsible for any costs to repair or restore the damage in excess of the insurance proceeds, and shall be entitled to receive any excess proceeds, subject to the rights, if any, of any Recognized Mortgagee of the Unit respecting such excess proceeds. If the cost of repair and restoration is projected to cost more than $200,000, the Damaged Owner shall submit plans and specifications, a construction schedule, copies of permits and contracts, and a payment and performance bond, and any other documents reasonably required by the Board of Managers, to the Board of Managers and to the Recognized Mortgagee to the extent requested by such Recognized Mortgagee.

(b) If the cost of repair and restoration to be performed pursuant to this Section is less than $1,000,000 (or such lesser amount as determined by the Board of Managers), in 1999 Equivalent Dollars, the Damaged Owner, upon compliance with Section 15.2(c), shall be entitled to receive the total insurance proceeds (less the expenses of the Depositary, if any) for application to the cost of repair or restoration, but without otherwise complying with the provisions for Disbursement of Restoration Funds in Section 15.2(b), but subject to compliance with the provisions of Section 15.2(c) below and Section 7.1(A) above.

Section 7.2. Damage Affecting Predominantly the Residential Unit or the Commercial Unit. If any portion of the Property is damaged by fire or other casualty and if such damage occurs (i) within the Residential Unit only and does not affect the Commercial Unit or the Common Elements, other than to an immaterial degree, or (ii) such damage occurs within the Commercial Unit only and does not affect the Residential Unit or the Common Elements, other than to an immaterial degree, then the provisions contained in Section 7.1 shall apply; provided, however, that the Damaged Owner shall (i) notify the other Owner and/or the Board of Managers, as applicable (the "**Minimally Damaged Party**") of the nature and extent of the damage and (ii) obtain the Minimally Damaged Party's prior consent to the contractor to be used, which consent shall not be unreasonably withheld. If the Damaged Owner delivers to the Minimally Damaged Party evidence reasonably satisfactory to the Minimally Damaged Party that the Minimally Damaged Party has the

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benefit of reasonably adequate warranties and guaranties provided by the contractor, then so long as the Damaged Owner has complied with the provisions of this Section 7.2, the Damaged Owner shall not be liable to the Minimally Damaged Party for any defect in the work performed by the contractor repairing the damage. Notwithstanding the foregoing, either the Damaged Owner or the Minimally Damaged Party may elect, on notice to the other party prior to the earlier of (a) adjustment of the loss with the insurer or (b) commencement of Restoration Work (prior notice of which shall have been given to the Minimally Damaged Party), to have the provisions of Section 7.3 govern the repair and restoration requirements.

Section 7.3. Damage Affecting the Common Elements.

(a) Subject to Section 7.7, if the Property is damaged by fire or other casualty and the provisions of Sections 7.1 and 7.2 do not apply, the Board of Managers shall, with due diligence and in as timely a manner as practicable under the circumstances, cause the damage to be repaired and the Property to be restored and the repair and restoration of the damage shall be the responsibility of the Board of Managers pursuant to the provisions of this Section 7.3.

(b) The Board of Managers shall adjust the claim with the insurance company providing the insurance under Section 6.1, shall obtain all required permits (copies of which shall be given to each Owner and to the Recognized Mortgagees), subject, however, to the prior approval by any Recognized Mortgagee of the adjustment of any claim greater than $200,000, in 1999 Equivalent Dollars, which approval shall not be unreasonably withheld. If the cost of repair is $200,000 or less in 1999 Equivalent Dollars, the Board may and shall perform and complete the repair and restoration promptly, without the consent of any Unit Owner or Recognized Mortgagee.

(c) The Board of Managers shall supervise the construction work with respect to the Property. The repair and restoration shall be commenced and pursued to completion in as timely a manner as practicable and shall be performed on behalf of the Unit Owners by a general contractor or a construction manager selected by the Board of Managers. If the overall cost of the repair and restoration is greater than $200,000, in 1999 Equivalent Dollars, then (i) the Board of Managers shall prepare a construction schedule and (ii) the general contractor or construction manager (and in the case of a construction manager, any trade contractors performing work for the benefit of both Owners with a contract price in excess of $200,000, in 1999 Equivalent Dollars) shall be selected by the Board of Managers and approved by the Recognized Mortgagees, which approval shall not be unreasonably withheld. The construction manager or general contractor will coordinate the Board's restoration work with the Unit Owner's restoration work, as necessary, so the work and scheduling may proceed expeditiously and efficiently. All such coordination work shall be performed in accordance with good construction practices, without priority or preferences for particular Units or Unit Owners. The cost of the construction manager or general contractor shall be a Common Expense.

(d) The plans and specifications for such repair and restoration shall be prepared by an architect engaged by the Board of Managers and shall provide for the restoration of the damaged portion of the Property as close as commercially practicable to the Property as existed prior to the damage or destruction, except to the extent any changes in law require otherwise or unless the

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Unit Owners agree otherwise subject to the reasonable approval of the Recognized Mortgagees. The Board of Managers shall cause the architect to furnish to each of the Unit Owners and the Recognized Mortgagees a set of the plans and specifications (and shop drawings upon request) which it has prepared or caused to be prepared. If, in connection with any restoration or repair hereunder, only one Unit Owner desires to make any material change in the Property, the consent of the other Unit Owner shall be required. Each Recognized Mortgagee shall receive copies of all change orders and shall have the right to reasonably approve any material changes to the Property which affect the Unit securing the lien of its mortgage.

(e) Unless the Board of Managers determines otherwise, the general contractor or the construction manager, as the case may be, shall work under the supervision of the Architect.

(f) The Board of Managers shall maintain the Builder's Risk insurance required pursuant to Section 6.l(A)(i). The Board of Managers shall deliver a certificate for any such insurance to the Recognized Mortgagees.

Section 7.4. Cost of Repairs.

(a) If the cost and expense of performing any repair and restoration of the Property pursuant to Section 7.1 (including cases where the provisions of Section 7.1 apply by operation of the provisions of Section 7.2) shall exceed the amount of any available insurance proceeds for the restoration of the Property, the excess cost and expense (or the entire amount of such cost and expense, if there are no insurance proceeds) shall be paid by the Damaged Owner. The Damaged Owner shall also pay any deductible amount.

(b) If the cost and expense of performing any repair and restoration which is undertaken pursuant to Section 7.3 shall exceed the amount of available insurance proceeds, the excess cost and expense (or the entire amount of such cost and expense, if there are no insurance proceeds) shall be borne by the Unit Owners in proportion to the Architect Allocation Ratio (as defined below). Notwithstanding the foregoing, (i) to the extent the additional costs result from changes requested by an Owner or the acts or omissions by an Owner, such Owner shall be solely responsible for payment of the additional costs, and (ii) if an Owner fails to carry any insurance required under Section 6.1, such Owner shall be responsible for the payment of any restoration costs that would have been paid from the proceeds of such insurance. The Owners shall share, subject to the terms of the immediately preceding sentence, any cost overruns resulting from Unavoidable Delays based on the Architect Allocation Ratio. The term "**Architect Allocation Ratio**" shall have the following meaning: the ratio of (A) the relative cost of the restoration to be performed under Section 7.3 of the damage suffered by each Owner to (B) initially, the Estimate and, as and if the costs change during the course of the Restoration Work, the actual total costs. The Certifying Professional shall reasonably determine the Architect Allocation Ratio and shall notify the Owners of such ratio and the method by which the same was calculated, which notice shall include a complete schedule of costs and a reasonably detailed breakdown thereof by area and type of damage. Either Owner shall have the right for thirty (30) days from the date of receipt of the aforementioned notice from the Certifying Professional to dispute the Architect Allocation Ratio by giving notice to the others (including the Certifying Professional), which notice shall include, with reasonable detail,

the basis for the dispute and the proposed alternate allocation ratio and the method by which the same is calculated. Each Owner shall share in paying the deductible in accordance with the Architect Allocation Ratio. Any dispute relating to the Architect Allocation Ratio shall be subject to Arbitration in accordance with these By-Laws.

Section 7.5. Determination of Costs.

(a) Within sixty (60) days after any damage requiring any repair or restoration under either Section 7.1, 7.2 or Section 7.3, the Certifying Professional shall be selected by the Board of Managers where Section 7.3 applies, and the Damaged Owner (where Section 7.1 or 7.2 applies) and the selecting party shall cause the Certifying Professional to prepare a reasonably detailed statement (the "**CP Statement**") setting forth (i) a description of the damaged areas of the Property, and (ii) an estimate of the total costs of such repair or restoration (the "**Estimate**"), and shall deliver a copy of such Estimate to each Owner and to the Board of Managers.

(b) If the insurance proceeds available for any repair or restoration required under Section 7.1, 7.2 or Section 7.3 (based upon the adjustment of the insurance claims in respect of the damage giving rise thereto) are less than the amount of the Estimate (and provided that with respect to Section 7.1 or 7.2, the Estimate exceeds $200,000 in 1999 Equivalent Dollars), then within ten (10) days of such deficiency becoming known, (x) if pursuant to Section 7.1 or 7.2, the Damaged Owner shall deposit with the Depositary the deficiency, or (y) if pursuant to Section 7.3, the Owners shall deposit with the Depositary their respective shares of such deficiency as determined in accordance with the Architect Allocation Ratio. Furthermore, if the Certifying Professional determines, pursuant to Section 15.4, that a deficiency exists, then, and in such case, the Damaged Owner (if pursuant to Section 7.1 or 7.2) shall deposit with the Depositary, or the Owners (if pursuant to Section 7.3) shall each deposit with the Depositary, within ten (10) days after receipt of the statement of the deficiency from the Certifying Professional, the deficiency (if pursuant to Section 7.1 or 7.2) or their respective shares of the deficiency in accordance with the Architect Allocation Ratio (if pursuant to Section 7.3). If an Owner fails to contribute its deficiency as determined above and such failure continues for a period of ten (10) days after the Owner is given notice of such failure, the other Owner (who shall be a Creditor Owner) may, but shall not be obligated to, pay the share of the defaulting Owner (who shall be a Defaulting Owner) to the Depositary. In addition, the Board of Managers shall have the right, but shall not be obligated, to pay the share of the Defaulting Owner to the Depositary. Any payments made by the Board of Managers pursuant to the foregoing shall be deemed a special assessment made by the Board of Managers against the Defaulting Owner, and failure of the Defaulting Owner to pay such special assessment shall be treated in the same manner as failure to pay Common Charges.

Section 7.6. Excess Insurance Proceeds. Upon completion of the repair and restoration and full payment therefor, any unadvanced portion of the amounts on deposit with the Depositary for such purpose shall be distributed as follows:

(i) With respect to any repairs or restoration performed pursuant to the provisions of Section 7.1 or 7.2, the balance held by the Depositary shall be paid and/or delivered to the Damaged Owner, subject to the provisions of Section 15.2(e).

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(ii) With respect to any repairs or restoration pursuant to Section 7.3, the balance on deposit with the Depositary shall be paid and/or delivered to the Board of Managers.

(iii) If the Depositary is holding any letter of credit or other security, the Depositary will draw upon or otherwise liquidate these items unless the party depositing these items substitutes cash in an amount equal to the amount secured by these deposits. If an Owner's or the Board of Managers' share of excess proceeds is equal to the amount secured by deposits made by the Owner or the Board of Managers, as applicable, the return of the deposited items shall be a credit against the excess proceeds to which it is entitled.

Section 7.7. Obligation and Rights to Repair and Rebuild.

(a) Subject to the provisions of Section 7.10 of these By-laws, each Unit Owner shall be obligated to repair and restore its Unit, and the Board of Managers shall be obligated to repair and restore the Common Elements, regardless of whether or not any insurance proceeds are available for that purpose. Furthermore, each Owner shall cooperate with the other Owner and the Board of Managers, and the Board of Managers shall cooperate with the Unit Owners, in connection with any repairs or restoration to the Property.

(b) If, however, one Owner defaults in the full, faithful and punctual performance of any obligation under this Article 7 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating and executing contracts, and performing construction and submitting requisitions to the Depositary), then the other Owner or the Board of Managers, shall have, in addition to all other remedies it may have hereunder or at law or in equity, upon the expiration of at least ten (10) days' prior notice of such default, the right, but not the obligation, if the Defaulting Owner has not commenced the good faith cure of such default within said ten (10) day period, (i) to make any decisions required in connection with the performance of such obligation on behalf of the Defaulting Owner, (ii) to actually perform the obligation on behalf of the Defaulting Owner, and (iii) in accordance with the applicable provisions of Section 15.5, to use the Defaulting Owner's insurance proceeds in connection with the performance of any such obligation. If any Owner defaults in the performance of its obligations under this Article 7, as aforesaid, the other Owner and the Board of Managers, are each hereby irrevocably appointed attorney-in-fact of the Defaulting Owner (such power of attorney being coupled with an interest) to take any and all steps necessary on behalf of Defaulting Owner to perform the Defaulting Owner's obligations as provided herein. Any and all expenses incurred by the Board of Managers pursuant to the foregoing shall be deemed a special assessment against the Defaulting Owner, and failure of the Defaulting Owner to pay such special assessment shall be treated in the same manner as failure to pay Common Charges. To the extent one Owner incurs expenses for the obligations of the Defaulting Owner pursuant to this Section, the Owner incurring such expenses shall be a Creditor Owner with respect to all funds expended on behalf of the Defaulting Owner, and the Defaulting Owner shall owe such monies to the Creditor Owner.

(c) If the Board of Managers defaults in the full, faithful and punctual performance of any obligation under this Article 7 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating or executing contracts and

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performing construction and submitting requisitions to the Depositary), the Unit Owners shall have, in addition to any other rights and remedies, the right, acting together jointly, to perform all obligations of the Board of Managers, and the Unit Owners shall be deemed to have a joint and several power of attorney from the Board of Managers to act on its behalf to perform the Board of Managers' obligations set forth herein.

Section 7.8. Costs Defined. For purposes of this Article 7, architects' and engineers' fees, attorneys' fees, consultants' fees, the fees of the Certifying Professional, title insurance premiums and other similar costs and expenses relating to repair or restoration shall be included in the costs and expenses of any such repair or restoration.

Section 7.9. Advance of Funds for Repairs. When and if the Board is authorized or otherwise required to proceed with repair and reconstruction pursuant to Section 7.3 above, the Board of Managers shall arrange for and commence such work promptly and shall diligently prosecute same to completion in accordance with these By-laws. In anticipation of receipt of insurance proceeds, the Board may levy and assess as a special assessment, prior to receipt of such proceeds, the amount anticipated to be necessary to repair or reconstruct the Property. Upon receipt of the proceeds, the Board will reimburse Unit Owners any amounts they paid as special assessments as will not be needed to pay the cost of repair and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of their Common Charges.

Section 7.10. Termination of Condominium Following Damage or Destruction. If as the result of fire or other casualty, at least 75% of the Property is destroyed or substantially damaged, a special meeting of the Unit Owners shall be called in accordance with these By-laws at which meeting the Unit Owners shall be asked to decide if the Building should be repaired or reconstructed. The Building shall be repaired and reconstructed unless pursuant to the vote held at that meeting, Unit Owners unanimously and affirmatively determine not to repair or restore the Building. If Unit Owners representing 100% in number of Units and in Common Interest affirmatively determine not to repair or restore the Building, then, and in such event, the Building will not be repaired and the Property, or such portion of the Property as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in accordance with the provisions of the Condominium Act. The net proceeds of sale, together with the net proceeds of insurance policies maintained by the Board for coverage of the Common Elements, shall be divided by the Board of Managers among and paid to the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on said Owner's Unit, in the order of the priority of such liens.

ARTICLE 8

THE CONDOMINIUM PROPERTY MAINTENANCE, REPAIR, USE, OPERATION, ALTERATION, ENFORCEMENT AND UTILITIES

Section 8.1. Maintenance and Repairs Which Are the Responsibility of the Board of Managers. The Board of Managers shall be responsible for maintaining the Common Elements in good condition and repair, and in a safe, clean, sightly and sanitary condition, including, without limitation, causing those portions of the Common Elements as are exposed to the elements to be properly drained and kept free from ice and snow, and causing the Common Elements where pedestrians may walk to be adequately lighted. The Board of Managers, also shall be obligated, as a Common Expense of the Condominium, to keep the sidewalks adjacent to the Building free and clear of ice and snow. All painting, decorating, landscaping, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, to the Common Elements, whether located inside or outside of the Units shall be made by the Board of Managers. The cost of all such maintenance undertaken by the Board of Managers shall be charged to all Unit Owners as a Common Expense (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner as described below).

Section 8.2. Maintenance and Repairs Which Are a Unit Owner's Responsibility.

(a) Except as otherwise provided in the Declaration or By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit (other than to the Common Elements contained therein) shall be made by the Owner of such Unit, at the Unit Owner's sole cost and expense. Each Unit Owner shall be responsible for all damage to any and all other Units and/or to the Common Elements in said Unit Owner's Unit or elsewhere in the Condominium, that said Unit Owner's failure to make necessary repairs or replacements or perform necessary maintenance may engender, or which are caused by said Unit Owner's actions, inactions, negligence, misuse or neglect.

(b) Each Unit Owner, at said Unit Owner's expense, shall keep said Owner's Unit in good order, shall cause the Unit, the street level entrance door or doors and all street level glass surfaces and storefronts, and any service entrance area, to be maintained in a first class manner. Unit Owners shall cause these items and areas to be cleaned at regular intervals (but not less frequently than weekly), shall not at any time sweep any refuse, rubbish or dirt into the gutters or streets, and shall cause any portion of the Unit used for storage, preparation, service or consummation of food or beverages to be exterminated against infestation by vermin, roaches or rodents regularly, and in addition, whenever there shall be evidence of any infestation.

(c) The washing, maintenance, repair and replacement of windows and window systems in a Unit, including, without limitation, panes, frames, doors, signage, louvers, glazing, metal panels, etc., shall be the sole responsibility of the Owner of that Unit.

(d) Any maintenance, repair or replacement necessary to preserve the appearance and value of the Property made pursuant to Section 8.1 above but which is occasioned by the action, regardless of whether same be a negligent or willful act or omission of (i) a Unit Owner, (ii) any agent, licensee, contractor, employee, family member, guest or tenant of such Unit Owner, (iii) an agent, employee, licensee, contractor, family member or guest of the tenant or licensee of such Unit Owner, or (iv) a guest of (1) any member of such Unit Owner's family or (2) any family member or employee of the tenant of such Unit Owner, shall be made at the cost and expense of such Unit Owner. If such maintenance, repair or replacement is undertaken and paid for by the Board of Managers, it shall not be regarded as a Common Expense, but rather shall be considered a special assessment allocable to the specific Unit and such cost shall be added to that Unit Owner's Common Charges and, as part of those Common Charges, shall constitute a lien on the Unit to secure the payment thereof.

Section 8.3. Quality, Type and Scheduling of Maintenance and Repairs.

(a) All repairs, painting and maintenance, whether made by a Unit Owner or the Board of Managers to any generally visible portion of the Property, shall be carried on in such a manner so as to conform to the materials, style and color of the Unit or Common Element being repaired, painted or otherwise maintained, unless the Board of Managers authorizes a variance from such materials, style and color prior to commencement of the nonconforming repair, painting or maintenance.

(b) Unit Owners and the Board of Managers shall, in connection with alteration, maintenance and repair of their respective interests at the Property, comply with the Rules and Regulations and schedule their construction and/or maintenance and/or repair work such that (i) no party or its agents or employees unreasonably interferes with the work being done by any other party, its agents or employees at the Property, and (ii) the labor employed by Unit Owners shall be compatible and harmonious with the labor employed by the Board of Managers, it being understood that, if in the reasonable judgment of the Board of Managers, the labor is incompatible, the Unit Owner shall forthwith, upon the request of the Board of Managers, as applicable, withdraw the incompatible laborers.

Section 8.4. Scaffolding. In connection with Sponsor's obligations under the Offering Plan, and with respect to Unit Owners' obligations generally, in connection with their responsibilities pursuant to applicable law, and/or their rights and/or responsibilities under the Condominium Documents, Sponsor and/or a Unit Owner, as applicable, shall have the right to erect and maintain scaffolding, sidewalk bridges or other equipment or facility required by law, regulation, code or ordinance when Sponsor or the Unit Owner, as applicable, is performing such required or permitted construction work, even though such scaffolding, sidewalk bridge or other equipment or facility may encroach on another Unit or on the Common Elements. Neither Sponsor nor any such Unit Owner shall be liable to any Unit Owner or the Board of Managers, or to any tenant or licensee of a Unit or Unit Owner, for any damages (including but not limited to interference with business operations) incurred in connection with the foregoing, except for damages caused by the negligence of Sponsor or the Unit Owner, or any of Sponsor's or Unit Owner's agents

or employees. In no event, however, may scaffolding be installed in a manner or location that will prevent access to a Unit (other than a Unit owned by the Owner erecting same).

Section 8.5. Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Units shall be restricted to and shall be in accordance with the following provisions:

(a) The Residential Unit may be used for residential use or for any legal home occupation use or for any other lawful purpose. The Residential Unit Owner must use, occupy and maintain or cause to be used, occupied and maintained, said Owner's Unit, during the period of said Owner's ownership, in a manner that will not detract from the character or appearance of the Condominium and will not adversely affect the Commercial Unit.

(b) The Commercial Unit (or any portion thereof) or any Commercial Units resulting from the subdivision thereof, may be used for any lawful purpose including, without limitation, garage, parking, medical or other professional use or retail or other commercial use (except as otherwise prohibited by these By-laws or the Declaration) provided such use is permitted under the certificate of occupancy for the Building, zoning classification and project approvals for the Property, and other applicable laws, regulations and ordinances. A Commercial Unit Owner must use, occupy and maintain (or cause to be used, occupied and maintained) said Owner's Unit, during the period of said Owner's ownership, in a manner that will not detract from the character or appearance of the Condominium and will not adversely affect the Residential Unit.

(c) Each Unit Owner, at its sole expense, shall comply with all laws, orders and regulations of federal, state and municipal authorities and with any direction of any public officer or officers, pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon the Condominium, its Board of Managers or the Unit Owner, with respect to said Owner's Unit as a result of (i) any authorized or unauthorized use or occupation thereof by said Unit Owner or its tenant(s) or licensee(s), or (ii) the conduct by the Unit Owner or its tenant(s) or licensee(s) of business in the Unit. A Unit Owner shall not do or permit to be done any act or thing in or upon the Unit or Common Elements of the Condominium which will invalidate or be in conflict with any insurance policies covering the Condominium and fixtures and property therein, and shall not do, or permit anything to be done in or upon the Unit, or bring or keep anything therein, except as now or hereafter permitted by the New York City Fire Department, New York Board of Fire Underwriters, New York Fire Insurance Rating Organization or other authority having jurisdiction.

Section 8.6. Use of Common Elements and Facilities.

(a) A Unit Owner shall not place or cause to be placed in the common areas or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind.

(b) The Common Elements and facilities shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable. No Unit Owner shall

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make any addition, alteration, improvement or change in or to any Common Element without the prior written consent of the Board of Managers.

(c) While Declarant, Sponsor and/or its or their designee owns any Unit, said party(ies) shall have the right to maintain general and sales and leasing offices on or about the Property, to have their employees, contractors and agents present on the Property, to use the Common Elements and to do all things necessary or appropriate to sell Cooperative Apartments or lease Units, including, without limitation, the right to erect and maintain signs on exterior portions of the Building and elsewhere on the Property. Declarant, Sponsor and/or its or their designee, as applicable, shall be obligated to repair and maintain the portions of the Property used by said party(ies) for such purpose so long as such use by Declarant, Sponsor and/or its or their designee shall continue.

Section 8.7. Operation of the Property.

(a) A Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit, shall contract for private carting service for removal of their trash and rubbish, and shall not be permitted to dispose of trash and rubbish with the trash of the Residential Unit. Dumpsters and rubbish bins utilized by a Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit are required to be maintained within the confines of the Commercial Unit and placed on the sidewalks or streets adjacent to the Building only at the time scheduled by the carting company for trash collection, and then only if the carting company requires same to be placed on the sidewalk or street. All trash generated by a Commercial Unit Owner and/or the tenants or other occupants of a Commercial Unit, shall be carted only during regular business hours. Dumpsters and rubbish bins may not in any event, be maintained on a permanent basis on the sidewalks that are part of the Property or on any streets abutting the Property.

(b) A Unit Owner shall not suffer or permit said Unit Owner's employees or any persons making deliveries to or from the Unit or removing refuse therefrom, to leave any food, refuse and rubbish containers or other matter standing upon the streets or sidewalks adjacent to the Property.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No Owner, tenant or other occupant of a Unit shall do, suffer or permit to be done in any Unit, activities of a pornographic, illegal or unlawful nature. No Owner, tenant or occupant of a Unit shall do, suffer, or permit to be done, anything in any Unit which would impair the soundness or safety of the Building, or which will result in the cancellation of insurance applicable to the Building, or which would be noxious, offensive or hazardous or an interference with the peaceful possession and proper use of any other Unit, or which would require an alteration to any of the Common Elements in order to comply with any applicable law or regulation, or which would otherwise be in violation of law.

(d) No offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having

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jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners, the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) A Unit Owner shall not at any time use or occupy or suffer or permit anyone to use or occupy said Owner's Unit or do anything in said Owner's Unit or the Building, or suffer or permit anything to be done in said Owner's Unit or the Building, in violation of any temporary or permanent certificate of occupancy issued for the Unit and/or the Building, and in the event that any department of the City or State of New York shall at any time contend and/or declare by notice, violation, order or in any other manner whatsoever that the Owner's Unit is used for a purpose which is a violation of such certificate of occupancy, the Unit Owner shall, upon ten (10) days' written notice from the Board of Managers, immediately discontinue such use of the Unit.

(f) Notwithstanding anything contained in the By-laws or the Rules and Regulations to the contrary, Declarant and/or Sponsor and/or its or their designee may, without the permission of the Board of Managers, use or grant permission for the use of all or part of any Unit owned by Declarant or Sponsor or its or their designee, as models, sales, leasing, promotion and/or production offices in connection with the sale or rental of Cooperative Apartments in connection with or the sale or leasing of all or any portion of the Commercial Unit, or for any other purpose, subject only to compliance with applicable governmental laws and regulations. In addition, while Sponsor is offering Cooperative Apartments for sale pursuant to the Offering Plan, and while Declarant and/or Sponsor owns all or any part of the Commercial Unit, Declarant and/or Sponsor shall be entitled to erect one or more signs and banners at the Building, including but not limited to signs and banners affixed to the windows of the Residential or Commercial Unit, on the Building facade, etc., advertising Cooperative Apartments and/or space in the Commercial Unit for sale or lease.

(g) The Units shall be used in a manner appropriate to the design of the building systems and for which adequate elevator, stair, ventilation, plumbing and similar and related facilities exist. A Unit Owner's use of electricity and other systems in the Unit shall not at any time exceed the capacity of any electrical conductors and other equipment in or otherwise serving the Property.

(h) Unit Owners shall maintain their Units and any Limited Common Elements appurtenant thereto, in a manner which will not interfere with the use of the Building by others.

(i) (A) The Commercial Unit Owner and (if approved by such Owner) a tenant of such Owner's Unit shall have the right, freely and without consent, payment or restriction (other than those set forth below), to erect, maintain, repair and alter one or more "Signs" (defined in subparagraph B below): (i) outside or inside the storefronts and storefront windows of, and entrances to, the Commercial Unit or any portion thereof, and within the Commercial Unit, (ii) on the exterior portions of the Building's facade (i.e., exterior walls) that enclose or border the Commercial Unit (which are part of the Commercial Unit), (iii) on the outside or inside of any other Common Element

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enclosing or appurtenant to or servicing only the Commercial Unit, and (iv) on the sidewalks immediately adjacent to the Commercial Unit.

(B) The term **"Signs"** means any one or more signs, inscriptions, letterings, pictures, banners, awnings, canopies, placards, board, stanchions, planters, landscaping, structures, decorations and/or displays used for sales, rental, promotion, advertising, identity, business, operations and/or any other lawful purpose. The Signs may be: of any nature, size, content, composition, material, design, illumination, configuration, fabrication, quality, color, appearance, content or character whatsoever. The Board of Managers and other Unit Owners will not have the right to approve the Signs or impose any charge or fee in connection with their installation, existence, maintenance, repair or alteration. Signs: (i) must comply with all applicable laws and governmental requirements, (ii) must not impair or threaten the structural integrity of any portion of the Building, and (iii) and must not unreasonably and materially prevent another Unit from being used for any purpose permitted in the Declaration and By-Laws.

Section 8.8. Additions, Alterations or Improvements by Board of Managers.

(a) The Board of Managers shall have the right to make or cause or permit to be made such additions, alterations and improvements to the Common Elements as in its opinion may be beneficial or necessary, or which are requested in writing by a Unit Owner, subject, however, to the requirement that if the addition, alteration or improvement shall cost more than 75% of the then current estimated annual operating budget of the Condominium, exclusive of reserves, such addition, alteration or improvement must be approved unanimously by Unit Owners, voting at a meeting duly called in accordance with the By-laws, or otherwise consenting in writing to the proposed expenditure, and also must be consented to in writing by Recognized Mortgagees, which consent shall not be unreasonably withheld or delayed.

(b) Additions, alterations or improvements that are general in nature and cost 75% or less than 75% of the Condominium's then current estimated annual operating budget, exclusive of reserves, may be made by the Board of Managers and the cost thereof shall be a Common Expense. Before undertaking any work pursuant to Sections 8.8(a) and 8.8(b), the Board of Managers may require the consent in writing of any Unit Owner and Recognized Mortgagee whose rights, in the Board of Managers's sole judgment, may be prejudiced by the addition, alteration or improvement.

(c) If the Board of Managers determines that a proposed addition, alteration or improvement of a Common Element (or Limited Common Element, if applicable) is general in character, the cost thereof shall be a Common Expense, shared by all Unit Owners in accordance with the By-laws, subject to the requirements of Section 8.2(a) of these By-laws. If the Board of Managers determines that an addition, alteration or improvement is exclusively or substantially for the benefit of the Unit Owner that requested it, the cost shall be a special assessment against such Owner. If more than one Unit Owner requested the addition, alteration or improvement, the cost shall be assessed in such proportion as the Board of Managers shall determine to be fair and equitable. The foregoing shall not prevent the Unit Owners affected by such addition, alteration or

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improvement from agreeing in writing, before or after the assessment is made, to be assessed in different proportions.

(d) Notwithstanding the foregoing, until Declarant or its designee shall have conveyed title to both Units, or for a period of five years following the first conveyance of title to a Unit by Declarant, whichever is earlier, the Board of Managers may not make any addition, alteration, or improvement to the Common Elements without Sponsor's prior written consent.

Section 8.9. Additions, Alterations or Improvements by Unit Owners.

(a) Any structural addition, structural alteration or structural improvement to a Unit or affecting the Common Elements in any way, shall require the prior written consent of the Board and the Recognized Mortgagee of the Unit, which consent shall not be unreasonably withheld or delayed. Subject to the foregoing, each Unit Owner shall have the right with respect to a Unit owned by that Unit Owner, without the prior consent of but with prior notice to the Board of Managers to, (i) make non-structural alterations, additions or improvements to the Unit, (ii) change the layout of or number of rooms in the Unit, (iii) change the size and/or number of Units by subdividing the Unit into two or more separate Units, combining separate Units (including those resulting from subdivision or otherwise) into one or more Units, altering boundary walls between Units or otherwise, and (iv) if appropriate, reapportion among the Units affected by such changes, their Common Interest. In no event may the subdivision or combination of Units result in a different total aggregate Common Interest than existed for the Unit(s) being subdivided or combined before the subdivision or combination. In each of the foregoing instances a Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, shall cause the Declaration to be amended, if necessary, and shall hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. Under no circumstances shall a Unit Owner make any changes to a Unit which will affect the Common Elements and/or the structural integrity of the Building without the prior written consent of the Board of Managers and the Recognized Mortgagee of the Unit. Application for such consent shall be made by the Unit Owner in accordance with this Section 8.9 and the Board shall respond in accordance with the procedures set forth in this Section.

(b) The Board shall be obligated to act on a Unit Owner's request for approval for an addition, alteration or improvement in or to a Unit, as contemplated by Section 8.9(a) above, within forty-five (45) days after the Board's receipt from the Unit Owner of information and material in sufficient detail for the Board to thoroughly evaluate the request. In connection with any such request for approval, the Unit Owner shall be expected to submit, at a minimum, preliminary plans and specifications prepared by an architect licensed in New York State, and, in the event the request for Board approval concerns the division or combination of Units, a draft of the proposed associated amendment to the Declaration, which shall, among other things, reallocate Common Interest. The Board shall have the right to impose such additional reasonable requirements as it deems appropriate. The 45-day period within which the Board is obligated to act, shall not begin to run until the Board, in its sole reasonable judgment, has received a complete application from the Unit Owner seeking the Board's approval. The Board's failure to act on a complete application within

forty-five (45) days after receipt thereof shall be deemed to mean the Board has approved the application.

(c) The cost of any proposed alteration, improvement, division or combination of a Unit, as contemplated by Section 8.9(a) above (including but not limited to the cost incurred by the Board to engage architects, lawyers and other professionals to review the plans and specifications for the proposed construction work and, if applicable, the proposed amendment to the Declaration), shall be borne by the Owner(s) of the Units being altered, improved, divided or combined.

(d) Any alteration, improvement, division or combination of a Unit, as contemplated by Section 8.9(a) above, shall be performed in compliance with all laws, codes, ordinances and regulations, and the provisions of these By-laws governing alterations generally. Any division or combination of a Unit shall become effective only upon the recording of the amendment to this Declaration prepared by and at the expense of the Unit Owner with the prior approval of the Board, and the concurrent filing of all necessary amendments to the Tax Lot Drawings with the necessary architectural certification affixed. The foregoing amendments to the Declaration and to the Tax Lot Drawings shall be recorded and filed respectively by the Board of Managers, upon the Unit Owner's completion of construction and at the expense of the Unit Owner combining, dividing or otherwise altering the Unit(s), provided the Board consented to the amendment prior to the Unit Owner's alteration work, in accordance with the procedures contained in the Declaration and By-laws.

(e) Prior to and as a condition of granting consent to the making of any structural, mechanical, electrical or plumbing alteration, repair, addition or improvement to a Unit or the Limited Common Elements appurtenant thereto, or to any other Common Element, pursuant to Section 8.9(a) above, the Board may require the Unit Owner to execute an agreement in the form required by the Board, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation, the name and address of the contractor and the days and hours during which the work is to be done.

(f) Unit Owners proposing alteration work shall have the obligation to submit the name and address of their contractor(s), together with a telephone number and contact person for each contractor who will be working in the Unit, in writing to the Board of Managers at least five (5) business days before the work is scheduled to begin. For insurance purposes, electrical and plumbing work in a Unit must be performed by licensed contractors. Further, all contractors must carry liability insurance coverage in such minimum amounts as the Board shall from time to time establish. Proof of license and insurance coverage must be submitted to the Board of Managers at the time the contractor's name is given to the Board. A contractor's liability insurance policy must be in full force and effect at the time the work is performed and must be issued by a reputable insurance company licensed to do business in New York. The contractor shall deliver a certificate of insurance, satisfactory to the Board of Managers, naming the Board of Managers of the Condominium, the Managing Agent of the Condominium, Declarant or Sponsor (if they shall then own a Unit), and all Unit Owners, as additional insureds. The determination as to whether an application is complete shall be in the sole discretion of the Board.

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(g) Any application by a Unit Owner to any department of or governmental agency of the City of New York or to any other governmental authority for permits or certificates necessary to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers, if required by the agency or authority, provided, however, the Board of Managers shall not incur any liability on the part of the Board of Managers or any member of the Board to any contractor, subcontractor, materialman, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Unit Owner shall, if so requested, indemnify the Board of Managers and other Unit Owners in writing for any loss, damage or liability the Board or other Unit Owners may incur, resulting in any way from execution of any such documents. The cost of obtaining any such permits or certificates, as well as the cost of professional fees, if any, incurred by the Board of Managers in evaluating the proposed construction plans, shall be borne by the Owner of the Unit in which the addition, alteration or improvement is to be made. Any Unit Owner who combines two or more Units into one or more Units, and any Unit Owner who divides a Unit into two or more Units, shall be obligated, at said Unit Owner's sole cost and expense, to obtain the services of a registered architect or engineer to (i) file such drawings and make such applications as may be necessary to obtain, and (ii) if required by law and/or by the Board of Managers, actually obtain, an amended certificate of occupancy for the Building reflecting the changes made by said Unit Owner.

(h) The provisions of Sections 8.9(a)-8.9(g) of these By-laws, shall not apply to any Unit owned by Declarant, Sponsor and/or its or their designee. Declarant, Sponsor and/or its or their designee shall have the right, without the consent of the Board of Managers or other Unit Owners with respect to Units owned by Declarant and/or Sponsor, as applicable, but subject to the prior approval of the Recognized Mortgagee of the Unit, to (i) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it, (ii) reverse or change the layout of any Unit and make adjustments in interior dimensions of Units, (iii) change the number of rooms in any Unit, (iv) change the size and/or number of Units by subdividing one or more Units into two or more separate Units, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, or any space or other area abutting a Unit or Units into one or more of said Units, or otherwise, and (v) if appropriate, reapportion among the Units affected by such change their appurtenant Common Interests. In each of the foregoing instances the Declarant, Sponsor and/or its or their designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall cause the Declaration to be amended, if necessary.

(i) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Declarant, Sponsor and/or its or their designee, or by any other Unit Owner, to any Unit, if necessary provided however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document. A copy of any such

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application or document required to be signed by the Board shall be given to the Board by the applicable party.

Section 8.10. Right of Access. By acceptance of a deed to Unit, a Unit Owner shall be deemed to have granted a right of access to said Unit Owner's Unit to the Board of Managers, the Managing Agent and/or any other person authorized by the Board of Managers or by these By-laws as described below, for the purpose of making inspections or for the purpose of correcting any condition originating in said Unit Owner's Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in said Unit Owner's Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and, further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for which it was intended. No prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Building or for the safety of the residents or Unit Owners of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium. In case of emergency, such right of entry shall be immediate, whether or not a Unit Owner is present.

Section 8.11. Violations of Maintenance Obligations.

(a) In the event any Unit Owner, after receipt of written notice from the Board of Managers, fails or neglects in any way to perform any obligations with respect to the painting, decorating, maintenance, repair or replacement of said Unit Owner's Unit as provided in this Article 8 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-laws, the Board of Managers may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within five days after receiving notice of such default, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board of Managers and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

(b) In addition to the foregoing, if any Unit Owner fails or neglects in any way to perform or cause to be performed any obligation with respect to the maintenance, repair or replacement of any part of said Unit Owner's Unit (hereinafter the "recalcitrant Unit Owner"), and if the recalcitrant Unit Owner's failure to so perform materially and adversely affects the value or use of another Unit, the normal conduct of business of a Unit Owner, or the tenants or other occupants of a Unit, or the safe and efficient operation of a Unit, then in addition to such rights as the non-defaulting Unit Owner shall have against the Defaulting Owner for the failure of the Defaulting Unit Owner to repair and restore its Unit under Section 7.7 of these By-laws, if the Owner of the

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adversely affected Unit petitions the Board of Managers in writing to take specified actions to enforce the recalcitrant Unit Owner's obligation, the Board of Managers shall be obligated to and shall promptly take such specified actions, provided that such specified actions are reasonable, necessary and do not materially or adversely affect the value or use of any other Unit in the Condominium, the safe or efficient operation of any other Unit in the Condominium, or the normal conduct of business of any other Unit in the Condominium or its tenant or other occupants, and the Board provides at least 48 hours prior notice to the recalcitrant Unit Owner before commencing such actions. Notwithstanding the foregoing, no notice shall be required in case of an Emergency Situation. The costs incurred in taking such action shall be charged in accordance with Section 8.2 of these By-laws.

Section 8.12. Abatement and Enjoinment of Violations by Unit Owners. The material violation of the Rules and Regulations, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to and supplementing any other rights set forth in these By-laws, upon reasonable advance notice to the Unit Owner notifying the Unit Owner of the violation and advising that the Board intends to take action to remedy or cure the default or violation, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist in the Unit contrary to the intent and meaning of the provisions of the Declaration, By-laws or Rules and Regulations, as applicable (provided, however, that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), and the Board of Managers shall not thereby be deemed guilty of trespass, and (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 8.13. Water. Upon completion of construction of the Building, each Unit will be separately metered for water consumption in the Unit, and each Unit Owner will be obligated to pay the cost of such water consumption directly to the provider thereof. It is anticipated that any water used in connection with maintenance and operation of the Common Elements will be measured by the meter of the Unit closest to the area in which the water is to be used (i.e., usage for sidewalk cleaning will be measured by the Commercial Unit meter and usage on the Second Floor Roof for maintaining the Residential Unit landscaping will be measured by the Residential Unit meter. The cost of such Common Element water consumption will be borne by the Unit Owner whose meter measures the usage, unless and until the Board of Managers determines to have the cost allocated in some manner as a Common Expense.

Section 8.14. Electricity. Upon completion of construction of the Building, each Unit will be separately metered for electricity consumption in the Unit, and each Unit Owner will be obligated to pay the cost of such electricity consumption directly to the utility company providing same. Electricity used in connection with maintenance and operation of the Common Elements will be measured by means of one or more separate meters or submeters, and the cost of such Common Element electricity consumption shall be a Common Expense of the Condominium.

Section 8.15. Gas. Upon completion of construction of the Building each Unit will be separately metered for gas consumption in the Unit, and each Unit will be responsible to pay the cost of gas consumed in the Unit directly to the utility company providing same. There is not expected to be any gas provided to the Common Elements.

ARTICLE 9

MORTGAGES

Section 9.1. Unit Owner's Rights. Each Unit Owner shall have the right to give one or more mortgages on said Owner's Unit to a Mortgagee, and the Board of Managers will recognize any such Mortgagee in connection with the giving of notices of default under these By-laws, and in connection with all other rights accorded a "Recognized Mortgagee" in the Condominium Documents, provided that (i) the mortgage shall be recorded and shall be expressly subordinate to the Declaration, and (ii) the Unit Owner making such mortgage pays all assessments against said Owner's Unit prior to the making of the mortgage. Any such Mortgagee shall be deemed a **"Recognized Mortgagee"**.

Section 9.2. Notice to Board of Managers. A Unit Owner who mortgages a Unit shall notify the Board of Managers of the name and address of the Mortgagee.

Section 9.3. Notice of Unpaid Common Charges or Other Default. The Board of Managers shall promptly report to a Recognized Mortgagee any unpaid Common Charges due from or any other default by the Owner of the mortgaged Unit. The Board shall also, in the event the Unit has been leased, have the right to provide to the Recognized Mortgagee, copies of notices to tenants, as described in Section 10.2 of these By-laws.

Section 9.4. Notice of Default.

(a) The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each Recognized Mortgagee. A Recognized Mortgagee who is entitled to receive notices of default by a Unit Owner in accordance with the foregoing, shall also be entitled to cure said default, in accordance with the following paragraph.

(b) (i) The Recognized Mortgagee shall have the right, but not the obligation, for a period of thirty (30) days following receipt of a copy of a default notice, to cure the default in the name and on behalf of the Unit Owner.

(ii) To facilitate the foregoing, for a period of thirty (30) days following the giving of notice to a Recognized Mortgagee of a default by a Unit Owner in payment of Common Charges, the Board of Managers will not commence a proceeding to foreclose its lien for said Unit Owner's nonpayment of Common Charges or other assessments. If the Recognized Mortgagee fails to cure said default within said thirty (30) day period by paying the requisite

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Common Charges or other assessments (plus late payment charges and interest thereon as per these By-laws), the Board of Managers shall be free to commence a proceeding to foreclose its lien at its discretion.

Section 9.5. Mortgagee to Notify Board of Managers of Unit Owner's Default. Upon the happening of a default under the terms of a mortgage on a Unit which would permit a Mortgagee to declare the entire principal sum due, the Mortgagee shall endeavor to send such notice in writing to the Board of Managers prior to instituting a foreclosure action; however, failure of a Mortgagee to give such notice shall not be deemed to affect any of the rights and remedies of such Mortgagee under its mortgage.

Section 9.6. Board of Managers Shall Be Notified in All Mortgage or Other Lien Foreclosures; Right to Bid. The Board of Managers shall be notified in writing by the affected Unit Owner of every action brought to foreclosure any mortgage or other lien affecting a Unit. The Board of Managers shall be entitled to bid at any sale, whether the Board of Managers is the plaintiff or a defendant, and to purchase any Unit at such sale (in its name or in the name of a nominee) for such amount as shall be approved by the Unit Owners (excluding, however, the Unit Owner whose Unit is being foreclosed), taking into consideration the amount due the plaintiff, the costs and disbursements, and all other charges affecting the Unit. The Board of Managers shall not, however, be limited in their bidding to such amount or total but may bid any higher sum that they find necessary in order to protect the interests of the Unit Owners.

Section 9.7. Receivers. Notwithstanding anything to the contrary in these By-laws or the Declaration, in the event a receiver is appointed in connection with an action to foreclose a mortgage against a Unit, said receiver shall, upon appointment, be obligated to pay to the Board of Managers all Common Charges and other assessments owed by the defaulting Unit Owner, together with any late charges, interest and penalties assessed thereon. Further, upon the appointment of a receiver, the Unit Owner whose Unit is being foreclosed loses all rights accorded a Unit Owner in these By-laws or the Declaration in connection with the operation of the Condominium, including but not limited to the right to appoint members of the Board of Managers and the right to be a member of the Board of Managers or an officer of the Condominium, and the receiver shall succeed to all such rights.

ARTICLE 10

SALES AND LEASES OF UNITS

Section 10.1. Sales. There shall be no restrictions pursuant to the Condominium Documents on the right of a Unit Owner to sell said Owner's Unit.

Section 10.2. Leases.

(a) A Commercial Unit Owner (including a Mortgagee who acquires title to the Unit through foreclosure or by deed in lieu of foreclosure) may lease said Owner's Unit in whole or in part, without any notice to or consent of the Board but subject, in all events, to the provisions of

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the Condominium Documents concerning uses of Units. However, a Commercial Unit Owner must regularly advise the Board of Managers in writing of the name of each tenant in its Unit, together with the name, telephone number and address of an individual who is authorized to take action or make decisions respecting the tenant, who may be contacted in event of emergency. The Commercial Unit Owner also must provide the Board of Managers with the name, address and telephone number of the Unit Owner's own representative who may be contacted in event of emergency or other problem concerning the Unit.

(b) A Residential Unit Owner (including a Mortgagee who acquires title to the Unit through foreclosure or by deed in lieu of foreclosure), may lease said Owner's Unit, in whole or in part, without any notice to or consent of the Board. While the Residential Unit is owned by the Apartment Corporation and occupied by Tenant-Shareholders, the Apartment Corporation shall maintain on file with the Board of Managers, the name(s), address(es) and telephone number(s) of at least one individual who is authorized to take action or make decisions on behalf of the Apartment Corporation in the event of emergency or other problem concerning the Unit.

(c) Any lease for all or part of a Unit shall be consistent with and shall be deemed to incorporate by reference these By-laws, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant thereunder, other than a Tenant–Shareholder under a proprietary lease for a Cooperative Apartment.

(d) Each proprietary lease for a Cooperative Apartment and any lease for all or part of a Commercial Unit entered into from and after the date the Declaration is recorded, regardless of whether such lease has been entered into in accordance with these By-laws, shall be deemed to have incorporated into it the following provisions:

(i) In the event the Owner of the Unit forming all or part of the demised premises under the lease shall be in default in payment of Common Charges, assessments or late fees for more than 60 days after the date such payment was due, the Board of Managers shall have the right to notify the tenant of the Unit Owner's default, and in said notice to direct tenant to pay all or a portion of the rent that would otherwise be due under the lease directly to the Board of Managers. Upon receipt of such rental income the Board shall apply it against Common Charges, assessments or late fees owed by the defaulting Unit Owner. When the Owner becomes current in Common Charges, assessments or late fees, as applicable, the Board of Managers shall notify the tenant and the tenant may recommence paying rent to the Unit Owner or other party designated under the lease to receive rent.

(ii) In the event, however, that the Unit Owner has made an assignment of rents to a Recognized Mortgagee in connection with a mortgage on the Unit, the Board of Managers shall endeavor to send a copy of the notification of the Unit Owner's default to the Recognized Mortgagee, at the same time as same is sent to the tenant. In such event, the Board shall refrain for a period of 30 days after giving a tenant notice of the Unit Owner's default, from directing tenant to pay its rent directly to the Board, in order to allow the Recognized Mortgagee to enforce its assignment of rents. If the Recognized Mortgagee notifies the Board in writing during such 30-day period that it has enforced its assignment of rents, the Recognized Mortgagee so notifying the Board

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shall be required to make payments of Common Charges attributable to the Unit to the Board of Managers. If the Recognized Mortgagee shall not provide notice to such effect to the Board of Managers, then, at the expiration of the 30-day period following the Board's written notice to the tenant and the Recognized Mortgagee of the Unit Owner's default, the Board shall be entitled to direct tenant to pay rent directly to the Board as described above.

Section 10.3. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not purchase or lease any Unit without the prior approval of 100% in number and Common Interest of Unit Owners.

Section 10.4. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to said Owner's Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interest so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 10.5. Gifts and Devises, etc. An individual Unit Owner shall be free to convey or transfer his or her Unit and Appurtenant Interests by gift, or to devise his or her Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 10.6. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10.7. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease said Owner's Unit, unless and until said Owner shall have paid in full to the Board of Managers all unpaid Common Charges and other assessments theretofore assessed by the Board against said Owner's Unit and until said Owner shall have satisfied all unpaid liens against such Unit.

ARTICLE 11

CONDEMNATION

Section 11.1. Takings in General.

(a) If a Unit Owner or the Board of Managers receives notice that all or any part of the Property has been or is to be taken through the exercise of the power of eminent domain under applicable law (a "**Taking**"), such Owner or the Board of Managers shall so notify the other Owner, the Board of Managers and all Recognized Mortgagees, as applicable.

(b) Except for the foregoing requirement, the provisions of this Article 11 (as well as Articles 14 and 15) shall only apply to Takings if and so long as such Taking qualifies as a Condominium Taking as defined herein. No provision of Articles 11, 14 and 15 shall apply to a Taking which is not a Condominium Taking (and, accordingly, any proceeding or award in respect thereof shall be prosecuted and settled by, and the Award shall be paid to the affected Owner or the Board of Managers, as applicable, subject only to the rights, if any, granted by such Owner to its Recognized Mortgagee(s)).

(c) A **Condominium Taking** is a Taking (i) which is a Residential Taking, a Commercial Taking and a Common Element Taking, and (ii) in which the Residential Unit Owner, the Commercial Unit Owner and the Board of Managers are named or should be named in or otherwise made parties to the Taking proceeding.

(d) A Commercial Taking which is not in any way a Residential Taking or a Common Element Taking and in which the Residential Unit Owner and the Board of Managers are not named (or required to be named) as a party to the condemnation proceeding is not a Condominium Taking. A Residential Taking which is not in any way a Commercial Taking or a Common Element Taking and in which the Commercial Unit Owner and the Board of Managers are not named (or required to be named) as a party to the condemnation proceeding is not a Condominium Taking.

(e) Notwithstanding that a Taking does not initially qualify or ceases to qualify as a Condominium Taking, if such Taking is not of Substantially All of the Property, then any restoration, reconstruction, or alteration in connection with such Taking shall nevertheless be subject to the provisions of Article 7, in the same manner as if there were damage or destruction arising from casualty, to the extent otherwise applicable to such restoration, reconstruction or alteration.

Section 11.2. Definitions. The following terms shall have the following meanings:

(a) "Award" or "Awards": Any or all of the Commercial Award, the Residential Award or the Common Element Award, as applicable.

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(b) "Combined Award": An aggregate award for damages or compensation payable on the basis of, or attributable to, the Residential Taking, the Commercial Taking and the Common Element Taking in connection with a Condominium Taking, and, in the case of a Condominium Taking of less than Substantially All of the Property, shall include any award (or portion thereof) payable on the basis of restoration or other work necessitated by the Condominium Taking, but not including any separate claim by either Owner or their respective tenants for personal property, trade fixtures or money or relocation costs.

(c) "Commercial Award": The aggregate award(s) payable in connection with and attributable to a Commercial Taking which is a Condominium Taking, including, without limitation, consequential damages for any constructive taking, and in the case of a Condominium Taking of less than Substantially All of the Property, such award shall include any award (or portion thereof) payable on the basis of restoration or other work necessitated by, or arising out of, such taking or condemnation, but shall not include any separate claim for the Commercial Unit Owner's personal property, trade fixtures, and moving or relocation costs for itself or any tenants of the Commercial Unit.

(d) "Commercial Taking": The Taking of the whole or any portion of the Commercial Unit.

(e) "Common Element Award": The aggregate award(s) payable in connection with and attributable to a Common Element Taking which is a Condominium Taking, including, without limitation, consequential damages for any constructive taking, and in the case of a Condominium Taking of less than Substantially All of the Property, such award shall include any award (or portion thereof) payable on the basis of restoration or other work necessitated by, or arising out of, such taking or condemnation, but shall not include any separate claim for the Board of Managers' personal property, trade fixtures, and moving or relocation costs.

(f) "Common Element Taking": The Taking of all or any part of the Common Elements.

(g) "Date of Taking": With respect to a Condominium Taking, the earlier of (1) the date on which actual possession of the Property, or any part thereof, as the case may be, is acquired pursuant to applicable law in connection with the Condominium Taking, or (2) the date on which fee title to the Units, the Common Elements, or any part thereof, as the case may be, has vested in any lawful power or authority pursuant to the provision of applicable law in connection with the Condominium Taking.

(h) "Net Award" or "Net Awards": Any one of or all of the Net Commercial Award, Net Residential Award or the Net Common Element Award, as applicable.

(i) "Net Commercial Award": The Commercial Award less all reasonable fees and expenses incurred by the Commercial Unit Owner and any Recognized Mortgagee of the Commercial Unit and by the Board of Managers, if applicable, in collecting the Commercial Award or the initial Combined Award, as applicable.

(j) "Net Common Element Award": The Common Element Award less all reasonable fees and expenses incurred by the Board of Managers, Unit Owners and any Recognized Mortgagee of a Unit in collecting the Common Element Award.

(k) "Net Residential Award": The Residential Award less all reasonable fees and expenses incurred by the Residential Unit Owner and any Recognized Mortgagee of the Residential Unit and by the Board of Managers, if applicable, in collecting the Residential Award or the initial Combined Award, as applicable.

(l) "Residential Award": The aggregate award(s) payable in connection with and attributable to a Residential Taking which is a Condominium Taking, including, without limitation, consequential damages for any constructive taking, and in the case of a Condominium Taking of less than Substantially All of the Property, such award shall include any award (or portion thereof) payable on the basis of restoration or other work necessitated by, or arising out of, such taking or condemnation, but shall not include any separate claim for the Residential Unit Owner's personal property, trade fixtures, and money or relocation costs for itself or any tenants of the Residential Unit.

(m) "Residential Taking": The Taking of the whole or any portion of the Residential Unit.

(n) "Section 11.4 Condominium Taking": A Condominium Taking qualifying under Section 11.4(a)(1), (2), (3) or (4).

(o) "Substantially All of either the Commercial Unit or the Residential Unit": Such portion of either (but not both) the Commercial Unit or the Residential Unit, as the case may be, as, when so taken, would leave a balance of the Commercial Unit, or the Residential Unit, as the case may be, due to either the area so taken or the location of the part or parts so taken in relation to the part or parts of the Commercial Unit or the Residential Unit, as the case may be, not so taken, such that the Commercial Unit or the Residential Unit, as the case may be, would not, under economic conditions, zoning laws and building regulations then existing constitute a Unit capable of producing a fair and reasonable net annual income from any use permitted hereunder with respect to the Commercial Unit or the Residential Unit, as the case may be.

(p) "Substantially All of the Property": Such portion of the Property as, when so taken, would leave a balance of the Property that, due either to the area so taken or the location of the part or parts so taken in relation to the part or parts not so taken, would not, under economic conditions, zoning laws and building regulations then existing, readily accommodate a new or reconstructed building or buildings of a type and size generally similar to the Building existing at the Date of Taking and capable of producing a fair and reasonable net annual income with respect to both of the Commercial Unit and the Residential Unit.

Section 11.3. In General. In the event of a Condominium Taking, the Awards shall be determined and disbursed, and any repair and restoration of the Building shall be performed, in accordance with the requirements of this Article 11. The Commercial Unit Owner, the Board of

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Managers and any Recognized Mortgagees of the Commercial Unit shall have the right to participate in the prosecution of the claims for the Commercial Award and/or the Combined Award. The Residential Unit Owner, the Board of Managers and the Recognized Mortgagees of the Residential Unit shall have the right to participate in the prosecution of the claims for the Residential Award and /or the Combined Award. All parties shall cooperate with one another to maximize the amount of their respective Awards and in any event, in connection with a Combined Award. (Nothing herein shall limit the right of either Owner to make a separate claim for Owner's or Owner's tenants' personal property, trade fixtures and moving or relocation costs). If the court is prepared to allocate a separate Commercial Award, a separate Residential Award and a separate Common Element Award, then each Owner, together with its respective Recognized Mortgagees, and the Board of Managers, where applicable, may compromise or settle its Award. However, if the court does not allocate a separate Residential Award, a separate Commercial Award and a separate Common Element Award, but instead awards only a Combined Award, then no Owner (nor Recognized Mortgagee), nor the Board of Managers, may compromise or settle the Combined Award without the consent of all the others. Upon a determination of the Combined Award, then the Board of Managers, the Residential Unit Owner, the Commercial Unit Owner and the Recognized Mortgagees of the Residential Unit and the Commercial Unit, shall endeavor in good faith to allocate and divide the Combined Award into a Residential Award and a Commercial Award, and if applicable, a Common Elements Award. If the parties cannot agree, then such allocation and division shall be an Arbitrable Dispute. Upon such allocation and division of the Combined Award, whether by agreement of the parties or by Arbitration, such allocated award shall then be the Commercial Award and Residential Award, and if applicable, the Common Element Award, for all purposes hereunder.

Section 11.4. Section 11.4 Condominium Takings.

(a) In the event of (1) a Condominium Taking of Substantially All of the Property, or (2) a temporary Condominium Taking of (i) all of the Building, or (ii) part of both the Commercial Unit and the Residential Unit, or (3) a Condominium Taking which is both a Commercial Taking and a Residential Taking, but by which Substantially All of either the Commercial Unit or the Residential Unit is taken (but the Condominium Taking is thus not of Substantially All of the Property), or (4) a Condominium Taking that is both a Residential Taking and a Commercial Taking, but in which it is determined that no Restoration Work is required in either Unit that affects the Common Elements, then the provisions of Paragraphs (b) and (c) immediately below shall apply. If there is any dispute as to whether the Condominium Taking qualifies as a Section 11.4 Condominium Taking, the same shall constitute an Arbitrable Dispute.

(b) If, in connection with any Section 11.4 Condominium Taking described in Paragraph (a) above, a separate Residential Award and Commercial Award (and/or a separate Common Element Award as applicable), is awarded by the court, then upon such separate court awards, such Taking shall no longer be a Condominium Taking (and, accordingly, the provisions of Section 11.1(b) shall apply). However, if there is a dispute as to whether such Condominium Taking qualifies as a Section 11.4 Condominium Taking, then any Awards received shall be paid over to and held by the Depositary, in trust, until such dispute is resolved, and if it is determined to be a Taking which qualifies as a Section 11.4 Condominium Taking, then the Depositary shall release all Awards in accordance with Paragraph (c) below, and upon such release, such Taking no longer

constitutes a Condominium Taking (and, accordingly, the provisions of Section 11.1(b) shall apply). If, in connection with any Section 11.4 Condominium Taking, a Combined Award is awarded, it shall be paid over to the Depositary and held in trust until any disputes are resolved and until the allocation is made as provided in Section 11.3 above, at which time the Depositary shall release all Awards in accordance with Paragraph (c) below and upon such release the Taking shall no longer constitute a Condominium Taking (and, accordingly, the provisions of Section 11.1(b) shall apply). If the Condominium Taking is determined upon resolution of any dispute to not be a Section 11.4 Condominium Taking, then the provisions of Section 11.5 shall apply.

(c) When the Award is released under Paragraph (b) above, the Residential Award, net of a proportionate share of the expenses due the Depositary, shall be paid to the Residential Unit Owner, the Commercial Award, net of a proportionate share of the expenses due the Depositary, shall be paid to the Commercial Unit Owner, and if applicable, the Common Element Award, net of a proportionate share of the expenses due the Depositary, shall be paid to the Board of Managers. However, to the extent the Depositary has received a notice pursuant to Section 17.5 with respect to the Residential Unit and/or the Commercial Unit, the portion of the Residential Award otherwise payable to the Residential Unit Owner shall be paid to the Recognized Mortgagee of that Unit, and the portion of the Commercial Award otherwise payable to the Commercial Unit Owner shall be paid to the Recognized Mortgagee of that Unit, as applicable.

Section 11.5. Condominium Takings other than Section 11.4 Condominium Takings.

(a) In the event of a Condominium Taking other than a Section 11.4 Condominium Taking, if the court awards a separate Commercial Award, Residential Award and/or Common Element Award, then the Awards shall promptly be paid to the Depositary and the Depositary shall hold the same separately, in trust, and disburse the same in accordance with this Section and Article 15. Upon receipt of a Combined Award, the payees shall also pay the same over to the Depositary which shall hold and invest the same in trust and shall not disburse any proceeds thereof until the Combined Award is allocated as provided in Section 11.3 above. After receipt of the separate Awards or after the Combined Award is allocated and divided into a Commercial Award, Residential Award and Common Element Award, if applicable, the Depositary shall pay its expenses and then, prior to any other disbursements, shall promptly pay (i) out of the Residential Award, to the Residential Unit Owner and its Recognized Mortgagees, their respective reasonable fees and expenses, (ii) out of the Commercial Award, to the Commercial Unit Owner and its Recognized Mortgagees, their respective reasonable fees and expenses and (iii) out of the Common Element Award, to the Board of Managers, its reasonable fees and expenses. The Net Award for each portion of the Property shall be held and disbursed in accordance with this Section 11.5 and Article 15. The expenses of the Depositary shall be paid out of the Awards based on the ratio of each Owner's Award or the Common Elements Award, as applicable, to the sum of the Awards.

(b) In connection with any Condominium Taking to which this Section 11.5 applies, the Board of Managers and the Unit Owners shall cooperate to repair and restore the remainder of the Building (such repair and restoration being referred to herein as a **"Condemnation Restoration"**) in accordance with the applicable provisions of Section 7.3 (except that (i) any deficiency shall be determined in accordance with Section 11.6(c) below and (ii) all decisions to be

made by the Owners in Section 7.3 shall be made by the Owners when applied to this Section 11.5). The plans and specifications shall provide for repair and restoration of the remainder of the Building to form an architectural and functional whole with such changes in the Building as shall be required by reason of the Taking.

(c) As soon as reasonably practical after a Condominium Taking governed by this Section 11.5, (i) a Certifying Professional shall be selected, (ii) the Certifying Professional shall prepare a reasonably detailed statement setting forth (a) a description of the condemned areas of the Building, and (b) an estimate of the total costs of such repair or restoration, and shall deliver a copy of such estimate to each Owner and the Board of Managers (the "**Estimate**") and (iii) the Certifying Professional shall determine and certify to the initial Architect Condemnation Ratio (as defined below). Each Owner and the Board of Managers shall be responsible for its share of the costs of restoration (including costs resulting from "Unavoidable Delays") based on the Architect Condemnation Ratio. If the cost and expense to either Owner or the Board of Managers of performing its share of any repair and restoration pursuant to this Section 11.5 shall exceed the amount of its Net Award, the excess cost and expense shall be borne by such Owner or the Board of Managers as provided in Section 11.5(d) below. The term "**Architect Condemnation Ratio**" shall have the following meaning: the ratio reasonably determined by the Certifying Professional comparing (A) the relative cost of the restoration to be performed under this Section 11.5 as a result of the taking suffered by an Owner or the Board of Managers to (B) initially, the Estimate, and, as and if the costs change during the course of the Restoration Work, the actual total costs. Notwithstanding the foregoing, (1) to the extent the additional costs incurred by an Owner or the Board of Managers result from the acts or omissions of the other Owner or the Board of Managers, as applicable, or optional changes requested by the other Owner or the Board of Managers, as applicable, such Owner or the Board of Managers, as applicable, requesting the changes or causing the delays shall be solely responsible for payment of the additional costs (which costs will be factored into an adjusted Architect Condemnation Ratio), and (2) if an Owner or the Board of Managers fails to carry any insurance required under Section 6.1 hereof, the Owner or the Board of Managers, as applicable, shall be responsible for the payment of any restoration costs that would have been paid from the proceeds of such insurance. Any dispute relating to the Architect Condemnation Ratio shall be deemed an Arbitrable Dispute.

(d) If with respect to either Owner or the Board of Managers, the portion of the Estimate allocated to such Owner or the Board of Managers based on the Architect Condemnation Ratio, or if the actual amount incurred in performing the repair or restoration for such Owner or the Board of Managers (based on the Architect Condemnation Ratio) exceeds the amount of such party's Net Award, if any, or if the Certifying Professional determines, in accordance with Section 15.4, that a deficiency exists with respect to such Owner or the Board of Managers, such Owner or the Board of Managers, as applicable, shall deposit with the Depositary, within ten (10) days after receipt of the statement of the deficiency from the Certifying Professional, or the other Owner or the Depositary, its deficiency as so determined in accordance with Section 15.4. If an Owner or the Board of Managers fails to contribute its deficiency, and such failure continues for a period of ten (10) days after the Owner or the Board of Managers is given notice of such failure, then the other Owner (who shall be a Creditor Owner) may, but shall not be obligated to, pay the share of the defaulting Owner (who shall be a Defaulting Owner) or to pay the share of the Board of Managers,

as applicable, to the Depositary. In addition. the Board of Managers shall have the right, but shall not be obligated, to pay the share of the Defaulting Owner to the Depositary. Any payments made by the Board of Managers pursuant to the foregoing shall be deemed a special assessment made by the Board of Managers against the Defaulting Owner, and failure of the Defaulting Owner to pay such special assessment shall be treated in the same manner as failure to pay Common Charges.

(e) At such time as there is (i) either (a) an executed fixed price or guaranteed maximum price construction contract for all the Restoration Work or (b) both an executed construction management agreement and signed trade contracts for not less than sixty percent (60%) of the Restoration Work and (c) payment and performance bonds covering (x) the construction contracts under a fixed price or guaranteed maximum price construction contract or (y) all trade contracts in excess of $1,000,000, in 1999 Equivalent Dollars, and (ii) the Certifying Professional certifies as to the foregoing and that with respect to an Owner, the Net Award of such Owner then held by the Depositary is more than 120% of the estimated cost of such Owner's share of remaining Restoration Work allocable to such Owner based on such contracts and the Estimate as it may have been adjusted and the Architect Condemnation Ratio (any amount above 120%, the "Surplus Net Award"), then with respect to such Owner's Net Award, the Depositary, upon notice from an Owner accompanied by the foregoing certifications (which notice shall be sent to the other Owner, the Board of Managers and the Recognized Mortgagees), shall disburse said Owner's Surplus Net Award in accordance with the disbursement provisions for excess Net Awards in Section 11.5(h) below (it being understood that any disbursement under Section 11.5(h) which is authorized by this Section 11.5(e) shall be in addition to, and not in lieu of, any subsequent distribution under Section 11.5(h) which shall occur upon the completion of the Condemnation Restoration the full payment of the costs thereof).

(f) If an Owner is required to deposit a deficiency under Section 11.5(d) above, and fails to do so (thus becoming the Defaulting Owner) and if the other Owner (the Creditor Owner) has no deficiency applicable to it, but elects not to deposit the deficiency of the Defaulting Owner, then the (i) Creditor Owner or (ii) the Recognized Mortgagee of the Creditor Owner (any such party, the "Notifying Party") may send a notice to all Owners and all other Recognized Mortgagees specifying (a) that the notice is being sent under this Section 11.5(f) and (b) demanding that the deficiency be deposited within sixty (60) days so that Restoration Work can proceed. If such deficiency is not so deposited (by anyone) within such sixty (60) day period, then, upon fifteen (15) days' prior notice to both Owners and all other Recognized Mortgagees, the Notifying Party may at any time thereafter request that the Depositary pay to it the Creditor Owner's Net Award then held by the Depositary in accordance with Section 11.5(h) below, and thus terminating the Creditor Owner's obligation to rebuild its portion of the Building. The Depositary shall continue to hold the Net Award of the Defaulting Owner pending final resolution of any claims by the Creditor Owner for failure to deposit the deficiency and thus enabling the restoration to proceed. Upon such final resolution, the amount owing to the Creditor Owner shall be paid first out of the Defaulting Owner's Net Award, and the balance, if any, shall be paid to the Defaulting Owner in accordance with applicable provisions of Section 11.5(h). Nothing herein shall be deemed to limit the amount of the Creditor Owner's claims to the Defaulting Owner's Net Award.

(g) (i) Except to the limited extent provided in Section 11.5(e) above, and subject to the provisions of Section 11.6, each Owner shall be obligated to repair and restore its Unit, and the Board of Managers shall be obligated to repair and restore the Common Elements, regardless of whether or not its Net Award is sufficient. Furthermore, each Owner shall cooperate with the other Owner and the Board of Managers, and the Board of Managers shall cooperate with each Unit Owner, in connection with any repairs or restoration to the Building.

(ii) If, however, one Owner defaults in the full, faithful and punctual performance of any obligation under this Section 11.5 or Article 15 (including, without limitation, preparing plans and specifications, selecting contractors, negotiating and executing contracts, and performing construction and submitting requisitions to the Depositary), then the other Owner or the Board of Managers shall have, in addition to all other remedies it may have hereunder or at law or in equity, upon the expiration of at least ten (10) days' prior notice of such default, the right, but not the obligation, if the Defaulting Owner has not commenced the good faith cure of such default within said ten (10) day period, (x) to make any decisions required in connection with the performance of such obligation on behalf of the Defaulting Owner, (y) to actually perform the obligation on behalf of the Defaulting Owner, and (z) in accordance with the applicable provisions of Section 15.5, to use the Defaulting Owner's Net Award in connection with the performance of any such obligation. If any Owner defaults in the performance of its obligations under this Section 11.5, as aforesaid, the other Owner and the Board of Managers are each hereby irrevocably appointed attorney-in-fact of the Defaulting Owner (such power of attorney being coupled with an interest) to take any and all steps necessary on behalf of Defaulting Owner to perform the Defaulting Owner's obligations as provided herein. Any and all expenses incurred by the Board of Managers pursuant to the foregoing shall be deemed a special assessment against the Defaulting Owner, and failure of the Defaulting Owner to pay such special assessment shall be treated in the same manner as failure to pay Common Charges.

(iii) If the Board of Managers defaults in the full, faithful and punctual performance of its obligations under this Section 11.5 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating or executing contracts, and performing construction or submitting requisitions to the Depositary), the Unit Owners shall have, in addition to any other rights and remedies, the right, acting together jointly, to perform all obligations of the Board of Managers, and the Unit Owners shall be deemed to have a joint and several power of attorney from the Board of Managers to act on its behalf to perform the Board of Managers' obligations set forth herein.

(h) If pursuant to this Section 11.5, there is any excess of the Net Award or Net Awards over an Owner's share or the Board of Managers' share of the costs of Condemnation Restoration, the excess Net Award, if any, shall be paid to such Owner or the Board of Managers, as applicable.

(i) For purposes of this Section 11.5, architects' and engineers' fees, attorneys' fees, consultants' fees, the fees of the Certifying Professional, title insurance premiums and other similar costs and expenses relating to repair or restoration shall be included in the costs and expenses

of any such repair or restoration and be paid by the Depositary out of the Net Award(s). Such costs shall be borne by the Owners in accordance with the Architect Condemnation Ratio.

Section 11.6. Partition Action in Lieu of Continuation of Condominium After Condominium Taking. If any condemnation or eminent domain proceeding results in the taking of Substantially All of the Property, and Unit Owners representing at least 80% in Common Interest voting at a duly called meeting of the Unit Owners promptly resolve not to continue the Condominium, then the Property or so much thereof as shall remain, shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common in which event the net proceeds of sale arising out of the partition action, together with the net proceeds of the award from the condemnation or eminent domain proceeding shall be considered one fund and shall be divided by the Board of Managers among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Owner's share all liens on such Owner's Unit, in the order of priority of such liens.

ARTICLE 12

ARBITRATION

Section 12.1. Applicability. Arbitration (hereinafter "**Arbitration**"), shall be available in those cases where the Declaration or these By-laws require that the applicable party not unreasonably withhold or delay its consent, approval, determination, authorization or acceptance, or that the applicable party act in a reasonable manner, or that the applicable party exercise or refrain, in its reasonable discretion, from exercising any right granted to it in these By-laws or the Declaration, or where as a matter of law, the party may not unreasonably withhold or delay its consent. Arbitration shall also be applicable in all other instances pursuant to these By-laws or the Declaration where a dispute is an Arbitrable Dispute or may or must be resolved through Arbitration.

Section 12.2. Appointment of Arbitrators.

(a) In any circumstance for which Arbitration is required or permitted under the Declaration or these By-laws, the party desiring Arbitration shall, within 15 business days of the event giving rise to the right to Arbitration, give written notice to such effect to the other party. Such notice also shall state the name and address of the arbitrator said party has appointed on its behalf, and shall state the issue to be arbitrated. Within five (5) business days after such notice is given, the other party by written notice to the original party, shall provide the name and address of a second person which said party shall have appointed on its behalf. If within five (5) business days following notice of the appointment of the second of said arbitrators, said two arbitrators shall be unable to resolve the issue, the two arbitrators shall, no later than five (5) business days after the end of their initial 5-day determination period, appoint by instrument in writing, a third person, as an impartial arbitrator, who shall proceed with the two arbitrators first appointed to determine the matter.

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(b) If after notice of the appointment of the first arbitrator is given, the second arbitrator shall not have been appointed as aforesaid, then the party originating the Arbitration may apply for the appointment of an arbitrator in the manner hereinafter provided for the appointment of a third arbitrator in the case where the two arbitrators chosen hereunder are unable to agree upon such appointment.

(c) If the two (2) initially-appointed arbitrators shall be unable to agree within five (5) business days following the appointment of the latter of said arbitrators upon the matter in dispute and, in the event of the foregoing circumstances, if they shall fail to agree on an arbitrator to serve as the third arbitrator as aforesaid, then either party may apply to the American Arbitration Association ("**AAA**") or any successor organization (or if such organizations shall fail, refuse or be unable to act, to a court of competent jurisdiction in the State of New York) for the designation of such arbitrator.

(d) If any arbitrator appointed by either of the parties, by the AAA (or any successor organization), or court, or by the other two (2) arbitrators, shall die, become disqualified or incapacitated, or shall (for reasons beyond his or her control) fail to act, before such matter shall have been determined, a substitute arbitrator shall promptly be appointed by the person or persons who appointed the arbitrator who shall have died, become disqualified or incapacitated or who shall have failed to act, and if a substitute arbitrator is not so named within three (3) business days after such death, disqualification, incapacity or failure to act, such substitute arbitrator shall be appointed by application to the AAA, as described above.

Section 12.3. Qualification of Arbitrators. Each arbitrator shall be a person who shall have had at least ten (10) years' continuous experience in the County of New York in a calling connected with the matter of the dispute (e.g., in the management or operation of first-class mixed-use [i.e., residential and commercial] buildings in Manhattan, or in construction and/or architectural or engineering endeavors, etc.), shall be associated with a firm engaged in such business and shall not be a sole practitioner, and when required by law or regulation pertaining to practice of the profession or trade, shall be licensed to practice in New York. Any third arbitrator appointed in accordance with this Article 12 shall be impartial and shall not then be employed or controlled by, controlling or under common control with any member of the Board of Managers, any Unit Owner, any Managing Agent, or any affiliates of the foregoing.

Section 12.4. Procedures.

(a) Arbitration shall be conducted, to the extent consistent with the Declaration and these By-laws, in accordance with the then prevailing Arbitration Rules for expedited procedures of the AAA, other than rules relating to the appointment of arbitrators, and such other procedures as are agreed to by the parties. All parties shall have the right to appear and be represented by counsel before the appointed arbitrators and to submit such data and memoranda in support of their respective positions in the matter in dispute as they may deem necessary or appropriate in the circumstances.

(b) Following presentation and submission of all such data, memoranda and similar material by all parties to the Arbitration in support of their positions, the arbitrators shall be obligated to render a determination within the time period set forth in this Article 12 for the rendering of decisions. The arbitrators' determination shall in all instances be in writing and shall not be rendered verbally.

(c) In the event a third arbitrator is appointed as described above, the arbitrators shall be instructed to render a decision within five (5) business days of the third arbitrator's appointment. In all Arbitrations, the written decision of any two arbitrators in accordance with the foregoing, shall be final and binding upon the parties to the Arbitration and judgment may be entered thereon in any court of competent jurisdiction. In rendering their decision, the arbitrators shall have no power to modify any of the provisions of the Declaration or these By-laws, and the jurisdiction of the arbitrators is limited accordingly, it being specifically understood that in no event shall the arbitrators have the authority to award damages.

Section 12.5. Costs and Expenses. In any Arbitration the losing party shall pay the fees and disbursements of the arbitrators and all other costs associated with the Arbitration, including the legal fees and disbursements, and out-of-pocket expenses of the other parties involved in the Arbitration, unless the Declaration or these By-laws provides otherwise with respect to specific items of dispute.

Section 12.6. Agreement by Parties. The parties to any dispute required or expressly permitted to be submitted to Arbitration under these By-laws or the Declaration, may, by mutual written agreement between them, vary any of the provisions of this Article 12 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner.

ARTICLE 13

RECORDS AND AUDITS

Section 13.1. General. The Board of Managers shall be required to keep detailed records of the actions of the Board of Managers and the Managing Agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures arising from the operation of the Property, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other assessments against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. Such records and vouchers authorizing payments shall be available for examination by Unit Owners at convenient weekday hours. An annual report of the receipts and expenditures of the Condominium audited by an independent public accountant, shall be rendered by the Board of Managers to all Unit Owners, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

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Section 13.2. Examination of Books. Each Unit Owner and each Recognized Mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on business days, but not more often than once a month.

ARTICLE 14

DEPOSITARY

Section 14.1. Appointment of Depositary. The Depositary shall be appointed in the manner hereinafter provided to receive insurance proceeds and, to the extent provided in Article 11 with respect to a Taking, Awards, to hold such monies for the benefit of the Owners and the Board of Managers and any Recognized Mortgagees, as their interests may appear, and to disburse such monies and to act otherwise in accordance with the terms and provisions of the Condominium Documents. The Chase Manhattan Bank ("**Chase**") is designated as the initial Depositary on the date hereof and shall be the Depositary from and after the date hereof, and for so long as it is a Recognized Mortgagee of a Unit. When Chase no longer holds a mortgage on any Unit in the Building and is no longer servicing any loans secured by a mortgage on a Unit at the Building, then the New York City Housing Development Corporation ("**HDC**") will be deemed designated as the Depositary. HDC shall serve as Depositary until HDC is replaced pursuant to Section 14.5(b). The foregoing designations shall be subject to (i) Chase's and HDC's right to elect, on not less than sixty (60) days' prior notice to the Owners and any other Recognized Mortgagee, to resign pursuant to Section 14.5(a) or (ii) Chase's or HDC's removal pursuant to the Depositary Agreement due to failure to materially comply with its obligations as Depositary. Following any such resignation or removal of Chase or HDC, the Depositary shall be appointed by the Board of Managers, subject to the reasonable consent of the Recognized Mortgagees. Any dispute regarding the appointment of the Depositary shall be deemed an Arbitrable Dispute. The Depositary shall be entitled to receive from each of the Owners said Owner's equitable share of the Depositary's reasonable fees and expenses for acting as Depositary as provided in the Depositary Agreement, and may retain said fees and expenses, free of trust, from monies held by it. Any Depositary appointed to act hereunder shall execute a Depositary Agreement with the Owners and the Board of Managers accepting said appointment. Said Depositary Agreement shall be substantially in the form attached to the Declaration as **Schedule D** or such other form as is reasonably approved by the Owners, the Board of Managers and any Recognized Mortgagee.

Section 14.2. Liability of Depositary. The Depositary shall not be liable or accountable for any action taken or disbursement made in good faith by the Depositary, except that arising from its own gross negligence or willful misconduct. The Depositary's reliance upon advice of independent competent counsel shall be conclusive evidence of good faith, but shall not be the only manner in which good faith may be shown. The Depositary shall have no affirmative obligation to prosecute a determination of the amount of, or to effect the collection of, any insurance proceeds or Award or Awards unless the Depositary shall have been given an express written authorization from both Owners and the Board of Managers, provided that if only one Owner or the Board of Managers is entitled to said insurance proceeds, then said Owner or the Board of Managers may authorize the

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Depositary to so proceed. In addition, the Depositary may rely conclusively on any certificate furnished by a Certifying Professional to the Depositary which appears on its face to have been properly furnished in accordance with the provisions of Article 11 or Article 15 hereof and shall not be liable or accountable for any disbursement of funds made by it in reliance upon such certificate or authorization.

Section 14.3. Interest on Deposited Funds. Unless otherwise specified in the Depositary Agreement, the Depositary shall purchase with any monies held by it pursuant hereto, to the extent feasible, negotiable United States Treasury bills or other United States Treasury obligations maturing within one (1) year from the date of purchase thereof, or such shorter period as, in the good faith judgment of the Depositary, would be necessary in order to have sufficient funds available for the disbursement of funds which may be required. The Depositary shall hold all funds paid or delivered to it pursuant hereto, including any securities or other investments, in trust to be applied, after deducting the Depositary's costs and expenses as provided in these By-laws. Funds constituting Restoration Funds shall be applied to the payment of the cost of the Restoration Work before using any portion of such funds for any other purpose, and then in accordance with the terms and provisions of this Agreement. Any interest paid or received by the Depositary on monies or securities held in trust, and any gain on the redemption or sale of any securities, shall be added to the monies or securities so held in trust by the Depositary. The monies received by the Depositary pursuant to any of the provisions of the Condominium Documents shall not be commingled with the Depositary's own funds, unless otherwise agreed to by the Owners and the Board of Managers, and shall be held by the Depositary in trust for the uses and purposes herein provided.

Section 14.4. Indemnification of Depositary. In consideration of the services rendered by the Depositary, the Owners and the Board of Managers jointly and severally agree to indemnify and hold harmless the Depositary from any and all damage, liability or expense of any kind whatsoever (including, but not limited to, reasonable attorneys' fees and expenses) incurred in the course of Depositary's duties hereunder or in the defense of any claim or claims made against Depositary by reason of its appointment hereunder, except where due to the gross negligence, bad faith failure to act or willful misconduct of the Depositary.

Section 14.5. Appointment of Successor Depositary.

(a) The Depositary may resign by serving not less than sixty (60) days' prior notice to the Owners, the Board of Managers and the Recognized Mortgagees. Within such sixty (60) day period, the Board of Managers, with the reasonable consent of the Recognized Mortgagees, shall appoint a substitute who qualifies as a Depositary pursuant to Section 14.5(b), and the resigning Depositary shall transfer all funds, together with copies of all records, held by it as Depositary to such substitute, at which time its duties as Depositary shall cease. If the Owners and the Board of Managers are unable to agree upon a substitute within said sixty (60) days, such dispute shall be an Arbitrable Dispute. If a Depositary is not appointed within the sixty (60) day period, the resigning Depositary shall continue to hold, receive and invest any funds payable to the Depositary hereunder but shall have no other duties or obligations as Depositary other than to invest the funds as herein provided and to transfer all funds and records to the new Depositary when selected. The Depositary may, after not less than twenty (20) days prior written notice to the Owners and the Board of

Managers (given no sooner than forty (40) days after the resignation notice referred to above), deposit such funds with either a court of competent jurisdiction or with a bank or trust company in New York, New York who qualifies as a Depositary.

(b) Pursuant to Section 14.1, Chase shall serve as the initial Depositary and thereafter HDC shall serve as the Depositary. At such time as neither Chase nor HDC is the Depositary, the Board of Managers, with the reasonable consent of all Recognized Mortgagees, may select a successor Depositary. Thereafter, the Board of Managers may replace the Depositary for any reason subject to the reasonable approval of the Recognized Mortgagees. Further, as to any successor Depositary, if any Depositary fails to perform its obligations hereunder diligently and competently, or if any Depositary ceases to meet the financial requirements set forth herein for a Depositary, then the Board of Managers may elect to remove and replace the Depositary upon notice to the Unit Owners and the Recognized Mortgagees. The notice shall set forth with specificity the respect or respects in which such Depositary shall have failed to perform diligently or competently or no longer meets the financial requirements for a Depositary set forth herein, and shall be accompanied by any available evidence supporting such claim. Any such removal of the Depositary shall be subject to the reasonable approval of the Unit Owners and the Recognized Mortgagees (other than any Recognized Mortgagee serving as the Depositary). If a party does not approve or disapprove the removal within ten (10) days after the aforesaid notice is given, such party's approval shall be deemed given. Any dispute shall constitute an Arbitrable Dispute. The Depositary sought to be replaced may give evidence or otherwise participate in the Arbitration proceeding, but said proceeding shall not serve any purpose other than the purpose of determining whether the Board of Managers is entitled to have the Depositary replaced.

ARTICLE 15

DISBURSEMENTS OF RESTORATION FUNDS BY DEPOSITARY

Section 15.1. Disbursement Requests. Each request pursuant to the provisions of these By-laws for disbursement of insurance proceeds, or any Net Awards deposited with the Depositary, including any interest or income earned thereon (the **"Restoration Funds"**) for application to the cost of construction, repair, restoration or demolition including the non-construction costs related thereto (the **"Restoration Work"**) shall be accompanied by the certificates required under this Article 15 and otherwise comply with the provisions of this Article.

Section 15.2. Restoration Funds.

(a) Reimbursement of Depositary's Expenses. Before disbursing any Restoration Funds pursuant to the provisions of this Article 15, the Depositary shall reimburse itself therefrom to the extent of the necessary and proper expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred by the Depositary in the collection of such Restoration Funds. In the case of restoration under Section 11.5, such expenses shall be paid by the Unit Owners and/or the Board of Managers as applicable, based on the Architect Condemnation Ratio.

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(b) Disbursement of Restoration Funds.

(i) ***Application for Disbursement.*** Subject to the provisions of Sections 15.2(b) (ii) and (iii) and Section 15.2(c) and (d) below, the Depositary shall disburse the Restoration Funds in connection with the Restoration Work, in installments as the Restoration Work progresses, to the Owner or the Board of Managers, as applicable, submitting the Restoration Funds Request (as hereinafter defined), in strict accordance with the provisions of this Section. If the Restoration Work is made pursuant to Section 7.1, the Owner submitting the Restoration Funds Request shall also provide a copy of such request to its Recognized Mortgagee(s) and to the Board of Managers . If the Restoration Work is made pursuant to Section 7.3 or Section 11.5, then each Restoration Funds Request shall be sent to each Owner and all Recognized Mortgagees. Each party entitled to receive a Restoration Funds Request shall also receive the accompanying documents set forth in Section 15.3. Advances by the Depositary shall be made not more than once a month, after the Depositary's receipt of a written request therefor from an Owner or the Board of Managers, as applicable, addressed to the Depositary (each such request being herein called a **"Restoration Funds Request"**), provided that:

(A) such Restoration Fund Request shall be accompanied by a certificate of the Owner(s) or the Board of Managers, as applicable, (1) requesting payment of specified amounts of the Restoration Funds equal to the amounts then due and owing to contractors or other parties for performance of all or a portion of the Restoration Work, under specific contracts or agreements in respect of the Restoration Work, or to an Owner or the Board of Managers as reimbursement for a cost of the Restoration Work paid by the Owner or the Board of Managers, (2) describing in reasonable detail the services or materials already provided under such contracts or agreements, (3) stating that such payment does not exceed the amount then due and owing (or reimbursable) in respect of such services and materials under such contracts or agreements, (4) stating that all such services have been performed, and that all such materials have been incorporated into the Building (except for such materials specifically delineated as not yet being so incorporated into the Building), and (5) stating that the cost of such services and materials has not previously been made the basis of any Restoration Funds Request (such certificate being herein called the **"Owner's Certificate"**);

(B) the Depositary receives any certificates and lien waivers required pursuant to Section 15.3;

(C) the requirement to provide any deposit under Section 15.4, if any, has been satisfied; and

(D) with respect to insurance proceeds, the Estimate shall have been determined hereunder pursuant to the provisions of Section 7.5 and the insurance claims in respect of the repair or restoration in question shall have been adjusted, and all amounts required to be deposited to the Depositary by the Owners or the Board of Managers pursuant to Section 7.5 hereof shall have been so deposited. With respect to a Condominium Taking to which Section 11.5 applies, the Depositary shall be holding the Net Awards, and all other amounts required to be deposited under Section 11.5(d) shall have been deposited.

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(ii) ***Materials Not Incorporated***. The Depositary shall not make any installment payment for materials (which term shall include all fixtures and equipment), purchased but not yet incorporated in the Building, unless (a) the Recognized Mortgagee of the Owner making such request consents, which consent shall not be unreasonably withheld, (b) there shall have been delivered to the Depositary certificates of insurance for such materials, fixtures and equipment naming the Depositary as "loss payee" and insuring against casualty, loss and theft for one hundred (100%) percent of the cost thereof, (c) the Certifying Professional shall state that in the opinion of the Certifying Professional (1) such materials are securely stored, properly inventoried and clearly marked to indicate that they are the property of the Owner or the Board of Managers as applicable, are in compliance with the Plans, are finally assembled, fully-fabricated building materials and that the bills of sale therefor are acceptable, and (2) the Owner or the Board of Managers as applicable, owns such materials free and clear of all liens (excluding the lien of any Recognized Mortgagee) and encumbrances of any nature whatsoever, and (d) the aggregate amount of such disbursements for such stored materials shall not exceed $500,000 in 1999 Equivalent Dollars.

(iii) ***Minimum Required Retainage***. There shall be retained from each advance of the Restoration Funds made on account of labor and materials an amount equal to the retainage under the applicable contract, but not less than five percent (5%) of the amount that would otherwise have been payable if there were no retainage under the applicable contract. The retainage with respect to any trade contract for construction or materials (excluding any general contractor's fee, construction manager's fee or any general conditions set forth in such contracts) shall not be payable prior to the date that is thirty (30) days after the date upon which such contract shall be fully completed (that is, the date that 100% of all services and/or materials to be performed and/or provided thereunder shall have been fully performed and/or provided, including all "punch list" items). For purposes of applying this Section 15.2(b)(iii), all contracts with the same contractor (and/or with a series of affiliated contractors) shall be treated as a single contract. A true and complete copy of each contract in respect of the Restoration Work shall be delivered upon request to the Depositary and the Certifying Professional, as well as the Recognized Mortgagees.

(c) Restoration to a Single Unit. If the Depositary receives a certificate from an Owner stating that, pursuant to Section 7.1(b), the Owner is entitled to receive the entire net proceeds of the insurance paid to the Depositary, the Depositary shall send a notice to the Board of Managers, the other Owner and those Recognized Mortgagees whose names and addresses have been given to the Depositary, enclosing a copy of the certificate received from the Owner and stating that unless an objection is received from a notified party within five (5) business days after receipt of the notice from the Depositary, the Depositary will be authorized to pay the amount requested to the requesting Owner, except that if Depositary has received a notice pursuant to Section 17.5 of these By-laws, then to such Recognized Mortgagee of the requesting Owner. The amount to be paid by the Depositary under this Section 15.2(c) shall not exceed $200,000 (or such lesser amount as provided in the Depositary Agreement), in 1999 Equivalent Dollars.

(d) Disbursement of Surplus Net Award. The Depositary shall disburse such portions of Net Awards held pursuant to Section 11.5 constituting a Surplus Net Award to the extent provided in Section 11.5(e) at such time as and otherwise pursuant to such Section 11.5(e).

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(e) Disbursement of Remaining Restoration Funds.

(i) Any Restoration Funds from insurance proceeds remaining after the completion of the Restoration Work, as certified by the Certifying Professional, shall be paid to the Owner(s) or the Board of Managers, as applicable, in accordance with Section 7.6, provided, however, that if the Depositary has received a notice from a Recognized Mortgagee of a Unit pursuant to Section 17.5, then the portion of the Restoration Funds otherwise payable to the Owner of the Unit securing the Mortgage held by the Recognized Mortgagee, shall be paid to the Recognized Mortgagee.

(ii) Any Restoration Funds from an Award remaining after completion of the Restoration Work, as certified by the Certifying Professional, shall be paid in accordance with Section 11.5(h) or the Board of Managers, as applicable, provided, however, that if the Depositary has received a notice from a Recognized Mortgagee pursuant to Section 17.5, then the portion of the Restoration Funds otherwise payable to the Owner of the Unit securing the Mortgage held by the Recognized Mortgagee, shall be paid to the Recognized Mortgagee.

Section 15.3. Conditions Precedent to Disbursement of Restoration Funds. The following are conditions precedent to each payment of Restoration Funds requested to be made pursuant to a Restoration Funds Request:

(a) Certificate of Certifying Professional. The Restoration Funds Request shall be accompanied by a certificate, dated not more than ten (10) days prior to such request, by the Certifying Professional stating, based upon a site observation of the Building made not more than twenty (20) days prior to the Restoration Funds Request, that:

(i) The amount then requested to be paid either has been paid by the Owner(s) or the Board of Managers, or is justly due to contractors, subcontractors, materialmen, engineers, architects or other persons (whose names and addresses shall be stated), who have rendered or furnished services or materials for the Restoration Work pursuant to signed contracts approved in accordance with Section 7.1, 7.2, 7.3 or 11.5, as applicable, based on the Certifying Professional's estimated value of the work in place, giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of such parties with respect thereto, any retainage, and stating, in reasonable detail, the progress of the Restoration Work in connection with the restoration up to the date of the certificate.

(ii) No part of such expenditure has been or is being made the basis, in any previous or then pending request, for the payment of Restoration Funds, or has been paid out of any of the Restoration Funds.

(iii) The amount then requested does not exceed the cost of the services and materials described in the certificate, less the applicable retainage.

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(iv) All the Restoration Work theretofore performed has been performed substantially in accordance with the plans and specifications for such Restoration Work required pursuant to Article 7 or 11, as the case may be.

(v) The materials for which payment is being requested are at least equal in quality to the items being restored or replaced and are in accordance with the plans and specifications for such Restoration Work.

(vi) Except in the case of the final request for payment by the Owner(s) or the Board of Managers, the balance of the Restoration Funds held by the Depositary (including any funds or other security provided by the Owner(s) or the Board of Managers in accordance with Section 15.4 hereof) shall be sufficient, upon completion of the Restoration Work, to pay for such work in full, and estimating, in reasonable detail, the total and remaining costs to complete such Restoration Work.

(vii) In the case of the final request for payment by the Owner(s) or the Board of Managers, the Restoration Work shall have been fully completed (including "punchlist items") in accordance with the provisions of this Agreement.)

(viii) If the Restoration Funds Request includes costs for materials not yet incorporated into the Building, the opinions required in Section 15.2(b)(ii)(2) above.

(ix) That all permits and approvals required for the Restoration Work to date have been issued.

(x) That any lien waivers required pursuant to Section 15.3(c) have been obtained.

(xi) That the Builder's Risk insurance required pursuant to Section 6.1(a) is in place to the extent necessary.

(xii) In connection with a request for the payment of any retainage, a certification that the work required to be performed has been fully completed (including any punch list items) for a period of not less than thirty (30) days.

(b) Certificate of Title Insurance. The Restoration Funds Request shall be accompanied by a report, search or certificate, dated not more than five (5) days prior to such request, of a title insurance company reasonably satisfactory to the Board of Managers showing that there are no vendor's, mechanic's, laborer's or materialman's liens filed against any Unit, except such as will be discharged upon payment of the amount then requested to be disbursed.

(c) Lien Waivers. The Restoration Funds Request shall be accompanied by waivers of all mechanic's and other similar liens with respect to all of the Restoration Work for which a Restoration Funds Request has previously been made and funded.

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Section 15.4. Restoration Fund Deficiency. If, in connection with any Restoration Work, a determination that a deficiency exists has been made pursuant to Section 7.5 or Article 11, or at any time during the prosecution of the Restoration Work, the Certifying Professional reasonably estimates that the cost to complete the Restoration Work exceeds the Restoration Funds then being held by the Depositary, plus any funds or security previously deposited pursuant to the provisions of this Section 15.4, then (a) the Owner or Owners or the Board of Managers responsible for such deficiency as provided in Article 7 or Article 11, as applicable, shall deposit with the Depositary an amount equal to such deficiency and (b) no monies shall be disbursed by the Depositary for Restoration Work until the provisions of this sentence or the next sentence have been satisfied. In lieu of depositing its share of such deficiency, an Owner or the Board of Managers may deliver to the Depositary an irrevocable and unconditional letter of credit in favor of the Depositary in the face amount of the share of the deficiency owed by such Owner or the Board of Managers or such other security as may be reasonably acceptable to the other Owner and/or the Board of Managers, as applicable, provided the same is in a form reasonably satisfactory to the Recognized Mortgagee(s),and has an expiration date of no earlier than sixty (60) days beyond the estimated completion date for the Restoration Work. Any amounts or other security deposited hereunder shall be applied by the Depositary (i) to the cost of the Restoration Work after application of any insurance proceeds or condemnation Awards, as the case may be, and any interest or income earned thereon, to the cost of any Building Restoration Work or (ii) to the extent that the deficiency deposit was required or is being maintained for the cost of any Restoration Work attributable to any act or omission of, or change requested or required by, the depositing Owner or the Board of Managers, as applicable, to such cost.

Section 15.5. Disbursement Based on Partial Owner Certificate. If a Restoration Fund Request is submitted to the Depositary by only one of the Owners or by the Board of Managers, together with such Owner's or the Board of Manager's certificate stating that the other Owner and/or the Board of Managers, as applicable, is obligated to execute the Owner's Certificate but has failed to do so, and requesting that, pursuant to Section 7.7 or 11.5(f), the Owner's Certificate be accepted without the full execution of the Owner's Certificate, the Depositary shall promptly send a copy of the Owner's Restoration Fund Request and the accompanying certificate to the other Owner and/or the Board of Managers, as applicable, and to those Recognized Mortgagees who have given their names and addresses to the Depositary, in writing, accompanied by a statement from the Depositary that, unless objection is received from any of the notified parties, the Depositary will permit that the Owner's Certificate in question be signed by only the submitting Owner or the Board of Managers, as applicable. If no objection is received by the Depositary within ten (10) business days thereafter, the Depositary shall be authorized to accept the Owner's Certificate signed only by the one Owner or the Board of Managers, as applicable, and to the extent that the other provisions of this Article 15 have been complied with, the Depositary shall pay the requested portion of the Restoration Fund as requested.

ARTICLE 16

ARCHITECT

Section 16.1. Appointment of Architect. The Board of Managers has appointed Greenberg Farrow Architecture Engineering Development to serve under and pursuant to the terms and provisions of the Condominium Documents (Greenberg Farrow Architecture Engineering Development or any replacement architect appointed pursuant to the provisions hereof, is herein referred to as the "**Architect**"). The Board of Managers may replace the Architect for any reason, provided that any such replacement Architect shall be a registered firm consisting of both architects and engineers (or a registered firm of architects and a registered firm of engineers agreeing to act jointly hereunder) having not less than five (5) principals or partners and employing not less than twenty (20) persons, which is not an Affiliate, and is experienced in the design and operation in the City of New York of structures similar to the Building and has provided such services within not less than three (3) of the immediately preceding ten (10) years. Either Owner also may cause the Architect to be replaced for any reason but not more than once during any consecutive twelve (12) month period. If both Owners do not jointly desire to replace the Architect, then the Owner desiring replacement of the Architect shall serve notice upon the other Owner, the Board of Managers and the Recognized Mortgagees requesting the removal of the then-serving Architect. Any Architect acting hereunder shall have the right to resign at any time upon not less than ninety (90) days' prior written notice to the Unit Owners, the Board of Managers and the Recognized Mortgagees.

Section 16.2. Notice of Submission of Dispute to Architect. In any instance when the Architect serving pursuant to Section 16.1 hereof is authorized by the Condominium Documents to advise the Owners or the Board of Managers concerning any dispute or matter, the Board of Managers, if involved in the dispute, or any Owner involved in such dispute or matter may submit the same to the Architect. The party submitting such dispute or matter shall simultaneously give notice of the submission of such dispute or matter to the other Owner or the Board of Managers involved in such dispute and to the Recognized Mortgagees. The Architect shall, except in an Emergency Situation, afford each party involved in any dispute or matter, the Recognized Mortgagees and any attorney or other representative designated by such party or the Recognized Mortgagees, an opportunity to furnish information or data or to present such party's views. The Architect shall not be liable for any advice given by it hereunder, or for any other action taken by it hereunder, in good faith and in the absence of negligence. No advice given by the Architect under the Condominium Documents shall be binding on the Owners or the Board of Managers, and an Owner or the Board of Managers may accept or reject such advice. Any advice, certificate or other information given by the Architect pursuant to the terms of the Condominium Documents shall be based on the Architect's professional opinion.

Section 16.3. Replacement of Architect. If any new Architect is appointed hereunder, and if the Architect being replaced is then engaged in the resolution of any dispute or matter theretofore submitted hereunder, or if the Architect being replaced is then engaged in the preparation of any plans and specifications or in the supervision of any work required hereunder or pursuant hereto, then, if the Owners and the Board of Managers so choose, subject to the consent of the Recognized Mortgagees, the Architect being replaced shall continue to act as Architect with respect,

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and only with respect, to such pending dispute or matter or the completion of such preparation of plans and specifications or supervision of any such work.

Section 16.4. Architect's Fees. The Architect shall be paid a reasonable fee for any services rendered hereunder and shall be reimbursed for reasonable and necessary expenses incurred in connection therewith, and each Owner, and the Board of Managers, as applicable, involved in the work shall pay its equitable share of such fees (unless otherwise specified herein). In this regard, in any instance when the Architect shall, in accordance with any of the provisions of this Agreement, render services in connection with the preparation of plans and specifications or the supervision of repair, restoration or demolition of the Building or any part thereof, the fees and expenses of the Architect shall be considered as costs and expenses of such repair, restoration or demolition, as the case may be, and shall be paid in the same manner as other costs and expenses of repair, restoration and demolition under the provisions of the Condominium Documents pursuant to which the Architect is performing such services. Nothing contained herein shall preclude any Owner or the Board of Managers from separately retaining the Architect for services not contemplated by this Article 16 provided such services are separately paid for by such Owner or the Board of Managers, as applicable. If any Owner shall fail to pay its allocable share of any fees or expenses of the Architect within ten (10) days after receipt of any invoice therefor from the Architect, then any other Owner or the Board of Managers may pay the same and the Owner failing to pay shall, within ten (10) days after written demand for reimbursement, reimburse the other Owner or the Board of Managers for any such payment.

ARTICLE 17

GENERAL

Section 17.1. Notices.

(a) All notices required or desired to be given hereunder shall be sent by registered or certified mail. All notices to the Board of Managers shall be sent to the Board at the Property or to such other address as the Board may hereafter designate from time to time, in writing. Notices to a Unit Owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by said Unit Owner from time to time, in writing, to the Board of Managers. All notices to Mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given five (5) days after mailing, except notices of change of address which shall be deemed to have been given when received.

(b) Whenever any notice is required to be given by law, the Declaration or these By-laws, a waiver thereof, in writing, signed by the person(s) entitled to such notice, whether before or after the times stated therein, shall be deemed the equivalent thereof.

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Section 17.2. Real Estate Taxes.

(a) During any interim period following recording of the Declaration when individual tax lots legally will be established of record for each Unit but during which time separate real estate tax assessments and real estate tax bills for each tax lot have not yet been issued (the "**Interim Period**"), real estate taxes shall be allocated to each Unit based on real estate taxes assessed against the entire Property. During this Interim Period each Unit's proportionate share of real estate taxes will be based on the Common Interest allocated to the Unit. If at the time the Units are separately assessed, it is determined that the assessing authority used a method of allocation of the Property assessment among the Units substantially different than the foregoing, the allocations made during the Interim Period will be adjusted to incorporate the method of assessment used by the assessing authority and any necessary reimbursements shall be made.

(b) Sponsor shall pay all real estate taxes assessed and payable for the Property or the Units, as applicable, while Declarant owns all Units.

(c) (i) After conveyance of a Unit by Declarant, if the Units are still at that time not separately assessed, the Board of Managers will collect from each Unit Owner, and will place in escrow, an amount equal to the Unit Owner's estimated proportionate share of real estate taxes projected to be due for the entire Property on the next upcoming tax payment due date, based on the foregoing allocation method. Escrows for real estate taxes will be billed and collected monthly with Common Charges, based upon the then current tax rate (or a higher rate to hedge against a possible increase in rate at the beginning of a new tax year, if the new rate has not yet been set). The Board of Managers will pay all taxes allocable to Units, at the time such taxes are due, from the tax escrow account.

(ii) If the actual taxes due for any period for which the Board of Managers collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a special assessment. If any Unit Owner fails to pay said Owner's pro rata share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Board of Managers will have a lien on such Owner's Unit for non-payment thereof, as if such charges were Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the Board of Managers, the Board shall pay the tax bill and return to Unit Owner, Owner's proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority. If the Units are separately assessed with tax payments to commence during a period for which the Board of Managers holds escrow funds, the Board will return the funds to each Owner and the Owner will pay said Unit Owner's own tax bill.

(d) The Board of Managers shall have the right accorded boards of managers in Section 339-y of the Condominium Act to act as an agent for each Unit Owner who gives the Board written authorization to seek administrative and judicial review of the real estate tax assessment for such Owner's Unit. The Board accordingly may retain legal counsel on behalf of the Unit Owners for which it is acting as agent, and charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Board shall have a lien as if for Common

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Charges, pursuant to Section 339-z of the Condominium Act. The foregoing shall not be deemed to prohibit a Unit Owner from initiating, pursuing, compromising or settling administrative or judicial review of the real estate tax assessment for its own Unit. Each Unit Owner may initiate, pursue, compromise or settle such administrative or judicial review with respect to its own Unit, independently from and without the consent of, any other Unit Owner or the Board of Managers.

Section 17.3. Consents. Any time either Owner or the Board of Managers, as applicable, gives any consent or approval requested to be given hereunder, the other Owner or the Board of Managers, as applicable, shall have the right to rely on such consent or approval and to presume that the party giving such consent or approval is authorized to give it and has obtained any and all approvals it may be required to obtain in connection with such consent or approval. Notwithstanding anything contained herein to the contrary, any time the consent of or other action by a Recognized Mortgagee is required pursuant to the Condominium Documents (other than a consent to an amendment to the Condominium Documents which shall require the consent of all Recognized Mortgagees), if there is more than one Recognized Mortgagee with respect to any Unit, then as to such Unit, such consent or action shall only be required from the Recognized Mortgagee holding a first mortgage lien of record secured by the Unit, or any other Recognized Mortgagee designated from time to time (and until de-designated) by such first Recognized Mortgagee to give consent in place of the holder of the first Recognized Mortgagee. However, a Unit Owner may at any time agree that there may be more than one designated Recognized Mortgagee with respect to said Owner's Unit which shall have the right to grant consents or take other action pursuant hereto. Any designation made pursuant to this Section 17.3 shall be effective within ten (10) days after notice thereof is given to the Board of Managers and/or the Unit Owner(s) and the Depositary. Notwithstanding the foregoing, all Recognized Mortgagees shall be entitled to receive all notices hereunder to be given to a Recognized Mortgagee (unless the Recognized Mortgagee stipulates that it does not require such notice). In all cases where the consent of a Recognized Mortgagee is required, such consent may not be unreasonably withheld or delayed. The parties acknowledge that (a) during the Construction Period The Chase Manhattan Bank ("**Chase**") and the New York City Housing Development Corporation ("**HDC**") will be the holders of the first mortgage liens on the Commercial Unit and the Residential Unit, respectively, and all other Recognized Mortgagees have designated Chase and HDC to give consents on their behalf, and these By-laws establish that both Chase and HDC are Recognized Mortgagees for purposes of giving consents during the Construction Period, and (b) after the Construction Period HDC will be the holder of the first mortgage lien on the Residential Unit and New York City Employees Retirement System ("**NYCERS**") will hold the first mortgage on the Commercial Unit, and all the Recognized Mortgagees have designated HDC and NYCERS to give consents on their behalf, and these By-laws establish that both HDC and NYCERS are Recognized Mortgagees for the purpose of giving consents after the Construction Period.

Section 17.4. Regulatory Agreement. Nothing contained in the Condominium Documents is intended to, or shall in any way be construed to, limit, impair, modify, or to permit or effect, or result in a termination of, the terms and conditions of that certain Regulatory Agreement affecting the Residential Unit to be entered into by and between Declarant and the New York City Housing Development Corporation and to be recorded against the Residential Unit, including but not limited to the obligations thereunder of Declarant, Sponsor or any subsequent Owner of the Residential Unit.

REEL 2886 PG 1722

Section 17.5. Rights of Recognized Mortgagees.

(a) If a Recognized Mortgagee shall have served on the other Owner(s), the Board of Managers, and the Depositary, in the manner required by Section 17.5 of these By-laws and by the Depositary Agreement, a notice specifying the name and address of such Recognized Mortgagee, such Recognized Mortgagee shall be given a copy of each and every notice, bill and statement and other information, correspondence and material provided for or required to be given by one party, including the Depositary, to the other at the same time as and whenever such notice shall thereafter be given by one party to the others, at the address last furnished by such Recognized Mortgagee. Any Recognized Mortgagee as of the date of the recording of the Declaration shall be deemed to have properly delivered to the Owners and the Board of Managers a notice specifying its name and address. After receipt of such notice from a Recognized Mortgagee, no notice, bill, etc. thereafter given by either Unit Owner or the Board of Managers shall be deemed to have been given unless and until a copy thereof shall have been so given to the Recognized Mortgagee. If a Recognized Mortgage so provides or otherwise requires, and notice thereof is given by the Recognized Mortgagee as provided above:

(i) Any insurance proceeds or Combined Award otherwise payable to an Owner (and not the Depositary) shall, upon notice from a Recognized Mortgagee of such Owner, be delivered instead to such Owner's Recognized Mortgagee.

(ii) If an Owner shall fail to appoint an arbitrator or otherwise fail to take any action as may be required or permitted under the Condominium Documents with respect to arbitration, such appointment or action as otherwise would have been permitted by that Owner may be taken by its Recognized Mortgagee and such appointment and action shall be recognized in all respects by the other Owner and the Board of Managers.

(b) If more than one Recognized Mortgagee having a lien on the Commercial Unit or more than one Recognized Mortgagee having a lien on the Residential Unit exercises any of the rights afforded by Section 17.5(a)(i) or (ii) of these By-laws, only that Recognized Mortgagee, to the exclusion of all other Recognized Mortgagees, whose Recognized Mortgage is most senior in lien with respect to the Commercial Unit or the Residential Unit, as the case may be, shall be recognized by the other Owner and the Board of Managers as having exercised such right, for so long as such Recognized Mortgagee shall be diligently exercising its rights under these By-laws with respect thereto. Thereafter only the Recognized Mortgagee whose Recognized Mortgage is next most senior in lien with respect to the Commercial Unit or the Residential Unit, as the case may be, shall be recognized by such other Owner and the Board of Managers, unless such Recognized Mortgagee has designated a Recognized Mortgagee whose Recognized Mortgage is junior in lien to exercise such right. Notwithstanding the foregoing, if the Owners have agreed to designate more than one Recognized Mortgagee with respect to the Commercial Unit or the Residential Unit, as the case may be, then such Recognized Mortgagees exercising the rights afforded by this Section 17.5 shall be recognized, as the Recognized Mortgagees designated to exercise such rights.

(c) Each Owner shall give its Recognized Mortgagee prompt notice of any arbitration or legal proceedings between such Owner and the other Owner or the Board of Managers

involving obligations under the Condominium Documents. Each Recognized Mortgagee shall have the right but not the obligation to intervene in any such proceedings and be made a party to such proceedings. In the event that any Recognized Mortgagee does not elect to intervene or become a party to any such proceedings, each Owner shall give its Recognized Mortgagee notice of, and a copy of any award or decision made in any proceedings, which shall be binding on such Recognized Mortgagee.

Section 17.6. Invalidity. The invalidity of any part of these By-laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-laws.

Section 17.7. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-laws, or the intent of any provision thereof.

Section 17.8. Plurals. The use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 17.9. Waiver. No restriction, condition, obligation, or provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE 18

AMENDMENTS TO BY-LAWS

Section 18.1. General. The rights, restrictions, conditions and obligations with respect to amending the By-laws shall be the same as the rights, restrictions, conditions and obligations with respect to amending the Declaration, as contained in Section 8.1 of the Declaration.

Section 18.2. Use of Units. Notwithstanding anything to the contrary herein contained, no provision of these By-laws or the Declaration to which they are appended relating to the use of the Units may be amended without the consent of every Unit Owner affected by such amendment.

ARTICLE 19

CONFLICTS

Section 19.1. Generally. These By-laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

REEL 2886 PG 1724

SCHEDULE D

DEPOSITARY AGREEMENT

REEL 2886 PG 1725

DEPOSITARY AGREEMENT

DEPOSITARY AGREEMENT (this "**Agreement**") made and entered into as of the ___ day of _____, ____ by and among the Board of Managers of The Renaissance Condominium, an unincorporated association, having an address at 130 Malcolm X Boulevard, New York, New York 10026 (the "**Board of Managers**"), _____, a _____ organized under the laws of the State of New York having an address at _____, New York, New York _____ (the "**Commercial Unit Owner**"), _____, a _____ organized under the laws of the State of New York, having an address at _____, New York, New York _____ (the "**Residential Unit Owner**"), and The Chase Manhattan Bank, a banking institution organized under the laws of _____, having an address at _____, New York, New York _____ ("**Chase**" or "**Depositary**").

RECITALS:

A. All capitalized terms used in this Agreement and not otherwise defined in this Agreement, shall have the meanings given to such terms in the Declaration (defined below).

B. A Declaration of Condominium dated _____, 1999 was recorded against the land described on ***Schedule A*** attached to this Agreement (the "**Property**"), on _____, 1999 in the Office of the City Register, New York County, in Reel_____, Page _____ (said Declaration, together with all exhibits and schedules attached to the Declaration, as same may be amended from time to time, collectively, the "**Declaration**").

C. The Property is located in the City, County and State of New York and is bounded by 117th Street on the North, 116th Street on the South, Malcolm X Boulevard on the West and a church on the East.

D. Upon the recording of the Declaration and the filing of the appurtenant tax lot drawings, the Property was established as a condominium pursuant to the Condominium Act (i.e., Article 9-B of the New York State Real Property Law), containing two condominium units: one unit known as the "**Commercial Unit**" and the other unit known as the "**Residential Unit,**" as more fully described in the Declaration.

E. During construction, and upon completion of construction, neither the Commercial Unit nor the Residential Unit is or will be structurally independent of the other and each will depend upon the other, to some extent, for structural support, ingress and egress, enclosure, certain utility services and certain other facilities and components necessary for the operation and use of the Commercial Unit and the Residential Unit. Upon completion of construction of the Commercial Unit and the Residential Unit, the two will comprise a single building, which building, together with the Property, is referred to in this Agreement as the "**Condominium**."

F. The Commercial Unit Owner is the record legal title holder of the Commercial Unit.

G. The Residential Unit Owner is the record legal title holder of the Residential Unit.

H. The By-laws of the Condominium, which are attached to and part of the Declaration (the "**By-laws**"), provide for the appointment of a "Depositary," as defined in the Declaration, under certain circumstances, to receive proceeds from certain insurance policies maintained by the Board of Managers of the Condominium and/or the Unit Owners, as well as to receive, under certain circumstances, certain condemnation awards, and to disburse said funds for restoration of the Property as provided in the By-laws. The By-laws designate Chase as the initial Depositary and contemplates the execution of a "Depositary Agreement," under certain specified circumstances, to confirm the appointment of the Depositary and such other matters as the parties determine.

I. Chase is willing to accept the appointment and to serve as "Depositary" under and pursuant to the By-laws and this Agreement.

J. This Agreement constitutes the "Depositary Agreement" required by the By-laws.

NOW, THEREFORE, In consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Appointment of Depositary. The Unit Owners and the Board of Managers hereby designate and appoint Chase as the Depositary under and pursuant to the By-laws. All provisions in the By-laws applicable to the Depositary and its functions are hereby incorporated by reference herein and made a part hereof as if fully set forth herein.

2. Acceptance by Depositary; Terms and Conditions. The Depositary accepts its obligations as "Depositary" under the By-laws, upon the terms and conditions therein and herein, including, without limitation, the following:

(A) The Depositary shall receive, hold, invest and disburse insurance and condemnation proceeds delivered to it in trust strictly in accordance with the provisions of the By-laws and this Agreement. Proceeds shall be invested as provided in the By-laws, unless otherwise advised by the Board of Managers, the Unit Owners and any Recognized Mortgagee who has provided its name and address to the Depositary and who is entitled under the By-laws to consent to certain actions (each such Recognized Mortgagee a "**Consenting Mortgagee**"). The Recognized Mortgagees and the Consenting Mortgagees on the date hereof (and their addresses) are identified on the signature page hereof. Interest on funds held by the Depositary shall be reported as provided in the By-laws. The tax ID number of the Residential Unit Owner

is _____. The tax ID number of the Commercial Unit is _____. The tax ID number of the Board of Managers is _____.

(B) The Depositary shall receive no fee for its services as Depositary under the By-laws and hereunder. However, the Depositary shall be reimbursed for the reasonable out-of-pocket expenses (including reasonable counsel fees) incurred by the Depositary in connection with the services rendered by it which the Depositary may deduct from the proceeds as provided in Section 15.2 of the By-laws. If there are no proceeds from which to deduct such reimbursement, the Depositary shall be otherwise paid by the Unit Owners or the Board of Managers, as applicable, promptly after Depositary's request therefor. Except for the right to deduct any out-of-pocket expenditures from the funds held by Depositary, the Depositary shall otherwise have no right of setoff with respect to any other liabilities of the Unit Owners or the Board of Managers, to Depositary.

(C) During any period in which the Depositary is holding proceeds, it will provide to the Board of Managers and to each Unit Owner as well as to any Recognized Mortgagee who has provided its name and address to the Depositary, a monthly report showing the total amount of proceeds received, earnings thereon, and amount disbursed during the previous month and in the aggregate.

(D) The Depositary may consult with one or more counsel satisfactory to it in its reasonable judgment and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken or suffered by it hereunder in accordance with the opinion of such counsel.

(E) Absent gross negligence, willful misconduct or bad faith, the Depositary shall be protected and shall incur no liability for or in respect of any action taken or omitted to be taken or suffered by it in reliance upon any notice, direction, consent, certificate, affidavit, statement or other paper or document reasonably believed by the Depositary to be genuine and sufficient, and to have been signed by the proper parties.

(F) The Depositary shall be obligated to perform such duties and only such duties as are specifically set forth in the By-laws and this Agreement and no implied duties or obligations shall be read into the By-laws or this Agreement against the Depositary. The Depositary shall deal with the Unit Owners and the Board of Managers fairly and impartially according to the By-laws, provided, however, it shall be a depository only. Depositary shall have no duty to enforce any obligation of any other person to make any payment or delivery or to enforce any obligation of any person to perform any other act. The Depositary shall be under no liability to the Unit Owners, the Board of Managers or to anyone else by reason of any failure on the part of either Unit Owner or the Board of Managers, to perform its obligations under the By-laws.

(G) To the extent that any Unit Owner or the Board of Managers requests the Depositary to take any action that is contrary to the procedures, requirements or directives

contained in the By-laws, the Depositary shall not act in accordance therewith unless it receives written consent thereto from the other Unit Owner, the Board of Managers and any Recognized Mortgagee.

(H) Depositary shall not be required to defend any legal proceedings which may be instituted against Depositary in respect of the By-laws or this Agreement unless requested to do so by one or more Unit Owners or the Board of Managers, and unless indemnified to the reasonable satisfaction of the Depositary against the cost and expense of such defense. Depositary shall not be required to institute legal proceedings of any kind. If Depositary shall become involved in any litigation or court action, (other than due to its own negligence, failure to act or willful misconduct), it shall be reimbursed for all costs and expenses, including reasonable legal fees, out of the proceeds, if available, or otherwise by the Unit Owners or the Board of Managers, as applicable. Further, in the event of any disagreement or dispute among the parties hereto, or adverse demands or claims made by any of them upon Depositary, or if Depositary otherwise becomes involved in litigation or any court action or proceeding with respect to the By-laws or this Agreement or the proceeds (other than due to its own negligence, failure to act or willful misconduct), then on ten (10) business days notice to all Unit Owners, the Board of Managers and any Recognized Mortgagee, Depositary may bring an appropriate action or proceeding for leave to deposit the proceeds in court pending the final determination of any of the foregoing matters. Additionally, Depositary shall be obligated to so deposit the proceeds in court pending the final determination of any of the foregoing matters upon the issuance, and delivery to Depositary, of a court order requiring such action.

3. Term; Resignation.

(A) Unless Chase is removed by the Unit Owners or the Board of Managers as provided in Paragraph B below or resigns in accordance with the provisions of Section 14.5(a) of the By-laws, Chase shall be entitled to be the Depositary under the By-laws and this Agreement until the time set forth in Section 14.1 of the By-laws. At such time as Chase is no longer a Recognized Mortgagee, then the Board of Managers can remove Chase as Depositary in accordance with Section 14.5(b) of the By-laws.

(B) (i) If at any time the Depositary (a) if Chase, shall wrongfully dishonor a draw under its letter of credit issued in connection with the financing of the Residential Unit or a requisition made in connection with the financing of the Commercial Unit, in either case for a period of thirty (30) days or more, and any Unit Owner or Recognized Mortgagee shall so notify the other Unit Owners and Recognized Mortgagees as well as the Depositary, or (b) shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its creditors, or consent to the appointment of a receiver of all or any substantial part of its property, or shall admit in writing its inability to pay its debts generally, or if an order of any court shall be entered approving any petition filed by or against either the Depositary under the United States Federal bankruptcy laws or any other similar Federal, State or other applicable law, or if a

receiver of it or of all or any substantial part of its property shall be appointed, or if any public officer shall take charge or control of it or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, the Depositary shall be deemed automatically removed under this Agreement and the By-laws, effective upon appointment by the Board of Managers and the Unit Owners of a successor Depositary as provided in the By-laws.

(ii) (a) Other than pursuant to Paragraph 3(A) above, so long as Chase is a Recognized Mortgagee, the Board of Managers and the Unit Owners (with the reasonable consent of the Recognized Mortgagees (other than Chase)) shall only have the right to remove Chase as Depositary and appoint a successor if Chase is negligent or has materially breached its obligations under the By-laws (**"Removal Conditions"**). The right of removal shall be exercisable only after one or more of the Unit Owners or the Board of Managers gives Chase written notice describing the Removal Condition, and, if any one or more of the Removal Conditions is a material breach (not involving fraud), Chase shall have failed to cure the breach within thirty (30) days. Notwithstanding the foregoing, if the breach cannot be cured within thirty (30) days, then if Chase shall have commenced curing and be diligently proceeding to cure, it shall not be a Removal Condition, provided such breach is cured no later than ninety (90) days after the date Chase shall have commenced curing.

(b) If one or both Unit Owners or the Board of Managers believes that a Removal Condition exists, then prior to sending the default notice to Depositary, such Unit Owner(s) or the Board of Managers shall first send the notice to the other Unit Owner or the Board of Managers, as applicable, and to all Recognized Mortgagees, describing the alleged Removal Conditions, and shall obtain the consent of the other Unit Owner or the Board of Managers (as applicable) and Consenting Mortgagees (other than Chase) prior to sending the default notice to Chase. If a consenting party does not approve or disapprove the removal within ten (10) days after the aforesaid notice is given, such party's approval shall be deemed given. Any dispute shall constitute an Arbitrable Dispute. Chase may give evidence or otherwise participate in the Arbitration proceeding, but said proceeding shall not serve any purpose other than the purpose of determining whether a Unit Owner or the Board of Managers is entitled to have the Depositary replaced.

(C) Any successor Depository shall be selected in accordance with Section 14.5 of the By-laws, with the removal of Chase effective upon selection of the new Depositary as provided in the By-laws.

(D) Upon its resignation or removal, the Depositary shall be entitled to the payment by the Unit Owners or the Board of Managers, as applicable, for the reimbursement of all reasonable out-of-pocket expenses incurred in connection with the services properly rendered by such Depositary and not previously reimbursed.

REEL 2886 PG 1730

4. Miscellaneous.

(A) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(B) Amendment. This Agreement may not be changed orally or modified, amended or supplemented without an express written agreement executed by the Unit Owners, the Board of Managers and all Recognized Mortgagees.

(C) Amendments to By-laws. The Unit Owners shall not enact any amendment to the By-laws which adversely affects the rights or materially increases the obligations of the Depositary thereunder without the consent of the Depositary and no such amendment shall bind the Depositary unless it so consents. The Unit Owners shall provide Depositary with copies of any amendments to the By-laws which affect any of the insurance, condemnation or Depositary provisions.

(D) Notices. Each notice, demand, request, consent approval, disapproval, designation or other communication (all of the foregoing are herein referred to as a "notice") that a party is required, permitted or desired to give or make or communicate hereunder shall be in writing and shall be given or made or communicated by personal delivery, or by Federal Express or other reputable overnight national courier service in accordance with Section 17.1 of the By-laws with respect to all parties identified in such Section, and if to the Depositary, in accordance with such Section, to the following address (or such other address as it may provide from time to time in accordance with Section 17.1).

The Chase Manhattan Bank
_____ Street
New York, New York _____
Attention: _____

With respect to the Recognized Mortgagees, notices shall be given in accordance with Section 17.1 of the By-laws, at the addresses shown on the signature page of this Agreement.

(E) Counterparts. This Agreement may be executed in separate counterparts and by each party separately on a separate counterpart, with each such counterpart, when so executed and delivered, to be an original. Such counterparts shall together constitute but one and the same instrument.

(F) Successors and Assigns; No Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of each party's respective heirs, personal representatives, successors and assigns. This Agreement is intended to be for the sole benefit of the parties hereto, their respective successors and assigns, and none of the provisions of this

REEL 2886 PG 1731

Agreement are intended to be, nor shall they be construed to be, for the benefit of any third person. No other person shall acquire or have any rights under or by virtue of this Agreement.

THE BOARD OF MANAGERS OF THE RENAISSANCE CONDOMINIUM

By:_____
Name:
Title:

_____, Commercial Unit Owner

By:_____
Name:
Title:

_____, Residential Unit Owner

By:_____
Name:
Title:

Consenting & Recognized Mortgagees:

[Name of Institution]_____
By:_____
Name:
Title:

[Name of Institution]_____
By:_____
Name:
Title:

[Name of Institution]_____
By:_____
Name:
Title:

The Chase Manhattan Bank, Depositary

By:_____
Name:
Title:

SENT BY: 6- 1-99 ;10:48AM ;RSPA&B 1290 6th Ave.→ FATICONY;# 3/ 3

135NYNY24441-3

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ELIOT SPITZER
Attorney General

DIETRICH L. SNELL
Deputy Attorney General
Division of Public Advocacy

JONATHAN BEYER
Assistant Attorney General in Charge
Real Estate Financing Bureau

(212)416-8162

REEL 2886 PG 1732

January 7, 1999

Erica Forman, Esq.
Robinson Silverman Pearce Aronsohn & Berman
1290 Avenue of the Americas
New York, New York 10104

REEL 2886 PG 1732

Re: The Renaissance Condominium

Dear Ms. Forman:

In response to your letter of January 7, 1999 this will serve to confirm that the Attorney General does not assert jurisdiction over the filing of a condominium declaration where no sale of units is taking place. Therefore the filing of a declaration of condominium without sales does not require the filing of an offering plan or the receipt of a no-action letter.

In the event any condominium sales are contemplated, an offering plan or a no-action letter would be required prior to the offer for sale. If you have any further questions, please feel free to call me at 416-8162.

Very truly yours,

Marissa Piesman
Assistant Attorney General

120 Broadway, New York, NY 10271 ● (212) 416-8170 ● Fax (212) 416-8179

CITY REGISTER RECORDING AND ENDORSEMENT PAGE
- NEW YORK COUNTY -
(This page forms part of the instrument)

Block(s): 1600

Lot(s): FKA 1 NKA 1001, 1002 Commerical Unit, Residential Unit (Unit 1) (Unit 2)

FIRST AMERICAN TITLE INSURANCE COMPANY OF NEW YORK
228 EAST 45TH STREET
NEW YORK, NY 10017
(212) 922-9700

135NYNY24441-3

Attn: Erica R. Forman

RECORD & RETURN TO:

NAME ▼ Robinson Silverman Pearce etal

ADDRESS ▼ 1290 Avenue of the Americas

CITY ▼ New York STATE ▼ NY ZIP ▼ 10104

OFFICE USE ONLY - DO NOT WRITE BELOW THIS LINE

THE FOREGOING INSTRUMENT WAS ENDORSED FOR THE RECORD AS FOLLOWS:

Map# 5607

Examined by (✍): [signature]

Mtge Tax Serial No.	
Mtge Amount	$
Taxable Amount	$

Exemption (✓) YES ☐ NO ☐

Type: (CIRCLE ONE) [339EE] [255] [OTHER]

Dwelling Type: (CIRCLE ONE) [1 to 2] [3] [4 to 6] [OVER 6]

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addt'l)	$
Spec Addt'l	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

Joy A. Bobrow, City Register

City Register Serial Number → 025190

Indexed By (✍): [initials]

Verified By (✍): [initials]

Block(s) and Lot(s) verified by (✓): [initials]

Address ☐ Tax Map ☐

Extra Block(s) Lot(s) 2

Recording Fee B	$ 588
Affidavit Fee (C)	$
TP-584/582 Fee (Y)	$
RPTT Fee (R)	$

HPD-A ☐ HPD-C ☐

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 →

REEL 2886 PG 1733

OTHER CONVEY 0275 588.00

LO/TL	CSHR	RECPT	DATE	TIME
1-1	8	60771	Jun 4-99	12:1

RECORDED IN NEW YORK COUNTY
OFFICE OF THE CITY REGISTER

1999 JUN -4 P 12: 11

Witness My Hand and Official Seal

[signature] City Register

-H-002

12. CERTIFICATIONS

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC
42-09 235th Street
Douglaston, NY 11363
(718) 224-7147

January 12, 2000

Bureau of Real Estate Finance
New York State Department of Law
120 Broadway
New York, NY 10271

Re: Renaissance Housing Development Fund Corporation
130 Malcolm X Boulevard
New York, New York 10026

The undersigned certify as follows:

Central Harlem Partnership Plaza, LLC is the sponsor ("**Sponsor**") of the Cooperative Offering Plan – A Plan for Cooperative Ownership of the Residential Unit of the Renaissance Condominium, Located at 130 Malcolm X Boulevard, New York, New York 10026 (the "**Plan**"). The undersigned are the Sponsor and the principals of the Sponsor of the Plan.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 21 and such other laws and regulations as may be applicable.

We have read the entire Plan. We have investigated the facts set froth in the Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the plan does, and that documents submitted hereafter by us which amend or supplement the Plan will:

i. set forth the detailed terms of the transaction and be complete, current and accurate;

ii. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

iii. not omit any material fact;

iv. not contain any untrue statement of a material fact;

v. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

vi. not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

vii. not contain any representation or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

CENTRAL HARLEM PARTNERSHIP PLAZA, LLC
By: Suna/Levine Industries, Inc., Managing Member

By: _____
Jeffrey E. Levine, President

By: _____
Jeffrey E. Levine, Member

By: _____
Stuart Match Suna, Member

_____
Jeffrey E. Levine

_____
Stuart Match Suna

Sworn to before me this
12 day of January, 2000

_____
Notary Public

MATTHEW J. FELDMAN
Notary Public, State of New York
No. 02FE5070133
Qualified in New York County
Commission Expires Dec. 9, 2000

January 25, 2000

GREENBERG FARROW ARCHITECTURE ENGINEERING DEVELOPMENT
245 Fifth Avenue, 26th Floor, New York, New York 10016
tel 212.725.9530 · fax 212.725.9552
www.greenbergfarrow.com

NEW YORK, New York
ATLANTA, Georgia
CHICAGO, Illinois
SOMERVILLE, New Jersey
LOS ANGELES, California
SAN FRANCISCO, California

To: Bureau of Real Estate Financing
New York State Department of Law
120 Broadway
New York, NY 10271

Project: ANCHOR PARTNERSHIP PLAZA, NY
GFA Project Number 980578

RE: **Residential Unit of The Renaissance Condominium**
130 Malcolm X Boulevard
New York, NY 10026

CERTIFICATION OF ARCHITECT

The undersigned certifies as follows:

The Sponsor of the offering plan (the "**Offering Plan**") to establish the captioned property (the "**Property**") as a cooperative, retained our firm to prepare a report disclosing construction of the project when completed. We also were retained to prepare plans and specifications for the project. We accordingly prepared the plans and specifications dated June 21, 1999 (the "**Plans and Specifications**"), and prepare the report dated January 25, 2000 (the "**Report**"), a copy of which Report is intended to be incorporated into the Offering Plan so prospective purchasers may rely on it.

We understand the we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 21 insofar as they are applicable to the Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

i. sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications;

ii. in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications;

iii. does not omit any material fact;

iv. does not contain any untrue statement of a material fact;

v. does not contain any fraud, deception, concealment, or suppression;

vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

vii. does not contain any representation or statement which is false, where we (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

This statement is not intended as a guarantee or warranty of the physical condition of the Property.

GREENBERG FARROW ARCHITECTURE INC.

By: _____

Name: Navid Maqami
Date: 1/25/00

[Seal]

REGISTERED ARCHITECT
NAVID QAIM-MAQAMI
No. 022311-1
STATE OF NEW YORK

STATE OF NEW YORK:
COUNTY OF NEW YROK: SS:

Sworn to before me this
25th day of JANUARY, 2000.

_____
Notary Public

JOSEPHINE KLEIMAN
Notary Public, State of New York
No. 4504334
Qualified in New York County
Commission Expires ~~March 30, 19~~ 2001
NOVEMBER 30, 2001

METRO MANAGEMENT
DEVELOPMENT, INC.
■ APARTMENTS ■ CO-OPS ■ CONDOMINIUMS ■ COMMERCIAL

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET FOR APARTMENT CORPORATION & CONDOMINIUM

January 12, 2000

New York State Department of Law
120 Broadway
New York, NY 10271
ATTN: BUREAU OF REAL ESTATE FINANCING

RE: RESIDENTIAL UNIT OF THE RENAISSANCE CONDOMINIUM and THE RENAISSANCE CONDOMINIUM
130 MALCOLM X BOULEVARD
NEW YORK, NY 10026

The undersigned certifies as follows:

The Sponsor of the Offering Plan for Cooperative Ownership of the Residential unit of The Renaissance Condominium (the "**Plan**") retained our firm to review Schedule B ("**Schedule B**") containing projections of income and expenses for the first year of cooperative operation of Renaissance Housing Development Fund Corporation (the "**Apartment Corporation**"), and Schedule C ("**Schedule C**"), containing projections of income and expense for the first year of condominium operation of Renaissance Condominium (the "**Condominium**"). Metro Management has been engaged in the management of residential real estate for the past 15 years and currently manages approximately 65 properties, comprising 10,000 residential and commercial units.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 21 insofar as they are applicable to Schedule B and Schedule C (collectively, the "**Schedules**").

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying the Schedules with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed-use buildings (i.e., buildings containing both residential and non-residential uses).

We certify that the projections in the Schedules appear reasonable and adequate based on present prices adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated.

New York State Department of Law
January 12, 2000

We certify that this certification and all documents prepared by us hereafter that concern the Schedules:

(i) set forth in detail the terms of the transaction as it relates to the Schedules and are or will be, as applicable, complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) do not contain any representations or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in Sponsor, and that our compensation for preparing this certification is not contingent on conversion of the Residential Unit to a cooperative or on the profitability or price of the offering. We understand that a copy of this certification is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on it.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

METRO MANAGEMENT DEVELOPMENT, INC.

By: _____

Name: Irving Nemetsky
Title: President

Sworn to before me this
12th day of JANUARY, 2000

_____
Notary Public

DAVID M. BARON
NOTARY PUBLIC, State of New York
No. 01BA5022568
Qualified in Queens County
Commission Expires January 18, 20__