COOPERATIVE PLAN

A PLAN FOR COOPERATIVE OWNERSHIP OF THE RESIDENTIAL UNIT OF THE BRADHURST COURT CONDOMINIUM

BRADHURST COURT

300 WEST 145TH STREET
NEW YORK, NEW YORK 10039

TOTAL PURCHASE PRICE FOR 127 APARTMENTS: .....$ 29,486,000
MORTGAGE INDEBTEDNESS:.....$ 11,714,616
TOTAL OFFERING:.....$ 41,200,616

RESERVE FUND:.....$127,000

The Cooperative will have 128 Apartments including Apartment 1H which will be used as the Superintendent's Apartment and as to which no Shares have been allocated. 84,246 Shares appurtenant to the 127 Apartments are being offered under this Plan. The Condominium will also have 2 Retail Units and 1 Parking Unit that are not being offered for sale at this time.

SPONSOR	COOPERATIVE CORPORATION	SELLING AGENT
BRADHURST DEVELOPMENT COMPANY, LLC. 625 MADISON AVENUE NEW YORK, N.Y. 10004 (212) 421-5333	BRADHURST COURT OWNERS INC. 300 WEST 145TH STREET NEW YORK, N.Y. 10039	OWN-A-HOME REALTY CORP. 2730 FREDERICK DOUGLASS BLVD. NEW YORK, N.Y. 10039 (212) 283-1000

The term of the initial offering of this Plan commenced on September 29, 2004 and expires on September 28, 2005 unless the said date is extended in a duly filed amendment.

THIS PLAN IS 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 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

(See the "Definitions" Section of this Plan for definitions of capitalized terms used but not defined in this Section.)

1. Purchasers will enter into a Purchase Agreement to purchase the Shares of the Cooperative Corporation and enter into a Proprietary Lease with the Cooperative Corporation as lessor, for an Apartment in the Building. The Shares and Proprietary Lease are sometimes referred to in this Plan as the "Apartment" and the acquisition of the Shares and Proprietary Lease are sometimes referred to as the "the closing of the Apartment" or the "purchase of 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. Use of such expressions is for convenience only, and should not be construed to mean that the Purchaser actually is buying the Apartment. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least five (5%) percent of the purchase price. In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may elect to cancel such Purchase Agreement and retain, as liquidated damages, the down payment made by the Purchaser, together with interest earned thereon, if any. Purchaser will be entitled to one (1) adjournment of the closing for a period not to exceed fourteen (14) calendar days, without incurring penalties. If a Purchaser fails for any reason to close title to the Apartment on or before the date which is fourteen (14) calendar days from the originally scheduled Closing Date designated by Sponsor and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Apartment Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to $100.00 for each day that the Closing is adjourned. Purchasers are advised that (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of an Apartment, such Down Payment placed in the escrow account will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the purchase for an Apartment unless otherwise agreed by Sponsor. (See the Section entitled "Procedure to Purchase" for further discussion of the foregoing.)

2. The Property is owned by the NYC Partnership Housing Development Fund Company, Inc. ("Partnership Housing"), a New York not-for-profit corporation, which will convey all of its interest in the Residential Units to the Cooperative Corporation by quitclaim deed without covenant against grantor's acts in exchange for all of the Shares of the Cooperative Corporation. Partnership Housing will then convey its interest in the Shares and Proprietary Leases for the Cooperative Apartments, to Purchasers under this Plan. The Purchase Agreement will be entered into between Purchaser and Sponsor on behalf of itself and Partnership Housing. The Purchase Agreement specifically provides that (i) Partnership Housing is not the "sponsor" of the Plan and does not serve in any capacity as the developer or building of the Building, (ii) Partnership Housing is responsible only for those functions specifically outlined in various

documents relating to the financing and construction of the Project and the marketing and sales of the Apartments, (iii) Partnership Housing is acting on a fully exculpated basis and Purchaser releases Partnership Housing and acknowledges that Partnership Housing has no liability whatsoever for any aspect of the transaction including any statements or representations made in this Plan, any of the project documents, (iv) Sponsor is authorized to execute documents on behalf of Partnership Housing and (v) Purchaser shall not make any claim or institute any action or proceeding against Partnership Housing arising in connection with the Plan or this Purchase Agreement.

3. The Purchase Agreement that Sponsor is utilizing with respect to sales pursuant to this Plan imposes on Purchasers the obligation to pay any transfer taxes due in connection with the sale of an Apartment. In the absence of such a contractual provision or an exemption under the tax laws, payment of transfer taxes is ordinarily 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 and condominium apartments. Notwithstanding the foregoing, as the transfer of the Shares to Purchaser involves the transfer of Shares owned by a not-for-profit entity, the transaction should be 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. Sponsor makes no guarantee that the transfer of the Shares to Purchaser will be exempt from the RPT Tax. In the event that the taxing authorities take the position that the transfer of the Shares is not exempt, each Purchaser will be responsible for the payment of RPT Taxes at the rate of 1% of the purchase price of such Shares together with the allocable Underlying Mortgages, plus any interest and penalties which may have accrued. 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 on the Apartment Closing Date. The NYS Transfer Tax is presently .4% of the purchase price (rounded up to the nearest $500.00 multiple). For purposes of calculating the taxes payable, the proportionate share of the Underlying Mortgages allocable to the Apartment are included in purchase price. In addition, the taxing authorities may take the position that each Purchaser's Superintendent's Contribution be included in the total consideration deemed paid for the Apartment, in which case additional taxes may be payable by Purchaser. Purchasers should further note that under the current procedures of the taxing authorities, there will be a credit against the transfer taxes due in connection with the sale of the individual Apartments as the result of the New York State transfer taxes which will be paid in connection with the conveyance of the Residential Unit to the Apartment Corporation on the Cooperative Conversion Date. Any such credit will inure solely to Sponsor to reimburse Sponsor for the transfer taxes paid on the Cooperative Conversion Date. Accordingly, each Purchaser will pay to Sponsor on the Cooperative Apartment Closing Date, the amount of the credit which is attributable to the sale of such Purchaser's Apartment and will owe the balance of the transfer taxes due, if any, to the taxing authorities.

4. The re-sale and/or subletting of Apartments by Shareholders is subject to the satisfaction of certain requirements set forth in the HDC and HPD Regulatory Agreements, including without limitation, income eligibility of prospective purchasers. Purchasers under this Plan and prospective purchasers of Apartments from Shareholders must complete the Purchaser

Eligibility Documents, forms of which are contained in Part II of this Plan, and must be approved by both the New York City Housing Development Corporation ("HDC") and the New York City Department of Housing Preservation and Development ("HPD"). See the Sections entitled "Procedure to Purchase" and "Summary of Proprietary Lease" in Part I of the Plan for further information.

5. As of the Cooperative Conversion Date, the Residential Units will be subject to the lien of the HDC Mortgage and the HPD Mortgage and subject to the terms of the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement. Under the terms of the HDC Mortgage and the HDC Amended and Restated Regulatory Agreement, until the outstanding balance of the HDC Mortgage is $5,000,000 or less, upon each sale by a Shareholder of the Shares attributable to the Shareholder's Apartment, the Shareholder must remit to the Cooperative Corporation a certain percentage of the HDC Resale Profits, if any, received by the Shareholder upon such assignment. Shareholders shall remit 100% of the Net Appreciation for the first three years from the date of the Cooperative Conversion Date and 50% of the Net Appreciation for years four through fifteen, if any, received by a Shareholder upon the sale of the Shares owned by the Shareholder. Such payments shall be delivered by the Cooperative Corporation to HDC, which must apply same in reduction of the then outstanding principal balance of the HDC Note. Pursuant to the terms of the HPD Regulatory Agreement and the HPD Mortgage, upon each sale or refinancing by a Shareholder of the Shares attributable to Shareholder's Apartment, the Shareholder must remit to the Cooperative Corporation, a certain percentage of the HDC Resale Profits and the HPD Resale Profits and the HPD Refinancing Profits up to the Unit Debt for such Apartment, if any, received by the Shareholder upon such assignment or refinancing. Such payments shall be delivered by the Cooperative Corporation to HPD, which must apply same in reduction of the then outstanding principal balance of the HPD Note. See the Sections entitled "Summary of Proprietary Lease" and "Terms of Mortgages and Regulatory Agreements" in Part I of the Plan for further information regarding how the HDC Resale Profits and HPD Resale Profits and HPD Refinancing Profits are calculated and applied.

6. In addition to the loans provided by HPD and HDC, the construction of the Condominium is being financed, in part, by the proceeds of a construction loan ("Construction Loan") to be provided by Citibank, N.A. and Carver Federal Savings Bank and Civic Capital Corporation (collectively "Construction Lender"), which Construction Loan is evidenced by one or more notes ("Construction Note") and secured by one or more mortgages ("Construction Mortgage"). The Construction Mortgage will continue to be a lien against the Residential Units until the Cooperative Conversion Date. Notwithstanding the foregoing, Sponsor will be obligated to pay all debt service under the Construction Loan and Shareholders will have no obligation or liability with respect thereto. Net proceeds from the sale of the Apartments will be applied to the reduction of the principal and interest due under the Construction Loan. At the closing of each Apartment, the Construction Lender will release the lien of the Construction Mortgage from the Residential Unit which comprises the Apartment as to which the Shares and Proprietary Lease being delivered. Accordingly, the Construction Loan will not be a lien against any Apartment purchased by a Purchaser under the Plan.

7. Sponsor will make an application on behalf of the Cooperative Corporation for partial exemption from real estate taxes pursuant to Section 421-a of the Real Property Tax Law ("Section 421-a Benefits"). The Law Office of Robert Pollack, P.C. ("Sponsor's Real Estate Tax

Counsel"), has received a Declaratory Ruling from HPD dated June 28, 2002, that the Project will, upon completion, be eligible for Section 421-a Benefits. There is no guaranty or assurance that the criteria for continued availability of Section 421-a Benefits for the Residential Units will be satisfied or that a Final Certificate of Eligibility will be issued by HPD and the Declaratory Ruling is not binding upon HPD. A copy of the Declaratory Ruling is attached to the Opinion of Sponsor's Real Estate Tax Counsel set forth in Part II of the Plan. If, for any reason, Sponsor's application for a Final Certificate of Eligibility is not approved, the Units will be subject to full taxation and will receive no Section 421-a Benefits. The fact that 421-a Benefits are ultimately not received shall not be a basis for a Purchaser to rescind a Purchase Agreement or otherwise fail to close title to an Apartment and Purchasers will have no recourse or cause of action against Sponsor as a result thereof. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. Moreover, Purchasers should note that the real estate taxes for the first year of Condominium operation (assuming no 421-a benefits) may be less than taxes would be for the second year of Condominium operation without 421-a benefits since the first year's tax estimate may include a period of assessed valuation of the Property prior to the completion of the Building, which is a substantially lower valuation. Please refer to the Section of the Plan entitled "Real Estate Taxes" in Part I of the Plan for further details.

8. No regular debt service is payable with respect to the HPD Note or the HPD PM Note. The principal amount of the HPD Mortgage and the HPD PM Mortgage will be allocated among the Apartments on a per share basis (the "Unit Debt"). Provided the Cooperative Corporation complies with the HPD Regulatory Agreement and makes certain payments to HPD in the amount of HPD Resale Profits and HPD Refinancing Profits (as summarized and more particularly described in the Section entitled "Procedure to Purchase" in Part I of the Plan) the HPD Mortgage and the HPD PM Mortgage (and each Shareholders allocable "Unit Debt") will "evaporate" by 1/25 each year after the Cooperative Conversion Date and accordingly, the outstanding principal amount of the HPD Note and the HPD PM Note will expire no later than 25 years after the Cooperative Conversion Date. 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 Partnership Housing, as agent for the Cooperative 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 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 HPD PM Note are income to the Cooperative Corporation upon their advance. If the IRS were to view the advance as income to the Cooperative Corporation, this would leave the Cooperative 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 Cooperative Corporation. This could both be taxable to the Cooperative Corporation and not qualify as "good" income for the 80% gross income test, possibly causing the Cooperative Corporation to fail such test and not qualify as a cooperative corporation for income tax purposes for such year. If the Cooperative Corporation were not to qualify as a cooperative corporation for income tax purposes for a particular tax year, (a) a Shareholder would not be entitled to deduct for Shareholder's personal income tax

purposes, the amounts paid by Shareholder to the Cooperative Corporation within that tax year representing Shareholder's proportionate share of (i) real estate taxes and (ii) mortgage interest allowable to the Cooperative Corporation as a deduction and paid by the Cooperative Corporation in that year, and (b) the ability of a Shareholder who sells that year, an Apartment used by 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" in Part I of the Plan.

9. Sponsor will have voting control of the Cooperative Board during the period which continues until the later to occur of: (i) any meeting of Shareholders at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the Cooperative Conversion Date (the "Sponsor Control Period"). During the period that Sponsor controls the Cooperative Board Sponsor will have control of maintenance, facilities and services to be provided to Shareholders and will determine the Maintenance Charges to be paid by all Shareholders. The Commercial Unit Owners (including Sponsor to the extent Sponsor owns the Commercial Units) will have voting control of the Condominium Board. During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners (including the Cooperative Corporation) and will determine the Common Charges to be paid by all Unit Owners. (See the Sections entitled "Cooperative Corporation and By-Laws" and "The Condominium" in Part I of the Plan for further details).

10. Sponsor and the owner of any Unsold Apartments may exercise veto power over some actions of the Cooperative Board. Until Sponsor and the owner of any Unsold Apartments have conveyed title to all Apartments, but in no event later than the later to occur of five (5) years after the Cooperative Conversion Date or whenever the Unsold Apartments constitute less than 25% of the Common Interest, the Cooperative Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Maintenance Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the Cooperative Conversion Date or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Residential Section; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (e) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Cooperative Board to comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium or the terms of the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement or the Underlying Mortgages (see the Sections of the Plan entitled "Cooperative Corporation" and "Rights and Obligations of Sponsor" for further details).

11. No amendment, modification, addition or deletion of the Proprietary Lease or By-Laws or Rules and Regulations shall be effective in any way, (a) without the prior written consent of Sponsor or its designee or the owner of any Unsold Apartment, as the case may be,

with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Proprietary Lease or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Apartment, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Apartment, as the case may be. (See the Section entitled "Summary of Proprietary Lease.")

12. Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first years of Cooperative operations, construction workers and related personnel will be at the Property from time to time completing construction of the Building, making adjustments and corrections and performing various tasks related to the completion of construction. During this period, various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may need to be shut down temporarily. Sponsor and its designees, including tenants performing work in the Commercial Units, will have the right to and may utilize elevators and other building systems and may install and retain scaffolding and other equipment on and in the Building to complete construction of the Building. Sponsor may not fully complete the decoration of portions of the Building, including, without limitation, the lobbies or corridors in the Building, the installation of light fixtures, the hanging of wall coverings or laying carpeting, until a particular Section of the Residential Unit is complete or a particular floor is fully occupied by Shareholders. The Condominium Board and or Cooperative Board may refuse to permit a Shareholder to perform alterations in an Apartment until such time as the Building has been completed and a permanent certificate of occupancy has been obtained therefor. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. Portions of the Building such as the Fitness Room, the Landscaped Court and the Parking Unit may be completed after some or all of the Units and the fact that such portions of the Building have not been completed or are not available for use by Shareholders is not a basis for a Shareholder to refuse to close title to the Apartment. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the closing of title to certain Apartments or lines of Apartments until such hoists, elevators or temporary facilities are no longer needed and are removed. During the period when Sponsor is completing construction of the Building, moves into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades.

13. Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Apartments or the Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. See the Section entitled "Rights and Obligations of Sponsor" under the Subsection entitled "Sponsor's Obligations With Respect to the Building" in Part I of the Plan for further discussion.

14. Under the terms of the regulations promulgated by the Department of Law, Sponsor may not declare the Plan effective until Purchase Agreements are signed by bona fide purchasers for 15% of the Apartments offered under the Plan. Purchasers are advised, however, that in accordance with the terms of the HDC Amended and Restated Commitment and Agreement, 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 Cooperative Corporation. Unless HDC reduces its sales requirement, Sponsor will not declare the Plan effective until Sponsor has satisfied such requirement. After execution by Sponsor of Purchase Agreements representing at least 75% of the issued Shares, the Plan may be declared effective.

15. The Commercial Units in the Condominium are not being offered for sale at this time. Sponsor and any subsequent owner of the Commercial Units have the right to subdivide and combine portions of their respective Units, subject to the provisions of the Condominium Declaration and By-Laws. Neither the Cooperative Corporation nor any Shareholder will have control over the uses of the Commercial Units. Sponsor has entered into a lease dated as of June 21, 2002 with Pathmark Stores, Inc. for Retail Unit A (the "Supermarket Lease"). The Commercial Units may be used for any lawful purposes subject to certain use restrictions which may be set forth in the Supermarket Lease. The use of the Commercial Units may generate noise, traffic, fumes, industrial and commercial traffic or other disturbances over which the Cooperative Corporation and the Shareholders will have no control. While Sponsor makes no representations or guarantees with respect thereto, it can be expected that the Commercial Units will operate seven (7) days a week, twenty-four (24) hours a day. The Commercial Units share the cost for certain expenses based upon allocable percentage interest and shares other costs based upon anticipated usage. Please refer to the "Introduction" Section of the Plan under the subsection entitled, "The Condominium" and Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation" for further details regarding the allocation of Common Expenses and the Section of the Plan entitled "Commercial Units" for further details regarding the lease with Pathmark Stores, Inc. and the possible uses of the Commercial Units.

16. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, Maintenance Charges, User Charges or special assessments with respect to the Commercial Units or the Unsold Apartments other than the HDC Maintenance Security described in the Section of the Plan entitled "Unsold Shares." Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Apartments. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

17. The Condominium includes one (1) Parking Unit having approximately 136 parking spaces which will be available for use by Shareholders, customers of the Commercial Units and the public. Approximately fifty percent (50%) of the parking spaces have been allocated to Retail Unit A. The Parking Unit may be operated seven days a week, 24 hours a day. It is anticipated that the garage will be operated by a parking garage operator who may or may not be affiliated with Sponsor. The operator will determine and collect charges based upon market rates and will establish such rules and regulations governing the availability and priority of spaces and the general operation of the garage as such operator may deem appropriate. Neither the Condominium Board nor the Cooperative Board may adopt any rules or regulations or amend the

Condominium Declaration or By-Laws in any manner which would affect the operation of the Parking Unit. The Parking Unit is not being sold at this time and will initially be retained by Sponsor or its designee. Residents of the Residential Unit will receive priority consideration for the remaining fifty percent (50%) of the parking spaces for monthly leases on a first-come, first-serve basis. As there may be fewer parking spaces available for lease by Shareholders than there are Apartments in the Building and accordingly not all Shareholders who desire to lease a parking space in the Building will be able to do so. Fees for use of the parking facility will be set by the garage operator. Sponsor makes no representations as to the fees or policies respecting parking in the Parking Unit or as to whether a particular Shareholder will be able to procure a parking space. The parking spaces may be rented to persons who are not occupants of the Building to which they are accessory for the accommodation of the private passenger vehicles used by such non-residents. Such spaces shall be made available to the occupants of the Building to which they are accessory within 30 days after written request for such space is made to the Sponsor.

18. All legal costs, fees and expenses charged by the Purchaser's attorney will be the sole responsibility of each Purchaser. In addition, Purchaser will also be responsible for payment of the following fees to Sponsor's attorneys, Lee & Amtzis, LLP, in connection with the closing of title to Purchaser's Apartment: (i) the sum of $750 to reimburse Sponsor for its legal fees, (ii) if the Purchaser requests the Closing to occur other than at the office designated by Sponsor in its closing notice and Sponsor consents to such change, an attendance fee of $250 for each Closing held within Manhattan and $500 for each Closing held in any borough outside Manhattan and (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $500 for each such adjournment to help defray the cost of preparing for and coordinating the new closing.

19. The acquisition of the Residential Unit by the Apartment Corporation has been structured to meet the requirements of Section 351 of the Internal Revenue Code ("IRC"). Under Section 351, property may be transferred to a controlled corporation in exchange for its stock, with gain being recognized by the transferor of the property only to the extent of any additional consideration, e.g. (1) cash, the amount of the Underlying Mortgages or other property received by such transferor on the exchange, and (2) any excess of liabilities to which the property is subject over the adjusted basis of the property to the transferor. If the acquisition of the Residential Unit by the Apartment Corporation does, in fact, qualify as a Section 351 "Exchange," the Apartment Corporation's basis will be lower than the basis it would otherwise obtain in a "sale" transaction and (i) the Apartment Corporation will have lower available depreciation deductions and (ii) the Apartment Corporation will have a potentially greater tax liability in the event the Residential Unit is ever sold by the Apartment Corporation either voluntarily or involuntarily through a foreclosure of a mortgage, a condemnation, a substantial casualty or the like. Please refer to the Sections entitled "Contract of Exchange" and "Special Tax Consequences of Contract of Exchange" in Part I of the Plan for further details.

20. The Condominium Board, at the request of Sponsor or a Commercial Unit Owner, will enter into a recognition agreement with any tenant with which Sponsor or a Commercial Unit Owner has entered into a lease for all or any portion of the Commercial Units. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Condominium Declaration and the Condominium Board will agree that the rights of the tenants under the lease(s) will not be disturbed in the event of a default by the

Commercial Unit Owner. Please refer to the Section of the Plan entitled "Condominium Units" for further details.

21. Terraces are appurtenant to certain Apartments, as described in Schedule A. A Shareholder who has a Terrace appurtenant to such Apartment shall have the exclusive use of same (subject to the right of the Condominium Board and Cooperative Board to regulate its use) and shall be responsible for all normal Maintenance thereto. However, the costs and expenses of any structural repairs or repairs or replacements (unless caused by its Shareholder), shall be borne by the Cooperative Corporation.

22. Cooling towers and other mechanical equipment necessary for the Maintenance and operation of the Building and the Apartments will be located on the roof and elsewhere on the Building. Sponsor is not responsible for nor can make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Apartments. The Condominium Board with respect to the General Common Elements and the Cooperative Board with respect to the Residential Unit and the Residential Common Elements will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. In certain instances, the mechanical equipment may only be accessible through certain Apartments and such apartments will be subject to an easement in favor of the Condominium Board and the Cooperative Board to access such mechanical equipment. Sponsor is not responsible for nor can make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Shareholders on their Terraces.

23. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building other than those portions which comprise Terraces for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment and similar equipment on the roofs and facade of the Building and elsewhere on the Common Elements and within the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Apartments for their permitted purposes. The aforementioned easements may be used by Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law. Neither the Cooperative Corporation nor the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof or facade of the Building or elsewhere on the Common Elements by Sponsor or its designee, assignee, tenant, licensee or other transferee shall be the exclusive property of Sponsor, its designee, assignee, tenant, licensee or other transferee and neither the Condominium nor the Cooperative Corporation nor any other Unit Owners or Shareholders shall have any rights with respect thereto. Please see the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.

24. Sponsor makes no representations or warranties regarding building construction in the area of the Condominium or whether the existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and that such development could adversely impact upon the views from an Apartment. There is a development site across from the Property on the north side of West 145th Street which Sponsor anticipates will be developed shortly although Sponsor is not involved in any way with such development and has no specific information with respect thereto.

25. It is the responsibility of each Shareholder to notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Apartment. It is the responsibility of each Shareholder to install, at such Shareholder's expense, the required window guards in all windows of the Apartment. The Shareholder shall maintain all window guards installed in the Apartment and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

26. Each Apartment will be equipped with through-the-wall sleeves to accommodate the installation of individual air conditioning units. The air conditioning units will not be supplied by Sponsor and are not included in the Purchase Price for the Apartments. Each Shareholder, at its sole cost and expense, may purchase air conditioning units for installation within the sleeves and the Cooperative Board shall be entitled to specify the brands and models (220v) which may be installed in such sleeves. The cost of electricity to operate any air conditioning units installed by a Shareholder, will be borne solely by such Shareholders.

27. While Unsold Apartments are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages. No representation or warranty is made and no assurance is given that the security systems and procedures of the Cooperative Corporation will prevent personal injury or damage to or loss of personal property.

28. It is anticipated that electricity for the Building will be provided by Consolidated Edison Company or such other utility company providing electricity to the Building. The electricity consumed in each Apartment (including electricity for air conditioning units installed by the Shareholders) will be separately metered and paid for by the individual Shareholders. All electricity supplied to the General Common Elements of the Building will be separately metered and accounted as part of the Common Charges payable by all Unit Owners. Purchasers are advised that utility costs may increase dramatically during certain periods and there is no guaranty that the utility costs will be as estimated in the Plan given the current energy situation. Please refer to "Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation", Schedule B-2, "Projected Energy Costs" in Part I of the Plan and the "Description of Property" in Part II of the Plan for further details.

29. Purchasers are advised that there is no laundry room planned in the Building. While Sponsor is not providing washer/dryers in any Apartment, all Apartments will have a

washer/dryer hook-up. Each Purchaser will be responsible for the cost and installation of a washer/dryer in each Apartment. Please refer to the "Description of Property" in Part II of the Plan for further details.

30. All Shares of the Cooperative Corporation will be initially issued to and owned by Partnership Housing, which will convey them to Purchasers under the Plan in accordance with the terms of the Purchase Agreement and the SDA. Shares may be sold and Proprietary Leases may be assigned only to individuals who are "eligible" pursuant to the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement. Purchasers interested in purchasing an Apartment must sign a Purchase Agreement and complete certain forms to determine eligibility (the "Purchaser Eligibility Documents"), forms of which are contained in Part II of this Plan.

INTRODUCTION

The Project: An Overview

Bradhurst Development Company, LLC, a New York limited liability company, LLC (the "Sponsor") is constructing a mixed use residential and commercial condominium on land having a street address of 300 West 145th Street, New York, New York 10039, situated on the block bounded by Bradhurst Avenue on the West, Frederick Douglass Blvd. on the East, West 144th Street on the South and West 145th Street on the North in the State of New York, County of New York, being more particularly described as on the tax maps of the City of New York as Block 2044, Lots 23-40 and 137 (the "Land"). The Property is owned by NYC Partnership Housing Development Fund Company, Inc. (the "Partnership Housing"), a New York not-for-profit corporation formed pursuant to the laws of the State of New York, having its principal office at One Battery Park Plaza, New York, New York, 10004. Partnership Housing acquired the Property by deed from the City of New York (the "City) dated June 28, 2002 pursuant to the terms of a Land Disposition Agreement between Partnership Housing and the City also dated June 28, 2002 (the "LDA"). Sponsor is developing the Project on the Land pursuant to a Site Development Agreement it entered into with the Partnership dated June 28, 2002 (the "SDA"). Partnership Housing is not the "sponsor" of this offering, nor shall it serve in any capacity as a developer or builder of the Project. Partnership Housing is responsible only for those functions specifically outlined in various documents relating to the financing and construction of the Project and the marketing and sales of the Apartments. Partnership Housing has no liability of any kind for any statements or representations made in this Plan or any of the project documents.

Acquisition of the Land by Partnership Housing 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 and the New York City Housing 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, Partnership Housing, through the efforts of Sponsor, will cause to be constructed on the Land a seven (7) story building (the "Building") and will subject the Land and Building (collectively, the "Property") to the Condominium Act. Initially, the Condominium will be comprised of one hundred and twenty-eight residential apartments (each a "Residential Unit" and collectively the "Residential Units"), two (2) Retail Units consisting of approximately 52,500 square feet of retail and commercial space (including Retail Unit A which will be leased to Pathmark Stores, Inc. and Retail Unit B currently intended for local retail and food uses) and one (1) Parking Unit containing a 136-car parking garage. The Retail Units and the Parking Unit are collectively referred to as the "Commercial Units." As set forth more particularly in the Section of the Plan entitled "Description of the Property and Improvements," the Condominium shall also contain certain facilities including but not limited to an outdoor landscaped courtyard on the roof of the second floor of the Building for use by residents which will have seating, lighting and

landscaping and a Fitness Room on the Second Floor of the Residential Unit, which may be used by Shareholders in accordance with such rules and regulations as the Cooperative Board in its discretion shall establish.

Upon completion of construction, Partnership Housing will convey all of the Residential Units to Bradhurst Court Owners Inc., a New York business corporation, organized under the New York Business Corporation Law (the "Cooperative Corporation") per HDC's Commitment in exchange for all of the Shares of the Cooperative Corporation. Partnership Housing will then convey its interest in the Shares and cause the Cooperative Corporation to issue Proprietary Leases for the Cooperative Apartments to Purchasers under this Plan. On occasion, this Plan collectively refers to all of the Residential Units as the "Residential Unit". The date on which fee title to the Residential Units will be conveyed to the Cooperative Corporation is referred to in this Plan as the "Cooperative Conversion Date." Once the lien of the Sponsor's Construction Loan has been released from all of the Residential Units, the Cooperative Corporation may merge the Residential Units into a single Residential Unit and the Condominium will become a four-unit condominium subject to the right of the Commercial Unit Owners to further subdivide or merge the Commercial Units. It is the Sponsor's obligation, pursuant to the HDC Amended and Restated Commitment and Agreement, to merge the Residential Units into a single Residential Unit.

Upon completion of construction of the Commercial Units, fee title to the Commercial Units will be conveyed by Partnership Housing to Sponsor or its designee which will own and operate the Commercial Units, 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 will be established by recording a declaration of condominium (the "Condominium Declaration") together with the By-Laws (the "Condominium By-Laws") in the Office of the City Register, New York County. The Condominium Declaration and the Condominium By-Laws are sometimes herein referred to as the "Condominium Documents." The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." From and after the date of recording the Condominium Declaration, Partnership Housing will be the legal owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

The Condominium contains, in addition to the Residential Unit, the two Retail Units and the Parking Unit, certain areas and facilities that are common to all of the Units. These are known as the "General Common Elements," and they are identified in detail in the Condominium Declaration.

In accordance with the Condominium Declaration, certain Common Elements maybe limited in use to one or more but not all of the Units. Such areas are called "Limited Common Elements." Limited Common Elements include the Commercial Common Elements, the Commercial Limited Common Elements and the Residential Common Elements. Residential

Common Elements are anticipated to include the Terraces, the Exercise Room, the Landscaped Court Amenities and the roofs over the Building.

Cooperative Ownership and Operation

The Residential Units will contain 128 separate Apartments, each of which will initially constitute a Residential Unit. On the Cooperative Conversion Date, Partnership Housing will convey fee title to all of the Residential Units to the Cooperative Corporation which will allocate and issue Shares to 127 of the Apartments. 84,246 Shares are allocated to the 127 Apartments offered for sale under the Plan. One Apartment will be reserved for the Building superintendent (the "Superintendent's Apartment"). Shares will not be allocated to the Superintendent's Apartment and that Apartment will not be sold under the Plan but will be retained by the Cooperative Corporation. Each Purchaser will contribute to the cost of Superintendent's Apartment at closing as more particularly described in Schedule A.

As more particularly described in the Section entitled "Description of Property and Improvements" in Part I of the Plan, the Parking Unit will include space for 136 vehicles of which fifty percent (50%) have been reserved for the use of the Supermarket Tenant and its customers and employees. Residents of the Residential Units will receive priority consideration for the remaining (50%) for monthly leases on a first-come, first-served basis. As there will be fewer parking spaces available for lease by Shareholders than there are Apartments in the Building, not all Shareholders who desire to lease a parking space in the Building will be able to do so. It is anticipated that the Parking Unit will be operated by a parking operator not affiliated with Sponsor. The operator will determine and collect fees and will establish such rules and regulations respecting parking in the Parking Unit as such operator may deem appropriate.

The Shares and Proprietary Lease are sometimes referred to in this Plan as the "Apartment" and the acquisition of the Shares and Proprietary Lease are sometimes referred to as the "the closing of the Apartment" or the "purchase of 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. Use of such expressions is for convenience only, and should not be construed to mean that the Purchaser actually is buying the Apartment.

All Shares of the Cooperative Corporation will be initially issued to and owned by Partnership Housing, which will convey them to Purchasers under the Plan in accordance with the terms of the Purchase Agreement and the SDA. Shares may be sold and Proprietary Leases may be assigned only to individuals who are "eligible" pursuant to the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement. Purchasers interested in purchasing an Apartment must sign a Purchase Agreement and complete certain forms to determine eligibility (the "Purchaser Eligibility Documents"), forms of which are contained in Part II of this Plan. Purchasers must meet various eligibility requirements including but not limited to: (i) meet certain income requirements, (ii) be a natural person or persons, (ii) agree to occupy the Apartment as Purchaser's primary residence, which occupancy must commence within 60 (sixty) days after the Apartment Closing Date, (iii) occupy the Apartment for residential purposes, (iv) not sublease the Apartment while the HDC Amended and Restated Regulatory Agreement and HPD Regulatory Agreement is in effect for periods not to exceed two (2) years out of every consecutive four (4) years, with the consent of the Cooperative

Corporation, and (v) not utilize the Apartment as an investment of vacation home. The Purchase Agreement and Purchaser Eligibility Documents will be reviewed to determine eligibility of the Purchaser by the New York City Housing Development Corporation ("HDC") and the New York City Department of Housing Preservation and Development ("HPD", as described in the Section entitled "Procedure to Purchase" in Part I of the Plan. If a purchaser is approved by HDC and HPD, Sponsor will execute the Purchase Agreement and return it to Purchaser. Restrictions on individuals who seek to qualify as eligible purchasers pursuant to the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement also will apply to resales, refinancing and sublets made by Shareholders. Restrictions are described in the Section entitled "Summary of the Proprietary Lease" in Part I of this Plan. Purchasers should note that they will be acquiring title to the Shares and a leasehold interest in the Cooperative Apartment; fee interest in the Residential Units will not be conveyed to Purchasers but will be held by the Cooperative Corporation.

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 Units has been obtained by Sponsor and legal title to the Residential Units have been conveyed to the Cooperative Corporation.

Certain restrictions and requirements regarding the leasing and mortgaging of Apartments and Shares are set forth in more detail in the Section entitled "Summary of the Proprietary Lease" in Part I of this Plan.

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

(a) As of the Purchaser's "Apartment Closing Date", Purchaser will become a Shareholder and will own the Shares of the Cooperative Corporation allocated to 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 Shareholder's use, financing, and sale of Shareholder's Apartment.

(b) A Shareholder may sell Shareholder's Apartment only in accordance with the requirements of the Proprietary Lease. These requirements include, without limitation, that Purchaser satisfy certain eligibility requirements, that the Purchaser pay the HDC Resale Profits, the HPD Resale Profits and the HPD Refinancing Profits and that the consent of HDC and HPD to the proposed purchaser be obtained.

(c) Each Shareholder will have the right to vote annually for the board of directors of the Cooperative Corporation (the "Cooperative Board"). The Cooperative Board will conduct the affairs of the Cooperative Corporation and supervise operation of the Residential Unit. Two of the members of the Cooperative Board also will serve on the Condominium Board (the "Condominium Board") in accordance with the Condominium Declaration.

(d) A copy of the Cooperative By-Laws, which govern the operation of the Cooperative Corporation, are contained in Part II of this Plan.

(e) Each Shareholder will be obligated to pay Maintenance Charges to the Cooperative Corporation on a monthly basis to cover Shareholder's Proportionate Shares of the Cash Requirements of the Cooperative Corporation including the cost of operating the Residential Unit and the Cooperative Corporation's allocate share of Condominium Common Charges. The Cooperative Corporation, in turn, will pay the expenses of operating the Residential Unit and will pay to the Condominium Board, the Cooperative Corporation's share of the Condominium Common Charges. A Shareholder also will be responsible for payment of any special assessments levied by the Cooperative Corporation. The estimated annual Maintenance Charge for each Apartment for the first year of cooperative operation is set forth in Schedule A, "Purchase Prices and Share Allocation," in Part I of this Plan. In addition, Shareholders may be responsible for User Charges which are defined as charges for services, facilities, or utilities, consumption of which is discretionary on the part of the shareholder or which, in the sole discretion of the Cooperative Board, are appropriately charged based on use. Utilities which may be charged on a uniform fee or use basis include, but are not limited to, water, electricity, or transmission or receipt of electronic signals, supplied by or contracted for by the Cooperative Corporation, or for which the Cooperative Corporation pays the service provider. Services or facilities which may be charged on a uniform fee or use, basis include, but are not limited to, parking, laundry facilities or Fitness Room. Fixtures, appliances, or facilities which may be charged on a uniform fee or use basis include, (but are not limited to) washing machines, dryers, or other items that may require the consent of the Cooperative Board before installation or use.

(f) Each Shareholder will be responsible, at 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 Shareholder's Apartment, including, without limitation, refrigerator, range, oven and other appliances.

Sponsor's Offer to Sell

The Shares of the Cooperative 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 Schedule A, Purchase Prices and Share Allocation, in Part I 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 Cooperative 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 Plan is to set forth all of the material terms of the offering. Parts I and II together constitute the entire 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 Plan.

All documents referred to in this 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 Sales Office, when the Sales Office is open.

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

DEFINITIONS

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

"Annual Household Income" refers to the annual household income to be determined utilizing the Income Determination Procedures pursuant to which Annual Household Income is currently deem to include 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.

"Apartment" refers to a residential apartment in the Residential Unit.

"Apartment Closing Date" refers to 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.

"Attorney General" refers to the New York State Attorney General who heads the Department of Law.

"Building" refers to the structure being erected by Sponsor on the Land and all alterations and replacements made to such building.

"Cash Requirements" refers to the amount that the Cooperative Board determines is necessary or proper to pay the estimated costs of the Cooperative Corporation, over such period of time as the Cooperative Board determines, arising out of or connected with the Cooperative Corporation's ownership interest in the Residential Unit and its appurtenant Common Interest in the Condominium as more particularly described in the Proprietary Lease.

"City Register's Office" refers to The New York County office of the Register of The City of New York.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners as more particularly described in the Condominium Declaration and on the Floor Plans.

"Commercial Lease" will have the meaning ascribed thereto in Section 28.1 of the Declaration.

"Commercial Limited Common Elements" refers to the Retail Limited Common Elements and/or the Parking Limited Common Elements.

"Commercial Section" shall have the meaning set forth in Article 4 of the Declaration.

"Commercial Tenant" refers to a tenant or tenants of a Commercial Unit or Commercial Units (and its or their subtenants).

"Commercial Unit" refers to any Unit designated in the Condominium Declaration or the Floor Plans as a Retail Unit or a Parking Unit and such Commercial Units are collectively, referred to as the "Commercial Units."

"Commercial Unit Owners" refers to the owner or owners of the Commercial Units.

"Common Charges" refers to the annual assessments established by the Condominium Board payable in monthly installments by Unit Owners for the purpose of meeting Common Expenses.

"Common Elements" refers to 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" refers to the General Common Expenses, the Residential Common Expenses and the Commercial Common Expenses.

"Common Interest" refers to 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" refers to The Bradhurst Court Condominium.

"Condominium Board" refers to the governing body of the Condominium.

"Condominium By-Laws" refers to 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" refers to the instrument creating the Condominium to be recorded in the City Register's Office, together with all schedules and exhibits thereto, as same may be amended from time to time, a form of which is set forth in Part II of the Plan.

"Condominium Documents" refers collectively to the Condominium Declaration, the Condominium By-Laws, the Tax Lot Drawings and any and all exhibits thereto.

"Condominium Managing Agent" refers to the managing agent engaged by the Condominium Board to manage the Condominium.

"Cooperative Board" refers to the board of directors of the Cooperative Corporation which is its governing body.

"Cooperative By-Laws" refers to the document governing operation of the Cooperative Corporation, pursuant to which the Cooperative Board is elected and governs.

"Cooperative Corporation" refers to Bradhurst Court Owners Inc., a New York business corporation, organized under the New York Business Corporation Law.

"Cooperative Conversion Date" refers to the date on which legal title to the Residential Unit is conveyed to the Cooperative Corporation.

"Cooperative Managing Agent" refers to he managing agent engaged by the Cooperative Corporation to manage the Residential Unit.

"Department of Buildings" refers to the Department of Buildings of The City of New York.

"Department of Law" refers to the New York State Department of Law, headed by the Attorney General.

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

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

"HDC" refers to New York City Housing Development Corporation.

"HDC Amended and Restated Commitment and Agreement" refers to HDC's written commitment to Sponsor, Partnership Housing and the Cooperative Corporation, dated June 28, 2002, to provide construction and permanent financing for the Residential Unit, as same may be further amended from time to time.

"HDC Mortgage" refers to mortgage which will be a first lien on the Residential Unit as of the Cooperative Conversion Date, which mortgage will secure a permanent loan in the anticipated principal amount of $10,000,000, as same may be modified or extended.

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

"HDC Amended and Restated Regulatory Agreement" refers to the Amended and Restated Regulatory Agreement entered into as of November 21, 2003 by Partnership Housing, the Cooperative Corporation, Sponsor and HDC and thereafter recorded in the City Register's Office on April 13, 2004 as CRFN #2004000222555, as same may be amended from time to time.

"HDC Resale Profits" shall have the definition set forth in the Section of the Plan entitled "Terms of Mortgages and Regulatory Agreements."

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

"HPD Mortgage" refers to the mortgage which will secure a permanent loan in the original principal amount of $1,040,000 made by HPD which will be a second mortgage lien on

the Residential Unit as of the Cooperative Conversion Date, as same may be modified or extended.

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

"HPD PM Mortgage" refers to the purchase money mortgage which will remain a lien on the Residential Unit which as of the Cooperative Conversion Date will be in the reduced principal amount of $674,616 securing the Cooperative Corporation's purchase money mortgage obligation for the Residential Unit to HPD as same may be modified or extended.

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

"HPD Refinancing Profits" refers to the amount by which increased debt resulting from a new loan obtained by a Shareholder, for which the Shareholder has pledged the Shares and delivered the Stock Certificate appurtenant to the Apartment pursuant to a security agreement, exceeds the amount paid by the Shareholder in purchasing the Apartment, but in no event more than the Unit Debt.

"HPD Regulatory Agreement" refers to the Regulatory Agreement entered into as of June 28, 2002 by Partnership Housing 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 Resale Profits" refers to the amount by which the Total Consideration that a Shareholder receives upon the transfer of the Shares attributable to Shareholder's Apartment exceeds the original cash purchase price paid by Shareholder in acquiring the Shares (excluding the proportionate share of the Underlying Mortgages allocable to the Shares), minus the reasonable costs incurred by Shareholder in acquiring the Shares and the reasonable costs incurred by 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 Cooperative 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 Plan, contributions to the Reserve Fund.

"Income Determination Procedures" refers to calculation of the 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 Amended and Restated Regulatory Agreement.

"Land Disposition Agreement" or "LDA" refers to Agreement entered into by the City of New York acting by and through HPD and Partnership Housing, dated June 28, 2002 with respect to disposition of the Land and development of the Project, recorded in Reel 3648, Page 1943 in the City Register's Office, as same may be amended from time to time.

"Limited Common Elements" refers to 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 Charges" refers to monthly charges payable by Shareholders to the Cooperative Corporation for operating expenses of the Cooperative Corporation, including but not limited to, real estate taxes, debt service, insurance, and the Residential Unit's proportionate share of Common Expenses.

"Parking Unit" refers to the Unit designated in the Condominium Declaration or the Floor Plans as a Parking Unit."

"Parking Unit Owner" refers to the owner of the Parking Unit.

"Partnership Housing" refers to The NYC Partnership Housing Development Fund Company, Inc., which holds legal title to the Property during construction.

"Plan" refers to this Plan as same may be amended from time to time.

"Plans and Specifications" refers to 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" refers to the mixed-use residential and retail/parking complex being constructed by Sponsor on the Land.

"Proportionate Share" refers to the ratio which the number of shares of the Cooperative Corporation owned by the Shareholder bears to the aggregate of all Shares, issued and outstanding, similarly specified in all the Proprietary Leases in effect at the time of the fixing and determination of the Cash Requirements.

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

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

"Purchase Price" refers to the cash purchase price for an Apartment set forth in a Purchase Agreement.

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

"Purchaser Eligibility Documents" refers to 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" refers to the Law Offices of Robert M. Pollack, P.C., 708 Third Avenue, New York, New York 10017.

"Residential Units" refers to the Units identified in the Condominium Declaration and Tax Lot Drawings as the Residential Units, together with the Common Interest appurtenant to the Unit. At such time, if any, that the Residential Units are merged into a single Residential Unit, any reference to "Residential Units" or the "Residential Unit" shall be deemed to include such Residential Units.

"Residential Unit Owner" refers to the owner in fee simple absolute of the Residential Units which will be the Cooperative Corporation from and after the Cooperative Conversion Date.

"Retail Unit A" refers to the Unit designated in the Condominium Declaration or the Floor Plans as Retail Unit A.

"Retail Unit A Owner" refers to the owner or owners of Retail Unit A at the time in question.

"Retail Unit B" refers to the Unit designated in the Condominium Declaration or the Floor Plans as Retail Unit B.

"Retail Unit B Owner" refers to the owner or owners of Retail Unit B at the time in question.

"Retail Unit" refers to Retail Unit A and Retail Unit B and any Unit designated in the Condominium Declaration or the Floor Plans as a Retail Unit and such Retail Units are collectively, referred to as the "Retail Units."

"Retail Unit Owners" refers to the owner or owners of the Retail Units at the time in question.

"Section 421-a Benefits" refers to a 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.

"Shareholder" refers to an owner of Shares allocated to and the tenant under a Proprietary Lease for, an Apartment.

"Shares" refers to the issued corporate stock of the Cooperative Corporation allocated to the Apartments and offered for sale under this Plan.

"Site Development Agreement" or "SDA" refers to an Agreement between Partnership Housing and Sponsor dated June 28, 2002, respecting development of the Project, as same may be amended from time to time.

"Sponsor" refers to Bradhurst Development Company, LLC, its successors, assigns and designees.

"Sponsor's Architect" refers to Meltzer/Mandl Architects, P.C., having an office at 215 Park Avenue South, New York, New York, 10003 or such other architect as Sponsor may designate from time to time.

"Superintendent's Apartment" refers to Apartment IH 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.

"Supermarket Lease" refers to that certain lease dated as of June 21, 2002 between Sponsor and Pathmark Stores, Inc. for the premises comprised of Retail Unit A, as same may be further amended from time to time.

"Supermarket Tenant" refers to the tenant under the Supermarket Lease at the time in question.

"Tax Lot Drawings" refers to 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.

"Total Consideration" refers to the cash and non-cash consideration which a Shareholder receives in connection with sale of the Shares attributable to Shareholder's Apartment, including cash, real property and personal property, but not including the proportionate share of any Underlying Mortgages allocable to the Shares.

"Underlying Mortgages" refers to all mortgages encumbering the Residential Unit from and after the Cooperative Conversion Date which as of the Cooperative Conversion Date are anticipated to be the HDC Mortgage, the HPD Mortgage and the HPD PM Mortgage, as same may be modified or extended.

"Unit" refers to any space at the Property identified as a Unit in the Condominium Declaration and in the Tax Lot Drawings, together with such Unit's appurtenant Common Interest.

"Unit Debt" refers, as regards each Apartment, initially to the amounts set forth as Exhibit 4 to Proprietary Lease, which shall be deemed reduced by: (i) one-twenty-fifth of the initial amount of the Unit Debt for each full year during which the Shareholder for the Apartment continuously occupies the Apartment as a primary residence and (ii) payments of HPD Resale Profits and HPD Refinancing Profits in connection with such Apartment.

"Unit Owner" refers to the owner in fee simple absolute of a Unit.

"Unsold Shares" refers to 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 Plan.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Project

Construction of the Project began in September, 2003. Upon completion, the Residential Units will contain 128 Apartments together with certain amenities for residents of the Residential Unit. Retail and parking facilities will be contained in the Commercial Units.

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, 2005 and that Cooperative Conversion Date will be on or about April 1, 2005. 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 closings will commence or as to the date of completion of construction of the Residential Unit or as to the Cooperative Conversion Date.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality. None of the foregoing shall give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan.

The Apartments and the Residential Section

The Residential Units are anticipated to contain 128 Apartments. Sponsor is offering 127 Apartments for sale under this Plan. No Shares have been allocated to Apartment 1H and is not offered for sale under this Plan but will be retained by the Cooperative Corporation. It is reserved for use and occupancy by the Building superintendent. Unit 1H shall be part of the single Residential Unit after the Residential Units have been merged by the Cooperative Corporation.

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. Shareholders whose Apartments include adjacent patios or terraces, shall be obligated for day-to-day maintenance of such patios or terraces 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, payers or other surface of the patio or terrace. Each Shareholder with a patio or terrace appurtenant to Shareholder's Apartment shall have the exclusive right to use such patio or terrace (subject to the right of the Condominium Board and the Cooperative Corporation's to access such patios and terraces to perform any maintenance and repair obligations under the Proprietary Lease and Condominium Documents), and such Shareholder 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, payers or other surface of the patio or terrace. Structural or extraordinary repairs to patios or terraces shall be undertaken by the Cooperative Corporation. In accordance with the Condominium Documents and the Proprietary Lease, the Condominium Board and the Cooperative Board will have the right to require a Shareholder to obtain the consent of the Condominium Board and the Cooperative Board prior to installing plantings, coverings and other furniture, equipment and installations on the Terraces and may require a Shareholder to remove same if the Condominium Board or the Cooperative Board determines, in its discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. No terrace may be enclosed without the express written consent of the Condominium Board and Cooperative Board. The Condominium Board and the Cooperative Board may establish such other rules and regulations as they deem necessary to protect the Buildings and the Apartments and to insure the integrity of the Building and the health and safety of the occupants.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in the Apartment without the consent of the Condominium Board and the Cooperative Board. In no event will the Shareholder be entitled to maintain more than two (2) pets in the Apartment without the consent of the Condominium Board and the Cooperative Board. Each Shareholder who keeps any type of pet in such Shareholder's Apartment will be required to abide by any and all reasonable Rules and Regulations of the Condominium Board and the Cooperative Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board and the Cooperative Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, the Apartment Corporation, the Unit Owners, the Shareholders and the Managing Agent from all claims and expenses resulting from acts of such pet.

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.

The Residential Section also includes the Residential Common Elements of the Condominium which include the residential lobby, hallways, Exercise Room, and the roofs, roof set backs and landscaped plaza area over Retail Unit A (the "Landscaped Court Amenities"). The Cooperative Corporation is responsible for the maintenance and operation of the Residential Common Elements and the cost therefor will be reflected in the Maintenance Charges payable by the Shareholders to the Cooperative Corporation. The Condominium will have a right of access through the Residential Unit and the Landscaped Court Amenities to Maintain the underlying roof structure which is a General Common Element.

The Commercial Units

The Commercial Section will be situated on portions of the Cellar and First Floor and Mezzanine of the Building. The Commercial Section will be initially comprised of two (2) Retail Units (Retail Unit A and Retail Unit B) and one Parking Unit. The Commercial Units will include space that may be utilized for any purposes permitted by Law, including, without limitation, use as restaurants, banks, parking, retail stores, storage or commercial and professional offices. Sponsor has not yet entered in a lease for Retail Unit B. Sponsor has entered in a lease (the "Supermarket Lease") for Retail Unit A and a portion of the Parking Unit with Pathmark Stores, Inc. (the "Supermarket Tenant") for an initial term of ten (10) years with seven (7) five-year renewal options. The Supermarket Tenant under the Supermarket Lease initially intends to operate a supermarket. While Sponsor makes no representations or guarantees with respect thereto, it can be expected that the Supermarket Tenant will operate the Supermarket seven (7) days a week, twenty-four (24) hours a day and that deliveries will be made to and from the Supermarket Tenant at all hours of the day and night. The Parking Unit may be operated seven days a week, 24 hours a day. Included in the Retail Unit A is a loading dock which will be available for the exclusive use of the occupants of Retail Unit A. The Supermarket Tenant has certain rights and easements with respect to the Property as more particularly set forth in the Condominium Documents.

The Parking Unit will include space for 136 vehicles of which 50% have been reserved for the use of the Supermarket Tenant and its customers and employees. Under the terms of the Supermarket Lease, the Supermarket Tenant is entitled to operate 24 hours a day, seven days a week. It is anticipated that the garage will be operated by a parking garage operator who may or may not be affiliated with Sponsor. The operator will determine and collect charges based upon market rates and will establish such rules and regulations governing the availability and priority of spaces and the general operation of the garage as such operator may deem appropriate. Neither the Condominium Board nor the Cooperative Board may adopt any rules or regulations or amend the Condominium Declaration or Condominium By-Laws in any manner which would affect the operation of the Parking Unit. The Parking Unit is not being sold at this time and will initially be retained by Sponsor or its designee. As there will be fewer parking spaces available for lease by Shareholders than there are Apartments in the Building and accordingly not all Shareholders who desire to lease a parking space in the Building will be able to do so.

The Cooperative Corporation will have no right to restrict or limit the method of operation or of any uses of the Commercial Units. No rules affecting the operation of the Commercial Units or the Parking Unit may be adopted or modified by the Condominium Board without the consent of the affected Commercial Unit Owners or the Supermarket Tenant. All or any part of the Commercial Units may be leased or subleased by the Commercial Unit Owners, all as more fully set forth in the Condominium Declaration. The Commercial Units may each be sold without prior notice although the Supermarket Tenant has a right of first offer in the event of the sale or lease of Retail Unit A. A Commercial Unit may be divided by the Commercial Unit Owner thereof. Neither the Shareholders nor the Cooperative Corporation will have any interest in the rents, profits or revenues from the rental or use of any space in the Commercial Units.

Amenities

Telecommunications:

All Apartments in the Residential Unit will be wired to receive cable television from a service provider. Any Purchaser desiring cable television service must contact the cable company 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 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 Charges. 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.

Security:

The Building's security system will include a voice intercom between the front door of the Building and the Apartments, as well as from the front desk and the Apartments. It is anticipated that there will be video surveillance at the main entrance that will be monitored on cameras by the front desk. The front desk will be staffed 24 hours per day unless the Cooperative Corporation decides to change or eliminate that service.

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:

While Sponsor is not providing washer/dryers in any Apartment, all Apartments will have a washer/dryer hook-up. Each Purchaser will be responsible for the cost and installation of a washer/dryer in each Apartment. Please refer to the "Description of Property" in Part II of the Plan for further details. Purchasers are advised that there is no laundry room planned in the Building.

Landscaped Courtyard:

There will be an outdoor landscaped courtyard on the roof of the second floor of the Building for use by residents which will have seating, lighting and landscaping.

Fitness Room:

There will be a Fitness Room on the Second Floor of the Residential Unit, which may be used by Shareholders in accordance with such rules and regulations as the Cooperative Board in its discretion shall establish, including without limitation, imposition of fees for usage, and types of usage permitted.

Parking:

As discussed above, the Parking Unit will contain parking facilities located on the Cellar, providing at least 136 parking spaces. Residents of the Residential Unit will receive priority consideration for approximately one-half parking spaces from the parking operator for monthly leases on a first-come, first-served basis (the "Residential Parking Spaces"). If residents of the Residential Unit desire to lease parking spaces, the parking operator shall have the discretion to enter into monthly leases with residents for other than the Residential Parking Spaces, or to place them on a waiting list, even if additional spaces are available for monthly lease. As there may be fewer parking spaces available to the Residential Unit than there are Apartments in the Residential Unit, it is possible that a 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. It is anticipated that the parking operator will be an independent professional parking facility operator which is not affiliated with Sponsor. Sponsor makes no representations as to the fees or policies respecting parking in the Parking Unit or as to whether a particular Shareholder will be able to procure a parking space.

LOCATION AND AREA INFORMATION

Location

The Project is located on 145th Street between Bradhurst Avenue and Frederick Douglass Boulevard (also known as Eighth Avenue). The 145th Street corridor is a commercial byway that is approximately one mile long and extends from the East River on the east to Riverside Drive on the west. The Project is located in the heart of the 145th Street corridor.

Transportation

The Project is well-served by public transportation. The subway station at St. Nicholas Avenue and 145th Street, two blocks west of the Project, services the IND A, B, C and D trains. The subway station on Broadway and 145th Street, several blocks west of the Project, services the IRT Numbers 1 and 9 trains. The subway stations at Lenox Avenue and 145th Street as well as Seventh Avenue and 148th Street services the IRT Number 3 train. There is crosstown bus service on 145th Street (Bx19) and uptown and downtown bus service on Frederick Douglass Boulevard (M10).

Recreational and Cultural Facilities

Jackie Robinson Park is located diagonally across the street from the Project. St. Nicholas Park is located four blocks to the south and two blocks to the west of the Project and Riverside Park is located several blocks to the west of the Project. Riverbank State Park is a state facility that includes two pools, an ice skating rink, an outdoor track and concert bandshell.

Schools

The Project is located in Manhattan School Board Five. The elementary school nearest the project is P.S. 153, located at 146th Street between Amsterdam Avenue and Broadway. Intermediate School 10 is located at 147th Street between Lenox Avenue and Adam Clayton Powell Boulevard. Thurgood Marshall Academy for Learning and Social Change (a High School) is located at Adam Clayton Powell Jr. Boulevard and 135th Street. City College is at 135th Street and Convent Avenue and Columbia University is south and west of the Project at 116th Street between Broadway and Amsterdam. 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, including but not limited to Union Baptist Church at 240 West 145th Street near Frederick Douglass Boulevard, Convent Avenue Baptist Church at 420 West 145th Street and Convent Avenue, Church of the Intercession, Episcopal Church at 550 West 155th Street and Amsterdam Avenue, St. James Presbyterian Church, at 409 West 141st Street and St. Nicholas Avenue and St. Charles Borremeo at 211 West 141st Street, near Adam Clayton Powell Boulevard.

Shopping

Small retail shops abound on 145th Street and Frederick Douglass Boulevard, two major shopping corridors. It is anticipated, but not guaranteed or represented, that a Pathmark supermarket as well as local retail shops will be located in the base of the Building within the Retail Unit B.

Hospitals

Harlem Hospital Center is located southeast of the Project on Lenox Avenue between 135th and 136th Streets. North General Hospital is located also southeast of the Project on Madison Avenue between 121st and 122nd Streets. Columbia Presbyterian Hospital is located north of the Project on Broadway and 168th Street.

Municipal Services

The Project is located in the 32nd Police Precinct, which is headquartered at 250 West 135th Street. 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 Hamilton Grange Branch at 503 West 145th Street and Macomb's Bridge Branch at 2650 Adam Clayton Powell Boulevard (at 152nd Street).

Zoning

The Property is zoned R7-2 with a C2-4 overlay. These designations permit all residential, community and most commercial uses.

SCHEDULE A, PURCHASE PRICES AND SHARE ALLOCATION

11-May-04

Schedule A

Purchase Prices and Share Allocation

Bradhurst Court

Purchase Prices, Share Allocations, Mortgage Allocation, Estimated Maintenance Charges and Estimated Income Tax Deductions for the 1st year of Cooperative Operation Commencing April 1, 2005 (1)

Apt #	#Bedrooms (2)	Terrace (2)	# Baths (2)	# Shares (3)	Total Cash Payment by Purchaser $ 350.00 Per Share (4)	Amount of Total Mortgages $ 139.05 Per Share (5A)	Amount of Mortgage Payable $ 118.70 Per Share (5B)	Estimated Monthly Maintenance with 421a $ 1.52 Per Share (6A)	Estimated Annual Maintenance with 421a $ 18.18 Per Share (6A)	Estimated Monthly Maintenance w/o 421a $ 2.35 Per Share (6B)	Estimated Annual Income Tax Deduction* $ 6.65 Per Share (7)
1	3	T	2	1020	$ 357,000	$ 141,833.54	$ 121,074.00	1,545.62	18,547.39	$ 2,393.99	$ 6,786.47
2	3	T	2	897	$ 314,000	$ 124,730.08	$ 106,473.90	1,359.23	16,310.79	$ 2,105.31	$ 5,968.10
3	3	T	2	897	$ 314,000	$ 124,730.08	$ 106,473.90	1,359.23	16,310.79	$ 2,105.31	$ 5,968.10
4	3	T	2	889	$ 311,000	$ 123,617.66	$ 105,524.30	1,347.11	16,165.32	$ 2,086.53	$ 5,914.88
5	3	T	2	886	$ 310,000	$ 123,200.51	$ 105,168.20	1,342.56	16,110.77	$ 2,079.49	$ 5,894.92
6	3	T	2	900	$ 315,000	$ 125,147.24	$ 106,830.00	1,363.78	16,365.34	$ 2,112.35	$ 5,988.06
7	3	T	2	986	$ 345,000	$ 137,105.76	$ 117,038.20	1,494.10	17,929.14	$ 2,314.19	$ 6,560.26
8	3		2	751	$ 263,000	$ 104,428.42	$ 89,143.70	1,138.00	13,655.97	$ 1,762.64	$ 4,996.71
9	3		3	954	$ 334,000	$ 132,656.08	$ 113,239.80	1,445.61	17,347.26	$ 2,239.09	$ 6,347.35
10	3		2.5	1020	$ 357,000	$ 141,833.54	$ 121,074.00	1,545.62	18,547.39	$ 2,393.99	$ 6,786.47
1H	Super's 2		1.5	0	$ -	$ -	$ -	-	-	$ -	$ -
1J	2		1.5	603	$ 211,000	$ 83,848.65	$ 71,576.10	913.73	10,964.78	$ 1,415.27	$ 4,012.00
1K	2		1.5	571	$ 200,000	$ 79,398.97	$ 67,777.70	865.24	10,382.90	$ 1,340.17	$ 3,799.09
1L	3	T	2	854	$ 299,000	$ 118,750.83	$ 101,369.80	1,294.07	15,528.89	$ 2,004.38	$ 5,682.01
1M	2	T	2	583	$ 204,000	$ 81,067.60	$ 69,202.10	883.43	10,601.10	$ 1,368.33	$ 3,878.94
1N	3	T	2	737	$ 258,000	$ 102,481.69	$ 87,481.90	1,116.78	13,401.40	$ 1,729.78	$ 4,903.56
1P	3	T	2	723	$ 253,000	$ 100,534.95	$ 85,820.10	1,095.57	13,146.82	$ 1,696.92	$ 4,810.41
1Q	3	T	2	720	$ 252,000	$ 100,117.79	$ 85,464.00	1,091.02	13,092.27	$ 1,689.88	$ 4,790.45
1R	2		1.5	591	$ 207,000	$ 82,180.02	$ 70,151.70	895.55	10,746.57	$ 1,387.11	$ 3,932.16
1S	3		2	697	$ 244,000	$ 96,919.59	$ 82,733.90	1,056.17	12,674.05	$ 1,635.90	$ 4,637.42
1T	3		2	714	$ 250,000	$ 99,283.48	$ 84,751.80	1,081.93	12,983.17	$ 1,675.80	$ 4,750.53
1U	2		1.5	540	$ 189,000	$ 75,088.35	$ 64,098.00	818.27	9,819.20	$ 1,267.41	$ 3,592.84
2A	1		1	423	$ 148,000	$ 58,819.20	$ 50,210.10	640.98	7,691.71	$ 992.80	$ 2,814.39
2B	2	T	1.5	614	$ 215,000	$ 85,378.23	$ 72,881.80	930.40	11,164.80	$ 1,441.09	$ 4,085.19
2C	2	T	2	683	$ 239,000	$ 94,972.85	$ 81,072.10	1,034.96	12,419.48	$ 1,603.04	$ 4,544.28
2D	2	T	1.5	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
2E	3		2	723	$ 253,000	$ 100,534.95	$ 85,820.10	1,095.57	13,146.82	$ 1,696.92	$ 4,810.41
2F	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
2G	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
2H	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
2J	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
2K	3		2	686	$ 240,000	$ 95,390.01	$ 81,428.20	1,039.50	12,474.03	$ 1,610.08	$ 4,564.24
2L	2		2	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
2M	2		2	580	$ 203,000	$ 80,650.44	$ 68,846.00	878.88	10,546.55	$ 1,361.29	$ 3,858.97
2N	3		2	694	$ 243,000	$ 96,502.43	$ 82,377.80	1,051.62	12,619.50	$ 1,628.85	$ 4,617.46
2P	3		2	680	$ 238,000	$ 94,555.69	$ 80,716.00	1,030.41	12,364.92	$ 1,596.00	$ 4,524.32
2Q	3		2	680	$ 238,000	$ 94,555.69	$ 80,716.00	1,030.41	12,364.92	$ 1,596.00	$ 4,524.32
2R	2		1.5	603	$ 211,000	$ 83,848.65	$ 71,576.10	913.73	10,964.78	$ 1,415.27	$ 4,012.00
2S	3		2	711	$ 249,000	$ 98,866.32	$ 84,395.70	1,077.38	12,928.62	$ 1,668.75	$ 4,730.57
2T	3		2	729	$ 255,000	$ 101,369.27	$ 86,532.30	1,104.66	13,255.93	$ 1,711.00	$ 4,850.33
2U	2		1.5	551	$ 193,000	$ 76,617.92	$ 65,403.70	834.94	10,019.23	$ 1,293.23	$ 3,666.03
3A	1		1	431	$ 151,000	$ 59,931.62	$ 51,159.70	653.10	7,837.18	$ 1,011.58	$ 2,867.62
3B	2		1.5	557	$ 195,000	$ 77,452.24	$ 66,115.90	844.03	10,128.33	$ 1,307.31	$ 3,705.95
3C	2		2	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
3D	2		1.5	546	$ 191,000	$ 75,922.66	$ 64,810.20	827.36	9,928.31	$ 1,281.49	$ 3,632.76
3E	3		2	737	$ 258,000	$ 102,481.69	$ 87,481.90	1,116.78	13,401.40	$ 1,729.78	$ 4,903.56
3F	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
3G	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
3H	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
3J	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
3K	3		2	700	$ 245,000	$ 97,336.74	$ 83,090.00	1,060.72	12,728.60	$ 1,642.94	$ 4,657.38
3L	2		2	609	$ 213,000	$ 84,682.97	$ 72,288.30	922.82	11,073.88	$ 1,429.35	$ 4,051.92
3M	2		2	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
3N	3		2	706	$ 247,000	$ 98,171.06	$ 83,802.20	1,069.81	12,837.70	$ 1,657.02	$ 4,697.30
3P	3		2	691	$ 242,000	$ 96,085.27	$ 82,021.70	1,047.08	12,564.94	$ 1,621.81	$ 4,597.50
3Q	3		2	691	$ 242,000	$ 96,085.27	$ 82,021.70	1,047.08	12,564.94	$ 1,621.81	$ 4,597.50
3R	2		1.5	614	$ 215,000	$ 85,378.23	$ 72,881.80	930.40	11,164.80	$ 1,441.09	$ 4,085.19
3S	3		2	723	$ 253,000	$ 100,534.95	$ 85,820.10	1,095.57	13,146.82	$ 1,696.92	$ 4,810.41
3T	3		2	740	$ 259,000	$ 102,898.84	$ 87,838.00	1,121.33	13,455.95	$ 1,736.82	$ 4,923.52
3U	2		1.5	560	$ 196,000	$ 77,869.39	$ 66,472.00	848.57	10,182.88	$ 1,314.35	$ 3,725.91

Apt #	#Bedrooms (2)	Terrace (2)	# Baths (2)	# Shares (3)	Total Cash Payment by Purchaser $ 350.00 Per Share (4)	Amount of Total Mortgages $ 139.05 Per Share (5A)	Amount of Mortgage Payable $ 118.70 Per Share (5B)	Estimated Monthly Maintenance with 421a $ 1.52 Per Share (6A)	Estimated Annual Maintenance with 421a $ 18.18 Per Share (6A)	Estimated Monthly Maintenance w/o 421a $ 2.35 Per Share (6B)	Estimated Annual Income Tax Deduction* $ 6.65 Per Share (7)
4A	1		1	440	$ 154,000	$ 61,183.10	$ 52,228.00	666.74	8,000.83	$ 1,032.70	$ 2,927.50
4B	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
4C	2		2	600	$ 210,000	$ 83,431.49	$ 71,220.00	909.19	10,910.23	$ 1,408.23	$ 3,992.04
4D	2		1.5	557	$ 195,000	$ 77,452.24	$ 66,115.90	844.03	10,128.33	$ 1,307.31	$ 3,705.95
4E	3		2	749	$ 262,000	$ 104,150.32	$ 88,906.30	1,134.97	13,619.60	$ 1,757.94	$ 4,983.40
4F	2		1.5	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
4G	2		1.5	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
4H	2		1.5	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
4J	2		1.5	589	$ 206,000	$ 81,901.92	$ 69,914.30	892.52	10,710.21	$ 1,382.41	$ 3,918.86
4K	3		2	714	$ 250,000	$ 99,283.48	$ 84,751.80	1,081.93	12,983.17	$ 1,675.80	$ 4,750.53
4L	2		2	620	$ 217,000	$ 86,212.54	$ 73,594.00	939.49	11,273.90	$ 1,455.17	$ 4,125.11
4M	2		2	600	$ 210,000	$ 83,431.49	$ 71,220.00	909.19	10,910.23	$ 1,408.23	$ 3,992.04
4N	3		2	720	$ 252,000	$ 100,117.79	$ 85,464.00	1,091.02	13,092.27	$ 1,689.88	$ 4,790.45
4P	3		2	706	$ 247,000	$ 98,171.06	$ 83,802.20	1,069.81	12,837.70	$ 1,657.02	$ 4,697.30
4Q	3		2	706	$ 247,000	$ 98,171.06	$ 83,802.20	1,069.81	12,837.70	$ 1,657.02	$ 4,697.30
4R	2		1.5	626	$ 219,000	$ 87,046.86	$ 74,306.20	948.58	11,383.00	$ 1,469.25	$ 4,165.03
4S	3		2	737	$ 258,000	$ 102,481.69	$ 87,481.90	1,116.78	13,401.40	$ 1,729.78	$ 4,903.56
4T	3		2	754	$ 264,000	$ 104,845.58	$ 89,499.80	1,142.54	13,710.52	$ 1,769.68	$ 5,016.67
4U	2		1.5	571	$ 200,000	$ 79,398.97	$ 67,777.70	865.24	10,382.90	$ 1,340.17	$ 3,799.09
5A	1		1	446	$ 156,000	$ 62,017.41	$ 52,940.20	675.83	8,109.94	$ 1,046.79	$ 2,967.42
5B	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
5C	2		2	609	$ 213,000	$ 84,682.97	$ 72,288.30	922.82	11,073.88	$ 1,429.35	$ 4,051.92
5D	2		1.5	566	$ 198,000	$ 78,703.71	$ 67,184.20	857.67	10,291.98	$ 1,328.43	$ 3,765.83
5E	3		2	763	$ 267,000	$ 106,097.05	$ 90,568.10	1,156.18	13,874.17	$ 1,790.80	$ 5,076.55
5F	2		1.5	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
5G	2		1.5	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
5H	2		1.5	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
5J	2		1.5	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
5K	3		2	726	$ 254,000	$ 100,952.11	$ 86,176.20	1,100.11	13,201.37	$ 1,703.96	$ 4,830.37
5L	2		2	631	$ 221,000	$ 87,742.12	$ 74,899.70	956.16	11,473.92	$ 1,480.99	$ 4,198.30
5M	2		2	611	$ 214,000	$ 84,961.07	$ 72,525.70	925.85	11,110.25	$ 1,434.05	$ 4,065.23
5N	3		2	734	$ 257,000	$ 102,064.53	$ 87,125.80	1,112.24	13,346.84	$ 1,722.74	$ 4,883.60
5P	3		2	717	$ 251,000	$ 99,700.64	$ 85,107.90	1,086.48	13,037.72	$ 1,682.84	$ 4,770.49
5Q	3		2	717	$ 251,000	$ 99,700.64	$ 85,107.90	1,086.48	13,037.72	$ 1,682.84	$ 4,770.49
5R	2		1.5	637	$ 223,000	$ 88,576.44	$ 75,611.90	965.25	11,583.02	$ 1,495.07	$ 4,238.22
5S	3		2	751	$ 263,000	$ 104,428.42	$ 89,143.70	1,138.00	13,655.97	$ 1,762.64	$ 4,996.71
5T	3		2	769	$ 269,000	$ 106,931.37	$ 91,280.30	1,165.27	13,983.27	$ 1,804.88	$ 5,116.47
5U	2		1.5	583	$ 204,000	$ 81,067.60	$ 69,202.10	883.43	10,601.10	$ 1,368.33	$ 3,878.94
6A	1		1	454	$ 159,000	$ 63,129.83	$ 53,889.80	687.95	8,255.41	$ 1,065.56	$ 3,020.65
6B	2		1.5	586	$ 205,000	$ 81,484.76	$ 69,558.20	887.97	10,655.66	$ 1,375.37	$ 3,898.90
6C	2		2	620	$ 217,000	$ 86,212.54	$ 73,594.00	939.49	11,273.90	$ 1,455.17	$ 4,125.11
6D	2		1.5	577	$ 202,000	$ 80,233.29	$ 68,489.90	874.33	10,492.00	$ 1,354.25	$ 3,839.01
6E	3		2	777	$ 272,000	$ 108,043.79	$ 92,229.90	1,177.40	14,128.74	$ 1,823.66	$ 5,169.70
6F	2		1.5	637	$ 223,000	$ 88,576.44	$ 75,611.90	965.25	11,583.02	$ 1,495.07	$ 4,238.22
6G	3		2	843	$ 295,000	$ 117,221.25	$ 100,064.10	1,277.41	15,328.87	$ 1,978.56	$ 5,608.82
6L	2		2	640	$ 224,000	$ 88,993.59	$ 75,968.00	969.80	11,637.58	$ 1,502.11	$ 4,258.18
6M	2		2	623	$ 218,000	$ 86,629.70	$ 73,950.10	944.04	11,328.45	$ 1,462.21	$ 4,145.07
6N	3		2	746	$ 261,000	$ 103,733.16	$ 88,550.20	1,130.42	13,565.05	$ 1,750.90	$ 4,963.44
6P	2		1.5	643	$ 225,000	$ 89,410.75	$ 76,324.10	974.34	11,692.13	$ 1,509.15	$ 4,278.14
6Q	2	T	1.5	674	$ 236,000	$ 93,721.38	$ 80,003.80	1,021.32	12,255.82	$ 1,581.91	$ 4,484.40
6R	2	T	1.5	694	$ 243,000	$ 96,502.43	$ 82,377.80	1,051.62	12,619.50	$ 1,628.85	$ 4,617.46
6S	2	T	1.5	689	$ 241,000	$ 95,807.17	$ 81,784.30	1,044.05	12,528.58	$ 1,617.12	$ 4,584.20
6T	2	T	1.5	666	$ 233,000	$ 92,608.96	$ 79,054.20	1,009.20	12,110.35	$ 1,563.14	$ 4,431.17
6U	2	T	1.5	666	$ 233,000	$ 92,608.96	$ 79,054.20	1,009.20	12,110.35	$ 1,563.14	$ 4,431.17
6V	2	T	1.5	666	$ 233,000	$ 92,608.96	$ 79,054.20	1,009.20	12,110.35	$ 1,563.14	$ 4,431.17
6W	2	T	1.5	700	$ 245,000	$ 97,336.74	$ 83,090.00	1,060.72	12,728.60	$ 1,642.94	$ 4,657.38
6X	2	T	1.5	677	$ 237,000	$ 94,138.54	$ 80,359.90	1,025.86	12,310.37	$ 1,588.95	$ 4,504.36
6Y	2	T	1.5	666	$ 233,000	$ 92,608.96	$ 79,054.20	1,009.20	12,110.35	$ 1,563.14	$ 4,431.17
7A	1		1	463	$ 162,000	$ 64,381.30	$ 54,958.10	701.59	8,419.06	$ 1,086.69	$ 3,080.53
7B	2		1.5	597	$ 209,000	$ 83,014.34	$ 70,863.90	904.64	10,855.68	$ 1,401.19	$ 3,972.08
7C	2	T	2	751	$ 263,000	$ 104,428.42	$ 89,143.70	1,138.00	13,655.97	$ 1,762.64	$ 4,996.71
7D	2	T	2	780	$ 273,000	$ 108,460.94	$ 92,586.00	1,181.94	14,183.30	$ 1,830.70	$ 5,189.66
7E	2	T	2	700	$ 245,000	$ 97,336.74	$ 83,090.00	1,060.72	12,728.60	$ 1,642.94	$ 4,657.38
7L	2		2	651	$ 228,000	$ 90,523.17	$ 77,273.70	986.47	11,837.60	$ 1,527.93	$ 4,331.37
7M	2		2	631	$ 221,000	$ 87,742.12	$ 74,899.70	956.16	11,473.92	$ 1,480.99	$ 4,198.30
7N	3		2	760	$ 266,000	$ 105,679.89	$ 90,212.00	1,151.64	13,819.62	$ 1,783.76	$ 5,056.59
7P	2		1.5	651	$ 228,000	$ 90,523.17	$ 77,273.70	986.47	11,837.60	$ 1,527.93	$ 4,331.37
7Q	2		1.5	640	$ 224,000	$ 88,993.59	$ 75,968.00	969.80	11,637.58	$ 1,502.11	$ 4,258.18
				84246	$ 29,486,000	$ 11,714,616.15	$ 10,000,000.00	$ 127,658.75	1,531,905.00	$ 197,729.75	$ 560,522.77

NOTES TO SCHEDULE A

1. As fully discussed in the Section entitled "Procedure to Purchase" in Part I of the Plan, to be eligible to purchase an Apartment, Purchasers generally must have an Annual Household Income not exceeding 175% of Median Income. "Annual Household Income" as determined utilizing the Income Determination Procedures 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. Annual Household Income includes the annual gross income of the Purchaser and any other person who is expected to reside in the unit. However, Sponsor is authorized to enter into Purchase Agreements for up to 32 Apartments to Purchasers whose Annual Household Income is higher than 175% of Median Income (currently $109,000) but not more than 250% of Median Income (currently $157,000). These 32 designated Apartments may, but are not required to be sold by Sponsor to Purchasers with incomes above 175% but not exceeding 250% of Median Income. Resales of each of these 32 designated Apartments by each successive Shareholder of the Apartment may be, but are not required to be, made to persons with an Annual Household Income above 175% of Median Income provided such Annual Household Income does not exceed 250% of Median Income. See the Section entitled "Procedure to Purchase" in Part I of the Plan for additional information.

2. 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. Please refer to the "Description of Property" in Part II of the Plan for further details regarding ceiling heights. Purchasers should note that certain Apartments may have less clearance and certain rooms within other Apartments may have a lesser clearance as the result of construction variances or the presence of beams and mechanical spaces in such Apartments.

3. 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 Charges payable by the Shareholder of the Apartment. Please see the Description of Property set forth in Part II of the Plan for a list of the rooms in each apartment line.

4. The Cash Purchase Price was calculated on the basis of $250.00 per Share allocated to the Apartment. In addition to the Cash Purchase Price, Purchaser will also be obligated to pay at the Apartment Closing Date certain closing costs, including, without limitation,

(i) the Reserve Fund Contribution, which is a $1,000 payment to Sponsor in reimbursement for Sponsor's contribution to the HDC Reserve Fund, as described in the Section entitled "Procedure to Purchase" in Part I of the Plan and (ii) Purchaser's contribution to the cost of purchasing the Superintendent's Apartment which is $1,550. The ongoing cost of maintaining the Superintendent's Apartment will be a Cash Requirement of the Cooperative Corporation, as more particularly described on Schedule B, "Projected Cooperative Budget for First Year of Cooperative Operation" and will be borne by all Shareholders as part of Maintenance Charges. See "Purchaser's Closing Costs" in the Section entitled "Procedure to Purchase" in Part I of the Plan for additional information regarding Closing Costs which Purchaser shall be obligated to pay.

5A. The approximate Proportionate Share of the Underlying Mortgages attributable to each Apartment shown in these columns assumes that, as of the Cooperative Conversion Date, the Residential Units will be encumbered by the HDC Mortgage in the principal amount of $10,000,000, the HPD Mortgage in the principal amount of $1,040,000 and the HPD PM Mortgage in the principal amount of $674,616, for an aggregate mortgage indebtedness in the total amount of $11,714,616. This aggregate mortgage indebtedness, when allocated among all the Shares, results in a mortgage allocation of approximately $139.05 per Share assuming 84,246 Shares are issued. (See, however, "Attorneys Income Tax Opinion" in Part I of the Plan, to the effect that the HPD Mortgage and the HPD PM Mortgage might not be considered debt for income tax purposes.) Shareholders will have no personal liability to HDC or HPD for payment of the Cooperative Corporation's mortgage indebtedness under any of these Underlying Mortgages.

5B Regular debt service payments are required only in connection with the HDC Mortgage and column 5B reflects each Shareholder's allocable share of the HDC Mortgage. Debt service payments for the HDC Mortgage are included in the estimated Maintenance Charges. No regular debt service payments are due in connection with the HPD Mortgage or the HPD PM Mortgage. Instead, the HPD Mortgage and the HPD PM Mortgage will be extinguished upon their 25th annual anniversary, assuming the Cooperative Corporation shall not be in default under the notes secured thereby. In the intervening years, the outstanding principal of the HPD Mortgage and the HPD PM Mortgage may also be payable out of HPD Resale Profits and HPD Refinancing Profits in the event of sale or refinancing by a Shareholder. Please refer to the Section entitled "Terms of Mortgages and Regulatory Agreements" for further information about the Underlying Mortgages and the repayment obligations thereunder.

6A Monthly Maintenance Charges shown under column 4A are for the projected first year of operation of the Cooperative Corporation (i.e., the 12-month period beginning April 1, 2005) and are based upon the projected operating budget appearing in the Section of this Plan entitled Schedule B, "Projected Cooperative Budget for First Year of Cooperative Operation." They assume that the Section 421-a Tax Benefits described in 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 Cooperative Corporation for that year will be approximately $29,503, based upon the opinion of The Law Offices of Robert M.

Pollack, P.C. dated April 22, 2004, and the Residential Unit being allocated 65% of the real estate taxes.

6B Monthly Maintenance Charges shown under column 6B are for the same 12-month period as those shown under column 6A, and are based upon the same anticipated operating budget appearing in Schedule B, but the Maintenance Charges in column 4B assume 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 assuming 421-a Benefits were granted. 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 $870,355. In addition to paying Maintenance Charges (which represents Shareholder's proportionate share of operating costs of the Residential Unit), each Shareholder will be responsible for paying costs and expenses attributable to 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 Shareholder to the utility company, (ii) decorating the Apartment, (iii) interior repairs to and maintenance of the Apartment, (iv) any renter's insurance obtained covering furniture, belongings, equipment and other personal property of the Shareholder and liability to others for damage or injury as a result of occurrences in the Apartment and (v) debt service for any financing obtained by the Shareholder.

7. The estimated income tax deductions are based upon (i) the estimated real estate taxes for the Residential Unit for the estimated first year cooperative operation ("First Year of Cooperative Operation") beginning with the Cooperative Conversion Date, which is currently estimated to be the period April 1, 2005 through March 31, 2005 (i.e., $29,503), plus (ii) the approximate amount of interest on the Underlying Notes during the First Year of Cooperative Operation (i.e., $531,020). The estimated tax deduction amounts assume that Section 421-a Benefits will be effective as of the Cooperative Conversion Date. There is no guarantee that 421-a Benefits will be available and although such 421-a Benefits might not appear of record as benefiting the Residential Unit until some months after that date.

The amount of Maintenance Charges 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 Charges 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 Mortgage will be comprised of increasing principal components and decreasing interest components.

Based upon the projected operating budget of the Cooperative Corporation contained in Schedule B, the projected income tax deductions for the first year of cooperative operation represent approximately 36.5% of the projected first year's Maintenance Charges. 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 SHAREHOLDER WILL BE REQUIRED TO PAY OR THE AMOUNT OF TAX DEDUCTIONS, IF ANY, TO WHICH A 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.

SCHEDULE B, PROJECTED COOPERATIVE BUDGET FOR FIRST YEAR OF COOPERATIVE OPERATION

Bradhurst Court
300 West 145th Street
New York, New York

SCHEDULE B

Projected Cooperative Budget for the First Year of Cooperative Operation

April 1, 2005 to March 31, 2006

INCOME	
Maintenance Charges (Note 1)	$1,531,905
Expense Reimbursement from Condominium (Note 2)	22,126
TOTAL INCOME	$1,554,031
EXPENSES	
Labor (Note 3)	315,361
Heating, Hot Water and Gas (Note 4)	97,420
Electricity (Note 5)	106,850
Water and Sewer Rents (Note 6)	41,000
Repairs, Maintenance and Supplies (Note 7)	71,000
Service Contracts (Note 8)	22,270
Insurance (Note 9)	39,588
Management Fees (Note 10)	60,000
Legal, Audit, Professional and Administrative Costs (Note 11)	45,640
Franchise and Corporation Taxes (Note 12)	575
Real Estate Taxes (Note 13)	29,503
Mortgage Payments (Note 14)	531,020
Capital Reserves (Note 15)	39,800
Payment of Common Charges to Condominium (Note 16)	127,004
Contingency (Note 17)	27,000
TOTAL EXPENSES	$1,554,031

Footnotes to Schedule B

The projections contained in this Schedule B assume that the first year of Cooperative Operation will begin April 1, 2005.

(1) Maintenance Charges (Budget - $1,531,905)

The Maintenance Charges are based upon the projected expenses ($1,554,031), taking into consideration total income to the Apartment Corporation. As there will be 161,846 shares issued, the maintenance charges totaling $1,531,905 will be $9.465 per share for the first year of cooperative operation, estimated to commence on April 1, 2005. The Residential Units and the Commercial Units shall share the expenses for a portion of the labor, electricity for the General Common Elements, insurance, and management fees.

(2) Expense Reimbursement from the Condominium (Budget- $22,126)

As a mixed-use building, certain operating expenses will be shared between the Residential Units and the Commercial Units. As explained in more detail in Note 3 below, the Apartment Corporation will employ staff that will perform services for the entire building. Based on the allocation in Note 3 below, the Condominium's allocable share of labor expenses will be $9,663 for the superintendent's salary and benefits and $12,463 for the salary and benefits of the two porters. Through the collection of common charges, the Condominium will reimburse the Apartment Corporation for this expense. As a practical matter, the Apartment Corporation may take a credit of this amount against its share of common charges due to the Condominium rather than receiving this payment.

(3) Labor (Budget - $315,361)

The Building Staff for the Apartment Corporation consists of four doormen/security guards provided on a 24 hour per day/7 day per week basis. These workers will be employees of a non-union outside contractor, based on a budget estimate of $125,093. In addition, the Apartment Corporation will have two full-time porters as employees, both of whom are members of AFL-CIO Service Employees International Union Local 32B/J. The Apartment Corporation will pay their total salaries and benefits of $124,633 and based on an estimated expenditure of effort, 90% will be charged to the Apartment Corporation and the Condominium will reimburse the remaining 10%. There will also be a full time non-union resident superintendent who will be an employee of the Apartment Corporation. The Apartment Corporation will pay the Superintendent's total salary and benefits of $64,418, and based on an estimated expenditure of effort, 85% of the Superintendent's salary and benefits will be allocated to work performed by the Superintendent on behalf of the Apartment Corporation and the remaining 15% will be allocated to work performed by the Superintendent on behalf of the Condominium as to which the Condominium will reimburse the Apartment Corporation. Neither the superintendent nor the porters will be employees of the Condominium. The Superintendent resides in Apartment 1H, which will be owned by the Apartment Corporation and to which no shares have been allocated. As the Apartment Corporation requires the superintendent to live on premises, the Apartment Corporation will pay for the superintendent's expenses for cooking gas, electricity, telephone

service, and cable television service in this apartment. The cost of the Superintendent's cooking gas is included in the estimate detailed in Footnote 4 below and the cost of the Superintendent's electricity is included in the estimate detailed in Footnote 5 below. The cost of telephone and cable television service is estimated to be $105 per month or $1,260 per year and is included below. The projected base wages and benefits for the union porters are based upon the current wage rates in effect under the local 32B/J contract as follows:

Four (4) Doormen/Security Guard Wages	$125,093
Two (2) Porter Wages	90,013
One (1) Building Superintendent Wages	56,384
Payroll Taxes	14,066
Workers Comp	6,368
Disability Insurance/Employee Benefits	85
Union Benefits	22,092
Superintendent's Telephone and Cable TV	1,260
Total	$315,361

(4) Heating, Hot Water and Cooking (Budget - $97,420)

The Building uses gas for heat, hot water and cooking. The budget for this item is based on a projected consumption of 761 Therms per dwelling unit or a total of 97,420 Therms at a price of $1.00 per Therm. This estimate is based on an analysis performed by Cosentini Associates in a letter dated February 23, 2004. This includes the cost of gas service to the Superintendent's Apartment.

It is believed that the sum in the projected budget for gas will be sufficient to cover any reasonable increase in its cost during the first year of cooperative operation. However, the projected usage and projected rates are not guaranteed and it must be expected that usage and rates may increase with the passage of time and could be affected by many factors that are beyond the control of Sponsor. The projections are only estimates and actual consumption will be metered and will vary based upon the personal needs of occupants and weather conditions.

(5) Electricity (Budget $106,850)

This item includes the cost of electricity supplied to the common areas of the Building and the Superintendent's Apartment. All apartments are separately metered for electricity and each tenant is responsible to pay the utility company directly for electricity consumed in such tenant's apartment.

The total kilowatt hours/cost of electricity for the common areas of the Building is based on an assumption of 700,000 kilowatt-hours. This estimate is based on an analysis performed by Cosentini Associates in a letter dated February 23, 2004. This estimate is calculated on the basis of currently effective Con Edison Rate SC9-I. These rates include an estimated $0.006 fuel adjustment and Con Edison surcharge of 8%. Both the fuel adjustment and surcharge vary from month to month; the estimate assumes an average annual cost of $0.15 per KWHR. This results in an estimate of $105,000 per year for the common areas of the building. In addition, based on

an analysis performed by Cosentini Associates in a letter dated February 23, 2004, it is assumed that the annual electricity charge for the Superintendent's Apartment is $1,850.

It is believed that the projected budget for electricity will be sufficient to cover any reasonable increase in its cost during the first year of cooperative operation. The projected usage and projected rates are not guaranteed and it must be expected that usage and rates may increase with the passage of time and could be affected by many factors that are beyond the control of Sponsor. The projections are only estimates and actual consumption will be metered and will vary based upon the personal needs of occupants and weather conditions.

(6) Water Charges and Sewer Rents (Budget - $41,000)

The apartments will not be individually metered for water and sewer charges. Based on a letter dated February 24, 2004 from Cosentini Associates, it is assumed that the usage will be 100 gallons per day per estimated occupant. The above water and sewer charges are estimated on the basis of a combined charge of $3.37 per 100 cubic feet.

The projected usage and projected rates are not guaranteed and it must be expected that usage and rates may increase with the passage of time and could be affected by many factors that are beyond the control of Sponsor.

(7) Repairs, Maintenance and Supplies (Budget- $71,000)

The budget includes various repairs (including interior and exterior repairs, roofing, heating system, plumbing, elevator, HVAC, electrical work and compactor maintenance), materials, supplies and contractors relating to maintenance of public areas of the Building and supplies (such as cleaning supplies, general or hardware supplies, lubricants, light bulbs) and the painting of public halls and other common areas. Shareholders will be responsible for the cost of the interior maintenance of and repairs to their respective apartments, including appliances.

(8) Service Contracts (Budget - $22,270)

This budget item includes service contracts for the Building during the first year of cooperative operation including exterminating ($3,670), grounds contract for terrace landscaping ($3,000) and elevator maintenance and service ($15,600). Sponsor has not yet entered into any service contracts.

(9) Insurance (Budget- $39,588)

The insurance expense in the budget is based upon a letter dated March 1, 2004, from the insurance broker, AON Risk Services. Since the residential building owned by the Apartment Corporation is part of an integral building, the Condominium will procure the insurance for the entire base Building (other than the Units) for property insurance, liability insurance, and Directors & Officers insurance for the Condominium. The Apartment Corporation will reimburse the Condominium for its allocable share of these insurance premiums through payment of its common charges to the Condominium as set forth in Footnote 17 below. In addition, the Apartment Corporation will procure insurance covering property and liability pertaining to the Residential Limited Common Elements and Directors & Officers insurance for

the Apartment Corporation. The estimate for this additional insurance procured by the Apartment Corporation assumes coverage as follows:

	Line of Coverage and Exposure		Estimated Annual Premium
Property:	Residential Limited Common Elements at $235,000 Valuation – replacement cost Co Insurance – waived Deductible - $5,000 Building Ordinance – included Terrorism – included		$206
Boiler /Machinery	Limit	$235,000	$8
General Liability	Limit	For 128 units	$21,702
Umbrella Liability	Limit	For 128 units	$12,288
Directors & Officers Liability	Flat	For Apartment Corporation Board of Directors	$2,000
ZBA Fee and Broker's Fees			$2,384
Crime	Flat		$1,000
		Total	**$39,588**

As stated in a letter dated March 1, 2004, in the opinion of AON Risk Services, the amount of property/fire insurance, is adequate to cover the replacement cost of the captioned building. Under no circumstance would the insured be subject to a "co-insurance" penalty; the co-insurance has been waived by the carrier.

The insurance shall provide that there shall be no cancellation of the insurance without notice to the Cooperative Board and shall contain a waiver of subrogation.

In recent years, premiums for insurance (especially fire and liability) have increased substantially. It is not possible to predict if future premiums will continue to increase or decrease at the same rate or level. Although this budget projection is believed to be reasonable, it is not guaranteed. The projected cost of New York State Disability Insurance and Worker's Compensation Insurance are included in cost projections for labor. The foregoing insurance includes so-called "terrorism" insurance. There is no guaranty that such coverage will be available at commercially reasonable rates in the future.

The insurance coverage to be obtained by the Apartment Corporation does not cover the individual Apartments. Shareholders will be obligated under the terms of the Proprietary Lease to purchase certain property and liability insurance covering their respective apartments and personal property, at their own cost and expense. To purchase this insurance or any additional insurance, it is recommended that shareholders consult an insurance broker.

(10) Management Fees (Budget - $60,000)

As of the Cooperative Conversion Date, a management contract for the Apartment Corporation will be entered into with the Related Management Company, L.P (the "Agent") at

an annual fee in the first year of $60,000, payable in equal monthly installments of $5,000. The contract will be for a term of three years. The Agent may terminate the agreement for cause on ten days' notice and the Apartment Corporation may terminate the agreement for cause on sixty days' notice after a thirty-day notice to cure. The management fee is consistent with the prevailing cost for similar management services.

Related Management Company, L.P. is an affiliate of the Sponsor.

(11) Legal, Audit and Other Professional Fees and Administrative Costs (Budget $45,640)

This item is intended to cover the cost of preparation by a certified public accountant of the annual certified financial statement for the Apartment Corporation and Federal, state and city tax returns as well as a small amount for miscellaneous (but not major) legal services if the Board of Directors desires to engage the services of an attorney, if needed. The budget also includes expenses for administrative costs and other building expenses of $36,000.

Accounting	$ 6,000
Legal	$ 3,640

(12) Franchise and Corporation Taxes (Budget - $575)

This estimate is based upon the aggregate minimum payable for the New York State Franchise Tax, the Metropolitan Transportation Business Tax Surcharge and the New York City General Corporation Tax.

(13) Real Estate Taxes (Budget - $29,503)

New York City real estate taxes for the first year of cooperative operation following the Cooperative Conversion Date are estimated to be $29,503. Estimated real estate taxes assume the granting of 421-a real estate tax benefits. Real estate taxes will only be payable on the current assessed valuation of the property in the year immediately prior to construction of the building. The 421-a benefits are expected to be granted for the residential, parking garage and local retail components of the building (Retail Unit A, instead, is expected to receive ICIP real estate tax benefits). The Mini-Tax will be based upon the 2002/03 transitional assessed value for the entire development site, now identified as Block 2004, Lot 33 of $359,665. The 2003/04 total transitional assessed value for Block 2004, Lot 33 is $370,916. The mini-tax for the residential portion of the Project is based upon the percentage of the residential portion's value of the value of the entire building as projected upon completion of construction, which has been estimated to be 65%. The 2003/2004 tax rate of 12.62% is the blended Class 2 tax rate for 2003/04 which was 12.517% for the first half of 2003/04 and 12.723% for the second half of 2003/04. The 2004/05 and 2005/06 tax rates are estimated to be the same as the annual 2003/04 Class 2 tax rate of 12.62%. The first year of operation is projected to commence April 1, 2005 and will cover three months of the 2004/05 tax year and nine months of the 2005/06 tax year. The tax year 2005/06 is projected to be the first tax year that the building will be assessed as 100% complete. The 2004/05 tax year assumes that the property will receive a "land only" progress assessment plus a nominal improvement value which remained on the lot. No

warranties or assurances are given that the Department of Finance will ascribe the assessed values as projected.

Sponsor will use its best efforts to obtain 421-a real estate tax benefits. 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.

Residential Portion	Land	Building	Total	Rate	RE Taxes with out 421-a	RE Taxes with 421-a
2004/05						
Actual	$ 580,000	$61,108	$641,608	12.62%		
Trans.	$323,698	$63,290	$386,988	12.62%	$48,838	$29,503*
2005/06						
Actual	$ 2,415,000	$8,440,275	$10,855,275	12.62%		
Trans.	$626,245	$8,440,275	$9,066,520	12.62%	$1,144,195	$29,503*

*$359,665*65%*12.62% = $29,503

(14) Mortgage Payments (Budget -$531,020)

The budget for mortgage interest and principal payments is based on a mortgage with The New York City Housing Development Corporation ("HDC"), 110 William Street, New York, New York 10038 (the "HDC Mortgage") having an outstanding principal balance in the approximate principal amount of $10,000,000 with monthly payments due of $44,251.65 representing interest and principal at 4.39% per annum for 25 years. The mortgage has a term of 25 years with an amortization schedule of 40 years The HDC Mortgage matures 25 years from the Cooperative Conversion Date when a balloon payment of $5,827,313 will be due and payable in addition to any outstanding principal and interest payments. Assuming that the Mortgage is kept current over the 25 year term, only the balloon payment of $5,827,313 will be due at the end of this period.

Shareholders will not be personally liable to the holder of the HDC Mortgage for the monthly payments or the unpaid principal at maturity.

The Apartment Corporation may wish to refinance or extend the HDC Mortgage on or before its maturity. The availability, terms and cost of refinancing or an extension will vary over

time depending upon then-existing market conditions, the Apartment Corporation's credit-worthiness, the financial and physical condition of the property and other factors.

No regular debt service payments are due in connection with the HPD Mortgage. Please refer to the Section entitled "Terms of Mortgages and Regulatory Agreements" for further information about the Underlying Mortgages and the repayment obligations thereunder.

(15) Capital Reserve Payments (Budget - $39,800)

As part of the HDC mortgage, which has a principal amount of $10,000,000, the holder of the Mortgage requires payment into a capital reserve on a monthly basis equal to $250 per year per apartment. The total annual capital reserve payment of $32,000 is payable at the rate of $2,666.67 per month. In addition, the Apartment Corporation will pay its allocable share (based upon its Common Interest) of the capital reserves created by the Condominium for replacement of the physical elements of the building for which it is responsible. Please refer to Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation" in Part I of the Plan for further details regarding the estimated operating expenses of the Condominium.

(17) Payment of Common Charges to Condominium (Budget - $124,082)

As show in more detail on Schedule B-1, the Apartment Corporation will pay Common Charges to the Condominium to cover the Apartment Corporation's allocable share of expenses incurred by the Condominium. Please refer to Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation" in Part I of the Plan for further details regarding the estimated operating expenses of the Condominium.

(18) Contingency (Budget - $27,000)

The budget includes a contingency equal to approximately three percent of the operating and maintenance costs of the Apartment Corporation, excluding the fixed Mortgage Payments and Capital Reserve Payments. The contingency is inteded to provide for any unanticipated expenses or unanticipated increases in the projected expenses.

IN THE OPINION OF ROSE ASSOCIATES, INC, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE APARTMENT CORPORATION'S FIRST YEAR OF OPERATION OF THE PROPERTY, ASSUMING THE FIRST YEAR COMMENCES APRIL 1, 2005. SCHEDULE B, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY OR WARRANTY BY ANYONE OF THE ANNUAL RENT (MAINTENANCE CHARGES) OR OTHER PROJECTED RECEIPTS OR ESTIMATED EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF COOPERATIVE OPERATION. IT IS LIKELY THAT ACTUAL MAINTENANCE CHARGES AND OTHER INCOME, AS WELL AS EXPENSES, WILL VARY FROM THE AMOUNTS SHOWN IN SCHEDULE B.

SCHEDULE B- 1,- PROJECTED CONDOMINIUM BUDGET FOR FIRST YEAR OF COOPERATIVE OPERATION

Bradhurst Court
300 West 145th Street
New York, New York

SCHEDULE B-1

Projected Condominium Budget for the First Year of Cooperative Operation

April 1, 2005 to March 31, 2006

INCOME	
Common Charges from Residential Unit Owner (Note 1)	$127,004
Common Charges from Commercial Unit Owners (Note 1)	68,387
TOTAL INCOME	$195,391
EXPENSES	
Labor—Reimbursement to Apartment Corporation (Note 2)	$22,126
Heating, Hot Water and Water/Sewer Rents (Note 3)	$0
Electricity (Note 4)	3,000
Repairs, Maintenance, Supplies and Service Contracts (Note 5)	10,400
Insurance (Note 6)	105,790
Management Fees (Note 7)	30,000
Legal, Audit, Professional and Administrative Costs (Note 8)	11,000
Franchise and Corporation Taxes (Note 9)	1,075
Capital Reserves (Note 10)	12,000
TOTAL EXPENSES	$195,391

Footnotes to Schedule B-1

The projections contained in this Schedule B-1 assume that the first year of Cooperative Operation will begin April 1, 2005.

(1) Common Charges (Budget - $195,391)

The Common Charges allocated to the Units are based upon the projected expenses of the Condominium ($195,391) taking into consideration total income to the Condominium. The Common Charges will be allocated among the four Condominium Units based upon their respective Common Interest in the Condominium. The Common Interest attributable to the Residential Unit is 65% and the aggregate Common Interest attributable to the Commercial Units is 35%, for a total of 100%.

(2) Labor—Reimbursement to Apartment Corporation (Budget - $22,126)

The Condominium will not employ any building staff but will use the services of staff employed by the Apartment Corporation to maintain the General Common Elements of the Building and to perform such other services as are the responsibility of the Condominium Board under the term of the Condominium Documents. The amount budgeted reflects an estimate of the Condominium's reimbursement to the Apartment Corporation for its allocable share of the salaries and related expenses of the Apartment Corporation's employees' servicing the Condominium. This is estimated to include $9,663 for the superintendent's salary and benefits and $12,463 for the salary and benefits of the two porters. This was determined by assuming that approximately 15% of the Superintendent's hours and 10% of the two Porters' hours would be spent on matters that are the responsibility of the Condominium.

(3) Heating, Hot Water, Cooking and Water/Sewer Rents (Budget - $0)

The Building uses gas for heat, hot water and cooking as well as water and sewer service. These utilities are separately sub-metered to individual Commercial Tenants and to the Apartment Corporation who will pay these expenses directly and will not be incurred by the Condominium. The projected usage and projected rates are not guaranteed and it must be expected that usage and rates may increase with the passage of time and could be affected by many factors that are beyond the control of Sponsor. The projections are only estimates and actual consumption will be metered and will vary based upon the personal needs of occupants and weather conditions.

(4) Electricity (Budget - $3,000)

The budget of $3,000 is for electricity for the General Common Elements and is based upon an opinion of Cosentini Associates dated February 23, 2004 which assumes 20,000 kwhs of usage. This estimate is calculated on the basis of currently effective Con Edison Rate SC9-I. These rates include an estimated $0.006 fuel adjustment and Con Edison surcharge of 8% Both the fuel adjustment and surcharge vary from month to month; the estimate assumes an average annual cost of $0.15 per KWHR. The projected usage and projected rates are not guaranteed and

it must be expected that usage and rates may increase with the passage of time and could be affected by many factors that are beyond the control of Sponsor. The projections are only estimates and actual consumption will be metered and will vary based upon the personal needs of occupants and weather conditions.

(5) Repairs, Maintenance, Supplies and Service Contracts (Budget- $10,400)

The budget of $10,400 includes various repairs and maintenance that are the responsibility of the Condominium. These include street tree replacement, snow removal, exterior graffiti removal, exterior baiting for extermination and other exterior site repairs and maintenance. Unit Owners will be responsible for the cost of the interior maintenance of and repairs to their respective Units and the Limited Common Elements appurtenant thereto.

(6) Insurance (Budget- $105,790)

The insurance expense in the budget is based upon a letter dated March 1, 2004 from the insurance broker AON Risk Services. The Condominium will procure insurance for the entire base Building (other than the Units) for property insurance, liability insurance, and Directors & Officers insurance for the Condominium. These estimates assume coverage as follows:

	Line of Coverage and Exposure		Estimated Annual Premium
Property:	Building/Property General Common Elements ($46,000,000) & Business Income ($500,000) Valuation – agreed amount replacement cost Co Insurance – waived Deductible - $5,000 Building Ordinance – included Terrorism – included		$40,855
Boiler /Machinery	Limit	$46,500,000	$1,610
General Liability	Limit	For 261,493 square feet	$23,273
Umbrella Liability	$100,000,000 Limit	For 261,493 square feet	$30,595
Directors & Officers Liability	Flat		$2,000
ZBA Fees and Broker's Fees			$6,456
Crime	Flat		$1,00
		Total	**$105,790**

As stated in a letter dated March 1, 2004, in the opinion of AON Risk Services the amount of property/fire insurance, is adequate to cover the replacement cost of the captioned building. Under no circumstance would the insured be subject to a "co-insurance" penalty; the co-insurance has been waived by the carrier.

In recent years, premiums for insurance (especially fire and liability) have increased substantially. It is not possible to predict if future premiums will continue to increase or

decrease at the same rate or level. Although this budget projection is believed to be reasonable, it is not guaranteed. The projected cost of New York State Disability Insurance and Worker's Compensation Insurance are included in cost projections for labor. The foregoing insurance includes so-called "terrorism" insurance. There is no guaranty that such coverage will be available at commercially reasonable rates in the future.

The insurance coverage to be obtained by the Condominium does not cover the individual Apartments. Shareholders will be obligated under the terms of the Proprietary Lease to purchase certain property and liability insurance covering their respective apartments and personal property, at their own cost and expense. To purchase this insurance or any additional insurance, it is recommended that shareholders consult an insurance broker.

(7) Management Fees (Budget - $30,000)

As of the Condominium Conversion Date, the Condominium Board will enter into a management contract with Related Management Company, L.P, at an annual fee for first year of $30,000, payable in equal monthly installments of $2,500. The management fee is consistent with the prevailing cost for similar management services.

Related Management Company, L.P. is an affiliate of the Sponsor.

(8) Legal, Audit and Other Professional Fees and Administrative Costs (Budget $11,000)

This item is intended to cover the cost of preparation by a certified public accountant of the annual certified financial statement for the Condominium and Federal, state and city tax returns as well as a small amount for miscellaneous (but not major) legal services if the Board of Directors desires to engage the services of an attorney, if needed for Board meetings. The budget also includes expenses for administrative costs and other building expenses of $2,000.

Accounting	$6,000
Legal	$3,000

(9) Franchise and Corporation Taxes (Budget - $1,075)

This estimate is based upon the aggregate payable for the State Limited Liability Company Filing Fees, New York State Franchise Tax, the Metropolitan Transportation Business Tax Surcharge and the New York City General Corporation Tax.

(10) Capital Reserve Payments (Budget - $12,000)

The Condominium will create and maintain a replacement reserve for the physical elements for which it is responsible, including sidewalks, masonry and other structural systems. This is in addition to the replacement reserve of $250 per apartment paid by the Apartment Corporation to the New York City Housing Development Corporation for the physical elements for which it is responsible.

IN THE OPINION OF ROSE ASSOCIATES, INC. THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM DURING THE FIRST YEAR OF COOPERATIVE OPERATION OF THE RESIDENTIAL UNIT, ASSUMING THE FIRST YEAR COMMENCES APRIL 1, 2005. SCHEDULE B-1, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY OR WARRANTY BY ANYONE OF THE ANNUAL COMMON CHARGES OR OTHER PROJECTED RECEIPTS OR ESTIMATED EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF COOPERATIVE OPERATION. IT IS LIKELY THAT ACTUAL MAINTENANCE CHARGES AND OTHER INCOME, AS WELL AS EXPENSES, WILL VARY FROM THE AMOUNTS SHOWN IN SCHEDULE B-1.

SCHEDULE B-2, PROJECTED ENERGY COSTS

Two Pennsylvania Plaza
New York, NY 10121

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E. J. Martinez, PE

February 18, 2004
Revised February 23, 2004

Mr. Brian Cho
The Related Companies
625 Madison Avenue
New York, NY 10022-
RE: Bradhurst Court

Dear Brian:

The following are our estimates for the building's individual electric cost for the apartments. Please note that we did not include any escalation in our estimates:

Apartment Loads Electrical

1. We have based the calculations on Con Edison master metering (SC-8) the building and submetering each apartment. The calculations have been done making the aforementioned assumptions regarding fuel adjustments and Con Edison surcharges and are based on the current effective rate. The average annual cost is $0.15 per KWH.

2. The apartments will be individually submetered by Condominium Board and will be billed based on their monthly consumption calculated at the aforementioned average summer and winter cost per KWHR plus a submetering charge of 5%. For the purpose of this analysis, we have estimated the monthly consumption for the various types of apartments.

3. Summary of the apartment types and estimated annual electrical cost per apartment is attached without submetering charge of 5% and escalation.

We certify that the projections in Schedule B-2 appear reasonable and adequate based on present prices adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated. We further certify that we are not owned by or controlled by
and have no beneficial interest in the sponsor. The projected rates however, are not guaranteed and it must be expected that the projected rates will increase with the passage of time and may be affected by many factors which are beyond the control of Sponsor. Purchasers are advised
that the projections are only estimates and actual consumption will be metered and will vary based upon the personal needs of occupants and weather conditions."

If any additional information is required, please call.

Sincerely,
COSENTINI ASSOCIATES

Michael W. Maybaum

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Annual Electric Cost Per Apartment and Common Electric Charges

APARTMENT TYPE	AREA	BASE LOAD		AIR CONDITIONING		INTERMEDIATE		KWH/MO/APT			No.	KWH/MO/GROUP				ANNUAL $/APT
	(S.F.)	KWH/MO	MOS.	KWH/MO	MOS.	KWH/MO	MOS.	WINTER	INTERM.	SUMMER	APT	WINTER	INTERM.	SUMMER	TOTAL	without markup
1 Bedroom	700	600	12	660	4SUMMER	130	4WINTER	800	830	1150	6	3000	3780	6900	13680	$1,481.88
2 Bedroom	937	800	12	900	4SUMMER	175	4WINTER	600	775	1500	66	39600	51150	99000	189750	$1,850.00
2 Bedroom Duplex	845	620	12	810	4SUMMER	150	4WINTER	620	800	1530	8	4960	6400	12240	23600	$1,837.00
3 Bedroom + Den	1162	700	12	1100	4SUMMER	220	4WINTER	700	920	1800	20	27300	35880	70200	133380	$2,263.00
3 Bedroom Duplex	1407	800	12	1320	4SUMMER	275	4WINTER	800	1075	2150	9	7200	9675	19710	36585	$2,622.00
						AvgeWinter$/kwh	$0.140				128	82060	106985	208020	396930	$206,066
						AvgeSummer$/kwh	$0.180									

Note: Rates are based on Con Ed Rate SC-8

Notes: 1. Assumes air cooled DX A/C
2. Gas Cooking
3. Electric dishwasher and washer/dryer

OPINION OF REASONABLE RELATIONSHIP

Rose Associates, Inc.
200 Madison Avenue
New York, New York 10016

May 4, 2004

Bradhurst Development Company, LLC
c/o The Related Companies, L.P.
625 Madison Avenue
New York, NY 10022

Re: Plan of Cooperative Ownership of Bradhurst Court
300 West 145th Street
New York, New York

Dear Sir or Madam:

Rose Associates, Inc. is a licensed Real Estate Broker under the State of New York and has been actively engaged in the management of residential property for over 40 years. We have also been active in the development and sale of cooperative and condominium apartments for the past fifteen years. We currently manage over 50 cooperative and condominium buildings throughout Manhattan. The undersigned has no beneficial interest in sponsor or the profitability of the subject project.

The undersigned has reviewed the allocation of shares, the total cash payment for each apartment and other estimates contained in the schedule entitled "Purchase Prices and Share Allocation, Schedule A" ("Schedule A"), for inclusion in the above-referenced plan of cooperative ownership (the "Plan"), which Schedule A was prepared by The Related Companies, L.P.

In our opinion, as of the date of this letter, the total cash payment to be paid to the Apartment Corporation in respect of each block of shares allocated to the respective apartments set forth in Schedule A is not less than an amount which bears a reasonable relationship to the portion of the value of your equity in the land and building attributable to each such apartment to which said block of shares is allocated. Reference should be made to the Notes to Schedule A which sets forth the basis upon which the Selling Agent has allocated shares to each apartment.

Very truly yours,
Rose Associates, Inc.

By: Josh Levy

Sworn to before me this
4 day of May, 2004

Notary Public

MIGDALIA SALGADO
NOTARY PUBLIC, State of New York
No. 03-4953716
Qualified in Bronx County
Commission Expires July 24, 2005

ATTORNEY'S INCOME TAX OPINION

Paul, Hastings, Janofsky & Walker LLP
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May 11, 2004

Bradhurst Court Owners Inc.
c/o Bradhurst Development Company, LLC
625 Madison Avenue
New York, NY 10022

Re: Cooperative Offering Plan for
Bradhurst Court
300 West 145th Street
New York, NY 10039

Ladies and Gentlemen:

You have requested our opinion as to whether Bradhurst Court Owners Inc. (the "Apartment Corporation"), a corporation organized under the Business Corporation Law of the State of New York and described in an offering plan (the "Plan") to convert to cooperative ownership the Residential Units, 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 in connection with the Residential Units after the Apartment Corporation acquires the Residential Units. You also have asked us to discuss some of the ancillary tax consequences. This opinion does not address the tax consequences of (i) the ownership of Shares by corporations, other entities or foreign persons, (ii) the ownership of Shares that are allocable to an Apartment that is used for commercial or mixed residential/commercial purposes, or (iii) the ownership of any Unsold Shares.

We have reviewed the Certificate of Incorporation and By-laws of the Apartment Corporation. We have also reviewed the Plan and all the underlying schedules, exhibits and documents accompanying the Plan. We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Shares will acquire their Shares and that the relevant facts are as set forth therein and we have relied on the opinion of Penmark Realty Corp. (the "Marketing Consultant") as to the Apartment Corporation's ability to satisfy the "reasonable relationship" test discussed below.

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 and opinions later set forth, if the Apartment Corporation duly transfers Shares of the Apartment Corporation to persons that are qualifying tenant-stockholders within the meaning of Section 216 of the Code, and if, in accordance with the terms of the Plan, 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 covering the respective Apartment, it is our opinion that in any taxable year in which at least eighty percent (80%) of the gross income of the Apartment Corporation is derived from qualifying 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) interest allowable as a deduction to the Apartment Corporation, which interest is paid or incurred by the Apartment Corporation (within the taxable year of such tenant-stockholder), with respect to mortgage indebtedness on the Residential Units incurred by the Apartment

Corporation in connection with the acquisition, construction, alteration, rehabilitation or maintenance of the Residential Units and (b) real estate taxes allowable as a deduction to the Apartment Corporation with respect to the Residential Units. 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, and the amount of such interest deductions and real estate tax deductions may be subject to general limitations on itemized deductions and possibly other limitations.

We note that under certain circumstances the deductions for interest and real estate taxes 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 the Apartment Corporation or its stockholders take no other inconsistent action.

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. The Regulatory Requirements do not apply to other stockholders. In addition, Sponsor and holders of Unsold Shares are not subject to certain provisions of the Proprietary Lease. 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 of the Code.

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 or apply only to Sponsor and holders of Unsold Shares do not result in any difference in value, rights to distributions or liquidation rights with respect to the Shares, which are primary factors that must be analyzed to determine whether the one class of stock requirement is satisfied and (ii) in any event, the distinctions created by such Proprietary Lease provisions and by the Regulatory Requirements arise from the Proprietary Lease and/or government regulations 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 of the Code, 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 all or a portion of that stockholder's block of Shares is allocated. The Proprietary Lease will have an original term of at least 75 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 percent (80%) 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.

1. The first test is commonly called the "eighty percent (80%) 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 percent (80%) of its gross income from the Maintenance Charges to be paid by the tenant-stockholders under their respective Proprietary Leases. Based on the foregoing information, during the Projected 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 and the statements contained in the Plan and any underlying schedules, exhibits and documents accompanying the Plan prove to be accurate, and further assuming the other two interdependent tests (and the other requirements described in this opinion) are satisfied, then, the eighty percent (80%) gross income test would be satisfied during the Projected First Year.

If the Apartment Corporation does not qualify as a Section 216 cooperative housing corporation for any year for the foregoing reason or for any other reason, then tenant-stockholders will not be permitted to deduct for such year their share of the Apartment Corporation's interest expense and real estate taxes. In addition, if the Apartment Corporation does not qualify as a Section 216 cooperative housing corporation, a tenant-stockholder may not be permitted to deduct interest on any loan owed by a tenant-stockholder secured by the Shares and Proprietary Lease attributable to an Apartment and a tenant-stockholder who uses his or her Apartment as his or her primary residence may 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 Shares allocable to Apartment during such year and may 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.

2. 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.

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

The 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 that is attributable to the apartment ... which such person is entitled to occupy." Treasury Regulations § 1.216-1(f).

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, 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 pursuant to the Plan are issued to the Sponsor on such date pursuant to the Contract of Exchange and held by Sponsor as Unsold Shares, then the "fully paid up" test should be met.

The Marketing Consultant rendered its opinion that (i) the distribution of Shares is reasonable and equitable, and (ii) 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 Residential Units 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 two conditions continued to be satisfied until and including such time.

You have also agreed that if the Apartment Corporation does not satisfy the eighty percent (80%) 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 percent (80%) 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 an amount that bears a reasonable relationship to the fair market value of the portion of the Apartment Corporation's equity in the Residential Units attributable to the Apartments to which such Shares are allocated.

In addition, you have agreed in the Plan that if you change the Purchase Price of any block of Shares, the Share allocation or the total number of Shares before the Cooperative Conversion Date or the passage of the first year in which the eighty percent (80%) gross

income tax has been satisfied, you will obtain a new opinion from the Marketing Consultant or similar expert prior to the Cooperative Conversion Date or the end of such first year, as the case may be, reaffirming the opinions described above

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 refinancing 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 by it to acquire, construct or maintain the houses or apartment buildings it owns or leases, and in Internal Revenue Service Publication 936 (2003), Temporary Treasury Regulations § 1.163-10T(q)(3) and other guidance, the Service has so interpreted such limitations to apply.

We note that no regular debt service is payable with respect to the HPD Note and the HPD PM Note, and provided the Apartment Corporation complies with the HPD Regulatory Agreement and makes certain payments to HPD in the amount of HPD Resale Profits and HPD Refinancing Profits, the HPD Note and the HPD PM Note will be automatically canceled and expire no later than 25 years after the Cooperative Conversion Date. Although the matter is not free from doubt, the HPD Note and the HPD PM Note should be viewed, for income tax purposes, as a grant to Partnership Housing, as agent of the Apartment Corporation, and exempt from income. As a result, the Apartment Corporation will be required to reduce the tax basis of the Residential Units by the amount of the HPD Note and the HPD PM Note.

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).

It is possible, however, that the Service could disagree with this characterization and assert that the HPD Note and the HPD PM Note are income to the Apartment Corporation upon their advance or that the HPD Note and the HPD PM Note should be respected as debt for income tax purposes, in which case amounts canceled would be treated as income, possibly giving rise to cancellation of indebtedness income for the Apartment Corporation. In either case, the Apartment Corporation could incur a substantial income tax liability and might not qualify as a cooperative housing corporation within the meaning of Section 216 of the Code because it did not derive 80% or more of its gross income from qualifying tenant-stockholders.

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 for a tenant-stockholder to be qualified to take tax deductions for interest and real estate taxes. Rather, these statutes permit tenant-stockholders to automatically deduct for New York State and New York City income tax purposes their proportionate share of the mortgage interest and real estate taxes paid or incurred by the Apartment Corporation to the same extent such deductions are allowed under Section 216 of the Code. These deductions for New York State and New York City tax purposes, however, are subject to general limitations on itemized deductions and as such could be reduced by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, Purchasers of Shares should consult their tax advisors to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Shares.

Based on the foregoing, and provided that the Shares of the Apartment Corporation are issued to and held by persons considered to be qualifying tenant-stockholders within the meaning of Section 216 of the Code, that Proprietary Leases for each Apartment are executed by the Apartment Corporation and the owner of Shares allocated to such Apartment, that the assumptions set forth herein are correct, and that the "reasonable relationship" opinion letters referred to in this opinion and certain representations from Sponsor are obtained and are correct; 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 qualifying tenant-stockholders, the Apartment Corporation will qualify as a cooperative housing corporation within the meaning of Section 216 of the Code for such year 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 possibly for Federal alternative minimum tax purposes) that tenant-stockholder's proportionate share of (a) 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 Apartment Corporation's Residential Units and which were incurred to acquire, construct, alter, rehabilitate or maintain its Residential Units and (b) real estate taxes allowable as a deduction to the Apartment Corporation with respect to the Residential Units. 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, and the amount of such interest

deductions and real estate deductions may be subject to general limitations on itemized deductions and possibly other limitations. Further, the amounts deductible are limited to the extent that such tenant-stockholder has paid during that tenant-stockholder's taxable year to the Apartment Corporation amounts representing its proportionate share of the interest and real estate taxes paid or incurred by the Apartment Corporation; and

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, (b) interest on any loan owed by a tenant-stockholder secured by the Shares and Proprietary Lease allocable to an Apartment, and (c) their share of real estate taxes attributable to the Residential Units; and (ii) a tenant-stockholders who uses his or her Apartment as his or her 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 Share allocable to such Apartment during such year and may 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.

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; 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 if the Apartment Corporation should hold investments generating tax-exempt interest income, and the treatment of the Reserve Funds. We strongly advise that each person contemplating the purchase of Shares 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 (possibly, with retroactive effect), or that the taxing authorities and the courts will agree with such opinions. In no event will Sponsor, Sponsor's counsel, the Apartment Corporation, counsel to the Apartment Corporation, or any other person be liable if the Apartment Corporation does not or 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 or the interpretations thereof. Finally, we have not passed upon the accuracy of any figures or estimates contained in the Plan or otherwise provided to us in connection with 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,

Paul, Hastings, Janofsky & Walker LLP

REAL ESTATE TAX BENEFITS

Sponsor, through Sponsor's Real Estate Tax Counsel, has obtained a Declaratory Ruling from HPD dated June 28, 2002 (the "HPD 421-a 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 is set forth in Part I of this Plan. The HPD 421-a 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. Sponsor anticipates that the Certificate of Eligibility for 421-a benefits will be issued as of the Cooperative Conversion Date and will use best efforts to effectuate the foregoing.

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 the 2003/2004 tax year, the mini-tax will be based on the Residential Unit's proportionate share of the assessed value of the Property during the 2002/2003 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 Cooperative 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.

Statement Regarding Internal Revenue Code § 277 and Subchapter T

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

However, it is possible that the Cooperative 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 Cooperative Corporation's expenses attributable to earning such income, such excess income may be taxable to the Cooperative Corporation under Section 277 of the Code, notwithstanding that the Cooperative Corporation may otherwise incur a net loss for the year. Thus, if Section 277 is determined to apply to the Cooperative Corporation, then even if the Cooperative 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 Schedule B, "Projected Cooperative 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 Cooperative Corporation, these or similar results might apply to the Cooperative Corporation.

In either of such events, if the Cooperative Corporation's applicable reserve fund or any budgeted reserve for contingencies is insufficient to pay the resulting taxes, the Cooperative Corporation may have to increase Maintenance Charges payable by 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 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 Shareholders.

PROCEDURE TO PURCHASE

Eligibility to Enter into a Purchase Agreement

Sales under Partnership Housing marketing guidelines (the "Partnership Marketing Procedures") initially will be targeted by Sponsor to a list of potential Purchasers (the "Basic Sequence List"), which Sponsor will establish in accordance with the requirements of the Partnership Marketing Procedures and the HDC Amended and Restated Regulatory Agreement. To establish the Basic Sequence List, Sponsor will run newspaper advertisements describing the Project in at least one City-wide newspaper. All newspaper advertisements require Partnership Housing and HDC approval. Sponsor will also conduct informational seminars to inform potential purchasers about the design and scope of the project as well as applicant eligibility and financing requirements. Sponsor shall notify Partnership Housing of the date, time and location of any such informational seminars. All advertisements must contain a postmark deadline date for submission of applications ("Application Deadline Date"), a phone number to call to obtain an application and the minimum qualifying income. Sponsor will provide applications individuals who call in response to the advertisements as well as to individuals who respond to other marketing and community outreach efforts.

The application will require applicants to supply a variety of information, including without limitation, social security number, employment status, annual income and monthly debts, and an authorization to check credit history, as allowed under Sponsor's application to "test the market", which was submitted and approved by the New York Department of Law. Applications must also include checkboxes for the following preferences; Community Board resident, Mobility Impaired, Visual/Hearing Impaired and Active NYC Police Officer. In order to be included on the Basic Sequence List, applications must be complete and postmarked by the Application Deadline Date. Any application, which is not completely filled out will be discarded. All applicants will return applications to P.O. Box Office. Applications will remain unopened in the post office box until at least forty-eight (48) hours after the Application Deadline Date. At least five (5) business days after the Application Deadline Date, Sponsor will open the unopened applications and enter the application information into a computer database. A disk containing the information will be forwarded to Partnership Housing, which will randomly rank the applications to create the Basic Sequence List.

Partnership Housing, HPD and HDC have certain preference categories that have to be met during the marketing period. These preferences have been established pursuant to HPD marketing guidelines and are subject to amendment. Under the current guidelines, applicants in the Basic Sequence List who reside in Community Board 10 (hereinafter "Community Residents") will receive preferential consideration for 50% of the Apartments offered under the Plan. 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 will be offered for mobility impaired applicants (hereinafter "Mobility Impaired Applicants") and 2% of the Apartments for visually and hearing impaired applicants (hereinafter "Visual/Hearing Impaired Applicants"). An additional 5% of the Apartments will be

offered to applicants who are active New York City Police Officers (hereinafter "Active NYC Police Officers").

Community Residents, Mobility Impaired Applicants, Visual/Hearing Impaired Applicants and Police Officer 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:

Partnership Housing 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, Visual/Hearing Impaired Applicants and Police Officer Applicants. Partnership Housing will then create an additional numbered sequence list of such Community Residents, Mobility Impaired Applicants, Visual/hearing Impaired Applicants and Police Officer 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.

In order to meet the 50% community preference, Selling Agent, on behalf of the Sponsor, will first go through applications of those on the Community Residents Special Preference Group list to preliminary evaluate each applicant for income eligibility, based on information provided by the applicant in the application form. If an applicant does not meet the minimum income requirement, they will not be considered a pre-qualified applicant and Selling Agent will go on to the next person on the list. Applicants who appear to be ineligible because of income or any other element of their application will be notified of their status in writing by the Selling Agent. If an applicant does meet the minimum income requirement and is deemed a pre-qualified applicant, Selling Agent will notify applicant, in writing, of a time and date for a meeting. Included with the letter will be an instruction sheet listing all necessary documents applicant should bring with them to their meeting. At the time of the meeting, the Selling Agent shall then perform a credit check on the applicant and the applicant shall give the Selling Agent 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. In no event shall the fee for the credit check exceed $50. The credit investigation fee is nonrefundable under all circumstances. Selling Agent will review applicants' credit along with all documentation to make sure they meet all of the income and debt requirements. Applicants shall be informed in writing of their status as soon as a determination has been made.

Applicants who receive a letter from the Selling Agent advising them that they appear to be ineligible because of income, creditworthiness or any other element of their application will be given seven (7) business days from the postmark date 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.

If Selling Agent meets all of the preference categories and there are additional names on each of the Preference Lists that they have not yet reached, those applicants will receive a second opportunity to purchase when Selling Agent begins notifying applicants on the Basic Sequence List since their names will appear on both lists.

After all preliminary 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. Before going on to the Basic Sequence List, Partnership Housing will require the Selling Agent to provide a log of all applicants in the Special Preference Group who did not qualify with an explanation of why they did not qualify. If there are still Apartments available after all preliminary 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.

Applications, which arrive after the Application Deadline Date shall be numbered, dated, time stamped and entered into the log on a new list (the "Supplemental Sequence List"). Selling Agent, on behalf of the Sponsor, will evaluate applicants on the Supplement Sequence List in the same manner as Selling Agent evaluated applicants on the Basic Sequence List/Preference List, that is, based on information provided by applicant in the application form and on the results of a credit investigation report obtained by the Selling Agent, 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/Preference List.

Sponsor, through its Selling Agent, by written notice, will invite applicants on the Preference List/Basic Sequence List, as applicable, whom the Selling Agent has preliminarily determined to be eligible to purchase, in the order their names appear on the Preference List/Basic Sequence List, to obtain a copy of the Plan. In this notice, Sponsor will advise applicants that they have a period of ten (10) business days following the date of the notice (the "10-Day Period") within which to obtain a copy of the Plan, enter into a Purchase Agreement, complete all the required income verification documents and Purchaser Eligibility Documents, Agreement, and pay the requisite Down Payment.

Once notices are sent to all applicants on the Preference List/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 sequences lists. At that time Apartments will be available to all eligible applicants on a first-come, first-served basis.

All eligible applicants whose sequence number has not been reached shall be listed in chronological order on a waiting list in a form approved by Partnership Housing and HDC. The waiting list shall be considered closed and, therefore, no applicants will be added. While the

waiting list is closed, a post-marketing inquiry list shall be established and maintained at the office of the Selling Agent.

Upon receipt of the Plan, a potential Purchaser must tender a $100 deposit for the Plan by check payable to the order of Sponsor. This Plan deposit will be returned to a potential Purchaser who signs a Purchase Agreement when Purchaser is determined by HDC to be eligible to purchase and Sponsor countersign 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 to be ineligible to purchase.

Purchasers will have at least three (3) business days to review the 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 Sales Office by the end of the 7th calendar day after execution of the Purchase Agreement or is mailed to Selling Agent at the Sales Office and postmarked within the 7-day period. The Purchase Agreement will be binding on Purchaser if accepted as described below.

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

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

2. A check in the amount of five (5%) percent of the Purchase Price representing the Down Payment required under the Purchase Agreement, payable to "Michael M. Amtzis, Esq., as Escrow Agent." This amount will be refunded to Purchaser if Purchaser is not approved by HDC.

3. Form W-9, Payor's Request for Taxpayer Identification Number, or if Purchaser is not a citizen of the United States, Form W-8, Certificate of Foreign Status.

4. 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 or W-8 and a check for the five (5%) percent Down Payment, Sponsor will review the Purchaser Eligibility Documents. If Sponsor determines that such Purchaser preliminarily satisfies the requirement of the Partnership Marketing Procedures and the HDC Amended and Restated Regulatory Agreement, Sponsor will complete Seller's Affidavit and forward it together with the Purchase Agreement and other Purchaser Eligibility Documents to HDC for the final determination of eligibility. If Purchaser is found by HDC to be eligible to purchase an Apartment in accordance with the requirements of the Partnership Marketing Procedures and the HDC Amended and Restated 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.

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

1. Applicant submits a complete application;

2. If Applicant is randomly selected from the Preference List/Basic Sequence List, applicant shall bring documentation listed in the instruction sheet and meet with the Selling Agent to determine whether the applicant is preliminarily eligible;

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

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

5. If interested in purchasing an Apartment, applicant completes the Purchaser Eligibility Documents, signs a Purchase Agreement, pays five (5%) percent of the Purchase Price as a Down Payment, and completes other associated Purchaser forms;

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

7. 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 HDC Amended and Restated Regulatory Agreement and HPD Regulatory Agreement is in effect for periods not to exceed two (2) years out of every consecutive four (4) years, with the consent of the Cooperative Corporation, and not sublease the Apartment to any person who is not income eligible and (v) not utilize the Apartment as an investment or a vacation home. All subleases must be approved by HDC. Any Purchaser who, within the five (5) year period prior to their application for ownership in the Project, has purchased any residential unit in a project financed or assisted by HPD or HDC ("Restricted Project"), is not eligible for ownership in the Project and may not execute a sales contract for the purchase of Shares. A list of Restricted Projects will be provided by HDC and/or HPD.

In addition to the foregoing criteria, Purchaser must satisfy the following income and debt restrictions established by HDC as described below:

(a) Maximum Income Limitations:

(i) To be eligible to purchase, Purchaser, at the time of Purchaser's Apartment Closing Date, generally must have an Annual Household Income not exceeding 175% 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"). Notwithstanding the foregoing, sales of Shares under this Plan attributable to up to 32 Apartments may be made to Purchasers whose Annual Household Income is higher than 175% of Median Income, provided such Annual Household Income does not exceed 250% of Median Income. Only certain Apartments, however, are available to such higher-income Purchasers, which Apartments are specified on Schedule A, "Purchase Prices and Share Allocation" in Part I of the 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 Annual Household Income, after initial occupancy, exceeds the HDC maximum for initial eligibility.

(ii) For all Apartments, any subsequent sale of the shares appurtenant to such Apartment 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 the Regulatory Agreement. However, if such subsequent sale of an Apartment occurs after the payment in full of the HDC Loan, then there shall be no restriction on such Purchaser's annual household income.

(b) Annual Household Income determined in accordance with the Income Determination Procedures 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. Annual household income includes the annual gross income of the Purchaser and any other person who is expected to reside in the unit.

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

Financing

Each Purchaser may obtain financing for up to ninety-five (95%) percent of the Purchase Price of the Apartment and may elect to include in his or her Purchase Agreement a financing contingency clause. The Purchase Agreement, as set forth in Part II of the Plan, contains a financing contingency clause. If Purchaser elects such financing contingency, the Purchaser must apply for financing with Chase Manhattan Bank, Citibank or Carver Federal Savings Bank (the "Permitted Lenders"). Purchaser must submit the financing application for such financing together with all required fees to one of the Permitted Lenders within eight (8) days after Sponsor accepts and delivers to Purchaser the fully executed Purchase Agreement. Sponsor shall have the right, but not the obligation, to cancel the financing contingency if Purchaser fails to submit to Sponsor a copy of the application for such financing to the Sponsor/Selling Agent within such eight (8) day time period. The contingency clause provides that Purchaser shall have forty-five (45) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing from the lending institution if and only if Purchaser applies for a loan through one of the Permitted Lenders. In the event Purchaser fails to obtain a written loan commitment within such time period, Purchaser shall notify Sponsor of same within five (5) days subsequent to such forty-five (45) day period or the financing contingency will be deemed waived by Purchaser. In the event no such financing is furnished, Sponsor may, at Sponsor's sole option, upon written notice to Purchaser postmarked or delivered within ten (10) days of Sponsor's receipt of notice from Purchaser that a written loan commitment had not been obtained (a) declare the Purchase Agreement null and void or (b) extend the period of time in which Purchaser may obtain a written loan commitment. In the event no financing is obtained, Purchaser, provided Purchaser has not already waived the financing contingency as set forth above, may also declare the Purchase Agreement null and void by written notice to the Sponsor postmarked or delivered within ten (10) days subsequent to such forty-five (45) day period. If such notice is not sent within such ten (10) day period, the financing contingency clause shall be deemed waived. In the event the Purchase Agreement is declared null and void by Seller or Purchaser by reason of Purchaser's failure to obtain a written loan commitment, the Down Payment shall be returned to Purchaser with interest, if any. No other financing contingency is permitted by this Plan. Failure of Purchaser to comply with the terms and conditions of the commitment which are unrelated to Sponsor's responsibility to perform under the terms of the Plan does not relieve Purchaser of its obligation to close title.

Purchasers are advised that, prior to the Closing, their loan commitments may expire or the terms of their loan commitments may change. If the Purchaser obtains a loan commitment within the time period set forth above, the Agreement shall nonetheless be subject to Purchaser's loan commitment being in full force and effect at the Cooperative Conversion Date, provided, however, that any expiration of a commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title or the revocation of a commitment by a

lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the commitment, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within the Agreement. Purchaser shall take all possible steps to maintain Purchaser's commitment, including good faith application for an extension of such commitment to the same lending institution and written application to at least one (1) other lending institution, all at the prevailing rate of interest. In the event Purchaser's notifies Sponsor within thirty (30) days after the expiration date of his previous loan commitment by registered mail of his inability to obtain an extension of such previous loan commitment or a new loan commitment, the Agreement shall be null and void and Purchaser's down payment shall be returned by Sponsor. Failure to provide such notification shall be deemed a waiver of the financing contingency by Purchaser and that the Purchase Agreement is deemed binding.

Escrow Account for Down Payments

All Down Payments received by Sponsor under a Purchase Agreement will be held in escrow in conformity with the provisions set forth below.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. 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.

All Down Payments made by Purchasers prior to the closing of each individual transaction, will be placed, within five (5) business days after tender of the Down Payment and executed Purchase Agreement by Purchaser to Sponsor or Selling Agent, in a segregated special escrow account of Michael M. Amtzis Bradhurst Court Escrow Account (the "Escrow Agent"), whose address is 260 Christopher Lane, Staten Island, New York 10314 and whose telephone number is (718) 983-8800. Escrow Agent is the law partner of R. Randy Lee. Mr. Lee is a principal of Sponsor. Escrow Agent has established a master escrow account at Carver Federal Savings Bank, 142 Lenox Avenue, New York, New York 10026, entitled "Michael Amtzis Esq., Special Bradhurst Court Escrow Account," Account No. [redacted] (the "Master Escrow Account"). Escrow agent is the only attorney who is a signatory on this account. All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Down Payment and the Purchase Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Down Payment will

thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, signed and fully completed with the taxpayer identification number, if required, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account and Sponsor will have no obligation to provide interest to a Purchaser. At such time as the Down Payment is released, the Down Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. Carver Federal Savings Bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000.

Purchasers should note that 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.

The Down Payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Down Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent together with a fully executed Purchase Agreement.

Acceptance of the Down Payment by Sponsor or Selling Agent and the placement of the Down Payment into the special escrow account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan.

If a Purchaser tenders a Down Payment without an executed Purchase Agreement, Sponsor shall have the right to reject the Down Payment and return it to Purchaser: (i) within five (5) business days after tender, if the Down Payment has not been deposited into escrow, and (ii) at any time, if the Down Payment has been deposited into escrow.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which varies. When last confirmed by Sponsor, the rate for Down Payments was 0.94%. Sponsor makes no representations or guaranties that the interest rate paid on Down Payments will not increase or decrease and makes no representations regarding the interest which will be paid on the Down Payments. Interest will begin to accrue within: (i) three (3) business days, if the Down Payment is cash or cash equivalent, or (ii) five (5)

business days, if the Down Payment is other than cash or cash equivalent. All instruments shall be made payable directly to the order of "Michael M. Amtzis, Esq., as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

Within ten (10) business days after tender of the Down Payment, Escrow Agent will notify Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. If Purchaser does not receive notice of such Down Payment within fifteen (15) business days after tender of the Down Payment, Purchaser may: (i) cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Down Payment or (ii) apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

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 fails or collection or "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, but not the obligation, 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 written agreement between the parties to release the Down Payment, Escrow Agent will not pay the Down Payment to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Down Payment may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

Sponsor shall not object to the release of the escrowed funds to:

(1) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or in an amendment to the Plan; or

(2) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Purchaser will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Down Payment to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

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 set forth in Part II of the Plan. The party applying for a determination must send to all other parties by certified mail, return receipt requested, a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General.

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.

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Attorney General's regulations.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Down Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Down Payment and continues to act as Escrow Agent.

Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the escrow agreement or involving gross negligence of Escrow Agent.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement, if any. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds. The Department of Law may perform random reviews and audits of any records involving escrowed accounts to determine compliance with the applicable statute and regulation.

Sponsor may agree to modify the floor plans and finishes of certain Residential Units or to do special work or provide extras to the Residential Units as requested by individual Purchasers as negotiated by Sponsor and Purchaser. Purchaser shall bear the cost of such modification to floor plans and finishes. All funds received by Sponsor from Purchasers for such modified or additional work in Units, as aforesaid, shall be initially placed in escrow and shall be paid to Sponsor by the escrow agent to be used by Sponsor to pay for such work. Accordingly, in the event a Purchaser becomes entitled to rescission after the release of such funds, the Purchaser shall not receive a refund of any funds used for special work or extras.

The Plan and all Purchase Agreements are subject to the requirements of Section 71-a(3) of the Lien Law a copy of which is set forth in Part II of the Plan and incorporated into the Plan and the Purchase Agreement by reference. Please refer to Part II of the Plan for further details.

Contracts and Closings

The form of Purchase Agreement is set forth in Part II of the Plan. The Purchase Agreement will be entered into between Purchaser and Sponsor on behalf of itself and Partnership Housing. The Purchase Agreement specifically provides that (i) Partnership Housing is not the "sponsor" of the Plan and does not serve in any capacity as the developer or building of the Building, (ii) Partnership Housing is responsible only for those functions specifically outlined in various documents relating to the financing and construction of the Project and the marketing and sales of the Apartments, (iii) Partnership Housing is acting on a fully exculpated basis and Purchaser releases Partnership Housing and acknowledges that Partnership Housing has no liability whatsoever for any aspect of the transaction including any statements or representations made in this Plan, any of the project documents, (iv) Sponsor is authorized to execute documents on behalf of Partnership Housing and (v) Purchaser shall not make any claim

or institute any action or proceeding against Partnership Housing arising in connection with the Plan or this Purchase Agreement.

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 and Sponsor has obtained a temporary or permanent certificate of occupancy covering the Apartments to be closed on that date.

The balance of the purchase price shall be payable simultaneously with the delivery of the Shares and the Proprietary Lease appurtenant to the Apartment by an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The Proprietary Lease will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Down Payment will be credited or paid to Purchaser at Closing.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR AN APARTMENT.

After an amendment declaring the Plan effective has been accepted for filing Sponsor will serve Purchasers with notice of the originally scheduled Apartment Closing Date at least ten (10) days prior to the originally scheduled Apartment Closing Date. In the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure such default, time being of the essence, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Apartment Closing Date.

In the event of any default by Purchaser under a Purchase Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives notice to the Purchaser of such default and makes a written demand for payment, Sponsor may, at its option, either (a) cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate or (b) bring an action against Purchaser for specific performance. In addition, Sponsor shall also be entitled to retain (i) any costs or expenses incurred by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Apartment to its condition prior to such special work being performed. Sponsor will be entitled to maintain an action against purchaser for such additional costs.

Sponsor will fix dates for closing title to all Unsold Apartments for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the Cooperative Conversion Date and setting such Purchaser's Apartment Closing Date. Closings will take place at 2730 Frederick Douglass Blvd., New York, New York 10039, or such other location as may be designated in writing by Sponsor. Purchasers will be entitled to one (1)

adjournment of the Apartment Closing Date for a period not to exceed fourteen (14) calendar days, without incurring penalties.

If a Purchaser fails for any reason to close title to the Apartment on or before date which is fourteen (14) calendar days from the originally scheduled Apartment Closing Date designated by Sponsor (a) the closing apportionments described in the Section entitled "Procedure to Purchase" will be made as of midnight of the day preceding the originally scheduled Apartment Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Apartment by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, 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. If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

From and after the Closing of each Apartment, Purchaser will become obligated for the payment of Maintenance Charges, User Charges and Additional Rent and all other expenses with respect to such Shareholder's Apartment, whether or not the Shareholder has taken possession of such Shareholder's Apartment, and whether or not all work required to be performed by Sponsor or anyone else in or to the Apartment or the Building has been completed.

The risk of loss to any Apartment by fire or other casualty until the Closing for such Apartment is assumed by Sponsor (unless and until a Purchaser takes possession of such Apartment, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Apartment. In the event of damage or destruction of an Apartment due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Apartment, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Apartment. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Cooperative Board and other Shareholders, belong entirely to Sponsor. In the event of damage or destruction to any Apartment by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Apartment, the Purchase Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Inspection Procedures

Purchasers will be notified by Sponsor in advance of the originally scheduled Apartment Closing Date 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 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 Closing, and the fact that an Inspection Statement containing punchlist items has been executed, shall not be grounds for Purchaser's delay of the Apartment Closing Date, or for Purchaser's refusal to close.

A Purchaser who fails to inspect such Purchaser's Apartment prior to the Apartment Closing Date will be deemed to have accepted the Apartment in good condition and in accordance with the terms of the Plan. After Closing of title to each Apartment the Purchaser thereof must comply with the procedures established by the Managing Agent pursuant to the Cooperative Management Agreement regarding such Purchaser's move into the Apartment. This may include "move in" fees which may be refunded to the Purchaser unless the Purchaser or the Purchaser's agents damage the Common Elements or another Apartment during the move in.

In no event will Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an insubstantial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level of ceilings, and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and

variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents, electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching, (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other defects in: exterior stone; windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, waterclosets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Apartment Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete used in cellar walls and paving; (xix) discoloration to hardware and plumbing finishes; (xxi) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xx) scratched, dirty or cracked lenses in light fixtures; or (xxi) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxii) subsequent to the Apartment Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiii) salting or color variation in exterior colored mortar and deep colored brick. Sponsor will be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair will be made by filling the stone or formica or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE AN APARTMENT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

In no event will Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and Specifications or the description of any portion of the Building or an Apartment set forth in the Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or an Apartment set forth in the Plan which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to the Plan.

Purchaser's Closing Costs

Purchaser shall be obligated to pay the following closing costs on the Apartment Closing Date:

(a) Purchaser shall be obligated to make the NYCHDC Reserve Fund Contribution in the amount of $1,000 payable to Sponsor on Purchaser's Apartment Closing Date The Reserve Fund Contribution must be paid by bank check or Purchaser's personal certified check payable to Sponsor.

(b) Purchaser shall be obligated to pay Sponsor's attorney, Lee and Amtzis, LLP, a non-refundable closing fee in the amount of $1,250. Additional fees will be payable to Sponsor's Closing Counsel as follows: (i) if the Purchaser requests the Closing to occur other than at the office designated by Sponsor in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $700 for each Closing held in any borough outside Manhattan and (ii) if the closing is adjourned through no fault of Sponsor, an additional fee of $500 for each such adjournment to help defray the cost of preparing for and coordinating the new closing.

(c) Purchaser will pay a contribution to the working capital fund of the Cooperative Corporation in an amount equal to three (3) months' Maintenance Common Charges then applicable to each Residential Unit being purchased.

(d) Purchaser will pay $1,550 representing Purchaser's share of the cost of purchasing the Superintendent's Apartment (the "Superintendent's Contribution"). The ongoing costs of maintaining the Superintendent's Apartment will be part of the Cash Requirements of the Cooperative Corporation, as more particularly described on Schedule B, "Projected Cooperative Budget for First Year of Cooperative Operation."

(e) As the transfer of the Shares to Purchaser involves the transfer of Shares of a not-for-profit entity, the transaction should be 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, on the Apartment Closing Date Purchaser shall be obligated to execute the RPT Tax Return. Sponsor's Closing Counsel, on behalf of Sponsor, will file the RPT Tax Return after Purchaser's Apartment Closing Date. Sponsor makes no guarantee that the transfer of the Shares to Purchaser will be exempt from the RPT Tax. In the event that the taxing authorities take the position that the transfer of the Shares

is not exempt, each Purchaser will be responsible for the payment of RPT Taxes at the rate of 1% of the purchase price of such Shares together with the allocable Underlying Mortgages, which calculation of purchase price is more particularly described below, plus any interest and penalties which may have accrued.

(f) 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 on the Apartment Closing Date. The NYS Transfer Tax is presently .4% of the purchase price (rounded up to the nearest $500.00 multiple). For purposes of calculating the taxes payable, the proportionate share of the Underlying Mortgages allocable to the Apartment are included in purchase price. Therefore, the steps to compute the tax are:

I Multiply the purchase price by the NYS Transfer Tax rate to compute the tentative NYS Transfer Tax.

II Add the tentative taxes to the purchase price.

III Multiply (II) by the NYS Transfer Tax rate to determine the NYS Transfer Tax payable.

Example for the purchase of Apartment 6Q having a purchase price of $236,000 and an allocable share of the Underlying Mortgages of $93,721.

(i)	$329,721 x .4%	= $1,320
(ii)	$329,721 + $1,320	= $331,041
(iii)	$331,041 x .4% (rounded up)	= $1,326

In addition, the taxing authorities may take the position that each Purchaser's Superintendent's Contribution be included in the total consideration deemed paid for the Apartment, in which case additional taxes may be payable by Purchaser.

Purchasers should note that under the current procedures of the taxing authorities, there will be a credit against the transfer taxes due in connection with the sale of the individual Apartments as the result of the New York State transfer taxes which will be paid in connection with the conveyance of the Residential Unit to the Apartment Corporation on the Cooperative Conversion Date. Any credit will inure solely to Sponsor to reimburse Sponsor for the transfer taxes paid on the Cooperative Conversion Date. Accordingly, each Purchaser will pay to Sponsor on the Cooperative Apartment Closing Date, the amount of the credit which is attributable to the sale of such Purchaser's Apartment and will owe the balance of the transfer taxes due, if any, to the taxing authorities. Any portion of the NYS Transfer Tax which is not payable to Sponsor must be paid by bank check or Purchaser's personal certified check to the order of the "NYS Department of Taxation and Finance."

(g) Purchaser shall pay the sum of $595.00 to "Lee & Amtzis LLP Title Agency" for a lien search against the Shares.

(h) 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.

(i) Apartment 6Q

Proportionate Share:	0.0080006
Underlying Mortgage:	$11,714,616.15

Purchase price:	$236,000
Proportionate Share of Underlying Mortgage	$ 93,721
Total	$329,721

The following table illustrates the projected closing costs (based on current rates) for a typical Apartment (6Q) purchased by a Purchaser at a Purchase Price of $329,721, assuming such Purchaser finances eighty (80%) percent (i.e., $263,776) of the purchase price:

Lien Search		$595
Share Loan Closing Costs -bank charges (assuming "points" of approximately 1% of mortgage amount, and appraisal fee of $500 and legal fees of $500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)		$2,888
New York State Additional Tax and NYS Transfer Tax (based upon "bulked-up" consideration as described herein)		$1,326
Allocable Share of Resident Manager's Apartment		$ 1,550
Reserve Fund Payment		$1,000
Working Capital Payment (approximate Without 421-a tax abatement)		$1,582
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel)	+	1,250

Total	$10,285

The projected closing costs referred to above are approximate and are not guaranteed. Purchasers are advised that they are responsible for all mortgage loan closing costs which vary widely among different lenders and also will vary depending on the loan program chosen.

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.

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 Cooperative 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.

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.

Under the terms of the regulations promulgated by the Department of Law, Sponsor may not declare the Plan effective until Purchase Agreements are signed by bona fide purchasers for occupancy for 15% of the Apartments offered under the Plan. Purchasers are advised, however, that in accordance with the terms of the HDC Amended and Restated Commitment and Agreement, 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 Cooperative Corporation. Unless HDC reduces its sales requirement, Sponsor will not declare the Plan effective until Sponsor has satisfied such requirement. 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 within three (3) business days after service of notice 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 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.

On the Cooperative Conversion Date, and not sooner, title to the Property will be conveyed to the Cooperative Corporation. Certificates for the Shares of the Apartment Corporation and the accompanying Proprietary Leases will be delivered promptly thereafter to each Purchaser who has paid the Purchase Price and complied with all of Purchaser's obligations under the Purchase Agreement.

UNSOLD SHARES

Any Shares for which a Purchase Agreement has not been entered into and/or which otherwise are owned by Sponsor or Partnership Housing as of the Cooperative Conversion Date shall be considered "Unsold Shares."

Sponsor shall pay Maintenance Charges with respect to all Unsold Shares to which it has beneficial ownership until such Shares are sold. Sponsor has the financial resources to enable it to meet its obligations with respect to the Unsold Shares, which it intends to fund in part from projected sales of the Shares.

In accordance with the requirements of the HDC Amended and Restated Commitment and Agreement, Sponsor's obligation to pay Maintenance Charges 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 one (1) years Maintenance Charges for each Apartment not under contract as of the Cooperative Conversion Date (the "HDC Maintenance Security"). The HDC Maintenance Security may be drawn upon by HDC to pay Maintenance Charges if Maintenance Charges attributable to Unsold Shares covered by the HDC Maintenance Security are not paid. The HDC Maintenance Security may be reduced by the proportionate share of Maintenance Charges attributable to a particular block of Unsold Shares covered by the HDC 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 Amended and Restated 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 Cooperative 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, 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 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 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 Cooperative 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-hand 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.

FINANCIAL FEATURES

The total proceeds of this offering, if all the Shares of the Cooperative Corporation allocated to Apartments are sold at the prices set forth in Schedule A contained in this Plan will amount to $29,486,000. These proceeds, when added to the anticipated indebtedness on the Residential Unit as of the Cooperative Conversion Date in the principal amount of $11,714,616, will total $41,200,616, 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 with HDC's and HPD's consent reserves the right to change the principal amount and terms of the Underlying Mortgages prior to the Cooperative Conversion 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).

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 Mortgage and HDC First Note

(a)	Mortgagee:	New York City Housing Development Corporation 110 William Street New York, New York 10038
(b)	Principal:	$10,000,000
(c)	Maturity Date:	25 Years from Cooperative Conversion Date
(d)	Interest Rate:	4.39% per annum
(e)	Payments:	Based upon a forty-year amortization schedule, monthly debt service payments will be in the approximate amount of $44,251.65 per month. Payments will be applied to interest, and then to principal.
(f)	Prepayments:	The HDC Note may be prepaid, in whole or in part at any time, without penalty or premium
(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 Mortgage, the Cooperative Corporation is required to deposit with HDC, as mortgagee, each month, one-twelfth (1/12) of mortgage insurance, if applicable, the insurance premiums. (ii) The Cooperative Corporation also is required to deposit with HDC during each month the HDC 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 Cooperative 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 Cooperative Corporation is required to deposit with HDC (i) on the Cooperative Conversion Date, the sum of $127,000 as the HDC Reserve Fund, and (ii) monthly, from

and after the Cooperative Conversion Date, the sum of $2666.67, as a Mortgaged Property Replacement Reserve Fund, as more fully described in the Section entitled "Reserves and Working Capital" in Part I of the Plan.

(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 Cooperative Corporation under the HDC Mortgages or under the HDC Amended and Restated Regulatory Agreement.

(k) Subordinate Mortgages and Notes: The lien of the HDC Mortgage shall have priority ahead of all other mortgage liens on the Residential Unit other than the Construction Mortgage until such time as the Construction Mortgage is paid in full. The only subordinate lien permitted under the HDC Mortgage is the HPD Mortgage.

(l) Mortgage Allocation per Share: $118.69

HPD Mortgage

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

(b) Principal: $1,040,000

(c) Maturity Date: 25 years

(d) Interest Rate: 0%

(e) Payments: The HPD Note shall require no regular debt service payments and shall be deemed to "evaporate" by 1/25 each year after the Cooperative Closing Date. It shall be payable if at all during its term, out of HPD Resale Profits and HPD Refinancing Profits, if any, paid to the Cooperative Corporation, which shall be applied to reduce principal, as described in this sub-paragraph (e). 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.

(f) Late Charges: None

(g) Escrow and Reserve Requirements: None

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

(i) Mortgage Allocation per Share: $12.35

(j) Insurance: A title company satisfactory to HPD shall have issued a policy of title insurance insuring that the HPD Mortgage is secured by a mortgage constituting a valid lien on a good and marketable title to the Property in fee simple.

(k) Defaults: HPD has the option of accelerating the entire unpaid principal balance of the HPD Note and accrued interest due thereon, upon, among other things, a default by the Cooperative Corporation under the HPD Mortgages or under the HPD Regulatory Agreement.

HPD PM Mortgage

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

(b) Principal: $674,616

(c) Maturity Date: 25 years from Cooperative Conversion Date

(d) Interest Rate: 0%

(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 Resale Profits and HPD Refinancing Profits, but only after the HPD Note has been paid in full. 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 Mortgage and the HPD Mortgage.

(i) Mortgage Allocation per Share: $8.01

HDC Amended and Restated Regulatory Agreement and HPD Regulatory Agreement

Certain restrictions are imposed by the HDC Amended and Restated 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 the Section entitled "Procedure to Purchase" in Part I of the Plan.

Restrictions also are imposed on Shareholders by the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement in connection with the use and resale of Apartments. Some of these restrictions are summarized in the Section of the Plan entitled "Procedure to Purchase," and others are summarized in the Section "Summary of Proprietary Lease" in Part I of the Plan.

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

(a) In accordance with the HDC Amended and Restated Regulatory Agreement, 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, subletting of Apartments is not permitted while the HPD Regulatory Agreement is in effect and Shareholders may sublet only if such Shareholder has occupied and resided in the unit as his/her principal residence for not less than six (6) months, and only to subtenants satisfying the same HDC Amended and Restated 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 Cooperative Corporation shall furnish HDC with a list of all closings that have occurred during the previous three (3) months.

(c) The Cooperative 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 Annual Household Incomes of all Shareholders who commenced occupancy during the prior year together with all supporting documentation.

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

(e) Under the terms of the HDC Amended and Restated Regulatory Agreement, upon resale of any Shares, HDC Resale Profits (as defined below) shall be paid to HDC to be applied

by HDC to the repayment of the HDC Note until the outstanding Principal Amount of the HDC Note is $5,000,000 or less. The Cooperative Corporation agrees to collect such HDC Resale Profits and transmit them to HDC not later than two business days from the closing of title to the Shares. HDC Resale Profits shall be applied in the following manner:

"Resale Profits" shall mean 100% of the Net Appreciation (defined below), for the first three years from the date of the Cooperative Conversion Date and 50% of the Net Appreciation for years four through fifteen, if any, received by a Shareholder upon the sale of the Shares owned by the Shareholder.

Such Resale Profits shall be collected from a Shareholder at the closing of the sale of Shareholder's Shares, and remitted to HDC within five (5) business days after the closing. Three (3) business days prior to such closing Cooperative Corporation shall submit to HDC a worksheet indicating how Net Appreciation and Resale Profits are to be calculated. The worksheet, and any changes to the worksheet at closing, must be approved by HDC prior to completion of closing. The Cooperative Corporation shall apply any such Resale Profits so received in reduction of the outstanding Principal Amount of the HDC Note. The obligation of the Shareholder to pay, and of Cooperative Corporation to collect, Resale Profits shall not apply to the initial sale of Shares to a Purchaser under the Plan.

"Acquisition Cost" shall mean the total amount of cash and non-cash consideration paid by a Shareholder to a seller to acquire the Shares, plus Permitted Expenses (defined below) incurred by Shareholder in acquiring the Shares, plus the cost of Shareholder's properly documented capital improvements in the Apartment to which such Shares are attributable, plus in the case of a Shareholder who acquired Shares from Sponsor, the sum of One Thousand Dollars ($1,000) to reimburse a Purchaser for its contribution to the Reserve Fund as well as the Purchaser's Superintendent's Contribution.

"Net Appreciation" as used in this Agreement shall mean the amount by which Net Sales Proceeds received by a Shareholder upon the sale of Shareholder's Shares exceeds the Shareholder's Acquisition Cost for the Coop Shares.

"Net Sales Proceeds" shall mean the total amount of cash and non-cash consideration received by a Shareholder from a Purchaser in exchange for the sale and conveyance of Shareholder's Shares, less the Permitted Expenses (defined below) incurred by Shareholder in connection with such sale.

"Permitted Expenses" means the following costs in connection with the sale or purchase of the Shares: reasonable attorneys fees and disbursements, reasonable brokerage fees, title insurance fees, reasonable processing fees of the Cooperative Corporation and fees of the Cooperative 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.

In no event shall the proportionate share of underlying mortgages on the Property attributable to a particular block of Coop Shares, be deemed part of consideration received or

paid by Shareholder for Coop Shares for the purpose of computing Net Appreciation as described above.

The HDC Amended and Restated Regulatory Agreement shall terminate on the date the HDC Mortgage has 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 25 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 Amended and Restated Regulatory Agreement or the HPD Regulatory Agreement, the more restrictive terms shall govern.

Construction Mortgages

The construction of the Condominium is being financed, in part, by the proceeds of construction loans ("Construction Loan") to be provided by Citibank, N.A. and Carver Federal Savings Bank as well as Civic Capital Corporation, a wholly owned subsidiary of the New York City Investment Fund (collectively "Construction Lender"), which Construction Loan is evidenced by one or more notes ("Construction Note") and secured by one or more mortgages (collectively the "Construction Mortgage"). The Construction Mortgage will continue to be a lien against the Residential Units as of the Cooperative Conversion Date. Notwithstanding the foregoing, Sponsor will be obligated to pay all debt service under the Construction Loan and Shareholders will have no obligation or liability with respect thereto. The proceeds from the sale of the Apartments will be applied to the reduction of the principal and interest due under the Construction Loan. At the closing of each Apartment, the Construction Lender will release the lien of the Construction Mortgage from the Residential Unit as to which the Shares and Proprietary Lease being delivered is appurtenant. Accordingly, the Construction Loan will not be a lien against any Apartment as to which title has been conveyed under the Plan.

In addition, HDC and HPD are financing a portion of the cost of construction of the Condominium. As of the Cooperative Conversion Date, HPD's construction financing will remain a lien on the Residential Unit as the HDP Mortgage, in the outstanding principal amount of $1,040,000, as more particularly described above. HPD will also have a mortgage securing a loan for the acquisition of the Land in the amount of $1,037,871, which as of the Cooperative Conversion Date will be allocated among the Residential and Commercial Units and become a lien against the Commercial Unit in amount of $674,616. HDC's subordinate construction loan in the amount of $7,250,000 will be increased and extend as of the Cooperative Conversion Date and such construction loan, as increased and extended, will become the HDC Note and the HDC Mortgage in the amount of $10,000,000, described above.

No Personal Liability

Shareholders will not be personally liable to HDC or HPD, as the holders of the Underlying Mortgages.

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, shall have an initial term of at least seventy-five (75) years and may be extended by vote of the Shareholders. As a lessee, every Shareholder of the Cooperative Corporation will be obligated to pay Maintenance Charges for Shareholder's Apartment as fixed by the Cooperative Board. The following are some of the Shareholder's rights and additional obligations under the Proprietary Lease:

1. A Shareholder may cancel the Proprietary Lease and surrender the Shares to the Cooperative 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 Cooperative Corporation. If Shareholder elects to cancel, Shareholder upon vacating Tenants-Shareholder's Apartment, will have no liability for payment of Maintenance Charges 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 Plan may not so cancel a Proprietary Lease unless (i) the owners of a majority of all outstanding Shares of the Cooperative Corporation have elected to cancel their Proprietary Leases, (ii) the Shares then being offered under the Plan constitute 15% or less of the outstanding Shares of the Cooperative 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 Plan shall pay to the Cooperative 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. A Shareholder shall have the right to sell the Shares allocated to Shareholder's Apartment and assign the Proprietary Lease appurtenant thereto in compliance with the Proprietary Lease and the Cooperative Corporation's By-Laws, which require that consent to an assignment be given in writing by a majority of the Cooperative Board and, during such periods as the HDC Amended and Restated 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. A Shareholder may assign or pledge the Proprietary Lease as security for a loan with the approval of HDC or HPD, as applicable, during the period the HDC Amended and Restated Regulatory Agreement or the HPD Regulatory Agreement is in effect. In such event, if the Shareholder defaults under any of the terms, covenants, provisions, or conditions of the Proprietary Lease, the Cooperative Corporation will give written notice thereof to any lender who has given the Cooperative Corporation written notice of such assignment or pledge, provided a recognition agreement requiring such notice has been signed by and among the Cooperative Corporation, Shareholder and lender.

4. A 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 Shareholder's Apartment, including, without limitation, refrigerator, range, oven, air conditioning units, if any, and other appliances, and the

painting or decorating of Shareholder's Apartment. The consent of the Cooperative 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 Shareholder with a patio or terrace appurtenant to Shareholder's Apartment shall have the exclusive right to use such patio or terrace (subject to the Cooperative 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, payers or other surface of the patio or terrace. A Shareholder shall be obligated to keep all drains and gutters on or appurtenant to 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 Cooperative Corporation. Shareholders shall be subject to all use restrictions imposed by the Cooperative 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 Shareholder fails to honor 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) Shareholder's ceasing to own the Shares to which the Proprietary Lease is appurtenant; (b) Shareholder's becoming bankrupt; (c) unauthorized assignment of the Proprietary Lease, or any unauthorized subletting or occupancy of Shareholder's Apartment; (d) default in payment of Maintenance Charges or other charges; (e) failure to perform other covenants under the Proprietary Lease; (f) Shareholder's objectionable conduct; (g) termination of all Proprietary Leases appurtenant to all outstanding Shares of the Cooperative Corporation; (h) destruction of the Residential Unit; (i) condemnation of the Property or the Residential Unit; U) default by Shareholder under a pledge agreement, if the purchase of Shareholder's Apartment is financed; and (k) default under the HDC Amended and Restated Regulatory Agreement or HDC Note or the HPD Regulatory Agreement, HPD Note or HPD PM Note. If a Proprietary Lease is terminated because of a default, Shareholder may lose all or a part of Shareholder's investment.

7. Maintenance Charges shall be established by the Cooperative Board. Maintenance Charges shall be fixed for any year or portion thereof based upon the proportion of the Cash Requirements needed 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 Cooperative Corporation, after giving consideration to income expected to be received during such period other than Maintenance Charges and cash on hand, which the Cooperative Board 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 Charges shall be payable in constant equal monthly installments. Maintenance Charges 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. Notwithstanding the foregoing, under the terms of the HDC Amended and Restated Regulatory Agreement, if HDC determines, in its sole discretion, that the Cooperative Corporation's projected annual revenues are not sufficient to pay for the projected annual maintenance and operating expenses for the Project or to provide for sufficient reserves for capital replacements or operational shortfalls, including payments due with respect to the HDC Note, then the Cooperative Corporation shall, if requested by HDC, either increase the carrying charges paid by the Tenant-Shareholders or charge a special assessment to the Tenant-Shareholders. If the Cooperative 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 Cooperative Corporation's budget, HDC shall review such certification prior to making any request to increase carrying charges or to impose a special assessment, provided, however, HDC shall not be bound by such certification in making its final determination.

8. During the two-year period following the Cooperative Conversion Date, the Cooperative Corporation may not, among other things, without the consent of Shareholders owning at least 75% of the issued and outstanding Shares of the Cooperative 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 Charges 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 Cooperative 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.

9. The recently enacted provisions of General Business Law Section 352-1 allowing the Cooperative Corporation to direct that the tenant of an Apartment owned by a "non-occupying" Tenant-Shareholder pay rent directly to the Cooperative Corporation instead of to the Shareholder, if the Shareholder defaults in payment of Maintenance Charges 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 Shareholders owning at least two-thirds of the Shares of the Cooperative Corporation then issued. During the period when the HDC Amended and Restated Regulatory Agreement is in effect, HDC must consent to all changes to the Proprietary Lease.

11. Each Shareholder shall keep in full force and effect (a) comprehensive personal liability insurance coverage against claims of bodily injury, property damage (including water

damage and personal injury), with a minimum combined single limit of liability of $300,000 per occurrence, and (b) all-risk personal property insurance coverage (including coverage for water damage) for the replacement value of furniture, fixtures, and other contents and improvements and betterment's to the apartment. Upon twenty (20) days' written notice from the Cooperative Corporation, the Shareholder must deliver to the Cooperative Corporation either a duplicate original of the aforesaid policies or certificates evidencing such insurance. The insurance required above shall be written in a form reasonably satisfactory to the Cooperative Corporation by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. The Cooperative Corporation may, from time to time, increase the amounts of insurance required hereunder to reflect changes in economic conditions.

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

(a) HDC Requirements

In accordance with the requirements of the HDC Amended and Restated Regulatory Agreement, not more than 14 days prior to execution of a Purchase Agreement by a prospective purchaser (the "Prospective Purchaser"), the selling 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 Cooperative Corporation.

Prior to approving the sale to the Prospective Purchaser, the Cooperative Corporation must review all the Purchaser Eligibility Documents to ascertain that (i) the Prospective Purchaser's Annual Household 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 Amended and Restated Regulatory Agreement, and (ii) the Prospective Purchaser is income-eligible to purchase in accordance with the income limitations required by the HDC Amended and Restated Regulatory Agreement, which limitations are summarized in the Section entitled "Procedure to Purchase" in Part I of the Plan.

A Prospective Purchaser whose Annual Household Income exceeds the income limitations included in Section 7 of the HDC Amended and Restated Regulatory Agreement or whose Annual Household Income is insufficient or whose annual household debt is excessive, according to the HDC standards in Section 7 of the HDC Amended and Restated Regulatory

Agreement, all as summarized in the Section entitled "Procedure to Purchase" in Part I of the Plan, will not be found eligible to purchase.

No Shares may be transferred by Sponsor or any other Shareholder without the prior written consent of HDC. Accordingly, if the Prospective Purchaser appears to satisfy the eligibility requirements of the HDC Amended and Restated Regulatory Agreement and any additional requirements of the Cooperative Corporation, Sponsor (with respect to sales pursuant to this Plan), or the Cooperative 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 Cooperative 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 Cooperative 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.

Under the terms of the HDC Amended and Restated Regulatory Agreement, the Annual Household Income of a Prospective Purchaser includes the annual household income of the prospective Purchaser and any other person(s) expected to reside in the Apartment with the prospective Purchaser.

During the first three (3) years after the Cooperative Conversion Date, any Shareholder selling the Shares allocated to Shareholder's Apartment shall be obligated to remit to the Cooperative Corporation a payment in the amount of 100% of HDC Resale Profits, if any, received by Shareholder in connection with the sale, but no greater than the Unit Debt attributable to the Shareholder's Apartment. Thereafter, the Shareholder is obligated to remit to the Cooperative Corporation 50% of the HPD Resale Profits but no greater than the Unit Debt. The Cooperative Corporation shall be obligated to remit a payment in the same amount to HDC who shall apply it to reduce the outstanding principal balance of the HDC Note until the balance of the HDC Note is not more than $5,000,000. Once the HDC Note has been paid down to $5,000,000, a Shareholder will be obligated to remit to the Cooperative Corporation the HPD Resale Profit to pay down the balance of the HPD Note and HPD PM Note as more particularly described below. Please refer to the Section of the Plan entitled "Underlying Mortgages and Regulatory Agreements."

It is anticipated that the tasks and responsibilities of the Cooperative Corporation described in this Section will be handled by the Managing Agent under the terms of the Cooperative Management Agreement on behalf of the Cooperative Corporation.

(b) HPD Requirements

During the period the HPD Mortgage and HPD PM Mortgage are outstanding, upon the sale by Shareholder of the Shares allocated to Shareholder's Apartment (excluding sales made pursuant this Plan), Shareholder shall be obligated to remit to the Cooperative

Corporation a payment in the amount of HPD Resale Profits, if any, received by the Shareholder in connection with the sale. The Cooperative Corporation shall in turn remit a payment in the same amount to HPD, which shall apply same in reduction of the then outstanding principal balance of the HPD Note and the HPD PM Note, as more fully described in the Section entitled "Terms of Mortgages and Regulatory Agreements" in Part I of Plan. During the period beginning three (3) years from the Cooperative Conversion Date, from and after such time as HDC Resale Profits are no longer required to be made under the terms of the HPD PM Note and HDC Note, any Shareholder selling the Shares allocated to Shareholder's Apartment shall be obligated to remit to the Cooperative Corporation a payment in the amount of 100% of HPD Resale Profits, if any, received by Shareholder in connection with the sale, but no greater than the Unit Debt attributable to the Shareholder's Apartment. Thereafter, the Shareholder is obligated to remit to the Cooperative Corporation 50% of the HPD Resale Profits but no greater than the Unit Debt. The Cooperative Corporation shall be obligated to remit a payment in the same amount to HPD which shall apply it to reduce the outstanding principal balance of the HPD Note, and once the HPD Note is paid, to reduce the outstanding principal balance of the HPD PM Note. A Shareholder shall be entitled to retain all resale profits in excess of the HPD Resale Profits due in connection with the sale. "HPD Resale Profits," together with all other capitalized terms used in the definition of "HPD Resale Profits," are defined in the Section entitled "Definitions" in Part I of the Plan.

13. As more particularly set forth in the Section entitled "Procedure to Purchase" under the Subsection entitled "Income and Other Eligibility Requirements" in Part I of the Plan, a Shareholder must use the Apartment as a primary residence. During the time the HDC Amended and Restated Regulatory Agreement and HPD Regulatory Agreement are in effect, an Apartment may not be sublet by the Shareholder for more than two (2) years out of every consecutive four (4) year period.

14. A Shareholder may, if not in default under the Proprietary Lease, cancel such Shareholder's Proprietary Lease and surrender the Shares to the Apartment Corporation (without receiving any compensation) effective on any September 30th after the third anniversary of the closing under this Plan, on at least six (6) months' prior notice to the Apartment Corporation, and in the event of such election to cancel, the Shareholder will have no liability for payment of Maintenance Charges after the effective date of the cancellation, but will remain liable for any indebtedness owing prior to such effective date. Proprietary Leases will also be terminable at any time the Apartment Corporation shall determine, upon the affirmative vote of two-thirds of the Cooperative Board at a meeting of the Cooperative Board duly called for that purpose, and the affirmative vote of Shareholders owning at least 75% in amount of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, to terminate all Agreements.

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.

COOPERATIVE CORPORATION AND BY-LAWS

The Cooperative Corporation was incorporated under 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 June 27, 2002. The Cooperative Corporation has an authorized capital of 200,000 shares, with a par value of $.01 per share. As of the date of this Plan, Partnership Housing owns all the issued Shares of the Cooperative Corporation.

Generally, the affairs of the Cooperative Corporation will be administered by its board of directors (the "Cooperative Board") who will have all the powers as they deem proper, provided same are not inconsistent with the laws of the State of New York (including without limitation, the Business Corporation Law), the certificate of incorporation, the Proprietary Lease or the Cooperative By-Laws. As more particularly described in the Section entitled "Summary of Proprietary Lease" in Part I of the Plan, the Cooperative Board is generally responsible for the Maintenance of the Residential Unit (other than the Apartments) and the Shareholders are responsible for the Maintenance of the Apartments including the repair and restoration of the Residential Unit. Under the terms of the Cooperative By-Laws, the Cooperative Board has the right to accumulate reserves for capital replacements and otherwise. The Condominium Board (and not the Cooperative Board) is responsible for obtaining insurance for the Building, as more particularly described in the Section of the Plan entitled "The Condominium." Please refer to the Sections entitled "Summary of Proprietary Lease" and "Reports to Shareholders" in Part I of the Plan for a discussion of the rights and obligations of the Cooperative Board with respect to reporting to Shareholders, limitations on use and subleasing, rights and procedures to sell and mortgage sale of Shares, and termination of the Cooperative Corporation. The Sponsor may Control the Cooperative Board during the Sponsor Control Period, as more particularly described below.

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

Pursuant to the provisions of the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement, HDC or HPD, as applicable, shall have the right to remove members of the Cooperative Board and replace same with designees of said agencies in the event of a default under the HDC Amended and Restated Regulatory Agreement or HPD Regulatory Agreement, as applicable.

The present directors and officers of the Cooperative Corporation are:

R. Randy Lee:	President
Bruce A. Beal, Jr.:	Vice President and Treasurer
Jerry Salama:	Secretary

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

The Cooperative Board shall be responsible for overseeing the administration and operation of the affairs of the Cooperative Corporation, including cash and capital requirements, maintenance charges and Building services, improvements and repairs, with the powers and duties necessary and incidental to do so.

To the extent permitted by law, no officer of director of the Cooperative Board shall have personal liability for an act or omission of the Cooperative Board or the Managing Agent in connection with the operations or affairs of the Cooperative Corporation. The Cooperative Corporation shall indemnify each director or officer against any liability or claim, including reasonable attorneys' fees, arising out of his or her role as a director except those arising out of such director's or officer's bad faith or willing misconduct. Such right of indemnification is in addition to any other indemnification right such director or officer may have under applicable law.

At all meetings for the election of directors, each Shareholder, including Sponsor with respect to Shares it 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 Shareholder. 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 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.

Sponsor will have voting control of the Cooperative Board during the period which continues until the later to occur of: (i) any meeting of Shareholders at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the Cooperative Conversion Date (the "Sponsor Control Period"). During the period that Sponsor controls the Cooperative Board Sponsor will have control of maintenance, facilities and services to be provided to Shareholders and will determine the Maintenance Charges to be paid by all Shareholders.

The Cooperative Corporation By-Laws may be amended at (i) any shareholders' meeting by an affirmative vote of Shareholders owning in the aggregate at least two-thirds of the outstanding and issued Shares, or (ii) at any meeting of the Cooperative Board 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 Cooperative Board. During the time the HDC Amended and Restated Regulatory Agreement is in effect, all amendments to the Bylaws shall require the prior written consent of HDC.

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

The Cooperative Corporation may impose on its Shareholders and/or authorize its Managing Agent to collect from 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 Cooperative Board may not impose such fees or charges in connection with the sale of Shares by Sponsor or holders of Unsold Shares, who are exempt from such requirement under the terms of the Proprietary Lease and Cooperative By-Law.

The Cooperative By-Laws provide that the Cooperative Corporation shall, to the fullest extent permitted by applicable law, indemnify any person who is or was or has agreed to become a director or officer of the Cooperative Corporation; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

As more particularly set forth in the Proprietary Lease in Part II of the Plan, if a Shareholder fails after notice to make repairs to any part of the Apartment, its fixtures, equipment , appliances, additions or improvements, the Condominium Board or the Cooperative Corporation may make such repairs or arrange for others do to the same. The Condominium Board or the Cooperative Corporation shall be entitled to recover from Shareholder all expenses incurred or for which it has contracted therefor, payable by the Shareholder as Additional Rent.

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

A complete copy of the Cooperative By-Laws is set forth in Part II of this Plan.

RESERVE FUNDS AND WORKING CAPITAL

The Mortgaged Property Replacement Reserve Fund

During the period the HDC Amended and Restated Regulatory Agreement is in effect, the Cooperative Corporation shall remit to HDC monthly, simultaneously with its debt service payments on the HDC Mortgage, the sum of $2,666.67 to be held by HDC in escrow in an interest-bearing account as a reserve fund for the benefit of the Cooperative Corporation (the "Mortgaged Property Replacement Reserve Fund").

During the period the HDC Amended and Restated 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 Cooperative Corporation's default under the HDC Note or to cure any other defaults under the HDC Mortgage and/or the HDC Note. The Mortgaged Property Replacement Reserve Fund may be drawn upon by the Cooperative Corporation with the consent of HDC, as set forth below.

Reserve Fund

On the Cooperative Conversion Date, Sponsor, on behalf of the Cooperative Corporation, shall pay the sum of $127,000 (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 HDC Amended and Restated Commitment and Agreement (the "HDC Reserve Fund"). The HDC Reserve Fund shall be held by HDC in an interest-bearing account for the benefit of the Cooperative Corporation.

On the Apartment Closing Date, each Purchaser, shall be required to pay Sponsor the sum of $1,000 in reimbursement for Sponsor's payment on behalf of the Cooperative Corporation of the HDC 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 HDC 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 HDC 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 Cooperative Corporation under the HDC Note or to cure other defaults under the HDC Note or HDC Mortgage.

Disbursements from Mortgaged Property Replacement Reserve Fund and HDC Reserve Fund

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

Interest on Reserve Funds; Expiration of HDC Amended and Restated Regulatory Agreement

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

No representation is made that the Mortgaged Property Replacement Reserve Fund or the HDC 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 Cooperative Corporation to increase the Maintenance Charges payable by Shareholders or to impose a special assessment against 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

Sponsor will collect a working capital fund contribution equal to three (3) months' Maintenance Charges from each Purchaser on Apartment Closing Date. Sponsor is not making any working capital contribution to the Cooperative Corporation under this Plan. While Sponsor is in control of the Cooperative Board, the working capital fund may not be used to reduce maintenance charges.

THE CONDOMINIUM

The Condominium will initially be comprised of the Residential Units and three non-residential units including two (2) Retail Units and one (1) Parking Unit. The Condominium will be formed by the submission of the Property to a condominium regime by the recordation of the Condominium Declaration and the filing of the Floor Plans. Upon satisfaction of the lien of the construction mortgage held by the Institutional Lenders, the Residential Units will be merged into a single Residential Unit. It is the Sponsor's obligation, pursuant to the HDC Amended and Restated Commitment and Agreement, to merge the Residential Units into a single Residential Unit. A copy of the Condominium Declaration (including the By-Laws, which are attached as an exhibit thereto), are set forth in Part II of the Plan.

Each Condominium Unit will be assessed as a separate tax lot for real estate tax purposes, and the Units may be mortgaged by the Unit Owner thereof. As of the Cooperative Conversion Date, the Residential Unit will not subject to mortgages on the Commercial Units and vice versa. The Cooperative Corporation will be the mortgagor under the Underlying Mortgages.

The Cooperative 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 Units, will be responsible for maintenance and repair of the Commercial Units.

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(l)(iv) of the Condominium Act (i.e., Real Property Law Article 9-B), 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. The Common Interest attributable to the Residential Unit is 65% and the aggregate Common Interest attributable to the Commercial Units is 35%, for a total of 100%.

Generally, the affairs of the Condominium will be administered by a board of managers (the "Condominium Board"). The Condominium Board will consist of five (5) members, one member designated by each Commercial Unit Owner and two (2) members designated by the Cooperative Board from among the Cooperative Board members. The Commercial Unit Owners (including Sponsor to the extent Sponsor owns the Commercial Units) will have voting control of the Condominium Board. During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners (including the Cooperative Corporation) and will determine the Common Charges to be paid by all Unit Owners.

The Condominium Board shall have the powers and duties necessary for administration of the affairs of the Condominium.

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) property insurance with all

risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, RIOC, each of the Boards and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Condominium Board in its sole and absolute discretion, terrorism insurance); (b) rent insurance in an amount equal to Residential and Commercial Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors and employees of the Condominium, the Residential Section and the Commercial Section; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine. Each Unit Owner shall be an additional insured.

The Common Expenses of the Condominium will be paid by the Cooperative Corporation and the Commercial Unit Owners as Common Charges. The cost of Common Expenses generally are allocated among the Units based on Common Interest or as otherwise noted on Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation," set forth in Part I of the Plan. The Condominium By-Laws further provide that 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.

The Condominium Declaration sets forth various easements in favor of the Condominium Board and certain Unit Owners, including an easement on behalf of the Condominium Board to access the certain General Common Elements, an easement on behalf of the Commercial Unit B Owner to install a flue for the operation of a restaurant and an easement through certain Apartments to access mechanical equipment.

Under the terms of the Condominium Declaration, the Commercial Unit Owners and the Supermarket Tenant and any of its successors and assigns will have certain easements through the Common Elements including easements for the following:

A) the installation, use, maintenance, repair and replacement, of or to the HVAC system, all other mechanical equipment, utility lines, pipes, risers, apparatus, conduits and facilities of any type whatsoever serving either (i) the Commercial Units, or (ii) any portion of the property that is the subject of an easement in favor of the Commercial Tenant under the Lease (hereinafter the Maintenance Rights");

B) for the installation, repair, replacement and maintenance of Signs;

C) to enable the Supermarket Tenant, its customers, subtenants, licensees, employees and invitees to utilize the parcel pick-up area and the parcel pickup lane adjacent to Frederick Douglass Blvd.

Under the terms of the Condominium Declaration the Supermarket Tenant has a direct right of action against the Condominium Board if the Condominium Board fails to perform any of its obligations with respect to the Common Elements or the Commercial Units and the actions and determinations of the Condominium Board must be reasonable in all cases where the Supermarket Lease requires the actions and determinations of Landlord to be reasonable. The Condominium Board is obligated to furnish the services provided to the Supermarket Tenant on the Cooperative Conversion Date and cannot reduce such services without the consent of the Supermarket Tenant. Under the terms of the Supermarket Lease, no modification, addition, amendment or deletion of or to the Condominium Documents will be effective against the Supermarket Tenant, is such modification, addition, amendment or deletion would decrease the rights of the Supermarket Tenant or increase the Supermarket Tenant's obligations or decrease the obligations of the Condominium Board to the Unit Owner owning Retail Unit A, without the prior written consent of the Supermarket Tenant.

The Condominium Declaration further provides that the owner of Retail Unit A cannot consent to the termination of the Condominium without the prior written consent of the Supermarket Tenant, which consent can only be withheld if such termination would adversely affect the Commercial Tenant's rights under the Commercial Lease.

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

CONTRACT OF EXCHANGE

Conveyance of the Unit

As contemplated by the LDA, the SDA, the Contract of Exchange and numerous other documents, Partnership Housing will convey fee title to the Residential Units to the Cooperative Corporation by quitclaim deed without covenant against grantor's acts on completion of construction of the Residential Units and submission of the Property to a condominium regime. The conveyance of the Residential Unit to the Cooperative Corporation includes all fixtures and articles of personal property attached to or used in connection with the Property at the time of the conveyance, in "AS IS" condition. The date on which such conveyance occurs is the "Cooperative Conversion Date." Until the Cooperative Conversion Date, the Cooperative Corporation will be deemed to have held beneficial ownership of the Residential Units and upon acquisition of fee title on the Cooperative Conversion Date it will also own legal title to the Residential Units. The foregoing has been structured to meet the requirements of Section 351 of the Internal Revenue Code ("IRC") as more particularly described in the Section entitled "Special Tax Consequences of Contract of Exchange" in Part I of the Plan.

No later than the Cooperative Conversion Date, Sponsor will cause the Cooperative 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 Cooperative Corporation's legal title to the Residential Units. Coverage will be in an amount equal to the sum of the original principal amount of the Underlying Mortgages (i.e., approximately $11,714,616) plus the aggregate sales price for the Shares (i.e., approximately $29,486,000) for a total of approximately $41,200,616. The Apartment Corporation will be solely responsible for the cost for such title insurance premiums and title expenses in connection therewith totaling approximately $123,063.

The Cooperative 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 Plan;

(b) Any state of facts shown on an accurate survey, as such survey, further updated to the Cooperative Conversion Date, shall show;

(c) Terms, restrictions and conditions set forth in the Land Disposition Agreement dated as of June 28, 2002, recorded in Reel 3648, Page 1943; as same may be modified from time to time.

(d) Terms, covenants, reservations, agreements and conditions contained in the deeds to the Property from the City of New York to Partnership Housing dated as of June 28, 2002, as same may be modified from time to time.

(e) The Condominium Declaration;

(f) The HDC Mortgage;

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

(h) The HDC Amended and Restated 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 28, 2002;

(k) Any sidewalk violations;

(l) Collateral Assignment of Leases and Rents made from Partnership Housing and Sponsor to HDC, dated as of November 21, 2002 and recorded on April 13, 2004 as CRFN 2004000222561;

(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 Cooperative Corporation's title insurance company will affirmatively insure the Cooperative 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 Units, provided that the Title Company agrees to insure the Cooperative 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 Units;

(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 Cooperative Corporation, which would not prevent the use of the Residential Unit for the purposes set forth in this Plan;

(dd) Covenants and Restrictions in Liber 410 cp 1438; Encroachment Agreements in Liber 120 cp 24, Liber 120cp 240, 242, Liber 123 cp 128 and Liber 164 cp 111 and Easement Agreement in Liber 115 cp 230;

(ee) The exceptions to title set forth in the Specimen Title Policy set forth in Part II of the Plan including the standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Cooperative Corporation's fee interest in the Residential Unit; and

(ff) The Construction Loan as a lien against any of the Residential Units, as to which the Shares and Proprietary Leases appurtenant thereto, have not been issued to Purchasers under the Plan.

Adjustments

Prior to the Cooperative Conversion Date, payments advanced or made by Sponsor as the primary Shareholder of the Cooperative Corporation, for or on behalf of the Cooperative Corporation as beneficial owner of the Residential Unit to operate the Residential Unit, are expected to be treated in part as Maintenance Charges 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 Cooperative Corporation if a sale of the Residential Unit to the Cooperative 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 Cooperative 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) building supplies on hand, plus tax;

(i) management fees;

(j) rental income; and

(k) 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 shall be paid from the Working Capital Fund. To the extent that the Working Capital Fund is not sufficient, such balance will be paid by the Cooperative 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. Sponsor estimates that the costs, fees, and charges to be paid or apportioned in connection with the Closing shall equal approximately $173,000.

If prior to Closing, fire or other casualty damages the Building, Sponsor will repair any resulting damages if the repair cost is fully covered by insurance proceeds collected by Sponsor. If the collected insurance proceeds are insufficient to pay for the repair, Sponsor shall have the right but not the obligation or repair such damage. If Sponsor elects not to repair the damage, this Plan will be abandoned, all Purchase Agreements will be deemed cancelled and Purchasers not in default under their Purchase Agreements will be refunded their Down Payments with

interest, if any. Upon such refund(s) being made, the Cooperative Corporation and Sponsor will be relieved and discharged of all liability under this Plan and the Purchase Agreement(s).

The price for the acquisition of the Residential Unit shall be paid on behalf of the Apartment Corporation as follows:

A. By payment to Sponsor of the entire cash proceeds received from the sale of Shares under this Plan up to and including the Cooperative Conversion Date; and

B. By the Apartment Corporation assuming the balance of the Underlying Mortgage; and

C. By the issuance to Partnership Housing or its designee(s) of all Unsold Shares.

Sponsor's obligation to complete construction of the Building, as described in the Plan, will survive the Cooperative Conversion Date. Sponsor will deliver or cause to be delivered to the Shareholder on Shareholder's Apartment Closing Date, as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing and appliances. Sponsor will deliver or cause to be delivered to the Cooperative Corporation warranties, if any, of manufacturers or subcontractors relating to equipment and appliances installed in public areas. 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.

The Apartment Corporation will indemnify and hold harmless the holders of the Unsold Shares for all claims, actions and liabilities (including, without limitation, reasonable attorneys' fees and litigation expenses) incurred as a result of the failure on the part of the Apartment Corporation to operate the Residential Unit pursuant to the requirements of the HPD Regulatory Agreement or the HDC Amended and Restated Regulatory Agreement or to perform any obligation to be performed by it as lessor under the Proprietary Lease; however, such indemnity shall not be applicable during any period that a majority of the Cooperative Board consists of non-resident members elected by the holders of Unsold Shares.

Sponsor reserves the right to assign the Contract of Exchange on or prior to the Cooperative Conversion Date. In the event of such assignment(s), the assignee(s) shall then be obligated to comply with all of the terms and conditions affecting the Sponsor under the Contract of Exchange and/or the transferor under the Contract of Exchange as well as Sponsor's obligations under this Plan, as applicable.

Conflicts between the provisions of the Contract of Exchange and the provisions of this Plan shall be resolved in favor of this Plan.

SPECIAL TAX CONSEQUENCES OF CONTRACT OF EXCHANGE

The transfer of the Residential Unit to the Apartment Corporation has been structured to meet the requirements of Section 351 of the Internal Revenue Code ("IRC"). Under Section 351, property may be transferred to a controlled corporation in exchange for its stock, with gain being recognized by the transferor of the property only to the extent of any additional consideration, e.g. (1) cash or other property received by such transferor on the exchange, or (2) any excess of liabilities to which the property is subject over the adjusted basis of the property to the transferor.

Sponsor is taking the position that the transfer of the Residential Unit to the Apartment Corporation does, in fact, qualify as a transfer to a controlled corporation under IRC Section 351. Accordingly, the Apartment Corporation's basis for the Residential Unit will be the same basis as that of Sponsor at the time of the transfer, increased as provided in IRC Section 362 by any gain recognized by Sponsor in connection with such transfer.

If this Plan had been structured as a "sale" transaction under which the Apartment Corporation would purchase the Residential Unit from Sponsor, then the Apartment Corporation's basis for depreciation would equal the purchase price of the Residential Unit paid to Sponsor (plus certain categories of acquisition costs). In a "sale" transaction, the price would ordinarily equal the sum of (i) the net proceeds realized from the sale of shares, after deduction of the Reserve Fund, (ii) the fair market value of the Unsold Shares and (iii) the mortgage indebtedness encumbering the Residential Unit including the Underlying Mortgages (other than the HPD Mortgage and the HPD PM Mortgage).

If the transfer of the Residential Unit to the Apartment Corporation does, in fact, qualify as a Section 351 "Exchange," the Apartment Corporation's basis is lower than the basis it would otherwise obtain in a "sale" transaction and (i) the Apartment Corporation will have lower available depreciation deductions and (ii) the Apartment Corporation will have a potentially greater tax liability in the event the Residential Unit is ever sold by the Apartment Corporation either voluntarily or involuntarily through a foreclosure of a mortgage, a condemnation, a substantial casualty or the like. In addition, a Shareholder who uses such Shareholder's Apartment in a trade or business may have lower depreciation deductions under IRC Section 216(c). The lower basis does not affect the tax treatment of a Shareholder upon a sale of such Shareholder's Shares unless said Shareholder has utilized the Apartment in a trade or business and claimed depreciation in regard thereto under IRC Section 216(c).

The Apartment Corporation's basis in the Residential Unit (whether determined under the sale rules or the Section 351/362 rules) will be reduced to the extent of the depreciation taken each year. It is possible that the amount of depreciation will exceed the amortization of the HDC Mortgage. The amount by which the unpaid principal balance of the mortgage indebtedness exceeds the Apartment Corporation's basis (the "excess mortgage") would be of no consequence to the Apartment Corporation or its Shareholders unless the Residential Unit is sold (whether voluntarily or involuntarily). Under present tax laws, upon a sale of the Residential Unit by the Apartment Corporation, the Apartment Corporation would recognize gain at least equal to the extent of the "excess mortgage" irrespective of whether any cash is received on the sale. Subject to the two exceptions mentioned in the preceding paragraph, the Apartment Corporation would be required to pay corporate income taxes on such gain, which would reduce the net proceeds

available for distribution to its Shareholders. However, the Shareholders would have no personal liability to pay such taxes.

MANAGEMENT AGREEMENTS

Cooperative Management Agreement

The Cooperative Board will enter into a management agreement (the "Cooperative Management Agreement") with Related Management Company, 203 East 86th Street, New York, New York 10028 (the "Managing Agent"), with respect to the Residential Section at or prior to the Cooperative Conversion Date. The principals of the Managing Agent are affiliated with principals of Sponsor.

The Cooperative Management Agreement provides for a term of one year commencing on the Cooperative Conversion Date and thereafter, if not otherwise terminated by the Cooperative Board for a one year period, subject to any changes in fees set forth in a notice to be delivered to the Cooperative Board which must be served at least forty-five (45) days but not more than sixty (60) days prior to the expiration of the initial term of the Cooperative Management Agreement. If the Managing Agent shall fail to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations therein, and shall fail to cure said failure within 30 days of notice of said failure sent by the Cooperative Board to the Managing Agent, the Cooperative Board shall have the right to terminate the Cooperative Management Agreement at the end of any calendar month on not less than sixty (60) days' prior written notice to the Managing Agent. If the Cooperative Board shall unreasonably refuse to comply with or abide by any proper rule, order, determination, ordinance or Law of any federal, state or municipal authority having jurisdiction or asserting jurisdiction, the Managing Agent may terminate the Cooperative Management Agreement at any time on ten (10) days' prior notice in writing to the Cooperative Board. The Managing Agent may otherwise terminate the Cooperative Management Agreement on thirty (30) days' prior written notice to the Cooperative Board.

The HDC Amended and Restated Regulatory Agreement provides that the Managing Agent and the Cooperative Management Agreement are subject to the approval of HDC and the Cooperative Board must agree to terminate the Cooperative Management Agreement in the event HDC determines, after written notice to the Cooperative Board and reasonable opportunity to cure, that the Project is not being operated in compliance with the Regulatory Agreement and/or the terms and conditions of the HDC Mortgage. The Cooperative Management Agreement contains a provision that it is subject to termination, with or without cause and without penalty upon a request made by HDC to Cooperative Board under the terms of the HDC Amended and Restated Regulatory Agreement.

The Managing Agent will receive an annual fee of $60,000 during the first year of cooperative operation, payable in equal monthly installments. In addition, for services rendered to Shareholders (other than Sponsor or its designee) in connection with processing applications to sell or otherwise transfer Shares and assign Proprietary Leases and obtaining necessary waivers of the right of first refusal by any Boards, the Managing Agent shall receive the following fees from Shareholders (i) $550 upon the sale, lease or other transfer of an Apartment for reviewing the waiver of the Cooperative Corporation's right of first refusal and other required documents, (ii) $350 in connection with a Shareholder's application for an appraisal or mortgage refinancing or renewal of a rental and (iv) $300 in connection with the alteration or renovation of

an Apartment where an alteration does not entail in excess of $10,000 of work. In the event such alterations exceed $10,000 the Managing Agent shall be entitled to a fee equal to $500. In addition, refundable fees for move ins may be required of each Purchaser or tenant. Such fees may be retained by the Cooperative Corporation in the event a Purchaser, tenant or their agents damages the Common Elements or the Residential Section during the move in. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Manhattan.

The Cooperative Board shall reimburse the Managing Agent for all reasonable out of pocket expenses incurred by Agent in the performance of its duties under the Cooperative Management Agreement including, but not limited to, messenger expenses and storage charges for the Cooperative Board's documents and filing fees, provided such fees are documented and approved by the Cooperative Board in writing..

The Cooperative Corporation may not assign the Management Agreement without the written consent of the Managing Agent. Managing Agent may assign the Management Agreement to an entity in which one or more of the principals are also principals of Managing Agent.

The duties and services to be rendered by the Managing Agent under the terms of the Cooperative Management Agreement include, among others:

(1) billing and collecting Maintenance Charges payable by Shareholders and paying the Common Charges payable by the Cooperative Corporation to the Condominium;

(2) causing the Residential Section to be maintained, repaired, replaced and altered in the manner deemed advisable by the Cooperative Board. The approval of the Cooperative Board is necessary for any expenditure of over $5,000 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order);

(3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Residential Section subject to the approval of the Cooperative Board where such service contract is in excess of three (3) years or $15,000 per annum requires the consent of the Cooperative Board, unless said service contract is part of a pre-approved budget;

(4) checking all bills received in connection with the maintenance and operation of the Residential Section and causing all such bills and other expenses to be paid;

(5) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Residential Section;

(6) rendering monthly statements of receipts and disbursements to the Cooperative Board or other designated entity, upon request;

(7) maintaining payroll records and filing withholding tax statements for employees;

(8) maintaining accurate sets of books for the Cooperative Board;

(9) cooperating with the Cooperative Board's accountants in preparing and submitting annually to the Cooperative Board an operating budget of the anticipated income and expenses for the ensuing year;

(10) attending annual meetings of the Cooperative Board and Shareholders, and preparing agendas and sending notices relating to such meetings, and if requested by the Cooperative Board, provide a secretary, at the Cooperative Board's expense to record the minutes of such meeting; and

(11) generally, doing all things deemed reasonably necessary or desirable by the Cooperative Board for the proper management of the Residential Section.

The Cooperative Board will indemnify the Managing Agent against liability for all claims for all acts properly performed by the Managing Agent pursuant to the Cooperative Management Agreement or at the instructions of the Cooperative Board, provided however, any such indemnification shall not cover any claims resulting from the Managing Agent's gross negligence or willful misconduct.

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the Cooperative Management Agreement shall not extend to supervising or managing major capital renovations or major capital improvements, unless specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor. The Managing Agent, at the expense of the Cooperative Corporation, will be bonded during the term of the Cooperative Management Agreement under fidelity or general surety bonds in the amount of $100,000 in favor of Condominium for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

Condominium Management Agreement

The Condominium Board will enter into a management agreement (the "Condominium Management Agreement") with the Managing Agent, with respect to the Condominium and the General Common Elements at or prior to the Cooperative Conversion Date.

The Condominium Management Agreement provides for a term of three years commencing on the Cooperative Conversion Date and thereafter, if not otherwise terminated by the Condominium Board for a one year period, subject to any changes in fees set forth in a notice to be delivered to the Condominium Board which must be served at least forty-five (45) days but not more than sixty (60) days prior to the expiration of the initial term of the Condominium Management Agreement. If the Managing Agent shall fail to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations under the Condominium Management Agreement, and shall fail to cure said failure within 30 days of notice of said failure sent by the Condominium to the Managing Agent, the Condominium Board shall have the right to terminate the Condominium Management Agreement at the end of any calendar month on not less than sixty (60) days' prior written notice to the Managing Agent. If the Condominium Board shall unreasonably refuse to comply with or abide by any proper rule, order, determination, ordinance or Law of any federal, state or municipal authority having

jurisdiction or asserting jurisdiction, the Managing Agent may terminate the Condominium Management Agreement at any time on ten (10) days' prior notice in writing to the Condominium Board. The Managing Agent may otherwise terminate the Condominium Management Agreement on thirty (30) days' prior written notice to the Condominium Board.

Under the terms of the Condominium Management Agreement, the Managing Agent will receive an annual fee of $30,000 during the first year of cooperative operation, $31,500 during the second year of cooperative operation and $34,650 during the third year of cooperative operation, all payable in equal monthly installments.

The duties and services to be rendered by the Managing Agent include, among others:

(1) Cause to be hired, paid, and supervised, using reasonable care and with the approval of the Condominium Board, all persons necessary to be employed in order to Maintain and operate the General Common Elements properly; and such employees in or about the General Common Elements may or may not be employees of the Managing Agent and not of the Condominium Board (or may be employees of the Cooperative Corporation or independent contractors), and the Condominium Board, at its own cost and expense shall defend any suit brought against the Condominium, the Condominium Board or the Managing Agent on account of the operation or Maintenance of the Property Elements, including injuries to employees or others, and the Condominium Board shall hold harmless and fully indemnify the Managing Agent from any loss to the Agent on account thereof, unless such loss has been caused by the Managing Agent's or its employees' gross negligence or willful misconduct, and the Managing Agent will cause to be discharged all persons unnecessary or undesirable, all subject to such union contracts or other agreements concluded on behalf of the Unit Owners with the Condominium Board's written approval;

(2) billing and collecting Common Charges payable by Unit Owners;

(3) causing the General Common Elements to be Maintained in the manner deemed advisable by the Condominium Board;

(4) contracting for necessary services and purchasing all supplies necessary to properly Maintain and operate the General Common Elements, subject to the approval of the Condominium Board where such service contract is in excess of three (3) years or $15,000 per annum unless said service contract is part of a pre-approved budget;

(5) checking all bills received in connection with the Maintenance and operation of the General Common Elements and causing all such bills and other expenses to be paid;

(6) supervising, hiring and discharging employees necessary for the proper Maintenance and operation of the General Common Elements;

(7) rendering monthly statements of receipts and disbursements to the Condominium Board or other designated entity, upon request;

(8) maintaining payroll records and filing withholding tax statements for employees;

(9) maintaining accurate sets of books for the Condominium Board;

(10) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year;

(11) attending meetings of the Condominium Board and Unit Owners, preparing agendas and sending notices relating to such meetings, and if requested by the Condominium Board, providing a secretary, at the Condominium Board's expense to record the minutes of such meeting; and

(12) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the General Common Elements.

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the Condominium Management Agreement shall not extend to supervising or managing major capital renovations or major capital improvements, unless specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor. The Managing Agent, at the expense and discretion of the Condominium Board, will be bonded during the term of the Condominium Management Agreement under fidelity or general surety bonds in the amount of $100,000 in favor of the Condominium Board and the Unit Owners for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

IDENTITY OF PARTIES

Sponsor

Sponsor is Bradhurst Development Company, LLC., a New York limited liability company formed on April 3, 2000, with an office c/o The Related Companies, L.P., 625 Madison Avenue, New York, New York 10022. The members of Sponsor are Related Bradhurst Associates, L.L.C., Leewood-Bradhurst, LLC and Salama Development & Consulting, LLC. The principals of Sponsor are R. Randy Lee, Jeff T. Blau, David Wine, Bruce A. Beal. Jr., Bryan Cho and Jerry Salama.

The principals of Sponsor have been engaged in the operation and ownership of commercial and residential housing projects and other real estate ventures in New York City for many years. Mr. Lee, having a business address at 260 Christopher Lane, Staten Island, New York 10314, is a principal in the Leewood Real Estate Group and owner and developer of real estate. He has been involved in a number of condominium, cooperative and homeowner associations in New York State, including, without limitation, the Heron Pond Condominium and the Heron Pond HOA, the Celebration Townhouses Cooperative, the Bloomingdale Ridge HOA and the Rainbow Hill HOA, all in Staten Island and the Prince Street Condominium in Manhattan.

Mr. Blau, Mr. Wine, Mr. Beal and Mr. Cho are related to The Related Companies, L.P., a real estate management and development concern. The Related Companies, L.P. ("Related") is a fully integrated real estate firm with divisions specializing in acquisitions and development, financial services and property management. Related is one of the largest real estate companies in the U.S. and owns and/or manages over $7 billion worth of residential, commercial and retail properties coast to coast. With luxury residential towers throughout Manhattan, Related has set a standard for contemporary metropolitan living for New Yorkers. Related is currently an active developer of residential and mixed-use developments in New York City.

Since 1985, Related has developed or acquired over 4,000 luxury residential apartments in Manhattan and currently has approximately 1,200 additional units under development. These developments include its three latest buildings, which are all located in Manhattan: One Central Park at Time Warner Center, 10 Columbus Circle, completed at the beginning of 2004; Park Imperial, 230 West 56th Street, completed in the Spring of 2003, and The Westport, 500 West 56th Street, completed in the Summer of 2003. One Central Park and Park Imperial are luxury condominiums, while The Westport is a luxury rental building. Related is also responsible for the overall redevelopment of Columbus Circle in Manhattan, where it recently completed the 2.8 million square foot Time Warner Center – at a cost of $1.7 billion dollars – containing a five-star hotel, Time Warner's world headquarters, retail space, and Jazz @ Lincoln Center, in addition to the luxury condominiums at One Central Park.

In addition to its development activities in New York, Related is an active developer in other parts of the country. Related has approximately $1.2 billion of properties under development in Florida, California, and Chicago.

Sponsor has not owned, operated or converted to cooperative or condominium ownership any residential properties. The principals of Sponsor have not been involved in any condominium or cooperative offering plans for the last five years and do not own ten (10%) percent or more of the unsold units or unsold shares in any building except as noted below:

Mr. Blau, Mr. Wine and Mr. Beal are principals of the sponsors of the offering plans for units at The Chatham, 181 East 65th Street, New York, New York, File No. CD-98-0111 and the Park Imperial, 230 West 56th Street, New York, New York, File No. CD-00-0103 and of the successor sponsor for unsold units at The 279 Central Park West Condominium, 279 Central Park West, New York, New York, File No. CD-88-0503, where they no longer own more than ten percent of the unsold units. They are also principals of One Central Park - North Tower at Time Warner Center Condominium, 50 Time Warner Center, New York, New York, File No. CD-01-0178 and One Central Park - South Tower at Time Warner Center Condominium, 25 Time Warner Center, New York, New York File No. CD-01-0084 where the sponsor continues to own ten percent (10%) or more of the unsold units.

Mr. Lee has been involved as a principal in the following condominium plans in the State of New York in the last five (5) years:

Mr. Salama, having a business address at 126 West 22nd Street, 8th Floor, New York, New York 10011 has not been involved, as a principal, in any condominium or cooperative plans in the State of New York in the last five (5) years.

Principals of Sponsor are current in their obligations to the other public offerings. There have been no prior felony convictions of Sponsor, or any principals of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan

Selling Agent

Own-a-Home Realty Corp. with its principal office at 260 Christopher Lane, Staten Island, New York 10314. The Selling Agent will receive a commission from Sponsor for the sales of Shares. The Selling Agent has no other beneficial interest in the Plan. The principal of the Selling Agent has extensive experience representing sellers and purchasers of residential real estate in New York City. There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent; and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan. Selling Agent is affiliated with the principals of Sponsor.

Managing Agent

Related Management Company, 203 East 86th Street, New York, New York 10028, will be the managing agent for the Cooperative Corporation and the Condominium and will receive a fee for this service. There have been no prior felony convictions of Managing Agent, or any principals of Managing Agent; and no prior convictions, injunctions and judgments against Managing Agent, or any principals of Managing Agent that may be material to the Plan or an

offering of securities generally, that occurred within 15 years prior to the submission of this Plan. The principals of Managing Agent are affiliated with principals of Sponsor.

A representative list of properties which are managed by the Managing Agent in New York City include:

The Strathmore
400 East 84th Street
New York, New York

The Monterey
175 East 96th Street
New York, New York

Carnegie Park
200 East 94th Street
New York, New York

Columbus Green
101 West 87th Street
New York, New York

One Union Square South
New York, New York

The Park Imperial
230 West 56th Street
New York, New York

The Ventura
240 East 86th Street
New York, New York

Tribeca Tower
105 Duane Street
New York, New York

Parc Place
225 Rector Street
New York, New York

The Sagamore
189 West 89th Street
New York, New York

The Chatham
181 East 65th Street
New York, New York

Attorneys for Sponsor

Sponsor has retained the law firm of Stroock & Stroock & Lavan LLP, having an office at 180 Maiden Lane, New York, New York 10038 to represent it in connection with the Plan. Stroock & Stroock & Lavan LLP prepared the Plan, the Proprietary Lease, the By-Laws and the forms of Purchase Agreement. Michel Evanusa, Esq. had principal responsibility for the preparation of the Plan. Sponsor has also retained the law firms of Paul, Hastings, Janofsky & Walker LLP, having an address at 75 East 55th Street, New York, New York 10022 to render an opinion with respect to the availability of income tax deductions to purchasers of Apartments and the Law Offices of Robert M. Pollack, to render its opinions regarding real estate taxes and 421-a eligibility. Michel Evanusa, Esq. had principal responsibility for the preparation of the Plan. The law firm of Lee and Amtzis, LLP, with an office at 260 Christopher Lane, Staten Island, New York 10314 will represent Sponsor in connection with matters relating to the individual closing of title to the Apartments. R. Randy Lee, a partner of the firm, is also a principal of Sponsor. Michael M. Amtzis, a partner of R. Randy Lee is the Escrow Agent under the Plan.

Sponsor's Architects/Engineers

The firm of Meltzer/Mandl Architects, P.C., having an office at 215 Park Avenue South, New York, New York 10003, prepared the "Description of Property" set forth in Part II of the Plan. Meltzer/Mandl Architects, P.C. has been providing architectural services for many years. All statements and representations made in this Plan with respect to the "Description of Property" have been made in reliance upon the Architect and its authority as an expert. The Architect has no financial interest in the Property, Sponsor, the Selling Agent and the Managing Agent, or any other parties interested in this transaction, except for its fee for services rendered

Sponsor's Expert

Rose Associates, Inc., having an address at 200 Madison Avenue, New York, New York 10016, estimated all amounts of income and expenses in Schedule B, "Projected Cooperative Budget For First Year of Cooperative Operation" and Schedule B-1, "Projected Condominium Budget For First Year of Cooperative Operation" in consultation with Sponsor and provided the opinion of Reasonable Relationship set forth in Part I of the Plan.

Service of Process

The Secretary of State of the State of New York has not been designated to receive service of process since Sponsor and all principals of Sponsor are residents of the State of New York.

DOCUMENTS ON FILE

In accordance with Section 352-e(a) of the New York General Business Law, copies of this Plan and Parts A, B, C, and D of the Exhibits delivered to the Department of Law containing all exhibits or documents referred to herein shall be available for inspection (without charge) and for copying (at a reasonable charge) by prospective purchasers and by any person who shall have purchased an Apartment offered under this Plan, at the office of Selling Agent during business weekday hours and shall remain available for such inspection and copying for a period of six years from the Cooperative Conversion Date.

REPORTS TO SHAREHOLDERS

It is the obligation of the Cooperative Board to give Shareholders annually:

(1) a financial statement of the Cooperative Corporation prepared by a certified public accountant within four months after the end of each fiscal year, which statement shall be certified while Sponsor is in control of the Cooperative Board and a statement of the amount deductible for income tax purposes; and

(2) prior notice of the Annual Shareholder's meeting.

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 Plan and the Plans and Specifications.

(c) Sponsor may not change the size, number or location of Apartments, except as more specifically provided in the Section entitled "Changes in Offering Terms and Apartments" in Part I of the Plan. 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. Notwithstanding the foregoing, no such changes may be made if such change adversely affects the value of any Apartment to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Shareholders consent in writing to such change and all affected Purchasers are given the right to rescind and receive any deposit or downpayment made hereunder.

(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 cash or 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 Cooperative Corporation or 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 Charges 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 one (1) year's Maintenance Charges 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 Charges 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 Charges, 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.

(n) Sponsor shall by the Cooperative Conversion Date, cause the Cooperative Corporation to procure the insurance described in Schedule B, "Projected Cooperative Budget for First Year of Cooperative Operation" and will cause the Condominium Board to procure the insurance described in Schedule B-1, "Projected Condominium Budget for First Year of Cooperative Operation, both of which are set forth in Part I of the Plan.

(o) Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in this Plan on file at the 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 Cooperative Corporation at the first annual meeting of Shareholders after the Cooperative Conversion Date.

(q) Sponsor will deliver a set of "as-built" plans for the Project to the Condominium Board 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, Shareholder or tenant, as applicable, and from the Cooperative 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 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 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 Units, such as showing of Apartments and common areas in the Residential Unit and retail spaces in the Commercial Units, to prospective purchasers or prospective tenants;

(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 Units; 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;

(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; and

(v) the right to control the Cooperative Board as more particularly described in the Section of the Plan entitled "Cooperative Corporation and By-Laws.

(t) With respect to the rights reserved in subparagraphs (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 Units. Neither the Condominium Board nor the Cooperative 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 Shareholder upon Shareholder's Apartment Closing Date, and assign or deliver to the Cooperative 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.

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.

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.

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.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form Proprietary Lease, Cooperative By-Laws, Condominium Declaration, Condominium By-Laws, form of Purchase Agreement, and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Apartments, the Property, the Apartment Corporation, the Condominium or the operation thereof, which are not covered by insurance.

No party other than the respective Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Apartments are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All material revisions will be contained in a duly filed amendment to the Plan. If there is a material amendment to the Plan as to which rescission is required by the Department of Law, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Escrow Agent shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that Escrow Agent shall return to Sponsor the Down Payment (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Apartments offered by the Plan or in the leasing of any such Apartments because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property and the Building have not been the subject of any prior public offerings. Sponsor has previously tested the market pursuant to Cooperative Policy Statement No. 1, File No. CP03-0050.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.

PART II

BRADHURST COURT
300 WEST 145TH STREET
NEW YORK, NEW YORK 10039

EXHIBIT "1"

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Bradhurst Development Company, LLC

Sponsor

NYC Partnership Housing Development Fund Company, Inc.,

Seller

TO

_____

Purchaser

APARTMENT NUMBER _____

RESIDENTIAL SECTION

OF

Bradhurst Court
300 West 145th Street
New York, New York 10039

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APARTMENT NUMBER(S) _____

RESIDENTIAL SECTION

OF

BRADHURST COURT
300 WEST 145TH STREET
NEW YORK, NEW YORK 10039

(to be executed in quintuplicate)

This agreement (the "Agreement"), made as of the date on the signature page of the Agreement, between Bradhurst Development Company, LLC, a New York, having an office at 625 Madison Avenue, New York, New York 10022 ("Sponsor"), NYC Partnership Housing Development Fund Company, Inc., having its principal office at One Battery Park Plaza, New York, New York, 10004 ("Seller") and

_____, having an address at

_____ ("Purchaser").

WITNESSETH:

1. THE PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for the Residential Section of Bradhurst Court and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least three (3) days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

2. DEFINITIONS. Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. AGREEMENT TO PURCHASE THE APARTMENT. Upon and subject to the terms and conditions set forth herein, Seller agrees to sell and convey, and Purchaser agrees to purchase, the _____ shares (the "Shares") of capital stock of the Bradhurst Court Owners Inc. (the "Cooperative Corporation") allocated to Apartment _____ (the "Apartment") and to enter into the proprietary lease appurtenant to the Shares (the "Proprietary Lease"). The Shares and the Proprietary Lease are sometimes referred to in this Agreement from time to time as the "Apartment" and the acquisition of the Shares and Proprietary Lease are sometimes referred to as "the closing of the Apartment" or the "purchase of 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.

Purchaser understands and agrees that in accordance with the terms set forth in the Section entitled "Procedure to Purchase" in Part I of the 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, neither Seller nor Sponsor will sign this Purchase Agreement, and until this Agreement is signed and returned to Purchaser, Purchaser shall have no rights as a Purchaser under this Agreement or the Plan. Finally, Purchaser understands and agrees that: (i) Seller is not the "sponsor" of the Plan and does not serve in any capacity as the developer or builder of the Building, (ii) Seller is responsible only for those functions specifically outlined in various documents relating to the financing and construction of the Project and the marketing and sales of the Apartments, (iii) Seller is acting on a fully exculpated basis and Purchaser releases Seller and acknowledges that Seller has no liability whatsoever for any aspect of the transaction including any statements or representations made in this Plan, any of the project documents, (iv) Sponsor is authorized to execute this Agreement and any transfer or other documents required to be executed by or on behalf of Seller in accordance with the terms of this Agreement and the Plan and (v) Purchaser shall not make any claim or institute any action or proceeding against Seller arising in connection with the Plan or this Purchase Agreement. Seller and 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 which 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 Seller or 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 Seller and Sponsor, or of disapproval, by return of Purchaser's Down Payment, together with interest earned thereon, if any.

If the Original Scheduled 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 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.

4. PURCHASE PRICE.

4.1 The purchase price for the Apartment ("Purchase Price") is $_____

The Purchase Price is payable as follows:

a. $_____ (the "Down Payment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

b. $_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the Shares and Proprietary Lease as hereinafter provided.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the Down Payment shall be made payable to "Michael M. Amtzis. Esq., Escrow Agent." Checks for the balance of the Purchase Price shall be made payable to the direct order of "Bradhurst Development Company, LLC." or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. CLOSING OF TITLE.

5.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than ten (10) days' prior to the scheduled date for closing of title (the Original Scheduled Apartment Closing Date"). If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser. In the event of such adjournment, a closing may be rescheduled by Sponsor upon written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing. In the event this Agreement is executed after the Cooperative Conversion Date, the closing of title shall occur thirty (30) days after the date this Agreement is executed.

5.2 The term "Apartment Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date on which Shares and Proprietary Lease are delivered to Purchaser by or on behalf of Sponsor, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

6. DELIVERY OF THE SHARES AND PROPRIETARY LEASE.

6.1 On the Apartment Closing Date, Sponsor shall cause the Seller and/or the Cooperative Corporation to deliver to Purchaser the Shares of the Cooperative Corporation and Purchaser and the Cooperative Corporation will enter into the Proprietary Lease for the Apartment, substantially in the form set forth in Part II of the Plan. Purchaser shall pay all New York State and New York City real property transfer taxes, if any, imposed in connection with

the conveyance of the Shares, and Seller and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by Law. The date of the commencement of the term of the Proprietary Lease will be the Cooperative Conversion Date and the Cooperative Corporation is irrevocably authorized to by Purchaser to insert such date in the Proprietary Lease.

6.2 Seller shall deliver to Purchaser a certification stating that Seller is not a foreign person in the form then required by the Code Withholding Section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

7. CLOSING ADJUSTMENTS

7.1 Subject to Paragraph 13 hereof, the following adjustments shall be made as of midnight of the day preceding the Apartment Closing Date with respect to the Apartment:

a. Maintenance Charges for the month in which title closes; and

b. accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Apartment.

7.2 The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

7.3 Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the closing.

8. CLOSING COSTS. In addition to those costs and adjustments described in Articles 8 and 9 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Procedure to Purchase."

9. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to the requirements of Section 71-a(3) of the State of New York Lien Law (the provisions of which are set forth in Part II of the Plan and deemed incorporated herein by reference) and Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Down Payment to Sponsor in the event Purchaser closes title under this Agreement. A Form 1099 is required to be submitted to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest.

10. BINDING EFFECT OF CONDOMINIUM DOCUMENTS, PROPRIETARY LEASE, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Condominium Documents, Proprietary Lease, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

11. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter, including, without limitation, the Underlying Mortgages, any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. The mortgages which will remain a lien against the Residential Unit and the Shares are more particularly described in the Section entitled "Terms of Mortgages" in Part I of the Plan. The existence of such mortgage or mortgages encumbering the Property, or portions thereof, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor or Seller. Purchaser understands that if for any reason HDC or HPD changes or modifies the terms of any of the Underlying Mortgages, without the consent of Sponsor and the Cooperative, Sponsor reserves the right, in its sole and absolute discretion, to terminate this Agreement, in which event, Sponsor will, within thirty (30) days after such termination, return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan.

12. PURCHASER'S REPRESENTATIONS. 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. Purchaser understands and agrees that Purchaser is bound by the restrictions and requirements set forth in the HDC Regulatory Agreement and the HPD Regulatory Agreement, including, without limitation, the requirement that Purchaser 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. Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder.

13. DEFAULT BY PURCHASER.

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the balance of the Purchase Price on the Apartment Closing Date designated by Sponsor; or

(ii) If Purchaser makes a false or misleading statements in completing the Purchaser Eligibility Documents or in resubmitting the Reaffirmation as required pursuant to this Agreement or otherwise fails to comply with any of the other requirements of HPD and HDC; or

(iii) Purchaser's failure to duly complete and sign before a notary public and deliver on the Apartment Closing Date the New York State and City transfer tax returns; or

(iv) If Purchaser is or becomes the tenant of record of the Apartment, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(v) If Purchaser is or becomes the tenant of record of the Apartment and Purchaser vacates or abandons the Apartment; or

(vi) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vii) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(viii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(ix) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Apartment Closing Date designated by Sponsor; or

(x) The failure to pay, perform or observe any of Purchaser's other obligations hereunder.

13.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser or bring an action against Purchaser for specific performance. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Apartment), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and no party hereto shall have any

further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor or Seller may sell the Apartment to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

13.3 If Purchaser fails for any reason to close title to the Apartment on the Original Scheduled Apartment Closing Date (a) the closing apportionments described in Section 7.1 of this Agreement will be made as of midnight of the day preceding the Original Scheduled Apartment Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Apartment by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Original Scheduled Apartment Closing Date to (and including) the day before the actual Apartment Closing Date. If, through no fault of Purchaser, Sponsor postpones the Original Scheduled Apartment Closing Date, these provisions shall apply to the rescheduled Apartment Closing Date if Purchaser fails for any reason to close title to the Apartment on the rescheduled Apartment Closing Date.

14. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE

14.1 The respective obligations of Purchaser, Sponsor and Seller hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section in the Plan entitled "Effective Date" for full details). Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

14.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement will be deemed canceled and the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Apartment, as more particularly described in the Section of the Plan, entitled "Effective Date." After the monies are so disbursed, none of Purchaser, Sponsor or Seller will have any claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE APARTMENT. If Seller is unable to deliver title to the Apartment to Purchaser in accordance with the provisions of this Agreement and the Plan, neither Sponsor nor Seller will be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of Sponsor's obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either (a) take title to the Apartment subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or

right of action against Sponsor or Seller for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Apartment, as more particularly described in the Section of the Plan, entitled "Procedure to Purchase" and, upon making such payment, this Agreement will be terminated and no party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the Description of the Property in Part II of the Plan as being part of the Apartment are included in the sale of the Apartment pursuant to the provisions of this Agreement. At the Closing, Sponsor shall transfer to Purchaser any assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Apartment.

17. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept title (without abatement in, or credit against, the Purchase Price or any provision for escrow deposits at the closing of title) notwithstanding the failure to complete construction of (a) the "punch list" items in the Apartment, (b) other Apartments or (c) the Common Elements of the Property which do not prevent Purchaser's use of the Apartment provided that Sponsor deliver a temporary certificate of occupancy for the Apartment. The Apartment and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Apartment, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Apartment, and the fixtures and personality contained therein, up to the time of the transfer of title to the Apartment in question. The Purchaser of a Apartment shall have the right to inspect such Apartment prior to the Closing Date. However, the failure of Sponsor to complete "punch list" type work shall not be a ground for Purchaser delaying the Closing provided that Sponsor agrees to complete such work promptly after closing. Purchaser will receive notice that the Apartments is available for inspection and Sponsor reserves the right to postpone and/or reschedule any scheduled inspections of the Apartment upon one (1) business day's notice and Sponsor reserves the right to schedule additional inspections as Sponsor deems necessary or appropriate. If Purchaser fails to inspect the Apartment within said period(s), Purchaser shall be deemed to have accepted the Apartment in good condition and in accordance with the terms of the Plan. Except as expressly provided in this Agreement or the Plan, Sponsor shall have no obligation to repair or improve the Apartment, any portion of the Property, or the appliances, equipment or fixtures attached to or used in connection with the Apartment or the Property. The provisions of this Paragraph shall survive Closing.

Neither Sponsor nor Seller will be obligated to correct, and neither will be liable to any Board or Apartment Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures), except as more as specifically set

forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

Notwithstanding the foregoing and as provided the following are expressly set forth on the "punch list", Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filling or refinishing the same, but Sponsor will not be obligated to replace any such surfaces. The provisions of this Article shall survive the closing of title.

18. DAMAGE TO THE APARTMENT. If between the date of this Agreement and the closing of title the Apartment is damaged by fire or other casualty, the following shall apply:

18.1 The risk of loss to the Apartment by fire or other casualty is assumed by Sponsor until the earlier of closing of title or possession of the Apartment by Purchaser, but without any obligation or liability by Sponsor or Seller to repair or restore the Apartment. If Sponsor elects to repair or restore the Apartment, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Cooperative Board and Condominium Board, the Unit Owners and other Shareholders if the Declaration has theretofore been recorded and/or the Cooperative Conversion Date has already occurred, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title.

In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Apartment, or, if the Declaration has been recorded prior thereto and the Cooperative Conversion Date has occurred, the Unit Owners and the Shareholders do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement will be deemed canceled and of no further force and effect and Sponsor will return to Purchaser return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor will retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

19. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Seller, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Apartment, or the size or the dimensions of the Apartment or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Shareholders, the estimated Maintenance Charges allocable to the Apartment, the estimated real estate taxes payable by the Cooperative Corporation, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Apartment, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on such Purchaser's own judgment and investigation in deciding to enter

into this Agreement and purchase the Apartment. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Apartment, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. The provisions of this Article shall survive the closing of title.

20. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser shall not list the Apartment for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Apartment for sale or lease, without Sponsor's prior written consent.

21. BROKER. Purchaser represents to Sponsor that **Selling Agent Sponsor** and [ ] (**collectively** the "Broker") **is [are]** the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 21 shall survive the closing of title.

22. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall be required to pay Sponsor's attorneys a fee of $1,000, in advance, for preparation of an assignment agreement.

23. BINDING EFFECT. This Agreement shall not be binding on Purchaser, Sponsor or Seller until a fully executed counterpart hereof has been delivered to Purchaser. If this Agreement is not accepted within sixty (60) days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the deposit paid on the execution hereof shall be promptly returned to Purchaser.

24. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan which shall be served in accordance with the Plan or documents for which the method of notice and or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail as well as hand delivered or sent, postage prepaid, by registered or certified mail, by facsimile or by Federal Express or other reputable overnight courier, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Lee and Amtzis, LLP, with an office at 260 Christopher Lane, Staten Island, New York 10314, Attn.: Michael Amtzis, Esq. in the same manner as notice is given to Sponsor, or to such other address as either

party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in anyway invalidate the such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the scheduling or rescheduling of Closing Dates or the scheduling or rescheduling of inspections may be made by facsimile to each party's attorneys.

25. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

26. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Apartment shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor or Seller to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 21 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

27. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. The provisions of this Article shall survive the closing of title.

28. FINANCING CONTINGENCY.

28.1 The provisions of this Paragraph shall be effective if and only if Purchaser applies for financing through Chase Manhattan Bank, Citibank or Carver Federal Savings Bank ("Permitted Mortgagees").

28.2 Purchaser shall apply in good faith to a Permitted Mortgagee to obtain financing in an amount not to exceed ninety-five (95%) of the Purchase Price. Purchaser shall provide Sponsor with a copy of a loan application within ten (10) business days of the Purchase Agreement Date as defined herein. The loan application must contain truthful, accurate and complete information as required by the lender. If a loan commitment is issued, Purchaser shall promptly accept it and comply with all of its terms. If Purchaser fails to obtain a loan commitment within forty-five (45) days of the Purchase Agreement Date as defined herein, Purchaser shall notify Sponsor of same within five (5) days subsequent to such forty-five (45) day period or the financing contingency will be deemed waived by Purchaser. In the event no such financing is furnished, Sponsor may, at Sponsor's sole option, upon written notice to Purchaser postmarked or delivered within ten (10) days of Sponsor's receipt of notice from

Purchaser that a written loan commitment had not been obtained (a) declare the Purchase Agreement null and void or (b) extend the period of time in which Purchaser may obtain a written loan commitment. In the event no financing is obtained, Purchaser, provided it has not already waived the financing contingency as set forth above, may also declare the Purchase Agreement null and void by written notice to the Sponsor postmarked or delivered within ten (10) days subsequent to such forty-five (45) day period. If such notice is not sent within such ten (10) day period, the financing contingency clause shall be deemed waived. In the event the Purchase Agreement is declared null and void by Sponsor or Purchaser by reason of Purchaser's failure to obtain a written loan commitment, the Down Payment shall be returned to Purchaser with interest, if any.

29. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

30. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

31. COOPERATIVE CORPORATION NOT A PARTY. Purchaser understands that the Cooperative 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 Cooperative Corporation. Purchaser agrees that no claim will be made against the Cooperative 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.

32. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

33. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of Law.

34. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE.

35. ENTIRE AGREEMENT. This Agreement together with the Plan constitutes the entire agreement between the parties and supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

36. CERTAIN REFERENCES. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

37. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

38. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement or the Plan.

39. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

40. NO ORAL CHANGES. This Agreement cannot be changed or terminated and no provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

41. COUNTERPART SIGNATURES. This Agreement may be executed in any number of counterparts, any one of which shall constitute an original of this Agreement. When counterparts have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party. This Agreement shall not be binding unless and until it shall be fully executed and delivered by all parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Date: _____
(To be inserted after execution by Sponsor)

SPONSOR (ON BEHALF OF ITSELF AND SELLER:

Bradhurst Development Company, LLC

By: _____
Name:
Title:

PURCHASER:

_____

_____
(Social Security or Federal I.D. Number)

_____

_____
(Social Security or Federal I.D. Number)
Telephone No. _____

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey of the Property would show, provided such state of facts would not make title to the Apartment uninsurable, except as otherwise permitted herein.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws, the HPD Regulatory Agreement, the HDC Regulatory Agree,etn, the project documents and the Rules and Regulations, the Power of Attorney from the Purchaser to the Residential Board, and the Floor Plans; as all of the same may be amended from time to time.

4. Consents by the Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, Maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

8. Leases and service, Maintenance, employment, concessionaire and license agreements, if any, of other Apartments or portions of the Common Elements.

9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the closing of title.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Residential Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which the Sponsor or Seller deem necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or

any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance as to which First American Title Insurance Company of New York (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Apartment) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (1) will not be collected out of the Apartment if it is a lien or (2) will not be enforced against the Apartment if it is not a lien.

13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Residential Apartment for residential purposes.

14. Any lease covering the Apartment made from the Sponsor to the Purchaser.

15. Any violation against the Property (other than the Apartment) which is the obligation of the Residential Board, Commercial Board, Condominium Board, or another Shareholder to correct.

16. Any title exceptions noted in the Specimen Title Policy set forth in Part II of the Plan.

EXHIBIT "2"

PURCHASER ELIGIBILITY DOCUMENTS

EXHIBIT B

NEW YORK CITY HOUSING DEVELOPMENT CORPORATION
PURCHASER'S AFFIDAVIT

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 all of the permanent financing of the Project is provided by the New York City Housing Development Corporation ("HDC") which has entered into a regulatory agreement concerning the Project with the Cooperative Corporation ("Regulatory Agreement") governing the occupancy of my Residence, 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, complete and correct.

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 and will not use the Residence as an investment property or vacation home.

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. **[FOR INITIAL SALES ONLY]**

   A. The Acquisition Cost of the Shares allocable to the Residence is $_____ which consists of the 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 and does not include the items listed in the next sentence. 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 without limitation, credit report, fees, legal fees, appraisal fees and origination fees. Such amounts described in the foregoing sentence must not exceed the usual and reasonable

fees and expenses for these services.

B. (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.

C. 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.

5. **Within the last five years, (I,We) have not purchased any Shares or any other residential unit in any HPD or HDC financed home ownership project listed as a Restricted Project on the attached Schedule of Currently Restricted Projects.**

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 Regulatory Agreement and the proprietary lease for the Residence 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: _____, 20__ L.S._____
Purchaser

Date: _____, 20__ L.S.
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 20___, 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 _____, 20___, 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 _____, 20___, 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 _____, 20_.

(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 or income):

_____

_____

_____

_____

_____

_____

L.S._____
Purchaser

L.S._____
Purchaser

L.S._____
Purchaser

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 20___, 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 _____, 20_____, 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 _____, 20___, 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 Cooperative development 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 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.	Other	$_____
15.	TOTAL ANNUAL GROSS INCOME	$_____

NOTE TO PURCHASERS: If Total Annualized Gross Income 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

3

L.S. _____
Purchaser

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 20__, 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 _____, 20___, 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 _____, 20____, 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
COOPERATIVE APARTMENT
SELLER' S AFFIDAVIT

[FOR INITIAL SALES ONLY]

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 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:

1. The Acquisition Cost of the Shares allocable to the Residence is $_____ which consists of the 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 and does not include the items listed in the next sentence). 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 without limitation, credit report, fees, legal fees, appraisal fees and origination fees. Such amounts described in the foregoing sentence must not exceed the usual and reasonable fees and expenses for these services.

2. This information 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.

3. 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 Acquisition Cost stated above.

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

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 20____, 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 _____)

On the _____ day of _____ in the year 20___, before me personally came _____, to me known to be a partner in _____ _____, a partnership, and known to me to be the individual described in and who executed the foregoing instrument in the partnership name, and said _____ duly acknowledged the foregoing instrument for and on behalf of said partnership.

_____
Notary Public

ACKNOWLEDGMENT BY INDIVIDUAL

STATE OF NEW YORK) ss.:
COUNTY OF _____)

On this _____ day of _____, 20___, 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.

EXHIBIT "3"

DESCRIPTION OF PROPERTY

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

BRADHURST COURT
300 WEST 145th STREET
NEW YORK, NY 10039

Date: July 10, 2004

Prepared by:
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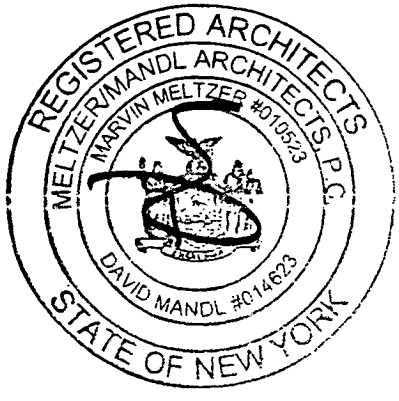


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300 West 145th Street
New York, NY 10039

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BB. ADDENDA

- Exhibit A: Site Plan
- Exhibit B: Unit Plans
- Utilities Consumption Summary Letter

Outline Specifications

BRADHURST COURT
300 West 145th Street
New York, NY 10039

A. LOCATION OF PROPERTY

1.	Address:	300 West 145th Street New York, NY 10039
2.	Block No: Lot No.:	2044 33 (Formerly 23-40 inclusive, & 137)
3.	Zoning District:	C2-4 Overlay within R7-2
4.	Map:	6a
5.	Permissible Use:	Residential / Commercial

This property and its proposed use will comply with all zoning & use requirements at the completion of construction. This development does not have a landmark status.

B. STATUS OF CONSTRUCTION

1. The building is presently under construction and it is anticipated that it will be substantially completed in or about December, 2004 unless delayed by weather, strikes, lockouts, act 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 the Developer has no control.

2. Class of Construction: The Building will be classified as Class 1-C (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The plans were filed under the application number 103305184 with the Department of Buildings of the City of New York ("DOB").

3. The plans were approved by DOB on 11/20/2002.

4. Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, developer has reserved the right to substitute in their place similar materials, appliances, equipment and/or fixtures of equal or better quality.

5. Certificate of Occupancy: After completion of construction the developer will apply for a Certificate of Occupancy for the Building from the DOB.

C. PROJECT SITE

1. The total lot area is 49,346 square feet.

2. Number of Buildings: Upon completion there will be a seven (7)-story building and a two (2)-story townhouse building with 128 residential units, two (2) retail unit's including a community retail and a supermarket and (1) parking garage unit.

3. Streets: The site contains an entire city block at West 144th and West 145th Streets between Frederick Douglass Boulevard and Bradhurst Avenue. The site contains 235'-11 ¾" of frontage along West 145th Street, 199'-10" of frontage along Frederick Douglass Boulevard, 257'-10 ¾" along West 144th Street and 201'-0 ½" of frontage along Bradhurst Avenue to close the property.

   i.) The streets on West 144th Street, West 145th Street, Frederick Douglass Boulevard and Bradhurst Avenue adjacent to the site are the standard NYC DOT street paved with asphalt topping and are in good condition.

   ii.) Curbing: The existing curbs on West 144th Street, West 145th Street, Frederick Douglass Boulevard and Bradhurst Avenue will be replaced with new concrete curbs with steel facing.

   iii.) Catch Basin: The streets are presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system in accordance with Local Law No. 103/89.

   iv.) Street Lighting: The street lighting is provided and maintained by the City of New York.

   v.) Drainage: The sidewalks will be constructed to allow for drainage away from the building towards the street curb and gutter.

   vi.) These items conform to all local fire district and New York City Department of Building and New York City Department of Transportation Codes.

4. Drives, Sidewalks and Ramps:

   i.) The off-site sidewalks on West 144th Street, West 145th Street, Frederick Douglass Boulevard and Bradhurst Avenue will be scored, poured-in-place concrete. The driveway to the parking garage will be concrete.

   ii.) There will be new curb cuts for the Pathmark Supermarket loading dock and for the driveway to the parking garage on West 144th Street and a bus stop pad on Frederick Douglass Boulevard.

   iii.) These items conform to all local fire district and the New York City Department of Buildings and New York City Department of Transportation Codes.

5. Street Trees – refer to F.3.

6. Fire Hydrant – There will be a new fire-hydrant located on the west corner of West 145th Street as required by the New York City Fire Department.

D. UTILITIES

1. Electricity:

   i.) Consolidated Edison Company, Inc. (Con Ed), a regulated utility company or another public utility company will provide electricity to the building.

   ii.) Each residential shareholder shall be separately metered and pay actual usage charges directly to Con Ed on approved Utility Electric rates.

   iii.) The electricity consumed in the commercial units will be separately metered and paid for by the owner or tenant directly to Con Ed. Con Ed will separately meter the electricity consumed in the Residential Common Elements of the building and the cost of the same will be borne by the Residential Unit shareholder as a Residential Common Expense.

   iv.) The building shall be equipped with "Trigon Intercom System" through the phone lines.

2. Gas: Con Ed will supply gas for space heating, domestic hot water and residential cooking in accordance with New York City Building Code. Seven gas meters shall be provided: One for space heating and domestic hot water, two twin-set for residential cooking for each of the two residential (main building and townhouse segment) areas and two for the supermarket. The community retail space shall have valve in capped future connections.

3. The City of New York will provide water supply and combined sewer service. The charges for water and sewer services provided to the building (including Residential Units, and in the public areas of the building) will be levied on the basis of a master city meter and borne by the Residential Unit shareholder as a Residential Common Expense. The water consumed in the Commercial Unit will be master-metered and paid for by the tenant thereof to the Cooperative Corporation.

4. Telephone: Each Unit Shareholder will be required to pay telephone charges with respect to his or her unit directly to the telephone company providing such service. Similarly, the operator of such unit will pay for the charges with respect to the telephones in the Commercial Unit separately. Finally, the telephone charges with respect to the public areas of the building (such as the Management Office, etc.) will be borne by the Residential Unit shareholder as a Residential Common Expense.

5. Cable Television: Cable television services will be available for all units. All charges for cable television services, (including subscription charges) will be paid by each unit shareholder that subscribes. In each unit, cable TV outlet will be provided in living room and each bedroom.

6. Heat: The residential building will be provided with a hot water boiler plant system in accordance with the New York State Energy Conservation Code. Domestic hot water shall be provided by means of atmospheric gas-fired water heaters through Con Ed. The lobby shall be heated by means of a hot water heating coil located in the air-handling unit and programmable thermostat. The Supermarket shall be provided with a separate gas meter connected to the residential building gas services. All fuel consumed for space heat and other processes shall be billed by the Utility to the Supermarket. The parking garage shall be unheated.

7. Washers & Dryers: Each unit will have hook-ups for an electric washer and dryer (vent less). The electric washer and dryer will not be furnished.

8. Air Conditioning: Each bedroom and living/dinning room of every apartment shall be provided with a "General Electric" sleeve located in the exterior wall. Through-wall type air conditioning units are not furnished and must be provided by the resident unit shareholder of each dwelling unit at their own expense. The main lobby and public corridors are to be provided with a fully ducted split system direct expansion air-conditioning system and programmable thermostat.

9. Trash: There will be a Municipal Trash Collection for the apartments and a Private Carting Service for the Commercial Units.

E. SUB-SOIL CONDITIONS

1. Sub soil conditions are a mixture of fill, fine sand and silt, clay, dense and sand. Based on these conditions, the Soils engineers recommended pile foundations. The structural system to support the building was designed with piles, pile caps/grade beams and a slab on grade.

2. The soil was examined by test borings. Fourteen-inch (13 3/8") diameter concrete-filled steel pipe piles, in accordance with the NYC Building Code, will support the building. Piles will be driven to sufficient depth to support a bearing capacity of 75 tons and 150 tons.

3. The test boring well point reading was for 50 feet below grade.

4. There is no danger of damage to the building from flooding, erosion or mudslides.

5. The groundwater table fluctuates between the depth 18'-0" and 18'-2" below grade.

6. A sump pump below the cellar floor slab and a perimeter drain will be provided to facilitate the removal of groundwater that may rise in extreme weather conditions.

F. LANDSCAPE AND ENCLOSURE

1. Grass cover: Center of courtyard has a 40'-0" diameter round, GFRC planter that will be provided with a variety of perennials. The common names for these include: Fountain Grass' Red Switch Grass, Adam's Needle, Karley Rose, and Live Forever Seedum or equal.

2. Plantings:

   i.) Site Trees: Fifteen (15) trees will be planted in square GFRC planters in the courtyard. The species will be Betula Nigra "Heritage" (Common Name: River Birch) or equal.

   ii.) Shrubs: Each GFRC planter that contains a site tree will also contain four (4) shrubs each. The species will be Juniperus Procumbens 'Nana' (Common name: Japanese Garden Juniper) or equal.

3. Street Trees: There will be a total of twenty-four (24) trees along the perimeter of the site: Five (5) along West 144th Street, five (5) along Bradhurst Avenue, eight (8) along West 145th Street and six (6) along Frederick Douglass Boulevard. Each tree will include a pit,

wrapping and staking in accordance with the Bureau of Highway Operations Specifications and the Department of Parks and Recreation. Tree species will be determined by the Department of Parks and Recreation.

4. Fencing: The apartments on the 1st floor having entry courts will be separated and screened with 4'-0" to 6'-0" high wooden fencing. The manufacturer shall be "The Brattle Works, Inc." or Equal.

5. Gates: The apartments on the 1st floor having entry courts will be entered through wooded gates manufactured by "The Brattle Works, Inc." or Equal.

6. Garden Walls: None

7. Retaining Walls: None

8. Display Pools and Fountains: None

G. BUILDING HEIGHT

1. The building consists of eight (8) floors including roof deck plank of the 7th floor, one partial basement mezzanine, one basement, and one cellar level. The heights of the building (to the roof deck plank) from the average street wall elevations based upon the NYC Zoning Resolution base plane calculations (ZR 12-10) are 81'-10 ¼" and 72'-11".

2. Crawl Space: Not applicable.

3. Sub-Cellar: Not applicable.

4. Cellar floor-to-ceiling height: 12'-1 ¾".

5. Basement floor-to-ceiling height: 16'-6 ¾"

6. Basement mezzanine floor-to-ceiling height: 10'-1 ¾"

7. 1st floor through 4th floor-to-ceiling height: 8'-4" (except in certain areas with dropped ceilings such as bathrooms, kitchens, foyers, corridors, hallways and closets).

8. 5th floor-to-ceiling height: 9'-4" (except in certain areas with dropped ceilings such as bathrooms, kitchens, foyers, corridors, hallways and closets).

9. 6th and 7th floor-to-ceiling height: 8'-8" (except in certain areas with dropped ceilings such as bathrooms, kitchens, foyers, corridors, hallways and closets).

10. Boiler Rooms: The top of roof of the 7th floor to the top of boiler room plank: 10'-0".

11. Stair Bulkheads: The top of roof of the 7th floor to the top of stair bulkheads plank: 10'-0".

12. Elevator Over-ride Bulkhead: The top of roof of the 7th floor to the top of elevator over-ride bulkhead plank: 5'-0".

13. Parapets and Roof Railings: Height from finished roof to top of parapet at the townhouses roofs, the roof above the community retail at the 2nd floor and the apartment terraces will be a minimum of 3'-6". There will be a 3'-6" railing at the roof of the 7th floor.

Note: **All heights are approximate due to possible field conditions. Rough floor-to-ceiling heights have been measured from the top of paved deck/plank to bottom of paved ceiling deck/plank.**

H. OCCUPANCY

1. There will be 128 residential units, two (2) retail unit's including a community retail and a supermarket and (1) parking garage unit in the building.

   i.) Cellar Floor: Public garage, garage office, electrical meter rooms, water & gas meter room, water meter room, telephone room, mechanical rooms, commercial mechanical room, elevator machine rooms, residential trash/refuse collection room, and telecommunications closet;

2. Basement Floor: Supermarket, Garage Ramp, lower levels of two (2) duplex apartments, commercial truck receiving berth, residential garbage containment room, storage rooms, boiler room, fire pump room;

   i.) Basement Mezzanine Floor: one (1) apartment and upper level of two (2) duplex apartments, residential lobby, bathroom and package room;

   ii.) 1st Floor: The lower level of seven (7) duplex apartments and twelve (12) apartments, residential recreation space, upper level residential lobby, trash room, telecommunication closets, mechanical closet, community retail space, recreation space accessible to residence, and retail garbage containment room;

   iii.) 2nd Floor: Nineteen (19) apartments and the upper level of seven (7) duplex apartments, trash room, telecommunications closets and mechanical closet;

   iv.) 3rd - thru 5th Floors: Each floor has nineteen (19) apartments, trash room, telecommunications closets and mechanical closet;

   v.) 6th Floor: The lower level of eight (8) duplex apartments and twelve (12) apartments, trash room and telecommunications closets;

   vi.) 7th Floor: Ten (10) apartments and upper level of eight (8) duplex apartments, trash room and telecommunications closets;

   vii.) Roof of 7th floor: Boiler room, stair bulkheads and elevator over-ride bulkhead.

3. Measurements of units and terraces are in accordance with the attached Footnotes to Exhibit A of the offering plans.

Note: **All areas are approximate due to possible field conditions and are subject to change.**

I. STRUCTURAL SYSTEM

1. The building structure shall be pre-cast concrete plank and poured concrete on metal deck floors on steel beams and columns. The foundation consists of concrete reinforced grade beams supported by concrete filled steel piles driven to a depth of 34'-0" to 64'-0". The cellar floor consists of a 5" steel reinforced concrete slab on grade. The perimeter foundation walls are 12" thick reinforced concrete walls at varies heights.

J. EXTERIOR OF BUILDING

1. Exterior Walls: There are four (4) types of exterior wall assemblies used (each with its own mounting system: (1) A thin brick wall panel system; (2) an EIFS (Exterior Insulation and Finish System) wall panel system; (3) a GFRC (Glass Fiber Reinforced Concrete) wall panel system and; (4) an aluminum-faced composite panel assembly with mounting system. The panels used are "Composite Panel System, Alucobond 21" as manufactured by "Alucobond Technologies, Inc." or equivalent. All exterior wall construction will have a minimum R-value of 11.
   At the first floor residential entrance lobby façade along West 145th Street, there will be aluminum storefront.

2. Windows: The windows shall be new thermal broken anodized aluminum. The windows will be Model 400 horizontal slider, Model 1855 awning (project out), Model 1800 fixed and all of various sizes. The terrace doors will be Model 7000 out-swing door. All windows shall be factory-insulated glass. The manufacturer to be used will be "Northern Building Products".

   i.) Sill: Exterior- Aluminum

   ii.) Screens: Standard Mesh Screen

   iii.) Lintel: None

   iv.) Storm Sash: None

   v.) Hardware: The hardware is fabricated from aluminum, stainless steel, and other non-corrosive materials compatible with aluminum and of sufficient strength to perform their functions.

   vi.) Infiltration/Seepage/Structural: Manufacturer shall furnish an affidavit of certified test report from an independent testing laboratory indicating that the window has satisfactory met the performance requirements for HS-HC-60 or AAMA/NWDA 101/I.S.2-97 for windows and doors.

   vii.) Warranty: The warranty period is 3 years after the date of substantial completion. The warranty period on metal finishes shall be 10 years and on the insulating glass is 10 years after the date of substantial completion.

3. Landmark Status: None.

4. Parapets and Copings: The parapet will be composed of a thin brick or EIFS prefabricated panel wall assembly and mounting system and at some locations painted wrought iron. The height of the parapet will extend to the required minimum height of 3'-6" above the finished roofs. The copings will be aluminum or equivalent fastened to parapet.

5. Chimneys and Caps: There is one 20"diameter boiler flue that rises above the main roof of the townhouses along the west side of the building. There is also a restaurant flue on a 4' x 6' concrete pad that terminates at 3'-0" above any finish construction within 10'-0". A supermarket boiler flue rises above the main roof the townhouses near the southwest corner and a broaster flue (supermarket) rises from the southwest corner of Stair No. 2.

6. Balconies and Terraces:

i.) Balconies: There are (3) fire-balconies for the townhouses facing the courtyard that shall conform to the NYC Building Code. All fire-balconies will be constructed of pre-cast concrete plank pitched away from the building to allow for proper drainage.

ii.) Terraces: All terraces will be finished with concrete unit pavers over roofing system.

iii.) First floor wide Outer Court Deck Finish: Concrete.

iv.) Balustrade: The (3) fire-balconies to have painted wrought iron balustrades

v.) Guard Railing: First floor wide outer court guardrail to have painted wrought iron

vi.) Copings: All terrace parapets copings to be aluminum attached to parapets.

vii.) Soffits: Not Applicable.

viii.) Doors to Balconies and Terraces: All doors from the fire-balconies on the 2nd floor and all terrace doors will be new thermal broken anodized aluminum out swing doors Model 7000.The manufacturer to be used will be "Northern Building Products" or equivalent.

ix.) Drainage: All the apartment roof terraces shall be provided with sufficient number of rough bronze roof drains. The (3) fire-balconies will be constructed of pre-cast concrete plank pitched away from the building to allow for proper drainage.

x.) Lighting: The exterior lighting for all the apartment roof terraces and the (3) fire-balconies are provided through wall mounted fixtures with compact fluorescent bulbs and with switched fixtures controlled from the inside of the apartment. The manufacture to be used is "Progress Lighting" or equal.

7. Exterior Entrances:

i.) Exterior Doors and Frames: First floor residential lobby entrance door from West 145th Street will be double-leaf double thickness insulated tempered glass door with anodized aluminum doors and frames. First floor entrance doors to commercial spaces will be double-leaf double insulated tempered glass anodized aluminum doors and frames. The storefront will be aluminum and glass. The egress stairs from Frederick Douglass Boulevard and West 145th Street are double insulated tempered glass door with anodized aluminum doors and frames. The Townhouse apartment entrance doors from courtyard on the 1st floor will be 1½-hour fire rated F.P.S.C. 1 ¾" thick painted hollow metal type doors.

ii.) Vestibule: Vestibule door will be double-leaf aluminum with tempered glass.

iii.) Exterior stairs: The exterior Stairs No. 6 & 7 are painted diamond plate metal stairs with metal stringers. The 4 stairs to the townhouse apartments from the 1st floor courtyard are of metal stringers with concrete stone treads. The stairs from the townhouse apartment out to the roof of the 2nd floor are of pressure treated wood.

iv.) Railing: Painted wrought iron railings at fire-balconies and main roof.

v.) Mail Boxes: Mail Boxes will be located in the Main entrance residential lobby off West 145th Street and will be anodized aluminum front-loading Series 1400 as manufactured by "Auth-Florence Manufacturing Co." or equivalent. The mailboxes will comply with current United States postal Service regulations.

vi.) Lighting: Recessed fluorescent and recessed wall luminaries at Lobby.

8. Service Entrance: There is no service entrance to the residential building. All services will use the main lobby entrance to the building to access the elevator.

9. Roof and Roof Structure

i.) Roof type for all areas:

ii.) Materials: The roofing system on the 1st floor courtyard and all apartment terraces will be an Upside roof with Styrofoam insulation and an American Hydrotech Monolithic Membrane 6125 215FR roof below pre-cast concrete pavers at terraces and lightweight concrete topping at 1st floor courtyard. Manufacturer shall be "American Hydrotech" or approved equal. The roof of the 7th floor and the townhouse roof will be SBS-Modified bituminous membrane roofing with rigid insulation.

a.) Insulation: Styrofoam insulation and rigid insulation with a minimum R-value of 19.

b.) Surface Finish: The surface finish will be pre-cast concrete pavers or lightweight concrete topping.

c.) Warranty: The roofing system shall have a 10-year manufacturer's warranty.

d.) Flashing Materials including counter flashing: There will be metal cap flashing and metal base flashing.

iii.) Drains: There will be sufficient number of rough bronze roof drains for each area requiring drainage.

a.) Number: There are 41 roof drains

b.) Storm Leader: Roof drains are connected to an internal pipe that is connected to the city sewer.

iv.) Skylights: None.

v.) Bulkheads:

a.) Stairs: The stair bulkheads are of an EIFS (Exterior Insulation and Finish System) wall panel system with one layers of 5/8" gypsum wallboard on interior side.

b.) Elevator Over-ride Bulkhead: The Elevator Machine Room bulkhead will be constructed of 8" nominal concrete masonry units with field-applied EIFS panels.

c.) Boiler Rooms: The Boiler room on the roof of the 7th floor is of an EIFS (Exterior Insulation and Finish System) wall panel system with one layers of 5/8" gypsum wallboard on interior side.

vi.) Metal Work at Roof Levels:

a.) Exterior Metal Stairs: (1) set of steel stairs from the 1st floor courtyard to the roof of the 2nd floor community retail.

b.) Vertical Ladder: There will be (2) exterior vertical steel ladders leading from the roof of the 2nd floor community retail to the top roof of the townhouses for access to the evaporative cooling towers.

c.) Railings: See J.7 iv.)

d.) Hatches to Roof: None

10. Fire Escape: Egress needs are met via (2) egress stairs accessible on all floors of the residential building. The townhouse egress needs are met via Fire-Balconies and the main entrance doors to the townhouses.

11. Yards and Courts: There is (1) wide outer court on the first floor level that will be used by all occupants of the residential building as an outdoor recreation area that is covered with lightweight concrete topping. The outer court is approximately 13,827 square feet in area. The court will consist of landscaping and benches.

i.) Paving: None.

ii.) Drainage: (16) area drains connected to the building storm sewer lines, which are connected to the city sewer.

iii.) Railings: None

iv.) Stairs: See J.7 iii)

v.) Fencing: See F.4

12. Interior Stairs:

i.) Number of Stairs of Each Type: There are egress stairs, which extend from the street level to the roof of the 7th floor. Stair No. 1 extends from street-level entrance on West 145th Street to roof of the 7th floor. There is no access to stair No. 1 from the 1st floor residential building. Stair No. 3 extends from street-level entrance on West 145th Street to the 1st floor residential building. Stair No. 2 extends from street-level entrance on Frederick Douglass Boulevard to the roof of the 7th and to the Cellar floor.

ii.) Stringers: Steel channels and Concrete.

iii.) Treads: Concrete and metal pan

iv.) Risers: Concrete and metal pan

v.) Guard Rails: None

vi.) Balustrade: None.

vii.) Handrail: There shall be a steel pipe handrail in each stair.

viii.) Enclosure: Each egress exit stairs will be enclosed with a two-hour rated drywall construction. Each stair construction will be painted.

13. Interior Doors and Frames:

i.) Unit Entrance: The unit entrance doors shall be 3'-0" by 6'-8" and frames shall be 1½-hour fire rated F.P.S.C. painted hollow metal type doors with a peephole and provisions for 2nd entry lock will meet the requirements of the New York City Department of Buildings Code. The apartment interior doors and closet doors will be 1 ¾" thick and 6'-8" high hollow core wood doors with hollow metal frames. Closet bi-fold doors shall be 1 3/8" hollow painted hard board doors. The saddles at the unit entrance and bathroom are marble.

ii.) Corridor Doors and Frames: All doors and frames shall be 1½- hour fire rated F.P.S.C. painted hollow metal type and will meet the requirements of the New York City Department of Buildings Code.

iii.) Stairs and service hall doors and frames: All doors and frames into exit stairs will be 1½-hour fire rated F.P.S.C. painted hollow metal type with clear glass wire panel and will meet the requirements of the New York City Department of Buildings Code.

iv.) Roof doors, Basement doors and frames: Exit doors to exterior main roof and to the elevator machine room will be 1½ hour fire rated F.P.S.C. hollow metal type doors with weather striping and a metal saddle. The basement doors will be 1½-hour fire rated F.P.S.C. painted hollow metal type. The roof and basement doors shall meet the requirements of the New York City Department of Buildings Code.

v.) Other Locations: package room, water and gas meter room, fire pump room, garage office, mechanical rooms, electric meter rooms, elevator machine rooms, telephone room, boiler room: hollow metal doors and frames.

14. Elevators: There shall be three (2) new hydraulic passenger elevators and (1) new holeless hydraulic elevator servicing the residential apartments. There shall be one (1) dual holeless hydraulic service type commercial elevator servicing the basement floor supermarket and garage floor.

i.) Number of Service Elevators: none

ii.) Manufacturer: The elevators will be manufactured by "Otis Elevator Company" or approved equal.

iii.) Capacities:

a.) (3) Passenger Elevators: 2,100 lbs. each.

b.) Commercial (Supermarket) Elevator: 8,000 lbs.

iv.) Type of operation: The type of operating system is "group automatic operation" for residential elevators. The type of operating system is "two stop collective automatic operation" or equivalent for Commercial Unit elevator.

v.) Controls: The passenger and commercial elevator controls will be microprocessor-based variable voltage type.

vi.) Floors Served: One (1) of the residential elevators shall serve the cellar and basement mezzanine level (Residential Lobby) only. The remaining two (2) residential elevators shall serve the basement mezzanine (Residential Lobby) and the 1st through the 7th floors for residential use only. The commercial elevator shall serve the cellar and the basement floors only.

vii.) Type: The residential elevators will be hydraulic and holeless hydraulic elevator type. The commercial elevator will be dual holeless hydraulic service type.

viii.) Doors: The (3) Passenger elevator will have power single slide doors; at all levels the doors will be painted steel except at the lobby level where they will be unpainted satin stainless steel. The commercial unit elevator will be satin stainless steel power center opening doors.

ix.) Elevator Machine Room: The residential elevator machine room will be located in the cellar floor near the residential elevator pit. The Commercial elevator machine room will be located near the commercial elevator in the cellar floor.

x.) The manufacturer shall provide a 12-month warranty from the date of Substantial Completion

15. Elevator Cabs: Passenger Elevator

i.) Cab: The elevator cab will be manufactured by "Otis Elevator" or approved equal.

ii.) Floor: "New St. Laurence" polished marble.

iii.) Walls: Congo Spruce #7062 (25%) Wilsonart Laminate by "Wilsonart International"

iv.) Ceiling: Satin stainless steel laminate ceiling panel

v.) Lighting: Incandescent down lights

vi.) Handrail: Flat tubular satin stainless steel.

vii.) Commercial elevator: Manufacturer's standard.

K. AUXILLARY FACILITIES

1. Laundry rooms: A central laundry room will not be provided. A hook-up for a washer and dryer will be provided in each apartment unit.

2. Refuse Disposal:

i.) Incinerator: None

ii.) Compactors: There will be one (1) compactor, located in the cellar that services all the residential units. The compacter shall be manufactured by "Ram Compaction Corp.", model Orange Crush 1 or approved equal. There will also be one (1) commercial compactor that serves the supermarket.

iii.) Approvals: The chute and compactor units shall comply with the requirements of the New York City Building Code.

iv.) Initial Storage Location: There will be a trash chute and trash room located on each residential floor. The compacted bags will be stored in a residential Trash Compactor Room in the cellar until they are transferred to a Residential Garbage Containment Room along West 144th Street. The commercial/retail units shall have a Retail Garbage Containment Room for trash storage located along West 145th Street on the 1st floor.

v.) Pick-up schedule: The bags will be picked up by the New York City Department of Sanitation on their regular schedule.

3. Recreation Space: A recreation space of approximately 940 square feet in area is provided for the use of the residence only and is located on the 1st floor. The exterior walls shall be "Alucobond" metal panels and new thermal broken anodized aluminum double glazed horizontal sliders and fixed windows

L. PLUMBING AND DRAINAGE

1. Water Supply:

i.) Residential Building: Potable water shall be supplied via New York City public water system. A new 6" domestic water service shall be provided. The water pressure is to be maintained by means of an automatic constant pressure booster system. The booster system shall contain multiple pumps and automatic pressure controls to maintain water pressure within the code required limits. There will be a single meter for all residential units.

ii.) Residential Building Segment at corner of Bradhurst Street and West 144th Street: Potable water shall be supplied via New York City public water system. A new 3" domestic water service shall be provided. The water pressure is to be maintained by means of an automatic constant pressure booster system. The booster system shall contain multiple pumps and automatic pressure controls to maintain water pressure within the code required limits. There will be a single meter for all residential units.

iii.) Supermarket (Pathmark): Potable water shall be supplied via New York City public water system. A new 2-1/2" domestic water service shall be provided. The water pressure is to be maintained by means of an automatic constant pressure booster system. The booster system shall contain multiple pumps and automatic pressure controls to maintain water pressure within the code required limits. There will be a single meter for the supermarket.

iv.) Parking Garage: Potable water shall be supplied via connection to the Main residential building water service. The connection is to be ¾" for use in a single toilet room for use by the parking lot employees.

2. Fire Protection System:

i.) The building is to be sprinkled throughout via a combination standpipe and wet sprinkler system and a dry system in the Parking Garage in accordance with New York City Building Code. Standard pendant heads connected to the sprinkler system shall be provided in the trash compactor room and on every other floor in the trash chutes as required by New York City Building Code. Two combination standpipe and sprinkler risers are located in the stair enclosures. A third standpipe riser is located in the North corridor. A drain riser has been provided as per code. Four Siamese connections have been provided as required by New York City Building Code. Water for the system is provided through an 8" dedicated Standpipe and sprinkler water service connected to the City water main. A 750 GPM automatic fire pump supplements pressure for the system.

a.) Two standpipe risers are located in the main fire stair enclosures. Each riser is 6" in diameter and is part of a combined standpipe and sprinkler system. At each separate connection of the sprinkler system to the standpipe system, a floor control station and inspectors test station has been provided. At the plaza level, one dry pipe hose station connection to a dedicated Siamese at West 144th Street has been provided to maintain the NYC 125' maximum hose coverage. Where required additional auxiliary hose stations have been provided to maintain the maximum hose length coverage as described in the NYC building code.

b.) Hose jacks, hoses and nozzles location: A New York City approved lobby hose cabinet with three 125' hose lengths and straight stream hose nozzles have been provided in the main lobby in accordance with NYC building code. All hose outlets are provided with valved and capped threaded connections.

c.) Sprinkler heads are to be Reliable Sprinkler Company Model 'G' or equivalent in concealed pendant, sidewall or upright configuration as required meeting space conditions.

d.) Four flush mount Siamese connections, 3" x 3" x 6" are located at the grade level at each of the four streets bounding the facility.

e.) Hard-wired smoke detectors are provided within 10'-0" of all bedrooms within the apartments. All sprinkler floor control stations are monitored for flow and tamper by the sprinkler flow alarm panel. All service valves are provided with tamper switches connected to the sprinkler flow panel. A sprinkler flow panel will monitor the fire pump. A central station-monitoring panel will be provided to automatically transmit an alarm whenever flow is detected in the sprinkler system.

f.) The sprinkler system located in the parking garage shall be of the dry type to prevent frost damage in the un-heated areas.

3. There are no water storage tanks specified for the project. Water pressure to be maintained by an automatic fire pump rated at 750 GPM at 100 PSI.

4. Sanitary Sewage System: There are (3) 10" combined sewer connections. Two are located in West 144th street and one is located in West 145th Street.

i.) Sanitary piping shall be no-hub cast iron above grade and hub spigot with neoprene joints below grade.

ii.) Sump pumps have been provided for miscellaneous areas located below grade.

iii.) The building from the Basement floor up is connected to the municipal combined sewer system and flows by gravity out to the street main.

5. Permits Required:

i.) Approval has been obtained from the New York City Department of Environmental Protection for Three 10" combined sewer connections. Two are located in West 144th street and one is located in West 145th Street. Approval has also been granted for Two 8" fire standpipe and sprinkler connections and one 6", One 3" and one 2-1/2" domestic water services. Application has been filed with the NYC Department of Environmental Protection.

6. Storm Drainage System:

i.) Storm water shall be collected by means of a series of roof-mounted drains and a cast iron no-hub piping system that is located in the building interior, and disposed of into the public combined sanitary/storm water system. Floor drains have been provided in the garage area and are connected to a sump pump. The sump pump discharges directly into the municipal combined sanitary and storm waste water system. Details of sanitary and storm water system are as indicated on the plumbing drawings P-1 through P-23.

M. HEATING

1. The Residential building shall be provided with a hot water boiler plant. The boiler plant shall consist of five, modular, high efficiency, copper tube, atmospheric gas-fired modular boilers, Paterson Kelly, Model N-2000-M or equivalent. The boilers shall be rated at 1,700,000 net IBR each. The boiler manufacturer shall provide a coordinated system of operating controls including modular boiler step controller to sequence the boilers, outdoor air temperature sensor and controls to start hot water circulating pumps at 55 deg. F. and to schedule the leaving water temperature in accordance with the outdoor air temperature. The hot water is to be circulated by means of circulating pumps and a schedule 40 steel, and type "L" copper hot water distribution system. Residential style baseboard heating elements are provided at the building interior in the living spaces. At least one programmable thermostat shall be located in the living room area of each dwelling unit. Domestic hot water shall be provided by means of stainless steel heat exchanger located in the main boiler room. The system shall be capable of producing at least 6,600 gallons per hour. Domestic hot and cold water shall be distributed to each apartment by means of type "L" copper pipe distribution system. All hot water piping system shall be insulated with fiberglass pipe insulation with thickness as per New York State Energy Conservation Code. The space heating boiler plant and the domestic hot water heaters shall be provided with natural gas supplied by public utility through a schedule 40 steel pipe distribution system.

2. Residential Townhouse Building at corner of Bradhurst Street and West 144th Street shall be provided with a hot water boiler plant. The boiler plant shall consist of two, cast iron, atmospheric, gas fired modular boilers, Slant-Fin Caravan, Model GGHT-750 or equivalent. The boiler plant shall be rated at 528,000 btuh net IBR. The boiler manufacturer shall provide a coordinated system of operating controls including a modular

boiler step controller to sequence the boilers, outdoor air temperature sensor and controls to start hot water circulating pumps at 55 deg. F. and to schedule the leaving water temperature in accordance with the outdoor air temperature. The hot water is to be circulated by means of circulating pumps and a schedule 40 steel, and type "L" copper hot water distribution system. Residential style baseboard heating elements and enclosures shall be provided in the living spaces. At least one programmable thermostat shall be located in the living room area of each dwelling unit. Domestic hot water shall be provided by means of atmospheric gas fired hot water heaters as manufactured by A.O. Smith or equivalent. The building shall be provided with two units each, model BTR-400 with integral 100-gallon storage tanks. The system shall be capable of producing at least 776 gallons per hour. Domestic hot and cold water shall be distributed to each apartment by means of type "L" copper pipe distribution system. All hot water piping system shall be insulated with fiberglass pipe insulation with thickness as per New York State Energy Conservation Code. The space heating boiler plant and the domestic hot water heaters shall be provided with natural gas supplied by public utility, via a schedule 40 steel pipe distribution system. Miscellaneous mechanical spaces are heated by means of a ceiling supported unit heater. Each unit heater is of the hot water type and will be supplied with a thermostat.

3. The supermarket shall be provided with a two gas meter connected to the main building gas service. The costs for all fuel consumed for space heat and other processes shall be billed directly to the supermarket by the utility company. The community retail space shall have valve in capped future connections

4. The Parking garage shall be un-heated.

5. Ventilation

   i.) Each interior residential bathroom except bathrooms with a window shall be provided with an exhaust duct connected to a shaft-way. At the roof level a standard centrifugal roof exhauster shall be provided.

   ii.) The interior public corridors shall be provided with ventilation air that is heated in winter months by a roof mounted gas-fired make-up air unit, Sterling Model PV30C7 and Model PV20C7 or equivalent with 300,000 BTUH input and 237,000 BTUH output and 200,000 BTUH input and 160,000 BTUH output, respectively. The tempered air is distributed by means of a galvanized sheet steel air duct distribution system.

   iii.) The lobby shall be provided with a fully ducted split system direct expansion air conditioning system. In the winter months the air is to be heated by means of a hot water heating coil located in the air-handling unit. The air conditioning system shall have a cooling capacity of 60,000 BTUH and a heating capacity of 100,000 BTUH. A local, wall-mounted, seven-day programmable thermostat shall control the unit.

N. GAS SUPPLY

1. Gas for space heating, domestic hot water and residential cooking shall be provided by means of a schedule 40 steel piping distribution system in accordance with New York City Building Code. Local gas utility company, Consolidated Edison Co., Inc, shall supply gas.

2. Seven gas meters shall be provided: One for space heating and domestic hot water, two twin-set for residential cooking for each of the two residential (main building and townhouse segment) areas and two for the supermarket.

O. AIR CONDITIONING

1. Each bedroom and living/dinning room of every apartment shall be provided with a "General Electric" sleeve located in the exterior wall. Through wall type air-conditioning units are not furnished and must be provided by the resident/ owner of each dwelling unit at their own expense.

2. The main lobby is to be provided with a split, air-conditioning and heating unit, refer to D 6 & 8 above.

3. The compactor room is to be provided with a one-ton heat pump unit.

4. The recreation space accessory to residential use will be provided with (4) through the wall package air conditioning units.

P. ELECTRICAL

1. The main electrical service shall enter the building underground from West 145th Street. The service shall have the capacity of 6000 amps at 208 volt, 3-phase of which 3000 amps is for the supermarket. Fused switches in accordance with the New York City Electrical Code shall protect the wiring. There shall be three meter rooms located in the cellar floor, which shall contain the electric meters for all residential units. Two (2) 1200-amp and one (1) 400-amp, 208-volt, three-phase meter banks shall serve the apartments. Separate main disconnect switches and metering equipment have been provided for the residential building house loads, the restaurant, each of the commercial tenants and the parking garage.

2. Each apartment shall have approximately fourteen (14) circuits, including one (1) circuit for each air conditioning unit, appliance circuits, one (1) dishwasher circuit, one (1) microwave oven circuit and several general lighting circuits as required. Each residential shareholder shall be separately metered and pay actual usage charges directly to Con Ed on approved Utility Electric rates

3. Each apartment to have ceiling mounted lights in the entry, corridors, kitchens and living rooms. Switched outlets shall be provided in each bedroom and living room. General outlets shall be provided in each room as required by the NYC Electric Code.

4. The building shall be equipped with "Trigon Intercom System" through the phone lines in each apartment.

Q. PUBLIC AREA LIGHTING

1. All street level entrances to the buildings and units have been provided with light fixtures. The corridors have been provided with wall mounted light fixtures. Lobby has been provided with a combination of ceiling mounted and recessed fixtures. All lighting levels have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures have been wired to the building house meter.

2. Public corridors shall be lit by means of 26-watt sconces with emergency battery packs as required to maintain NYC minimum two (2) foot-candles upon power failure.

3. The building service rooms and stairwells are to be lit by means of standard fluorescent industrial type exposed surface mounted lights.

R. GARAGE AND PARKING AREA

1. The entire parking garage is provided with 150-watt metal halide lighting fixtures located on the ceiling. The fixtures are spaced on a 25-foot grid layout. All lighting levels have been designed in accordance with the NYC Building Code and Housing Maintenance Code. These fixtures have been wired to a separate electrical meter for the garage.

2. The ventilation for the garage is provided by (3) exhaust fans controlled by a carbon monoxide detection system with duct work to ensure adequate air circulation. Supply air is provided from a louvered garage door and (2) exterior outside air louvers.

3. Adequate floors drains are provided through out the garage and a trench drain is provided at the base of the ramp.

4. The garage floor is a 5" concrete slab on grade on an 8" mil. vapor barrier.

5. The garage door is an electric motor operated roll-up galvanized steel door.

S. SWIMMING POOL: NONE PROVIDED.

T. TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

1. Tennis Courts: None

2. Playgrounds: None

3. Recreation Space: A recreation space of approximately 940 square feet in area is provided for the use of the residence only and is located on the 1st floor. The exterior walls shall be "Alucobond" metal panels and thermal broken anodized aluminum double glazed horizontal sliders and fixed windows.

U. PERMITS, CERTIFICATES AND VIOLATIONS

1. The building is being constructed under the Department of buildings new Building application number 103305184.

2. All necessary permits will be obtained and all required inspections completed prior to obtaining a Certificate of Occupancy.

V. UNIT INFORMATION:

1. There will be 128 residential dwelling units in the building.

Finish schedule for Typical Apartment:

Space	Floor	Walls	Base	Ceiling	Remarks
Foyer/Hallway	WD	P	WD	P	-
Living/Dining Room	WD	P	WD	P	-
Bedrooms	CPT	P	WD	P	-
Kitchen	CT	P	WD	P	-

Bathrooms	CT	CT/P	CT	P	-
Closet/Linen Closet	CPT	P	WD	P	-
Closets in hallways/foyers	WD	P	WD	P	
Washer-Dryer Closet	CT	P	WD	P	-

Bathroom Fixtures (Residential Unit Bathrooms):

Fixture	Manufacturer	Model/Model No.
Lavatory	Crane Plumbing	White pedestal lav. – 45765 Adara
Lavatory (2nd floor Townhouses)	American Standard	White Rondalyn countertop lav. – 0490.011
Toilet	Crane Plumbing	White 3837 Economiser
Bath Tub (Outlet at left)	Crane Plumbing	White 2208XL Laredo
Bath Tub (Outlet at right)	Crane Plumbing	White 2208XR Laredo

Public Bathrooms (Basement Mezzanine & 1st Floor)

Fixture	Manufacturer	Model/Model No.
Lavatory, 1st Floor (Recreation Space)	American Standard	White 0124.131 Comrade wall hung lav.
Toilet, 1st Floor (Recreation Space)	American Standard	White 2257.103 Afwall flush valve toilet
Lavatory, Bsmt. Mezzanine (package room)	American Standard	White 0124.131 Comrade wall hung lav.
Toilet, Bsmt. Mezzanine (package room)	American Standard	White 2257.103 Afwall flush valve toilet

Kitchen Appliances

Appliance	Manufacturer	Model/Model No
Dishwasher	Whirlpool	DU890SWLQ, white
Over Range Microwave/Hood	Whirlpool	MH1150XMQ, white
Refrigerator/Freezer, 18 cu. ft	Whirlpool	ER86HXMQ, with Ice-maker
Sink	Kohler	K-5964-4, white
Gas Range	Whirlpool	SF367LEKQ, white

W. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Typical Floors

Space	Floor	Walls	Ceiling	Remarks
Mech./Electrical Rooms/Storage	DP	P	P	-
Stairs	DP	P	P	-
Trash Rooms (Residential/Commercial)	CNT	P	P	-
Cellar Rooms	CNT	P	P	-
Vestibule at 145th Street	RM/M	P	P	Marble WB
Residential Lobby & Mail Alcove	LMS/M	WD/P	P	Marble WB
Lobby (R-102)	CPT	P	P	Vinyl WB
Lobby Vestibule (Courtyard)	RM/M	P	P	Marble WB
Residential Elevator Cab	M	WDVF	RMP	Marble WB
Lobby/Community Rm. Toilet	CT	P	P	CT WB

Public Corridors (1st - 7th Floors)	CPT	VWC	P	Carpet Base
Trash Rooms (1st – 7th Floors)	CT	P	P	CT WB
Elec./Telecom Closets (1st - 7th Fl.)	PVB	P	P	-
Apartment Foyer/Hall	WD	P	P	WD WB

X. NO ASBESTOS

1. As per Labor Law Section 900 (effective July 16, 1989) no asbestos-containing materials are to be installed in any construction in New York City.

Y. ABBREVIATIONS FOR FINISHES

AT	Acoustical Tile	LMS	Limestone
CT	Ceramic Tile	P	Paint
CPT	Carpet	RM	Recessed Floor Mat
CNT	Concrete Topping	VWC	Vinyl Wall Covering
DP	Deck Paint	WB	Wall Base
M	Marble Border	PVB	Painted Vinyl Base
WDVF	Wood Veneer Formica	WD	Wood/Wood Parquet

Z. SAFETY AND WARNING DEVICES

1. Apartment Smoke Detection System

   i.) Each apartment will contain a combination Carbon monoxide/smoke detector located in the vicinity of the bedrooms. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.

2. Common Area Fire Detection System

   i.) A sprinkler alarm system will be provided.

AA. ADDITIONAL INFORMATION REQUIRED

1. Site Plan: Refer to Exhibit A.

2. Floor plan for each Line or Type of Unit: Refer to Unit Plans/Exhibit B.

3. Floor-to-ceiling heights of Units: Refer to Section G: Building Height.

4. For approximate total area for each unit refer to Unit Plans/Exhibit B. Each unit consists of the area measured horizontally from the Unit side of the gypsum board at exterior wall to the centerline of all interior walls and partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment space or any Common Elements.

Meltzer/Mandl Architects, P. C.

JUL 16 2004

By: _____
David Mandl, RA

Sworn to before me this 14th day of May, 2004.

DIANNE THORPE
Notary Public, State of New York
No. 01TH6106819
Qualified in Kings County
Commission Expires _____ 20__

_____
(Notary Public)

Bradhurst Court Unit Types - July 10, 2004								
Basement Floor			**Unit Counts**					
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
9	3 BR Duplex Townhouse	3 Bath						
10	3 BR Duplex Townhouse	2 1/2 Bath						
							2	2
Basement Mezzanine Fl.								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
8	3 BR Townhouse	2 Bath						
							1	1
1st Floor								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
1	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
2	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
3	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
4	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
5	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
6	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
7	3 BR Duplex Townhouse	2 Bath (+ 1 Sink)						
1H	2 BR	1 1/2 Bath						
1J	2 BR	1 1/2 Bath						
1K	2 BR	1 1/2 Bath						
1L	3 BR	2 Bath						
1M	2 BR	2 Bath						
1N	3 BR	2 Bath						
1P	3 BR	2 Bath						
1Q	3 BR	2 Bath						
1R	2 BR	1 1/2 Bath						
1S	3 BR	2 Bath						
1T	3 BR	2 Bath						
1U	2 BR	1 1/2 Bath						
			0	6	0	6	7	19
2nd Floor								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
2A	1 BR	1 Bath						
2B	2 BR	1 1/2 Bath						
2C	2 BR	2 Bath						
2D	2 BR	1 1/2 Bath						
2E	3 BR	2 Bath						
2F	2 BR	1 1/2 Bath						
2G	2 BR	1 1/2 Bath						
2H	2 BR	1 1/2 Bath						
2J	2 BR	1 1/2 Bath						
2K	3 BR	2 Bath						
2L	2 BR	2 Bath						
2M	2 BR	2 Bath						
2N	3 BR	2 Bath						
2P	3 BR	2 Bath						
2Q	3 BR	2 Bath						
2R	2 BR	1 1/2 Bath						
2S	3 BR	2 Bath						
2T	3 BR	2 Bath						
2U	2 BR	1 1/2 Bath						
			1	11	0	7	0	19

3rd Floor								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
3A	1 BR	1 Bath						
3B	2 BR	1 1/2 Bath						
3C	2 BR	2 Bath						
3D	2 BR	1 1/2 Bath						
3E	3 BR	2 Bath						
3F	2 BR	1 1/2 Bath						
3G	2 BR	1 1/2 Bath						
3H	2 BR	1 1/2 Bath						
3J	2 BR	1 1/2 Bath						
3K	3 BR	2 Bath						
3L	2 BR	2 Bath						
3M	2 BR	2 Bath						
3N	3 BR	2 Bath						
3P	3 BR	2 Bath						
3Q	3 BR	2 Bath						
3R	2 BR	1 1/2 Bath						
3S	3 BR	2 Bath						
3T	3 BR	2 Bath						
3U	2 BR	1 1/2 Bath						
			1	11	0	7	0	19
4th Floor								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
4A	1 BR	1 Bath						
4B	2 BR	1 1/2 Bath						
4C	2 BR	2 Bath						
4D	2 BR	1 1/2 Bath						
4E	3 BR	2 Bath						
4F	2 BR	1 1/2 Bath						
4G	2 BR	1 1/2 Bath						
4H	2 BR	1 1/2 Bath						
4J	2 BR	1 1/2 Bath						
4K	3 BR	2 Bath						
4L	2 BR	2 Bath						
4M	2 BR	2 Bath						
4N	3 BR	2 Bath						
4P	3 BR	2 Bath						
4Q	3 BR	2 Bath						
4R	2 BR	1 1/2 Bath						
4S	3 BR	2 Bath						
4T	3 BR	2 Bath						
4U	2 BR	1 1/2 Bath						
			1	11	0	7	0	19
5th Floor								
Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
5A	1 BR	1 Bath						
5B	2 BR	1 1/2 Bath						
5C	2 BR	2 Bath						
5D	2 BR	1 1/2 Bath						
5E	3 BR	2 Bath						
5F	2 BR	1 1/2 Bath						
5G	2 BR	1 1/2 Bath						
5H	2 BR	1 1/2 Bath						
5J	2 BR	1 1/2 Bath						
5K	3 BR	2 Bath						
5L	2 BR	2 Bath						
5M	2 BR	2 Bath						
5N	3 BR	2 Bath						
5P	3 BR	2 Bath						
5Q	3 BR	2 Bath						
5R	2 BR	1 1/2 Bath						
5S	3 BR	2 Bath						
5T	3 BR	2 Bath						
5U	2 BR	1 1/2 Bath						
			1	11	0	7	0	19

6th Floor

Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
6A	1 BR	1 Bath						
6B	2 BR	1 1/2 Bath						
6C	2 BR	2 Bath						
6D	2 BR	1 1/2 Bath						
6E	3 BR	2 Bath						
6F	2 BR	1 1/2 Bath						
6G	3 BR	2 Bath						
6L	2 BR	2 Bath						
6M	2 BR	2 Bath						
6N	3 BR	2 Bath						
6P	2 BR	1 1/2 Bath						
6Q	2 BR	1 1/2 Bath						
6R	2 BR Duplex	1 1/2 Bath						
6S	2 BR Duplex	1 1/2 Bath						
6T	2 BR Duplex	1 1/2 Bath						
6U	2 BR Duplex	1 1/2 Bath						
6V	2 BR Duplex	1 1/2 Bath						
6W	2 BR Duplex	1 1/2 Bath						
6X	2 BR Duplex	1 1/2 Bath.						
6Y	2 BR Duplex	1 1/2 Bath						
			1	8	8	3	0	20

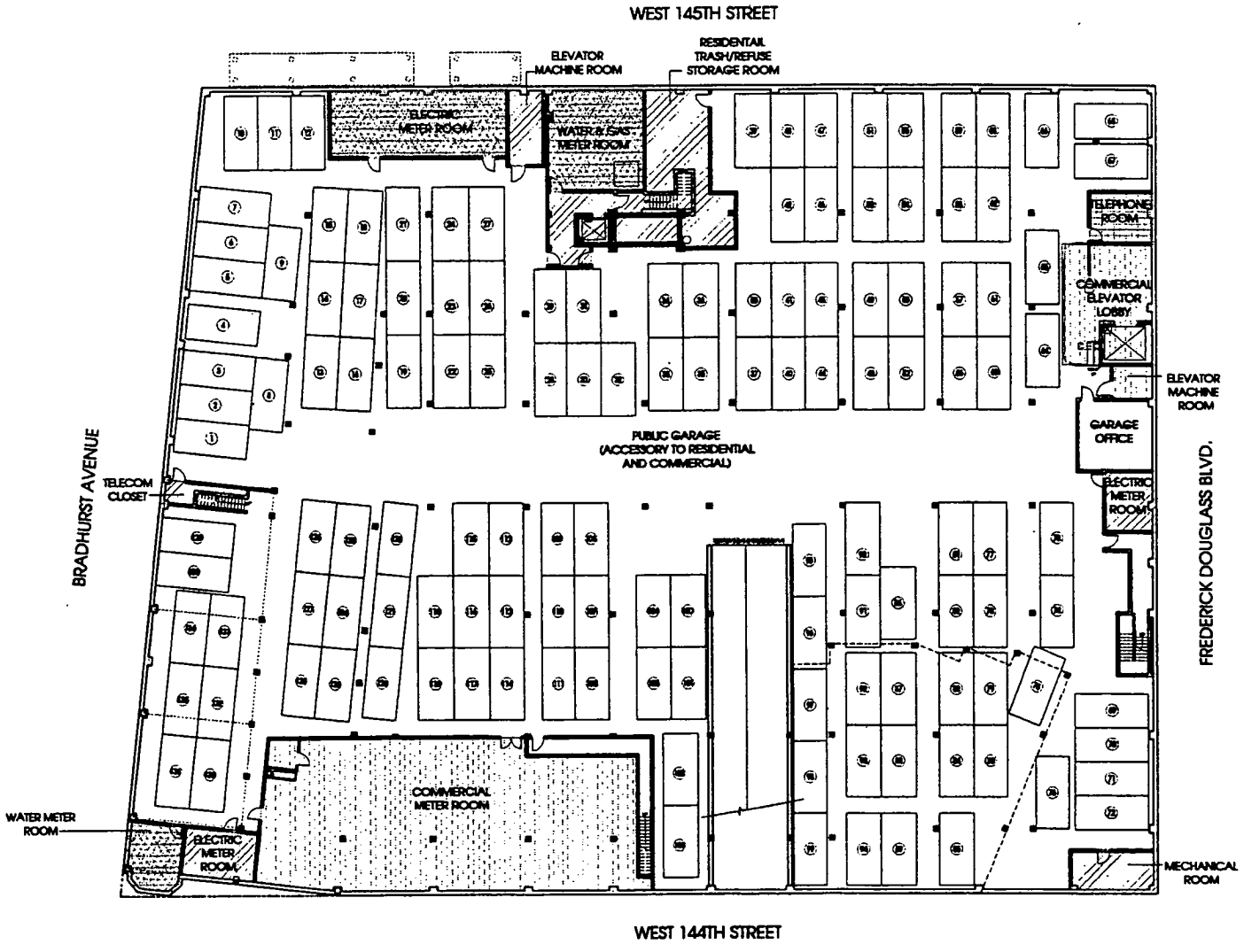
7th Floor

Unit #	Type	Baths	1BR	2BR	2BR Dup	3BR	3BR Dup	Total
7A	1 BR	1 Bath						
7B	2 BR	1 1/2 Bath						
7C	2 BR	2 Bath						
7D	2 BR	2 Bath						
7E	2 BR	2 Bath						
7L	2 BR	2 Bath						
7M	2 BR	2 Bath						
7N	3 BR	2 Bath						
7P	2 BR	1 1/2 Bath						
7Q	2 BR	1 1/2 Bath						
			1	8	0	1	0	10

Grand Total Unit Counts	6	66	8	38	10	128

EXHIBIT "4"

FLOOR PLANS



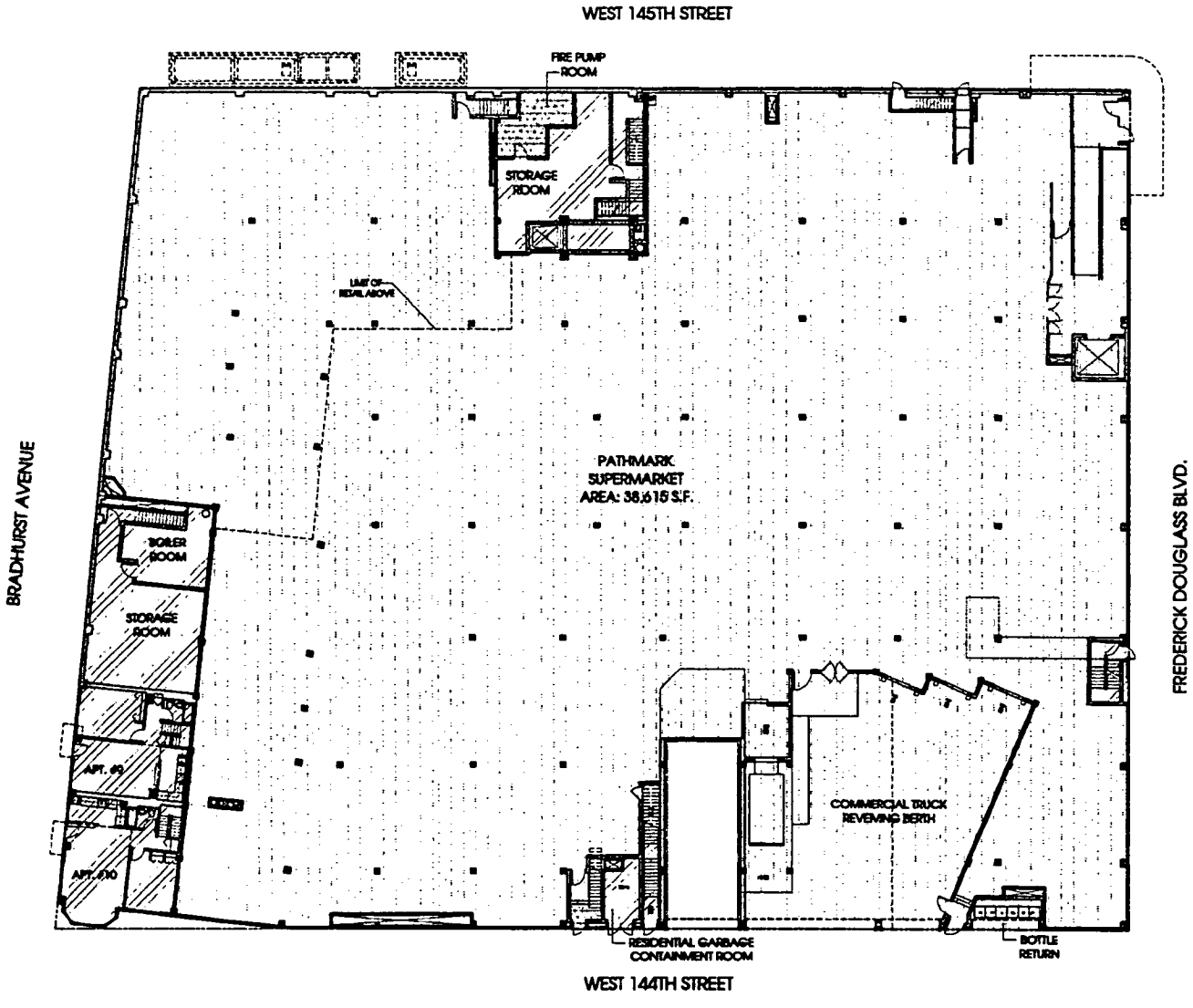
CELLAR FLOOR PLAN (PARKING GARAGE)

NORTH

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

07/10/04



RESIDENTIAL
PARKING GARAGE
COMMUNITY RETAIL COMMON ELEMENT
RESIDENTIAL COMMON ELEMENT
PATHMARK SUPERMARKET
COMMUNITY RETAIL
GENERAL COMMON ELEMENT #1 (RESIDENTIAL, PATHMARK SUPERMARKET & COMMUNITY RETAIL)
GENERAL COMMON ELEMENT #2 (RESIDENTIAL, PATHMARK SUPERMARKET, COMMUNITY RETAIL & PARKING GARAGE)

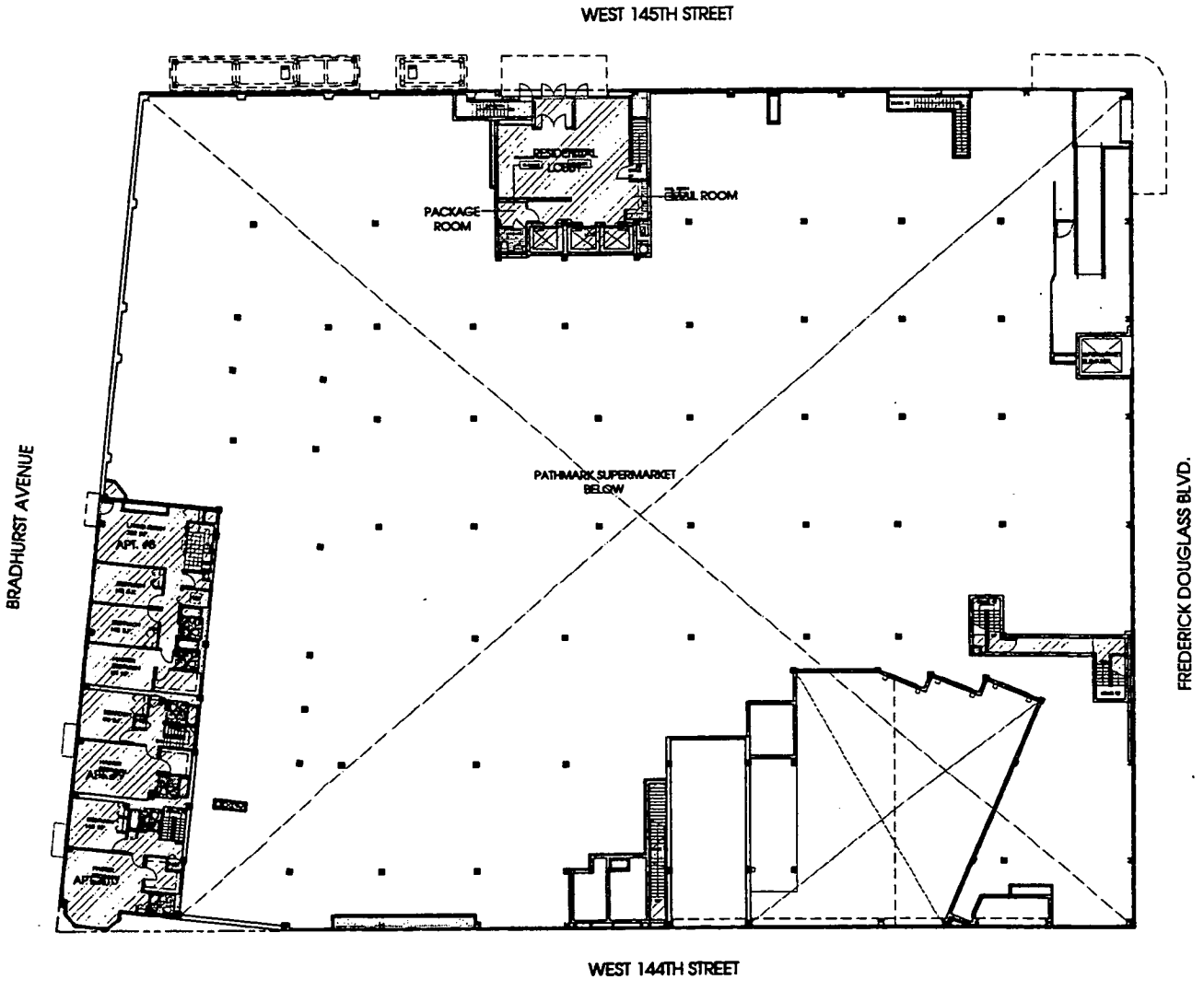
BASEMENT FLOOR PLAN

NORTH

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

07/10/04



RESIDENTIAL

PARKING GARAGE

COMMUNITY RETAIL COMMON ELEMENT

RESIDENTIAL COMMON ELEMENT

PATHMARK SUPERMARKET

COMMUNITY RETAIL

GENERAL COMMON ELEMENT #1 (RESIDENTIAL, PATHMARK SUPERMARKET & COMMUNITY RETAIL)

GENERAL COMMON ELEMENT #2 (RESIDENTIAL, PATHMARK SUPERMARKET, COMMUNITY RETAIL & PARKING GARAGE)

BASEMENT MEZZANINE FLOOR PLAN

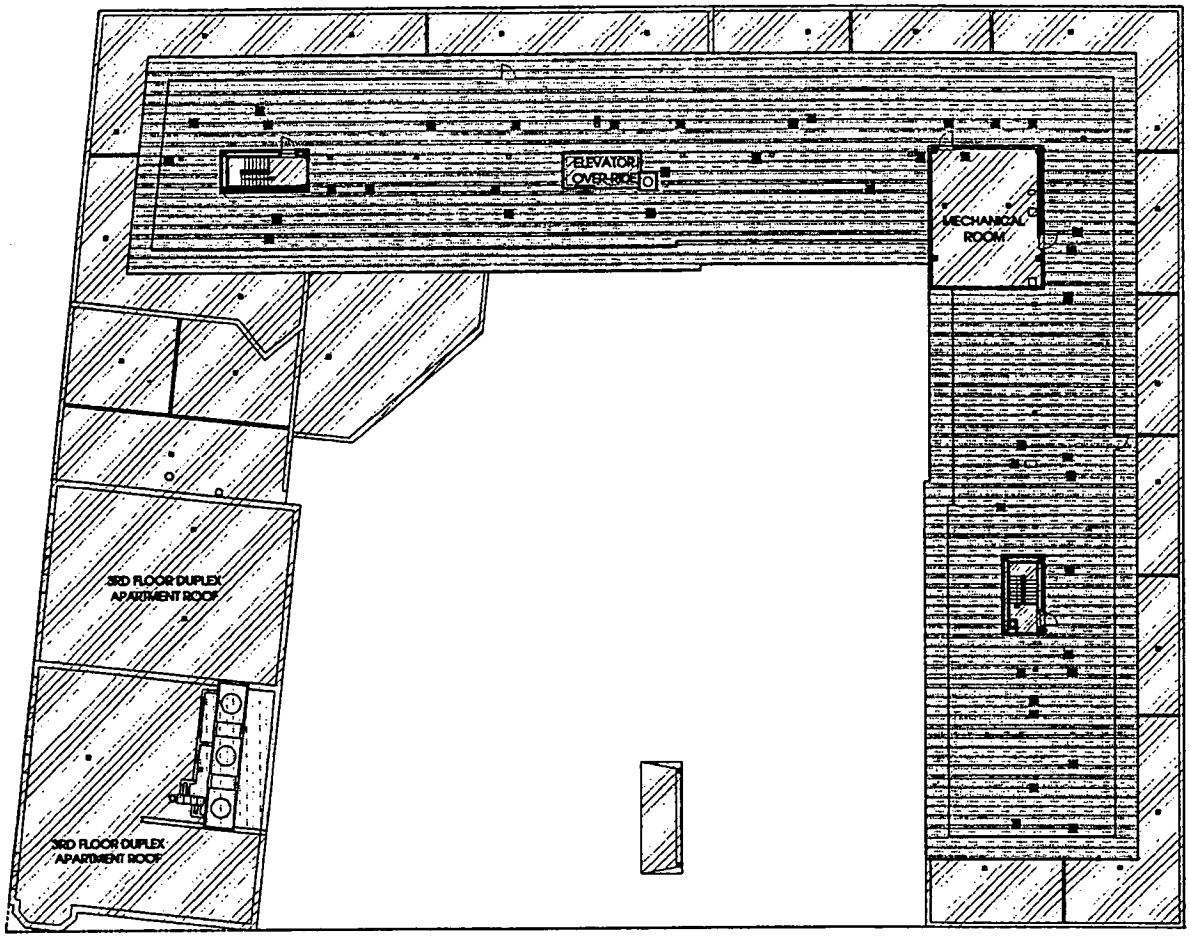
NORTH

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

07/10/04

WEST 145TH STREET



WEST 144TH STREET

RESIDENTIAL
PARKING GARAGE
COMMUNITY RETAIL COMMON ELEMENT
RESIDENTIAL COMMON ELEMENT
PATHMARK SUPERMARKET
COMMUNITY RETAIL
GENERAL COMMON ELEMENT #1 (RESIDENTIAL, PATHMARK SUPERMARKET & COMMUNITY RETAIL)
GENERAL COMMON ELEMENT #2 (RESIDENTIAL, PATHMARK SUPERMARKET, COMMUNITY RETAIL & PARKING GARAGE)

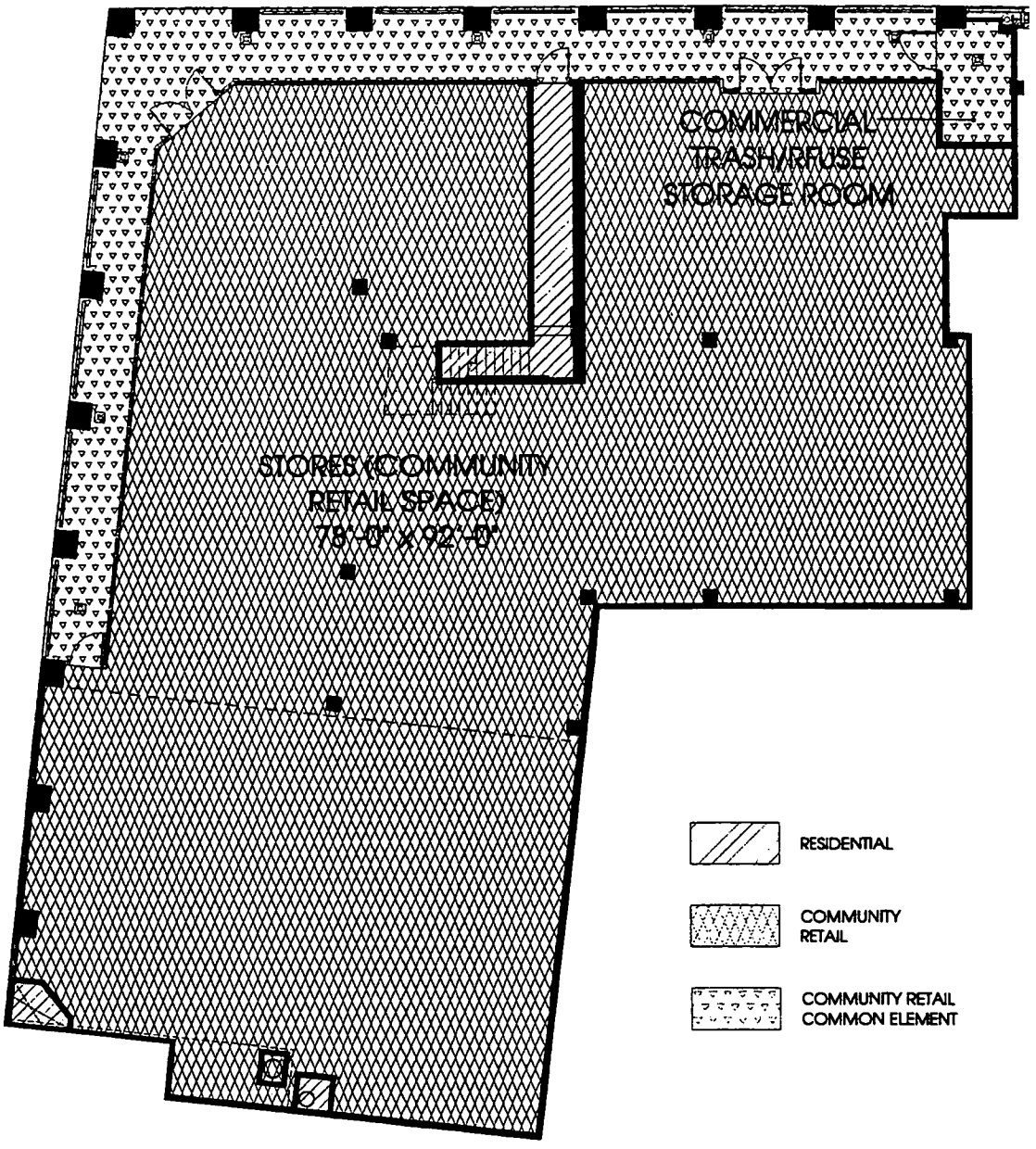
ROOF PLAN

NORTH

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

07/10/04



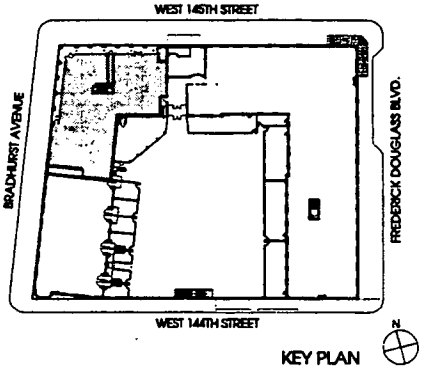
RESIDENTIAL

COMMUNITY RETAIL

COMMUNITY RETAIL COMMON ELEMENT

0 5 FT. 10 FT.

STORES
(COMMUNITY RETAIL SPACE)
1st FLOOR
AREA: 5,850 S.F.

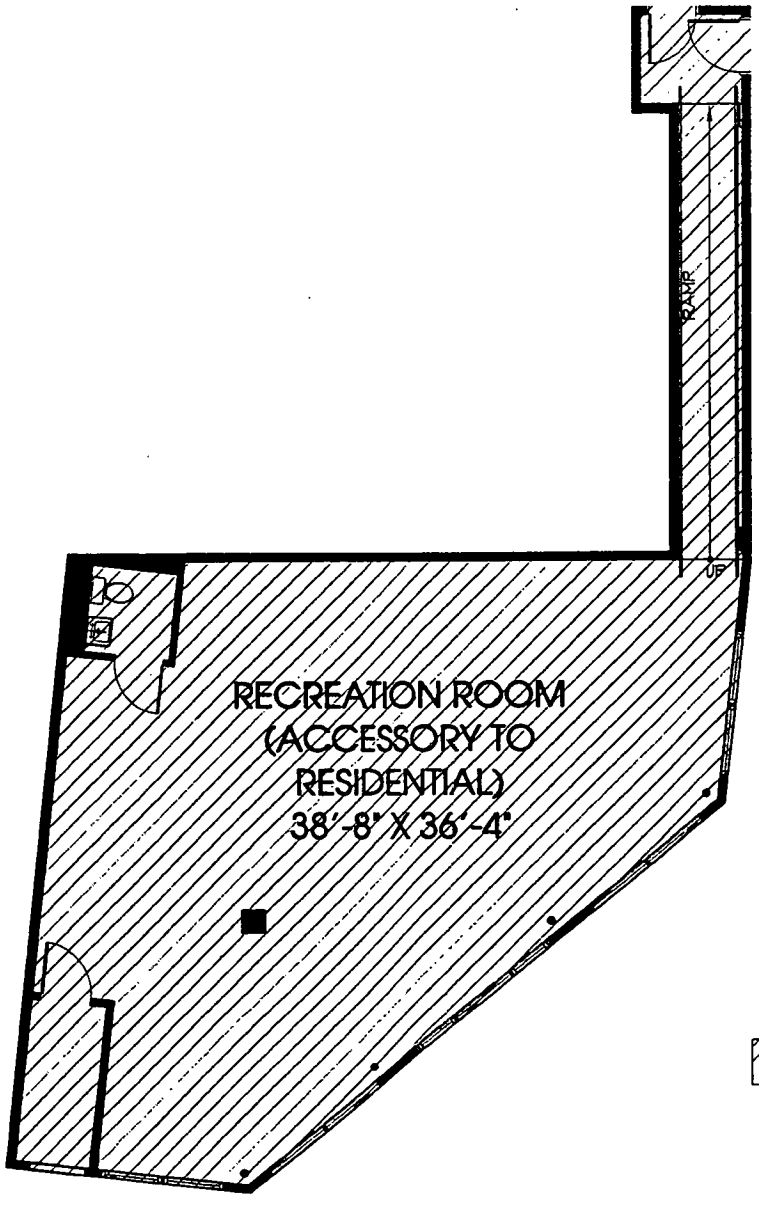


KEY PLAN

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BRADHURST COURT

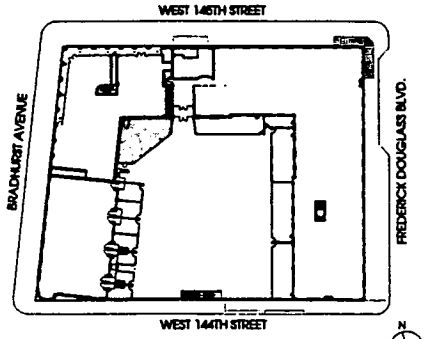
04/12/04



RESIDENTIAL

0 5 FT. 10 FT.

RECREATION ROOM
(ACCESSORY TO RESIDENTIAL)
1st FLOOR
AREA: 1,034 S.F.

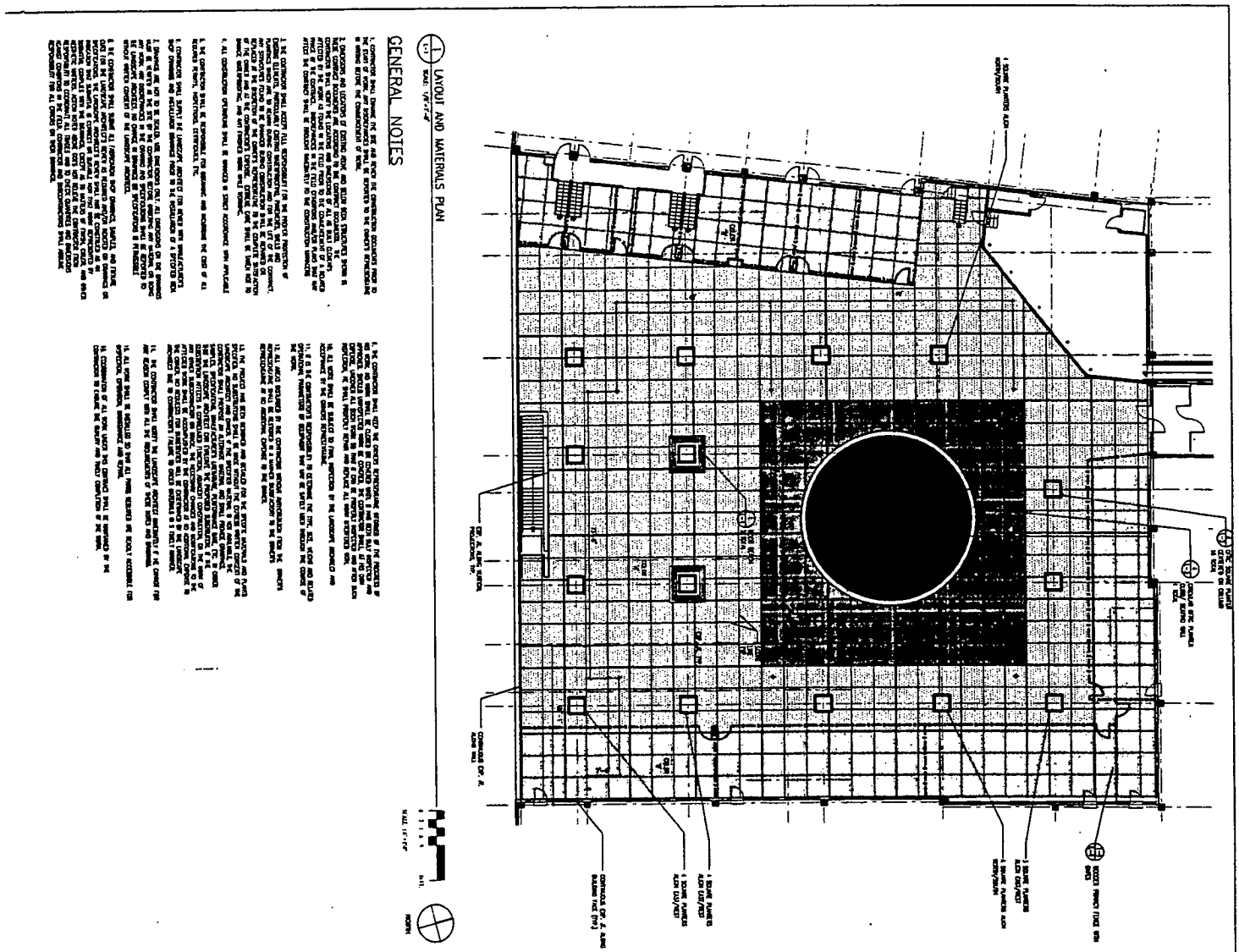


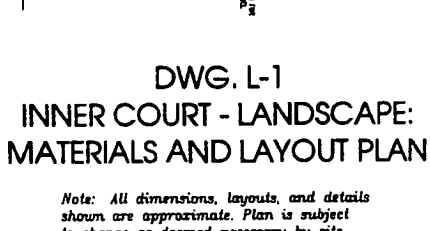
KEY PLAN

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BRADHURST COURT

04/12/04



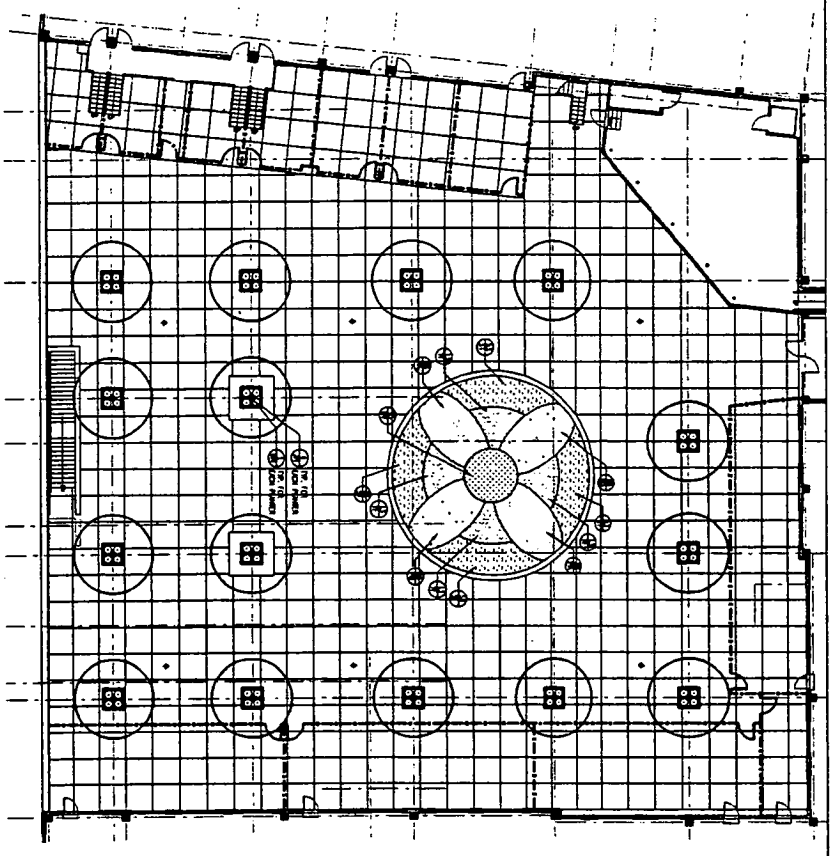


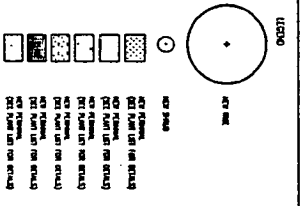
DWG. L-1
INNER COURT - LANDSCAPE: MATERIALS AND LAYOUT PLAN

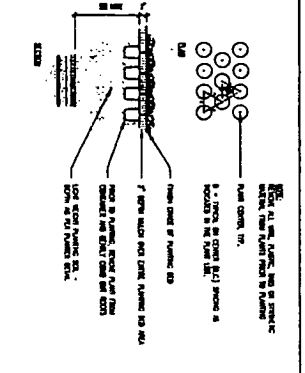
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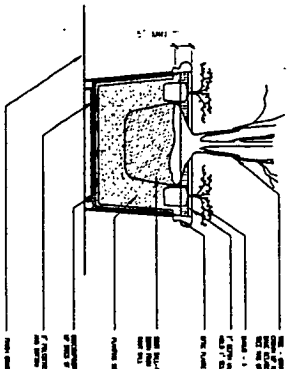
BRADHURST COURT

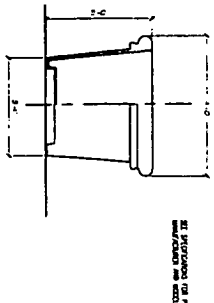
07/10/04











PLANTING NOTES

1. THE CONTRACTOR SHALL VISIT THE SITE AND VERIFY THE EXISTENCE OF ALL UTILITIES PRIOR TO THE START OF ANY PLANTING OPERATIONS.
2. THE CONTRACTOR SHALL STAKE ALL PLANT MATERIALS IN CONFORMITY WITH THE PLANTING PLAN FOR APPROVAL BY THE OWNER'S REPRESENTATIVE PRIOR TO PLANTING. ANY CHANGES MADE IN THE PLANT LIST OR LOCATION SHALL BE APPROVED BY THE OWNER'S REPRESENTATIVE.
3. ALL PLANTS SHALL BE SELECTED BY THE OWNER'S REPRESENTATIVE AT THE SOURCE OF SUPPLY. PLANTS SHALL BE TAGGED AT THE SOURCE OF SUPPLY BY THE CONTRACTOR AND APPROVED BY THE OWNER'S REPRESENTATIVE. PLANTS THAT DO NOT COMPLY WITH THE SPECIFICATIONS SHALL BE REJECTED AND REMOVED FROM THE SITE IMMEDIATELY.
4. PRIOR TO THE START OF ANY PLANTING, THE CONTRACTOR SHALL STAKE OUT THE LOCATIONS OF ALL PLANTS FOR APPROVAL AND/OR ADJUSTMENT BY THE LANDSCAPE ARCHITECT.
5. ALL PLANTS SHALL BE INSTALLED IN ACCORDANCE WITH THE DETAILS SHOWN AND THE SPECIFICATIONS.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE CONDITION OF THE PLANTING AND REPLACEMENT WORK REQUIRED DURING THE GUARANTEE PERIOD. THE CONTRACTOR SHALL REPLACE ANY PLANTS WHICH ARE DEAD OR IN UNHEALTHY CONDITION AT THE END OF THE GUARANTEE PERIOD AS DETERMINED BY THE OWNER'S REPRESENTATIVE. ALL WORK AND CLEANUP REQUIRED FOR REPLACEMENT SHALL BE PERFORMED BY THE CONTRACTOR AT NO ADDITIONAL COST TO THE OWNER.
7. THE CONTRACTOR SHALL WARRANT ALL PLANT MATERIALS FOR 1 YEAR AFTER THE DATE OF ACCEPTANCE. REPLACEMENTS SHALL BE WARRANTED FOR ONE YEAR AFTER THE DATE OF REPLACEMENT. SEE SPECIFICATIONS FOR WARRANTY AND MAINTENANCE REQUIREMENTS.

SYM	QTY.	BOTANICAL NAME	COMMON NAME	SPACING	SIZE	ROOT BALL
TREES						
BM	11	BETULA NIGRA 'HERITAGE'	RIVER BIRCH	AS SHOWN	8' TO 10'H	B&B
SHRUBS						
JA	48	JUNIPERUS PROCUMBENS 'NANA'	JAPANESE GARDEN JUNIPER	4 PER PLANTER	1 GAL	CONT
PERENNIALS						
PA	175	PENNISETUM ALOPECUROIDES 'HAMELN'	FOUNTAIN GRASS	18" OC	1 GAL	CONT
PV	52	PANICUM VIRGATUM 'HEAVY METAL'	RED SWITCH GRASS	36"OC	1 GAL	CONT
YF	42	YUCCA FILAMENTOSA	ADAM'S NEEDLE	36"OC	1 GAL	CONT
PO	115	PENNISETUM ORIENTALE 'KARLEY ROSE'	KARLEY ROSE	18" OC	1 GAL	CONT
EF	212	HEMEROCALLIS 'AUTUMN JOY'	LOVE FOREVER RED DAY	18" OC	1 GAL	CONT

1 PLANTING PLAN

2 TYP. PERENNIAL AND GROUNDCOVER PLANTING

3 TREE PLANTING IN GFRC PLANTER

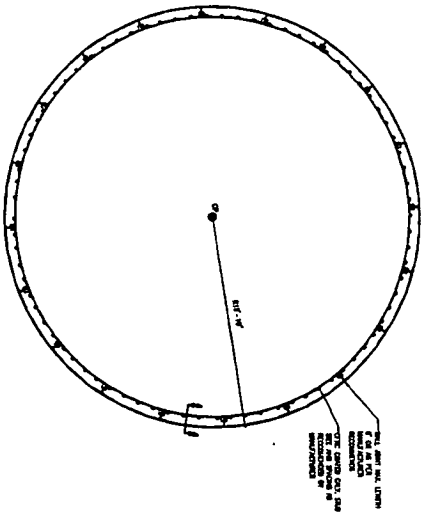
4 GFRC TREE PLANTERS

DWG. L-2
INNER COURT - LANDSCAPE: PLANTING PLAN AND DETAILS

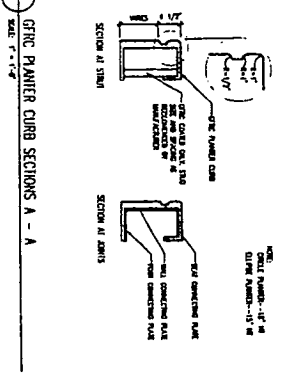
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BRADHURST COURT

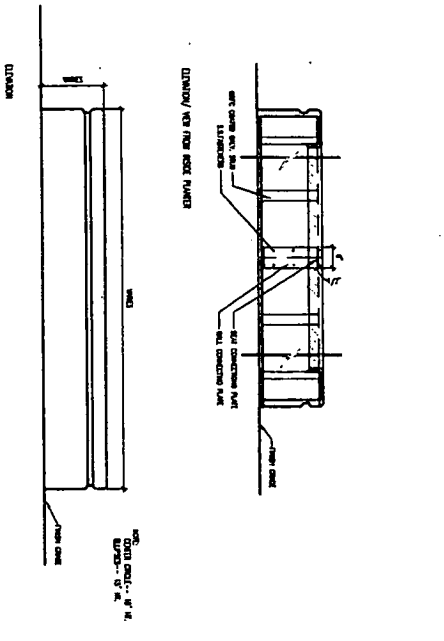
07/10/04



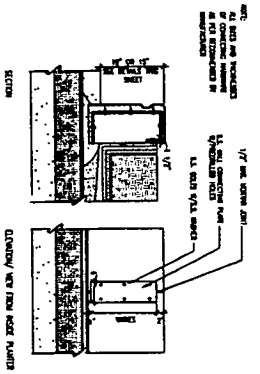
1 L-3 18" HIGH GFRC CIRCLE PLANTER LAYOUT
SCALE: 1/2" = 1'-0"



3 L-3 GFRC PLANTER CURB SECTIONS A - A
SCALE: 1" = 1'-0"



2 L-3 GFRC PLANTER ELEVATIONS
SCALE: 1" = 1'-0"



4 L-3 GFRC PLANTER CURB CONNECTING PLATE
SCALE: 1" = 1'-0"

DWG. L-3
INNER COURT - LANDSCAPE: ENLARGEMENTS

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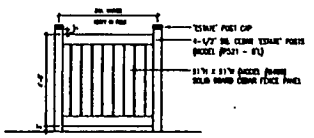
BRADHURST COURT

07/10/04

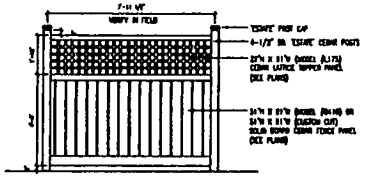
BRADHURST COURT

07/10/04

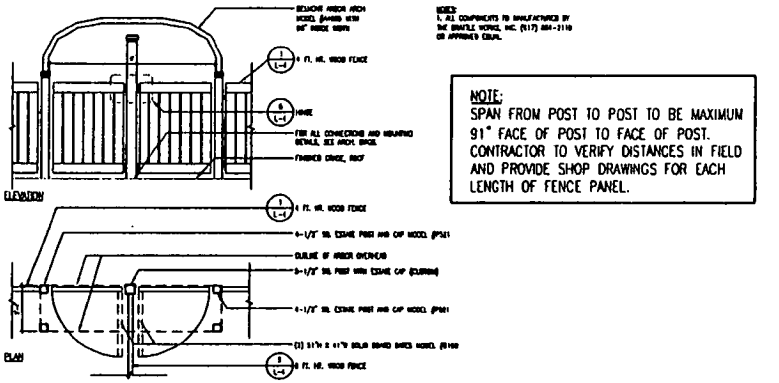
DWG. L-4
INNER COURT - LANDSCAPE:
FENCING DETAILS & PLANTER SECTION



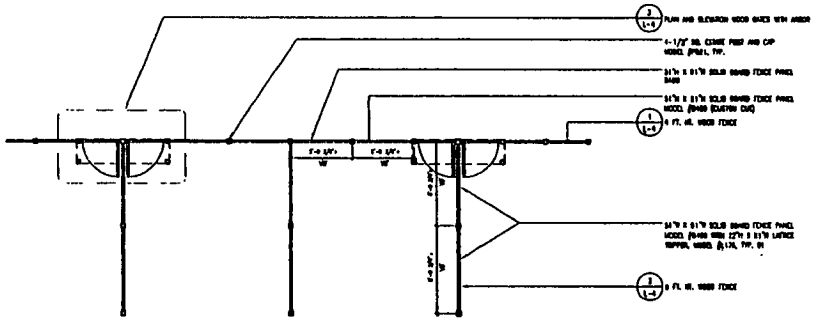
1 L-4 4 FT. HT. WOOD FENCE
SCALE: 1/2" = 1'-0"



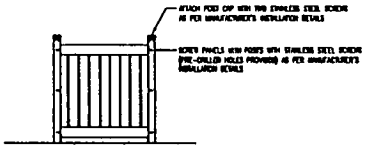
2 L-4 6 FT. HT. WOOD FENCE
SCALE: 1/2" = 1'-0"



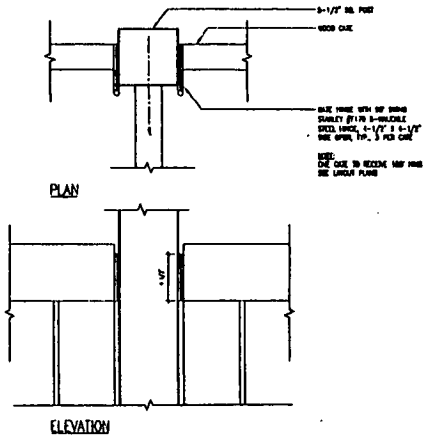
3 L-4 PLAN AND ELEVATION WOOD GATES WITH ARBOR
SCALE: 1/2" = 1'-0"



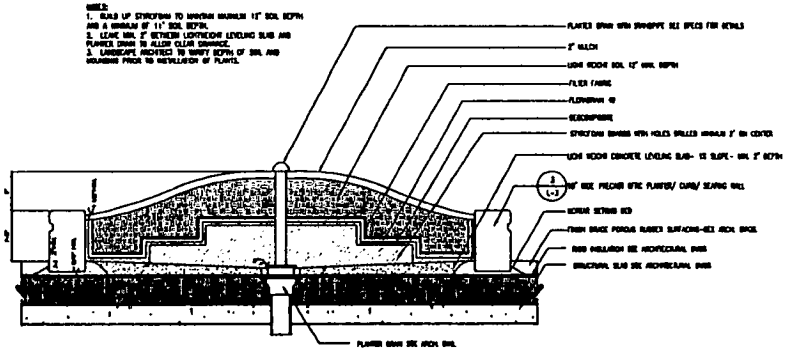
4 L-4 ENLARGEMENT PLAN WOOD FENCE LAYOUT
SCALE: 1/2" = 1'-0"



5 L-4 POST CONNECTION DETAIL
SCALE: 1/2" = 1'-0"

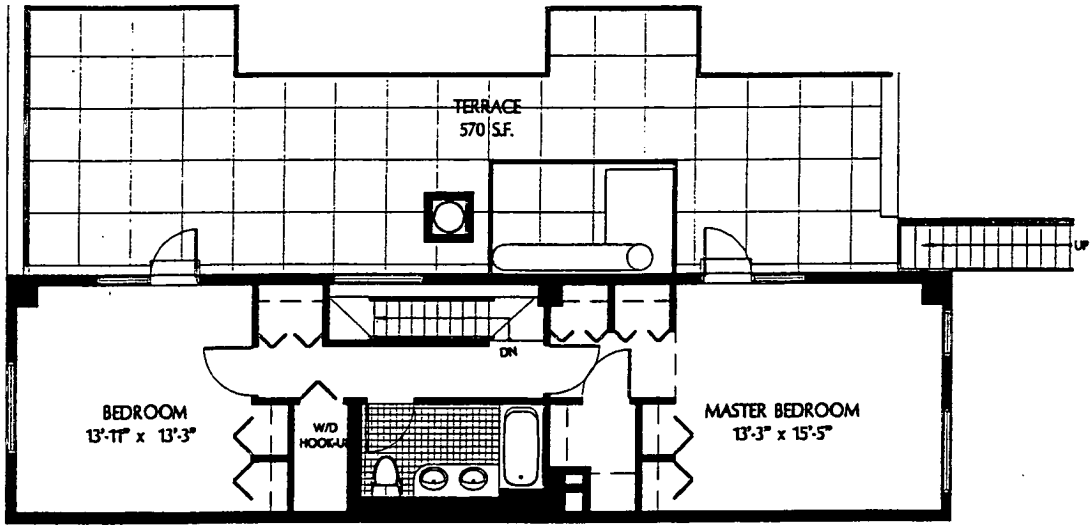


6 L-4 HINGE DETAIL
SCALE: 3" = 1'-0"

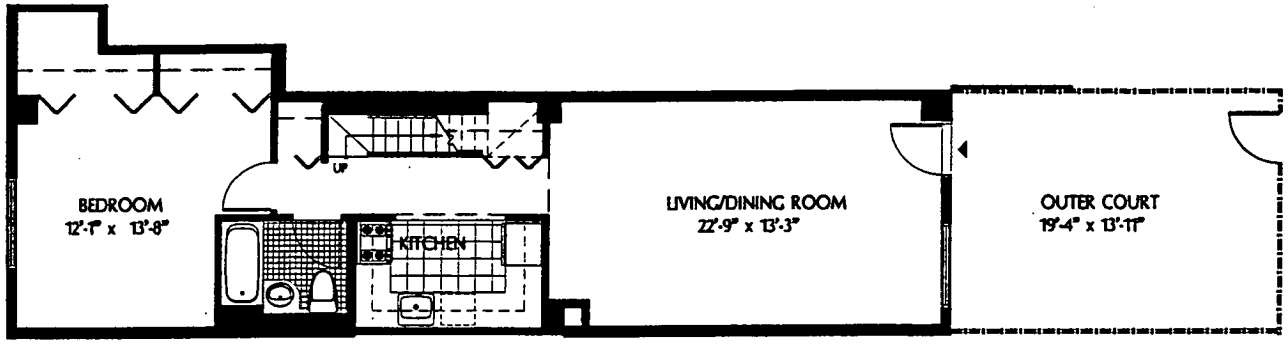


7 L-4 SECTION: CIRCULAR PLANTER
SCALE: 1" = 1'-0"

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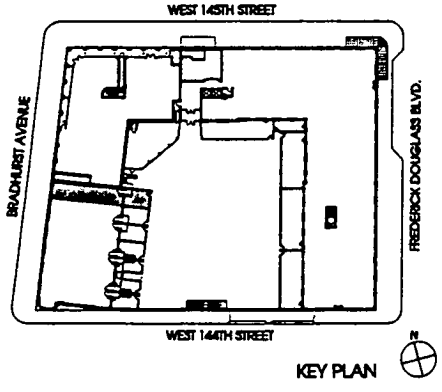


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



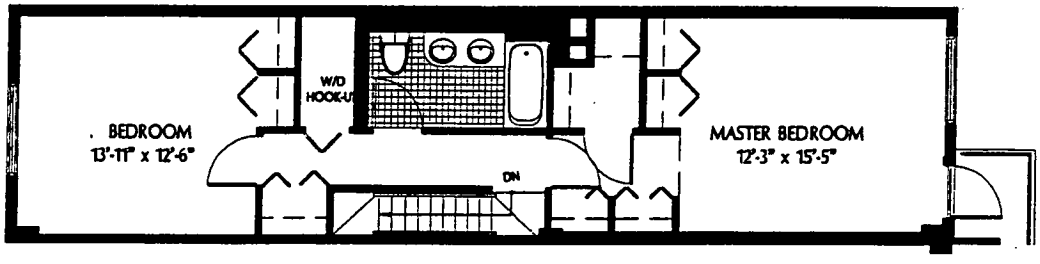
KEY PLAN

TOWNHOUSE #1
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,542 S.F.
TERRACE AREA: 570 S.F.
COURT AREA: 270 S.F.

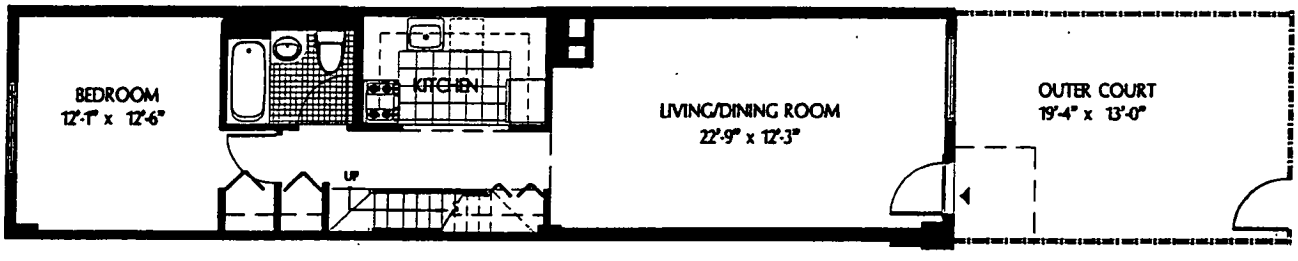
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BRADHURST COURT

04/12/04

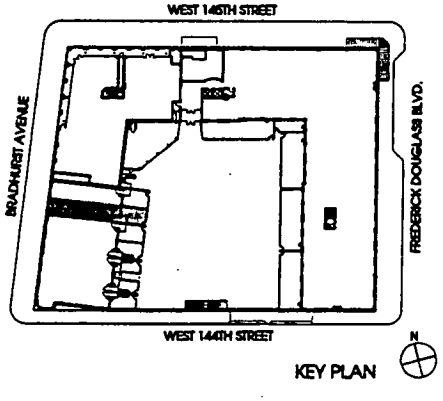


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



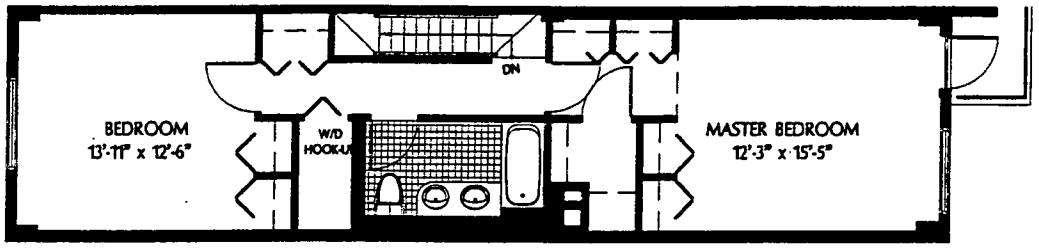
KEY PLAN

TOWNHOUSE #2
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,416 S.F.
COURT AREA: 252 S.F.

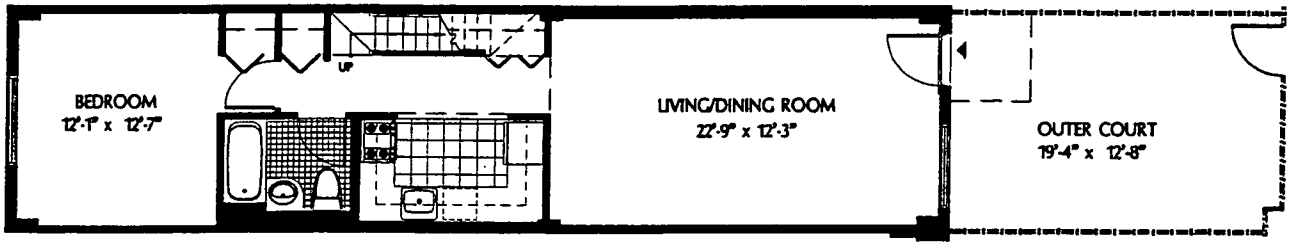
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BRADHURST COURT

04/12/04

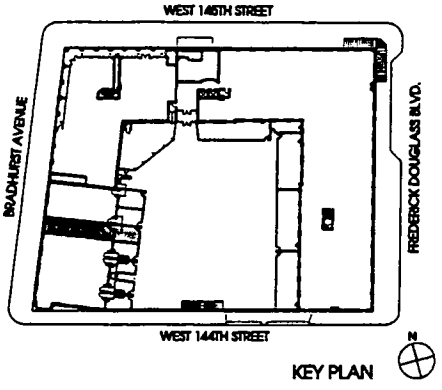


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



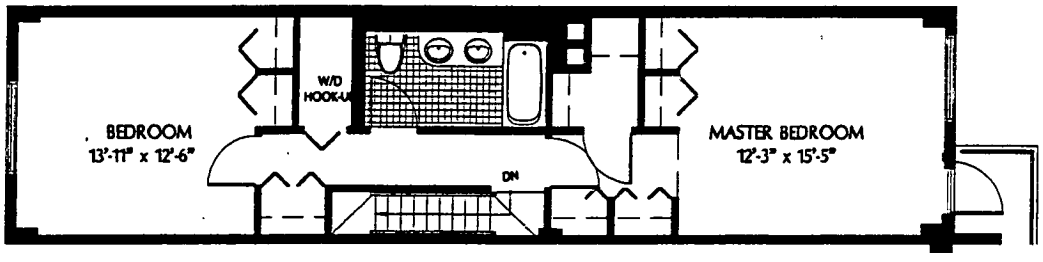
KEY PLAN

TOWNHOUSE #3
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,416 S.F.
COURT AREA: 245 S.F.

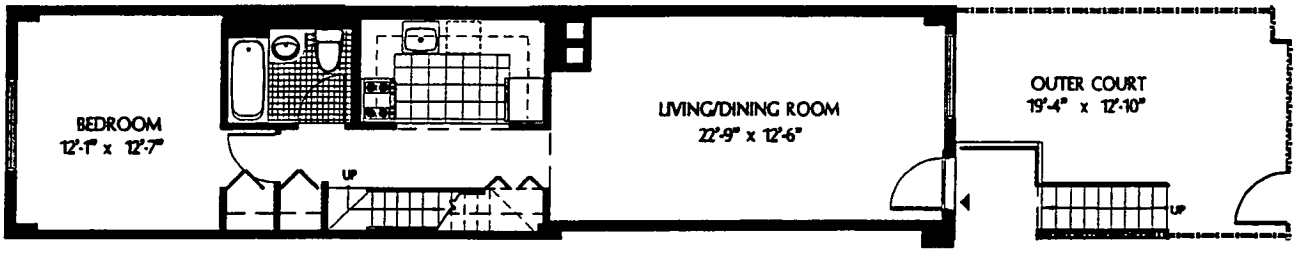
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BRADHURST COURT

04/12/04

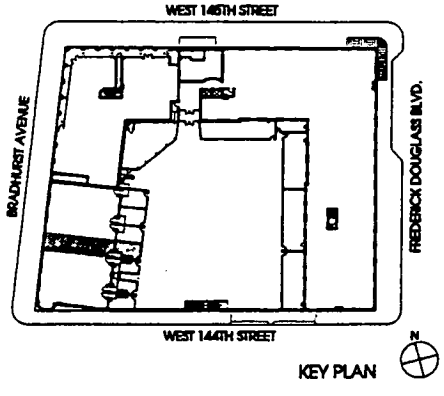


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



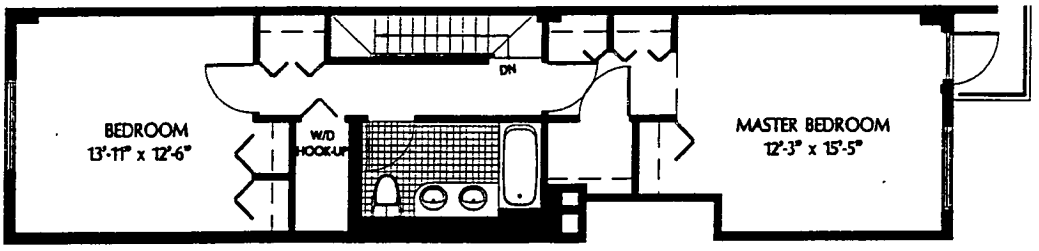
KEY PLAN

TOWNHOUSE #4
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,402 S.F.
COURT AREA: 248 S.F.

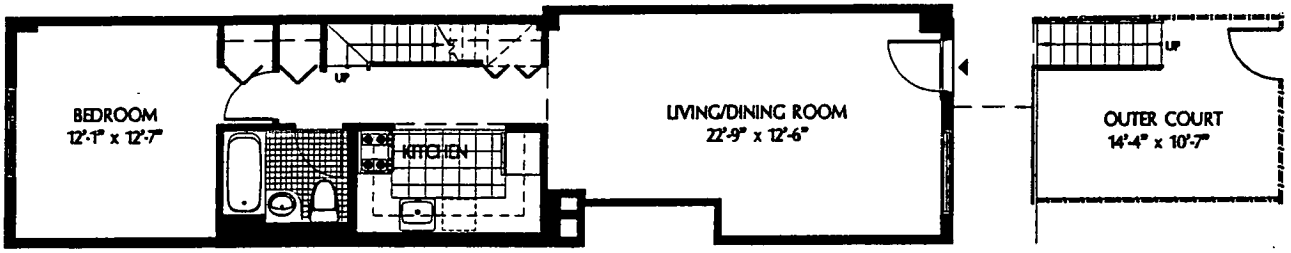
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BRADHURST COURT

04/12/04

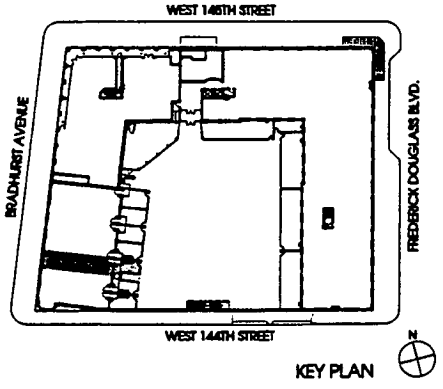


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



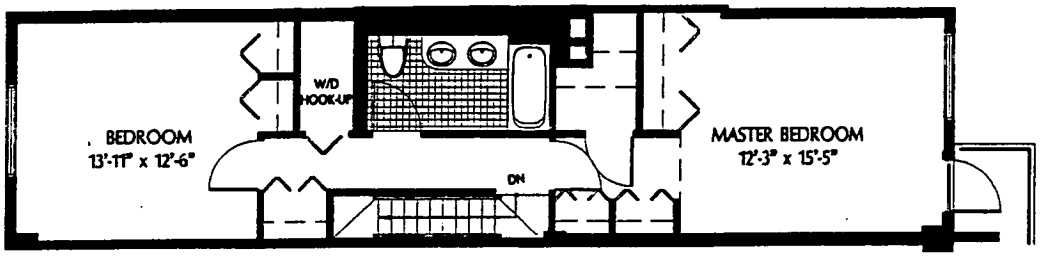
KEY PLAN

TOWNHOUSE #5
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,394 S.F.
COURT AREA: 206 S.F.

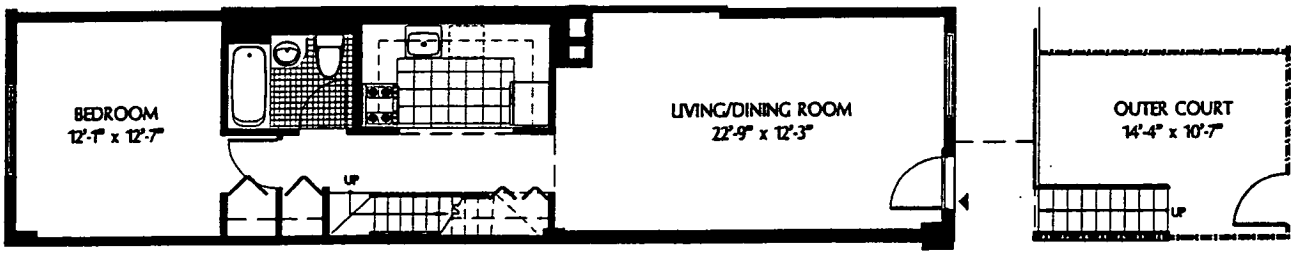
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BRADHURST COURT

04/12/04

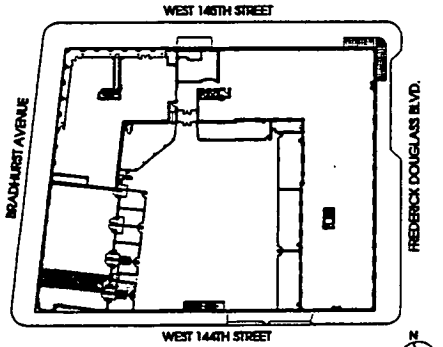


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



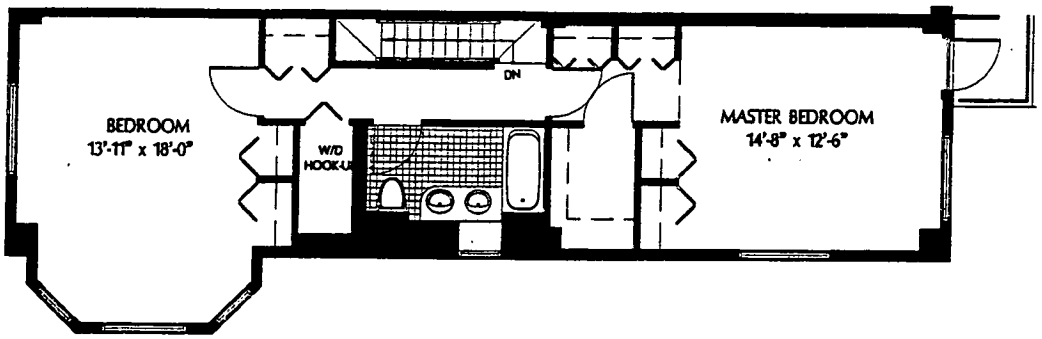
KEY PLAN

TOWNHOUSE #6
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,421 S.F.
COURT AREA: 206 S.F.

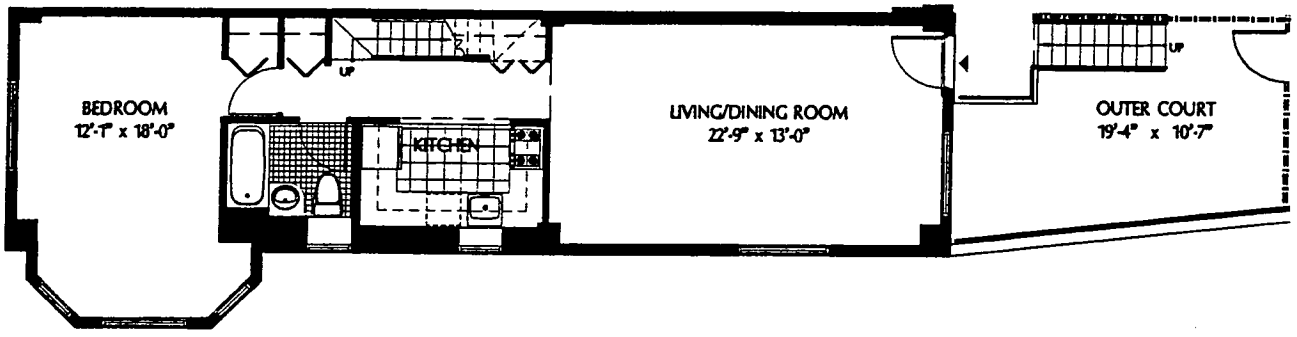
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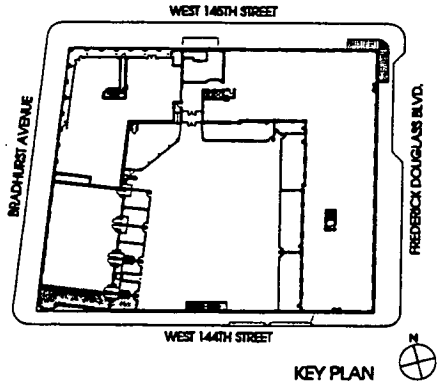


UPPER LEVEL



LOWER LEVEL

0 5 FT. 10 FT.



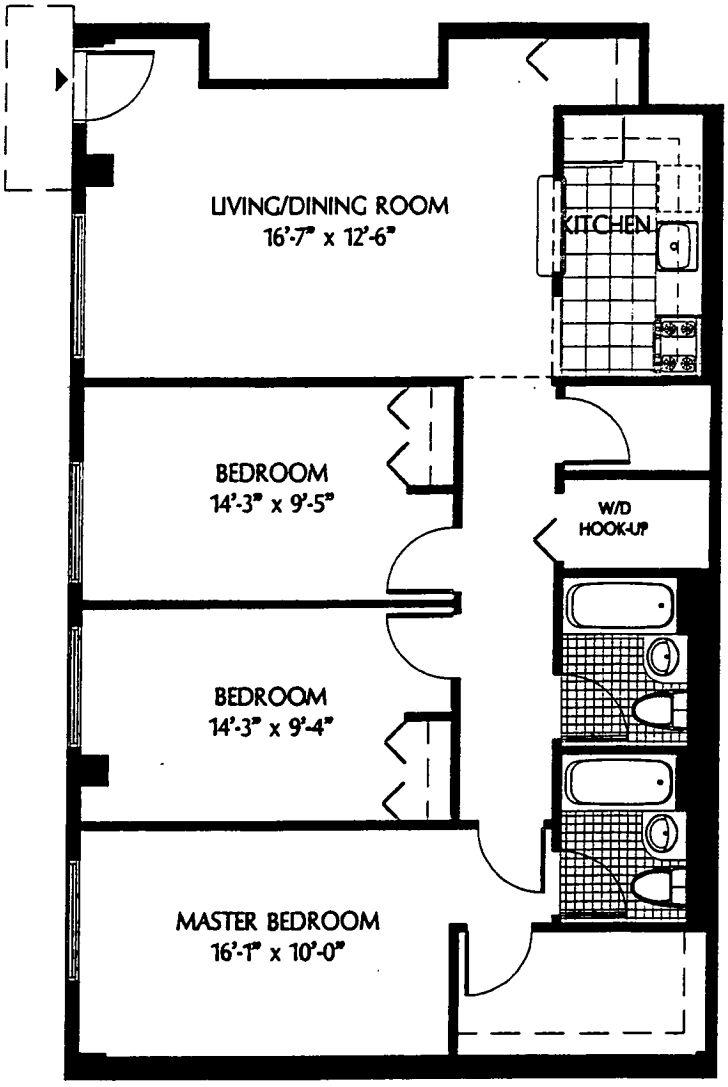
KEY PLAN

TOWNHOUSE #7
1st FLOOR
3 BEDROOM DUPLEX APARTMENT
2 BATHROOMS
AREA: 1,560 S.F.
COURT AREA: 227 S.F.

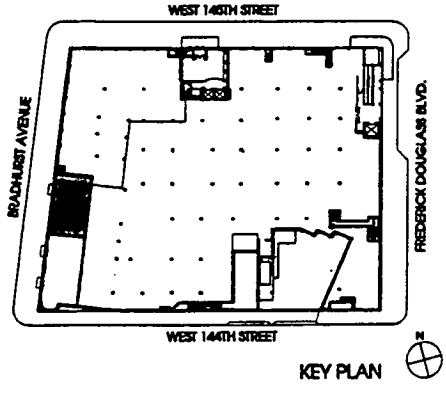
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0 5 FT. 10 FT.

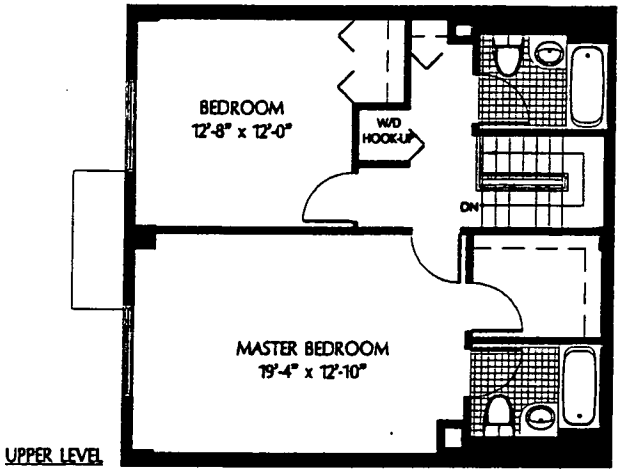


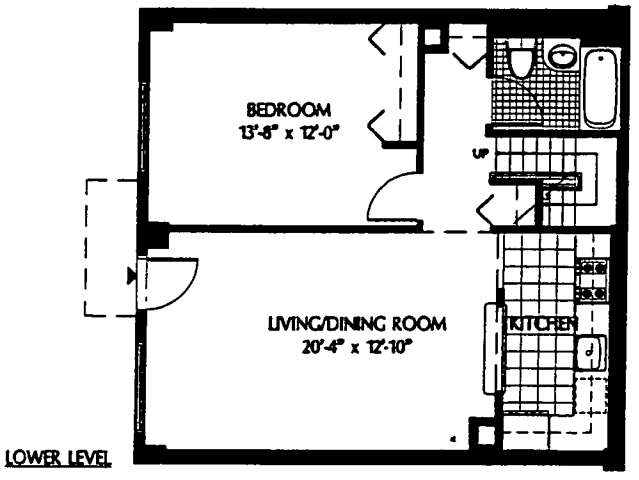
TOWNHOUSE #8
BASEMENT MEZZANINE FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,212 S.F.

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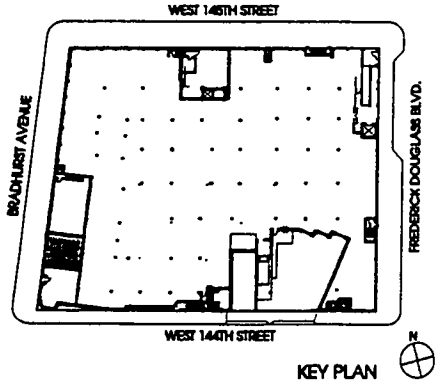
BRADHURST COURT

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0 5 FT. 10 FT.

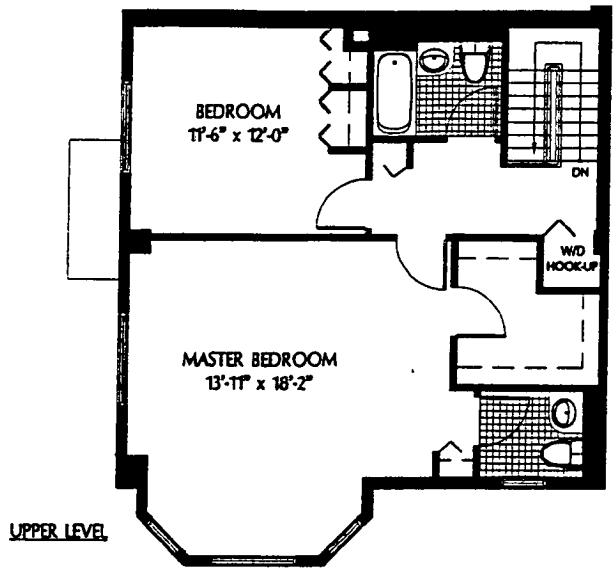


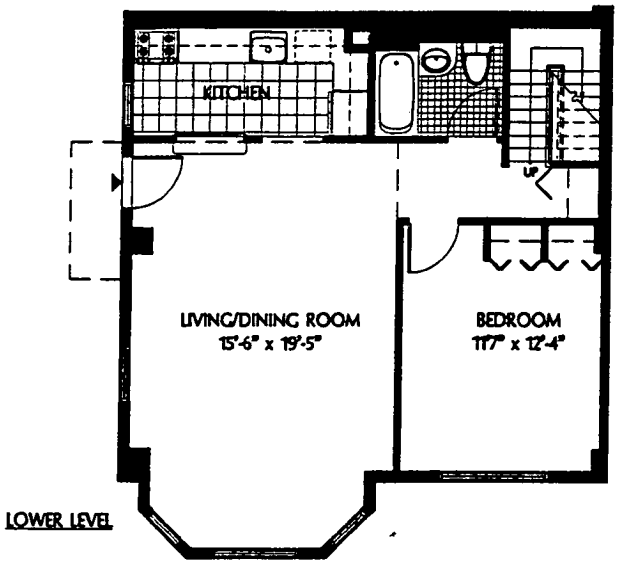
TOWNHOUSE #9
BASEMENT FLOOR
3 BEDROOM DUPLEX APARTMENT
3 BATHROOMS
AREA: 1,442 S.F.

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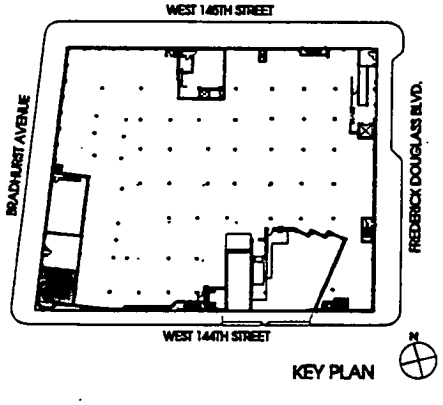
BRADHURST COURT

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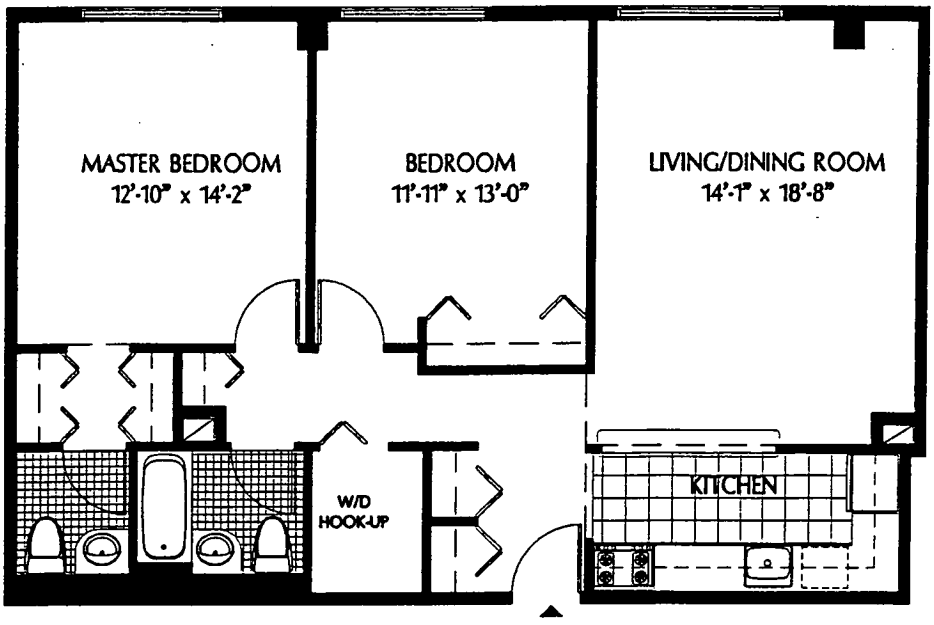


TOWNHOUSE #10
BASEMENT FLOOR
3 BEDROOM DUPLEX APARTMENT
2 1/2 BATHROOMS
AREA: 1,566 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

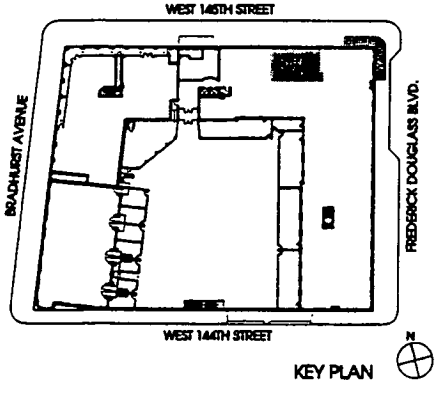
BRADHURST COURT

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0 5 FT. 10 FT.

APARTMENT #1J
1st FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 1,012 S.F.

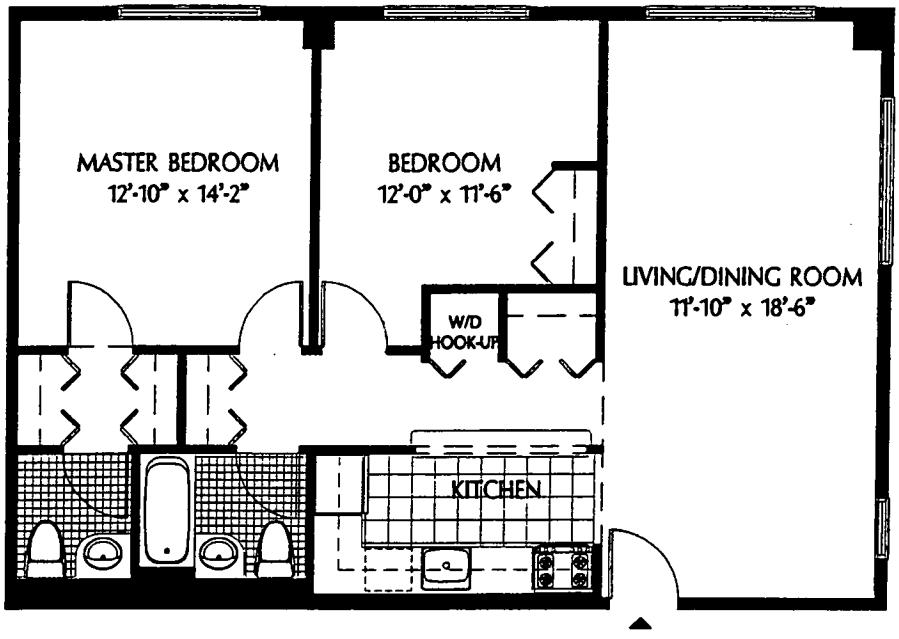


KEY PLAN

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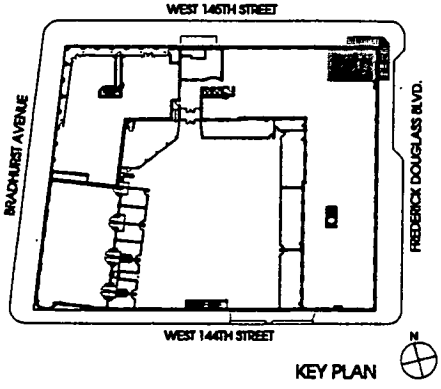
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0 5 FT. 10 FT.

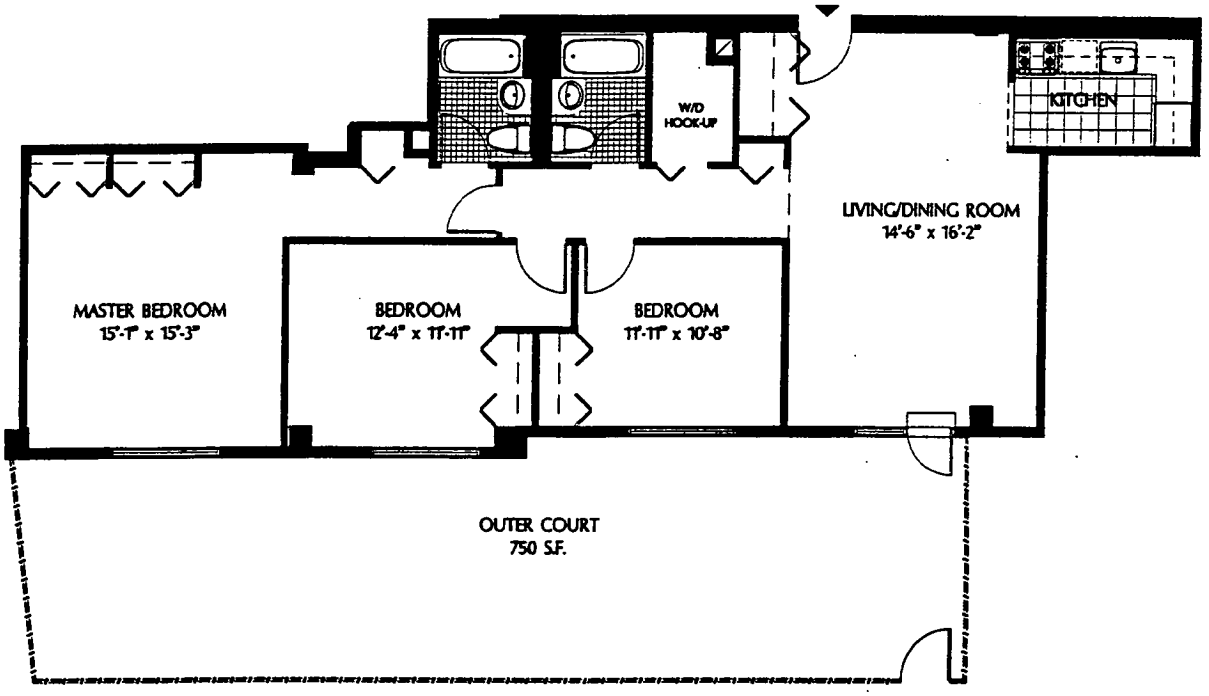
APARTMENT #1K
1st FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 957 S.F.



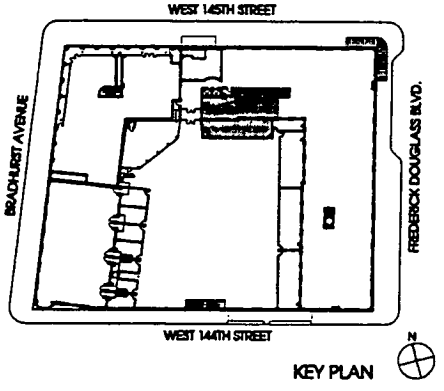
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0 5 FT. 10 FT.

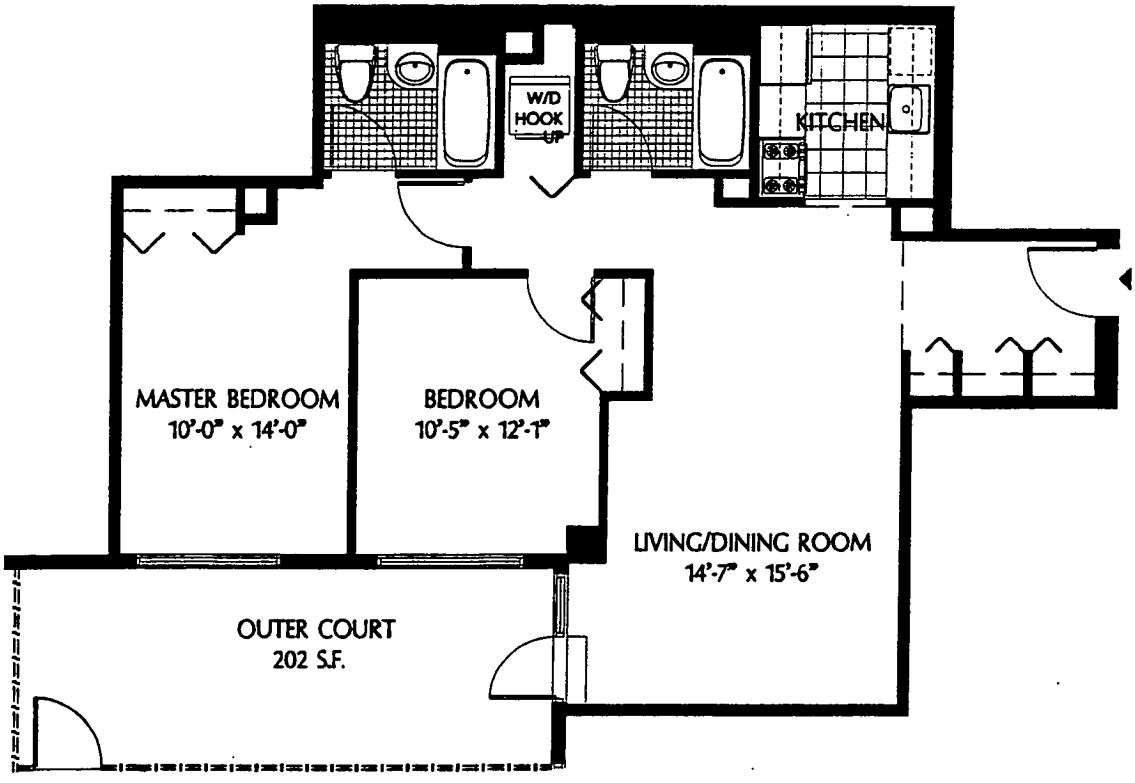


APARTMENT #1L
1st FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,338 S.F.
COURT AREA: 750 S.F.

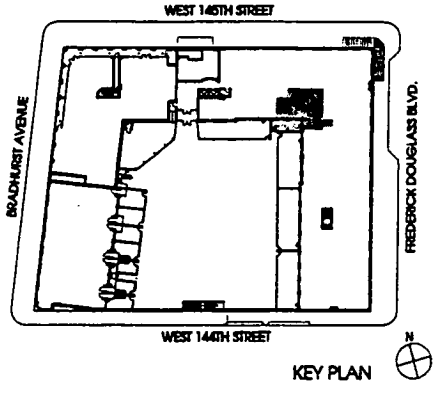
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0 5 FT. 10 FT.



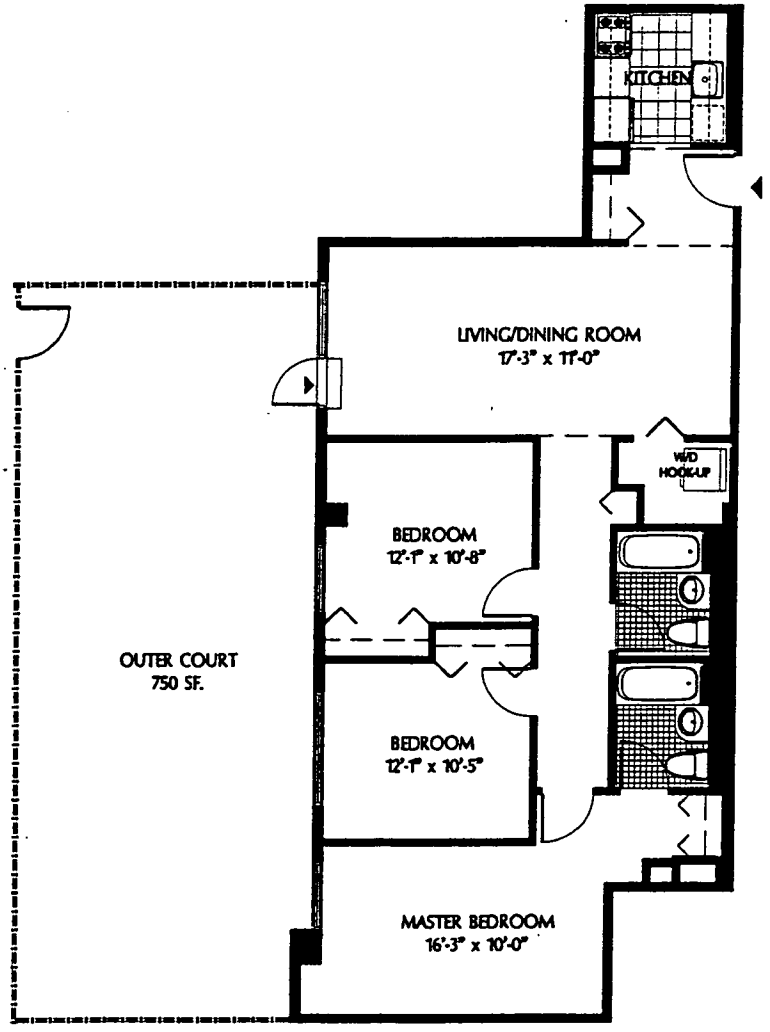
KEY PLAN

APARTMENT #1M
1st FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 930 S.F.
COURT AREA: 202 S.F.

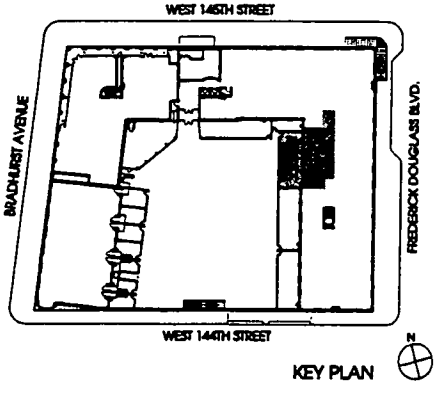
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0 5 FT. 10 FT.



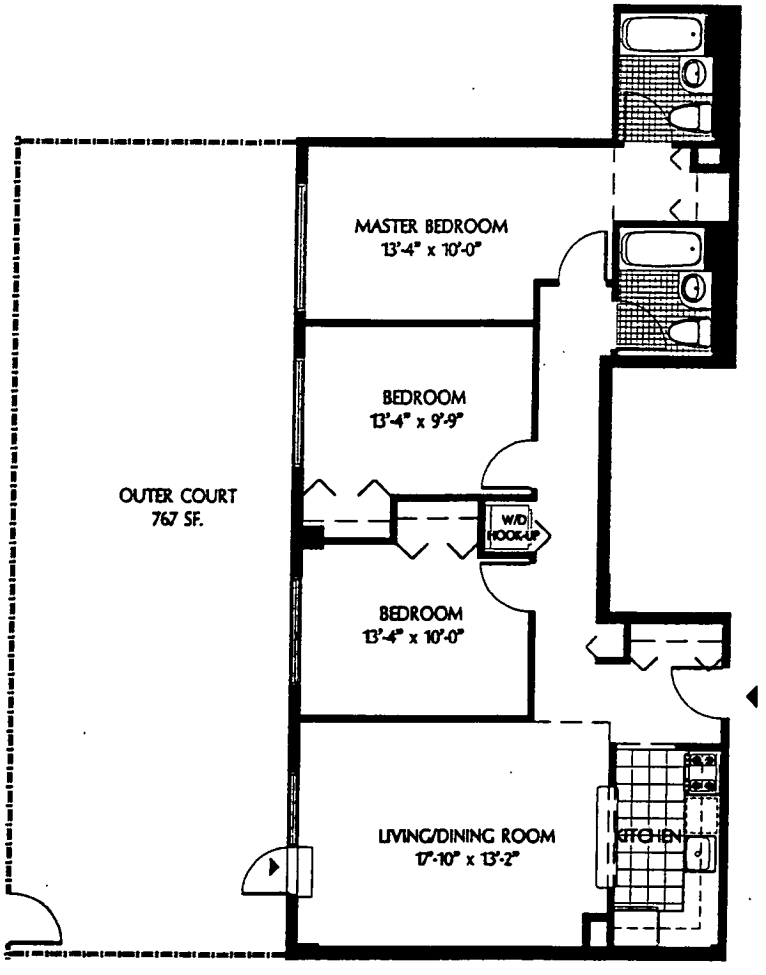
KEY PLAN

APARTMENT #1N
1st FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,142 S.F.
COURT AREA: 750 S.F.

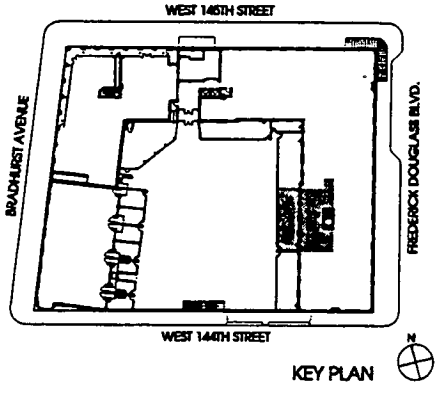
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04/12/04



0 5 FT. 10 FT.



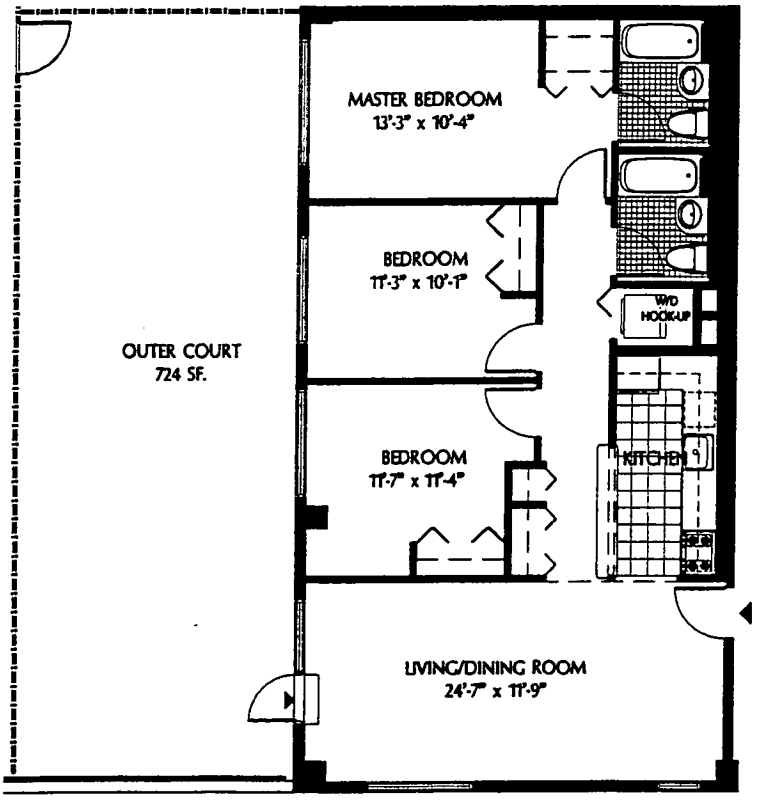
KEY PLAN

APARTMENT #1P
1st FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,118 S.F.
COURT AREA: 767 S.F.

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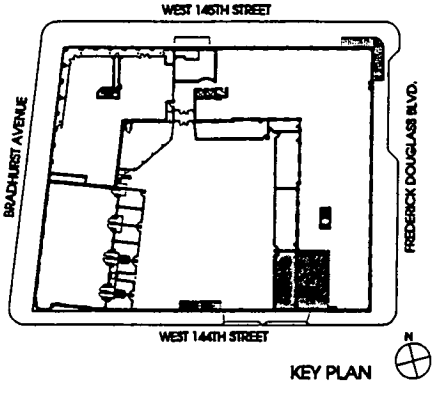
04/12/04



0 5 FT. 10 FT.

APARTMENT #1Q
1st FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,118 S.F.
COURT AREA: 724 S.F.

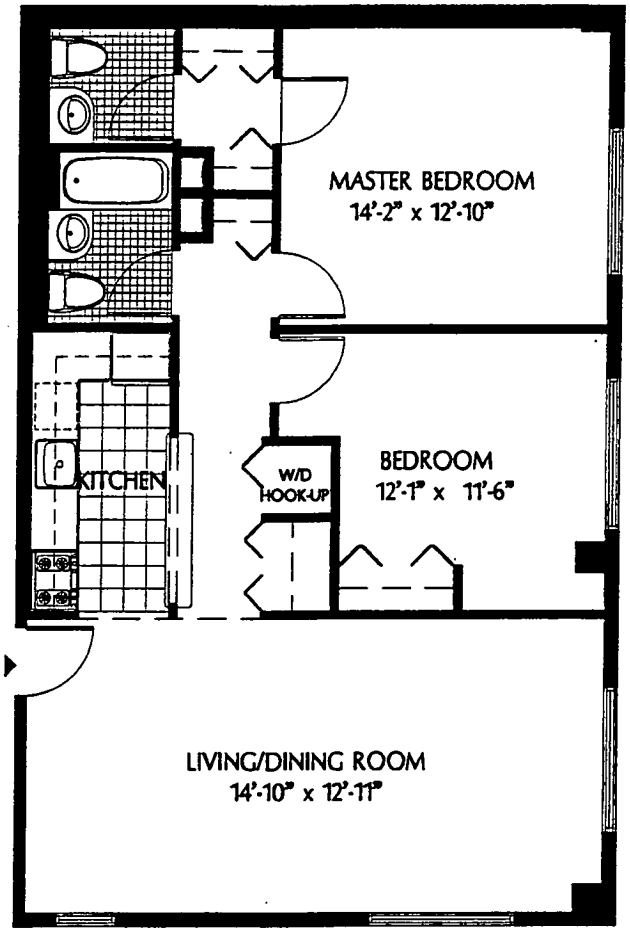
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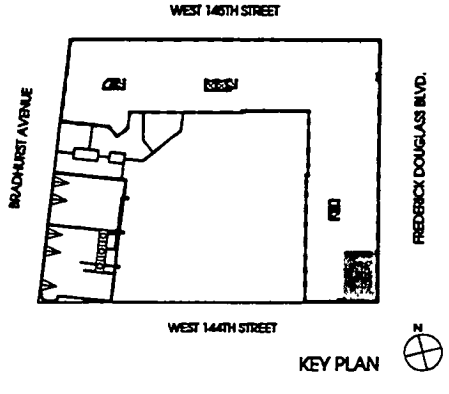
KEY PLAN

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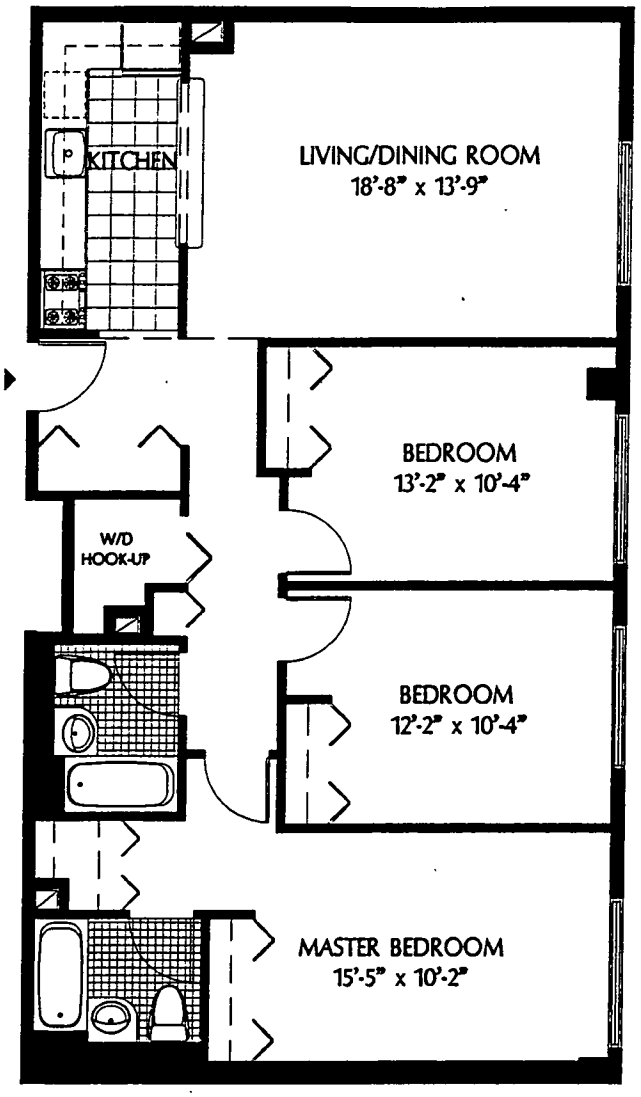


APARTMENT #1R,#2R,#3R,#4R,#5R
1st THRU 5th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 991 S.F.

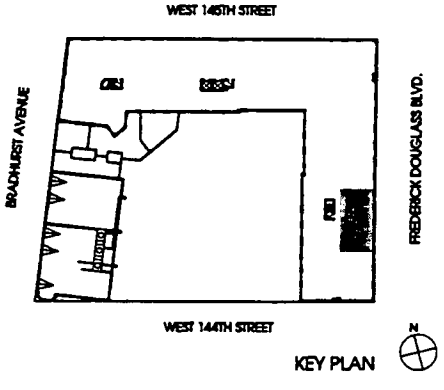
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0 5 FT. 10 FT.

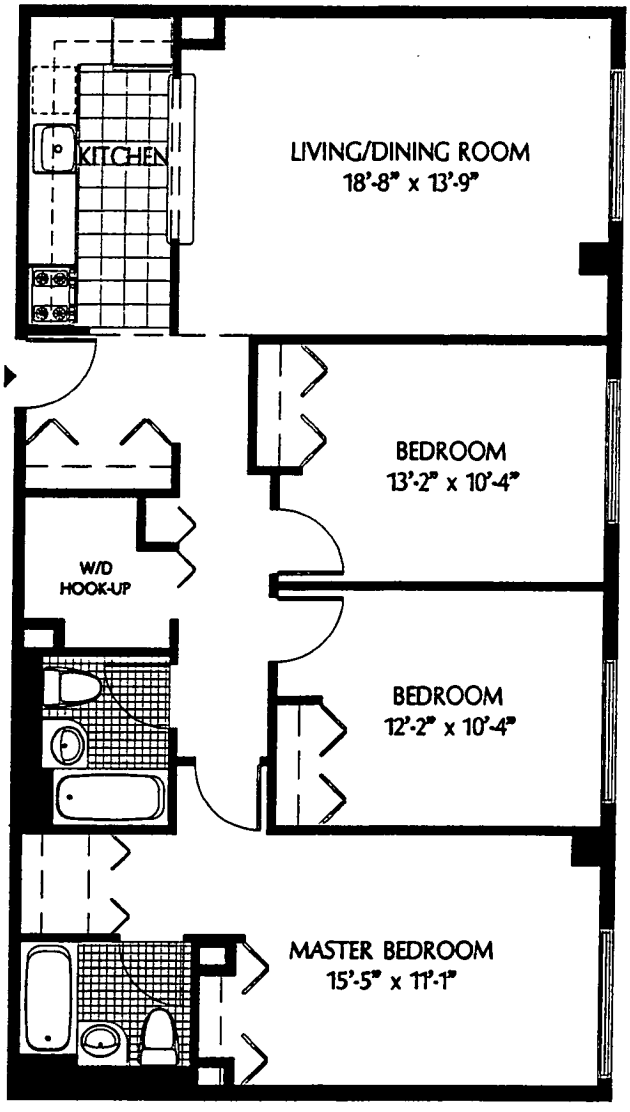


APARTMENT #1S,#2S,#3S,#4S,#5S
1st THRU 5th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,169 S.F.

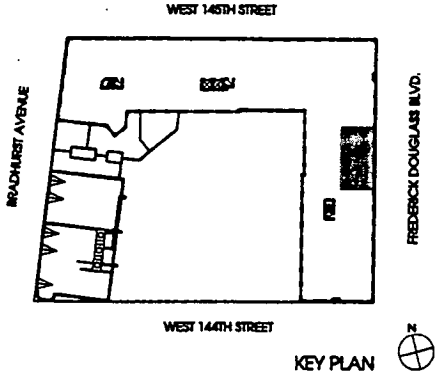
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0 5 FT. 10 FT.

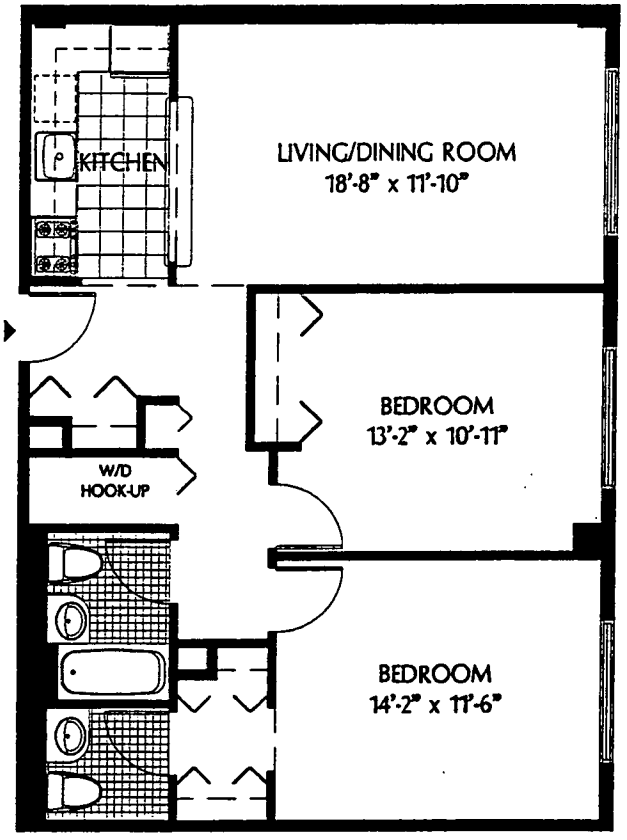


APARTMENT #1T,#2T,#3T,#4T,#5T
1st THRU 5th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,197 S.F.

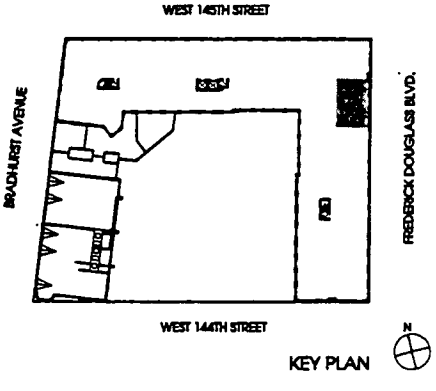
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0 5 FT. 10 FT.

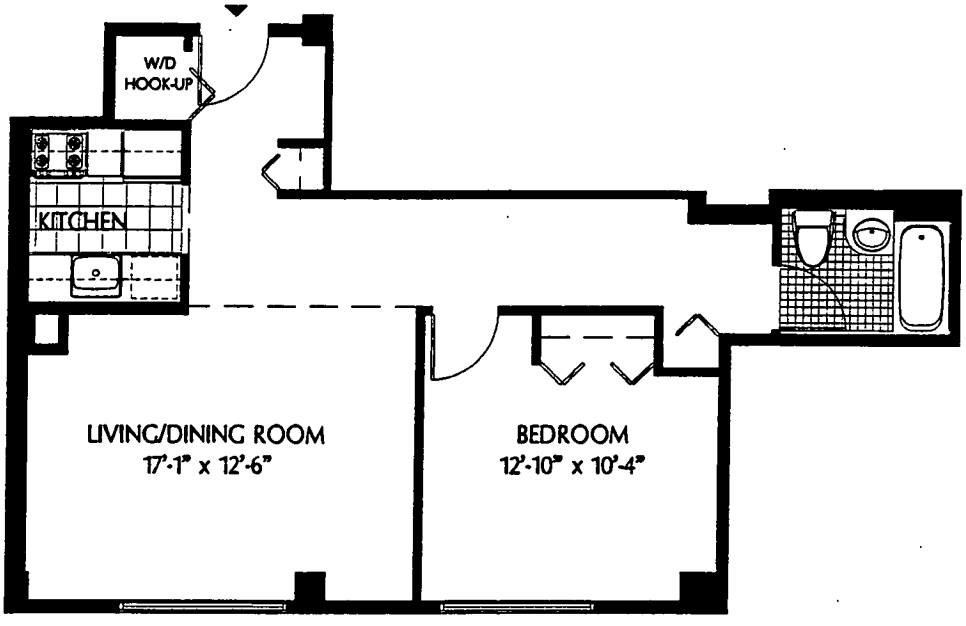


APARTMENT #1U,#2U,#3U,#4U,#5U
1st THRU 5th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 906 S.F.

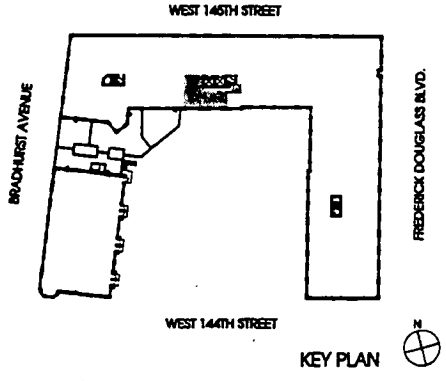
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0 5 FT. 10 FT.

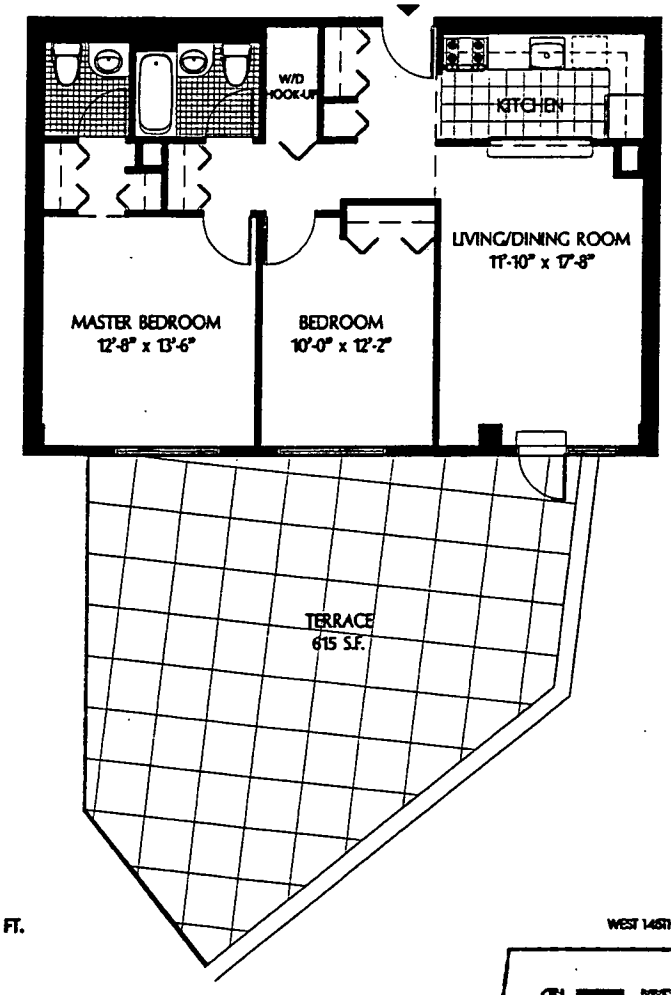


APARTMENT #2A,#3A,#4A,#5A,#6A,#7A
2nd THRU 7th FLOOR
1 BEDROOM APARTMENT
1 BATHROOM
AREA: 696 S.F.

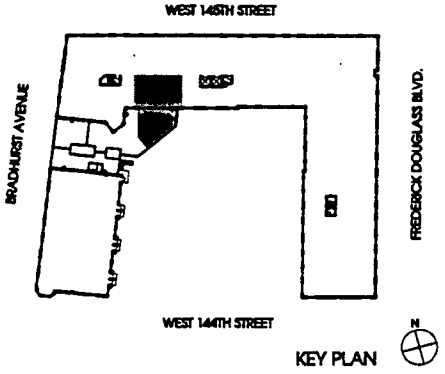
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0 5 FT. 10 FT.

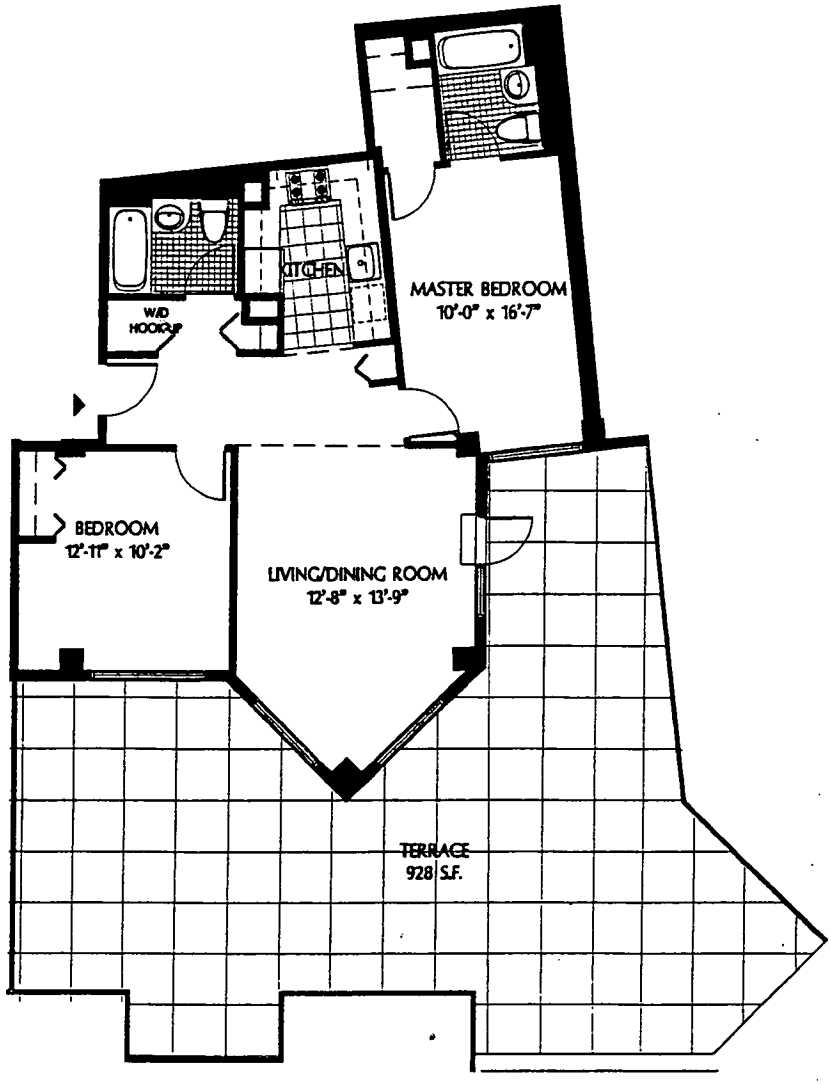


APARTMENT #2B
2nd FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 898 S.F.
TERRACE AREA: 615 S.F.

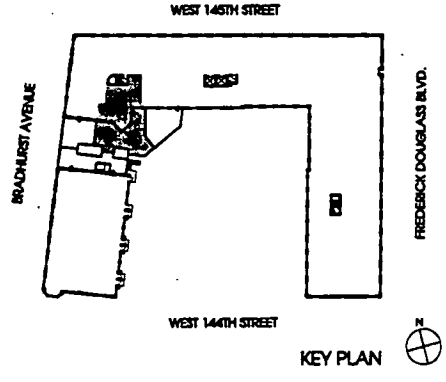
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0 5 FT. 10 FT.

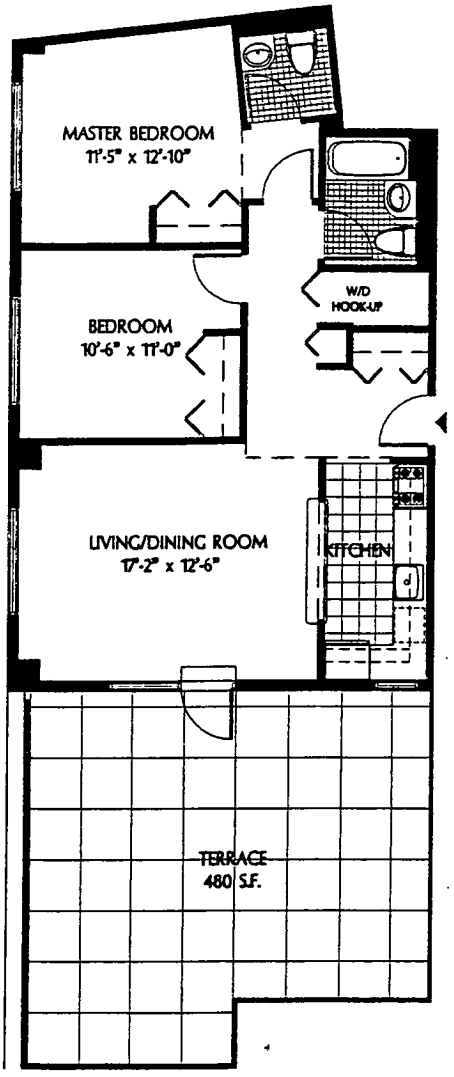


APARTMENT #2C
2nd FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 928 S.F.
TERRACE AREA: 928 S.F.

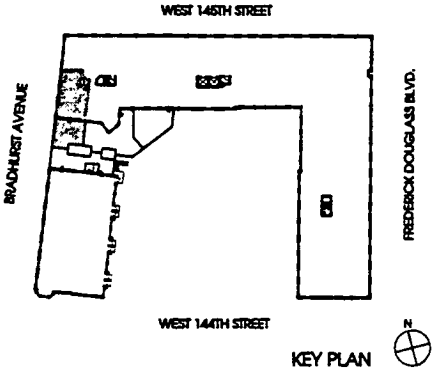
Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

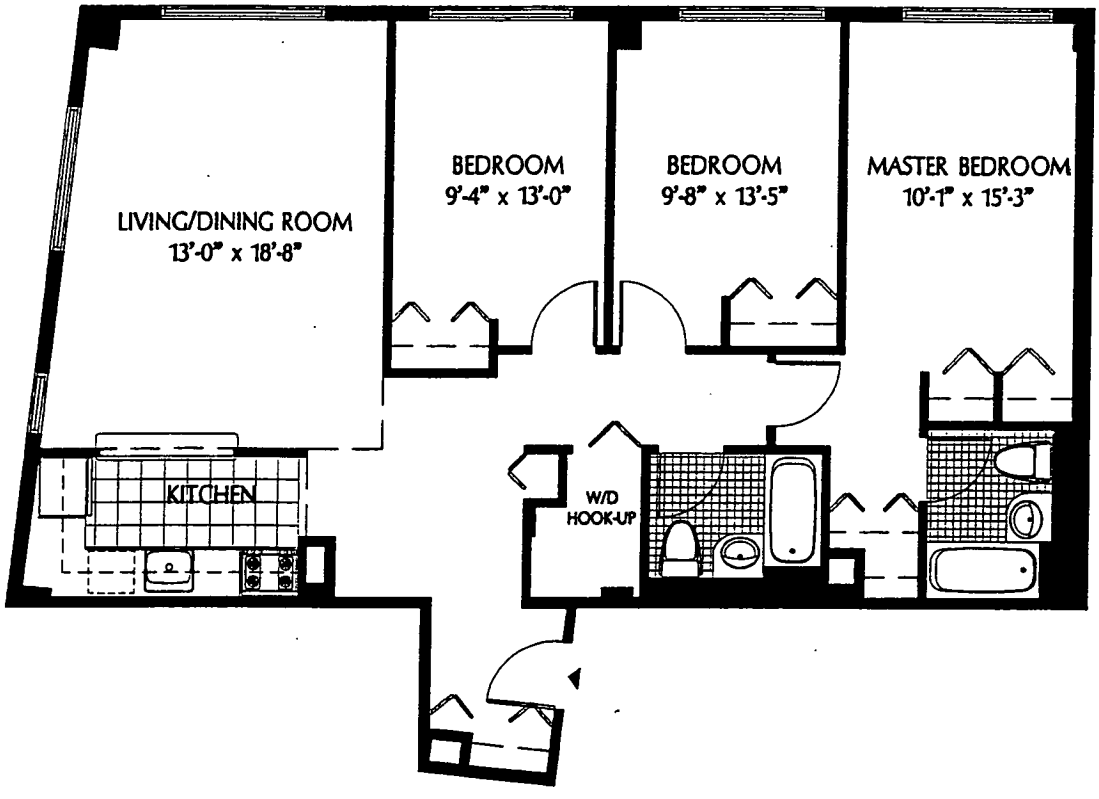


APARTMENT #2D
2nd FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 883 S.F.
TERRACE AREA: 480 S.F.

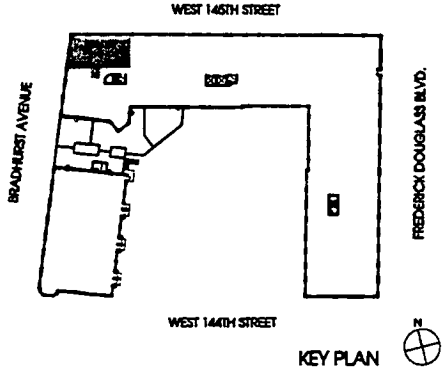
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

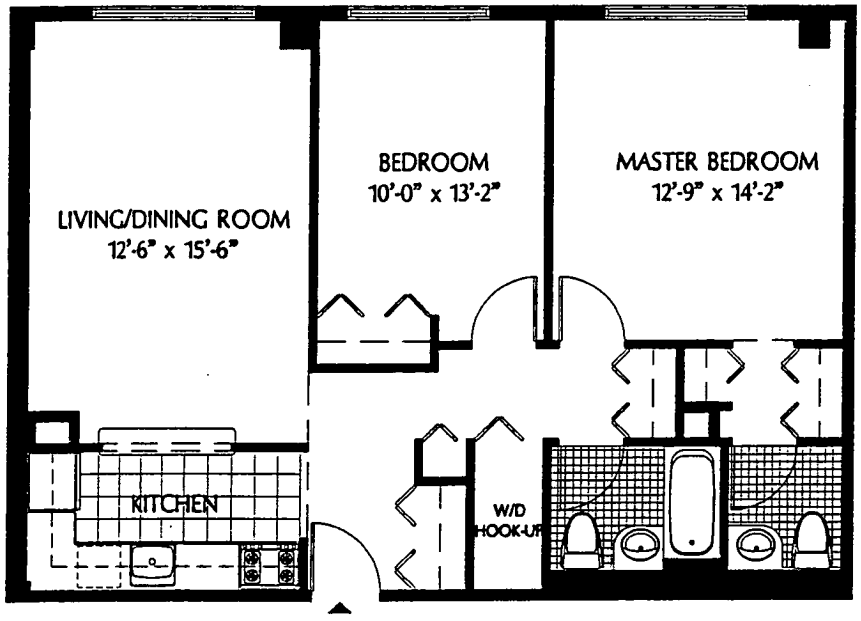


APARTMENT #2E,#3E,#4E,#5E,#6E
2nd THRU 6th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,189 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

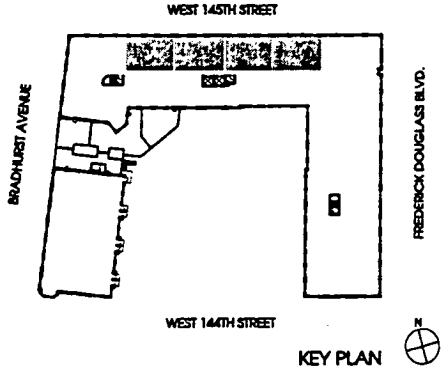
BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

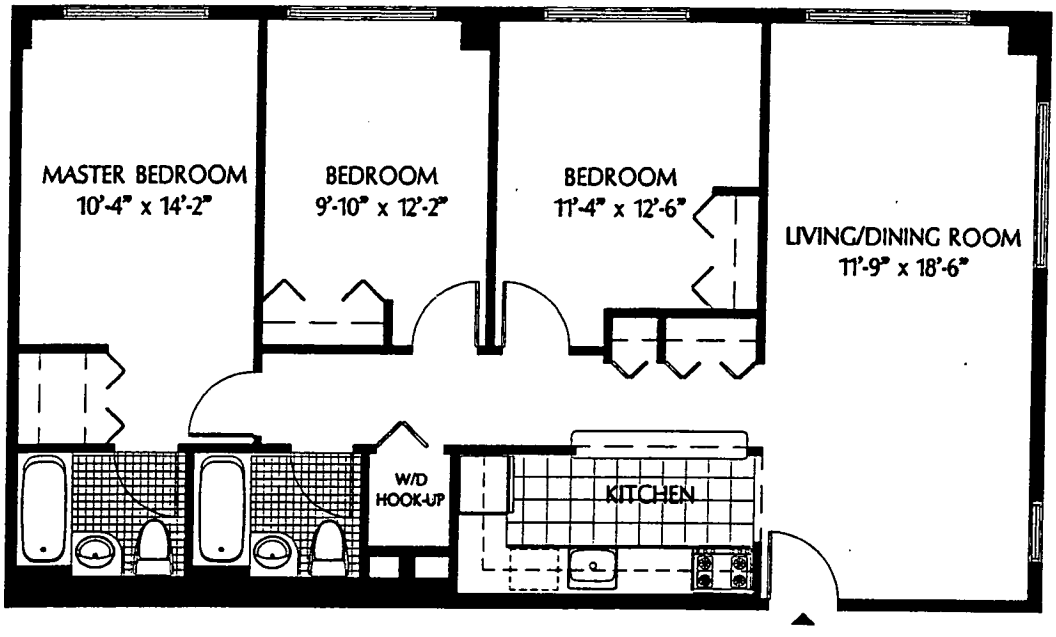
APARTMENT
#2-5F,#2-5G,#1-5H,#2-5J
1st THRU 5th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 932 S.F.



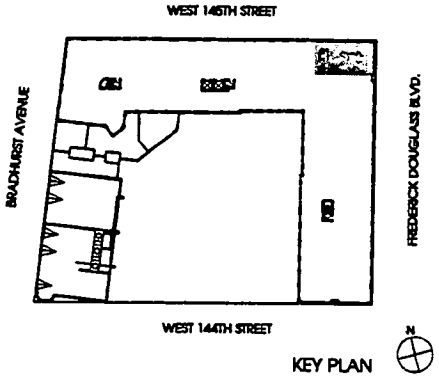
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

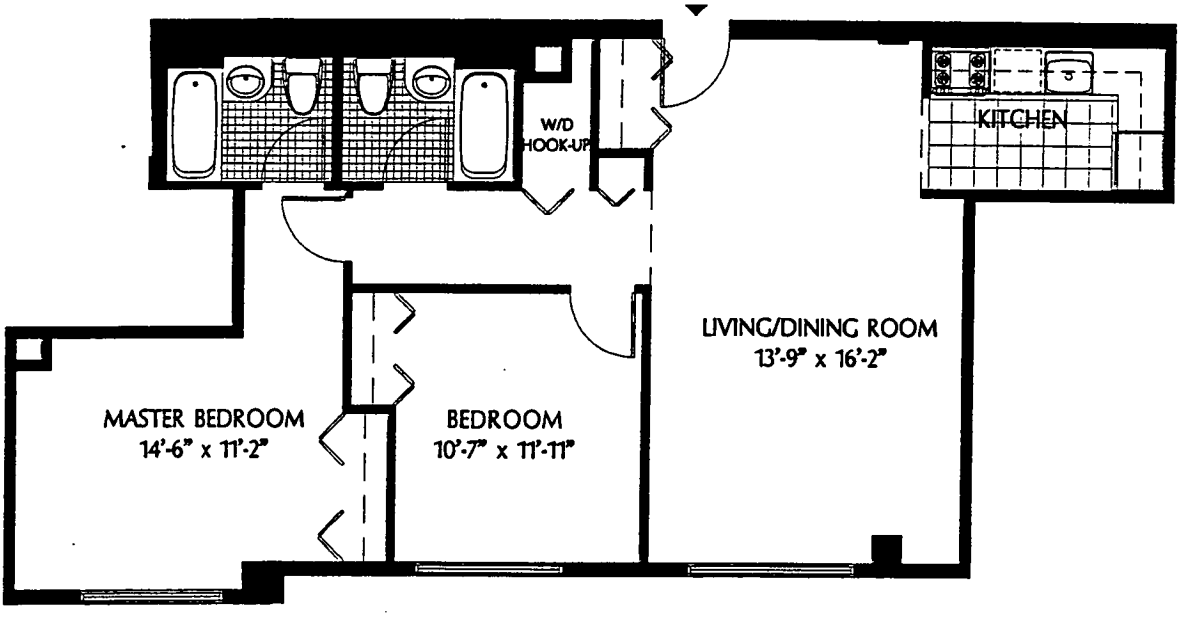


APARTMENT #2K,#3K,#4K,#5K
2nd THRU 5th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,131 S.F.

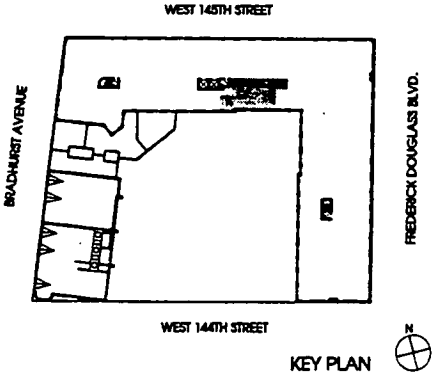
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

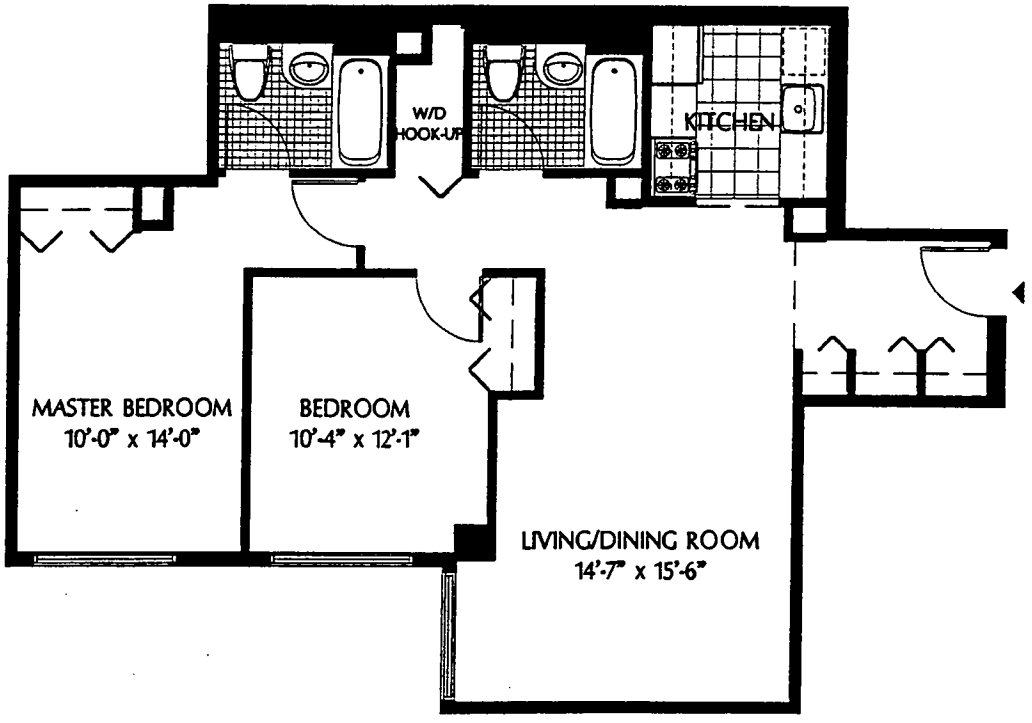


APARTMENT #2L,#3L,#4L,#5L,#6L,#7L
2nd THRU 7th FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 960 S.F.

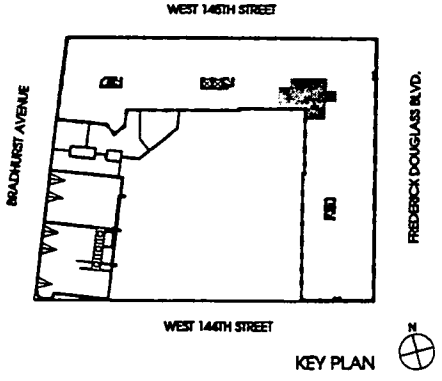
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

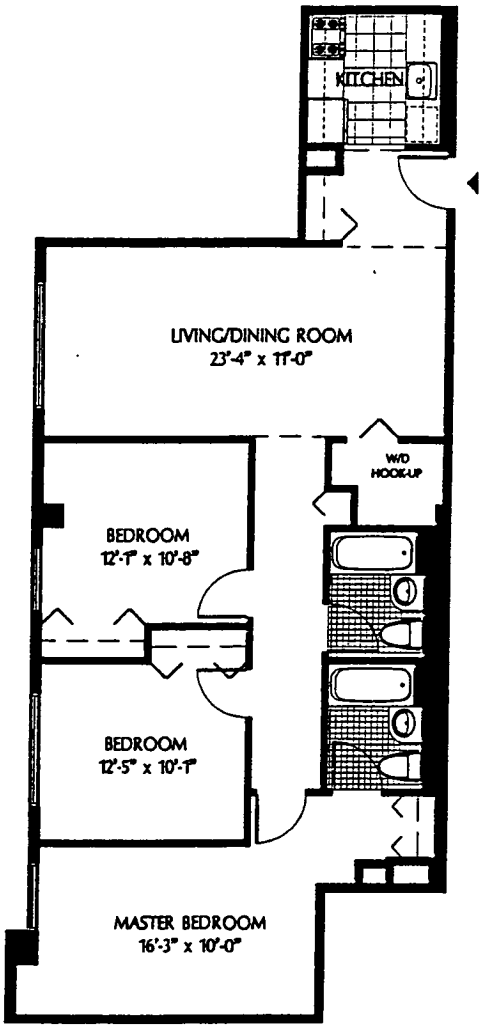


APARTMENT #2M,#3M,#4M,#5M,#6M,#7M
2nd THRU 7th FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 930 S.F.

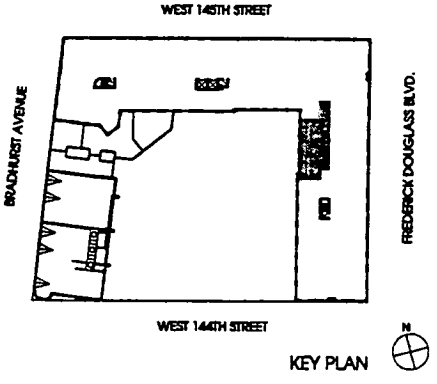
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

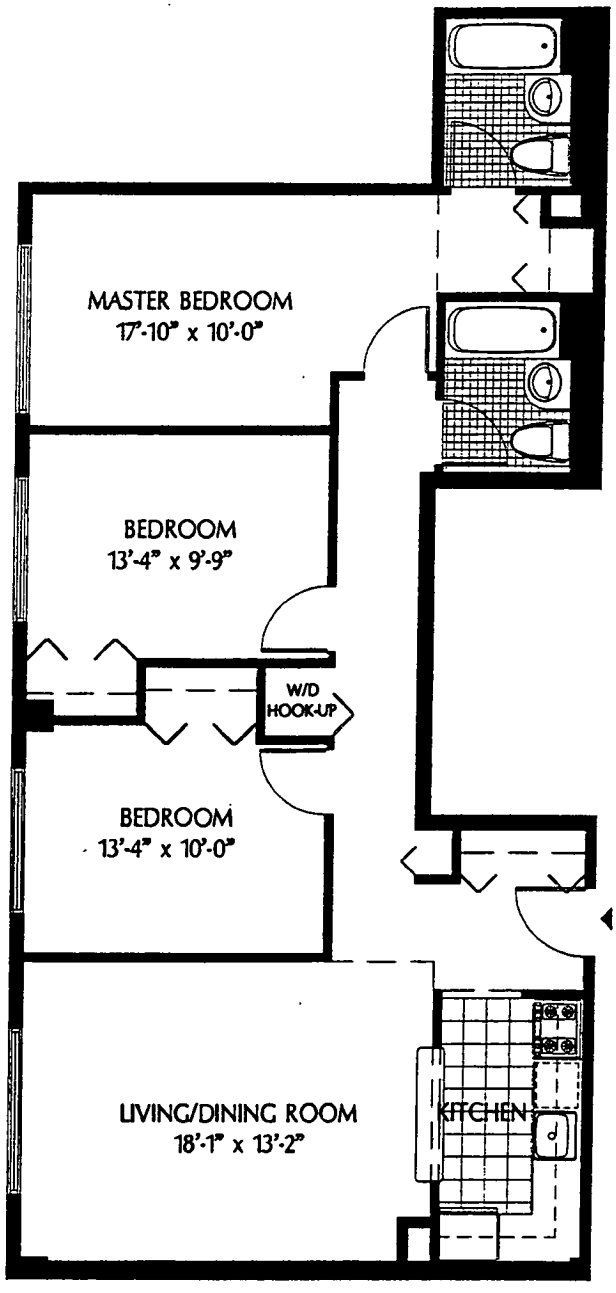


APARTMENT #2N,#3N,#4N,#5N,#6N,#7N
2nd THRU 7th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,142 S.F.

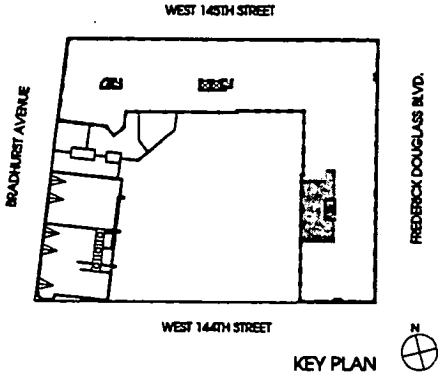
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

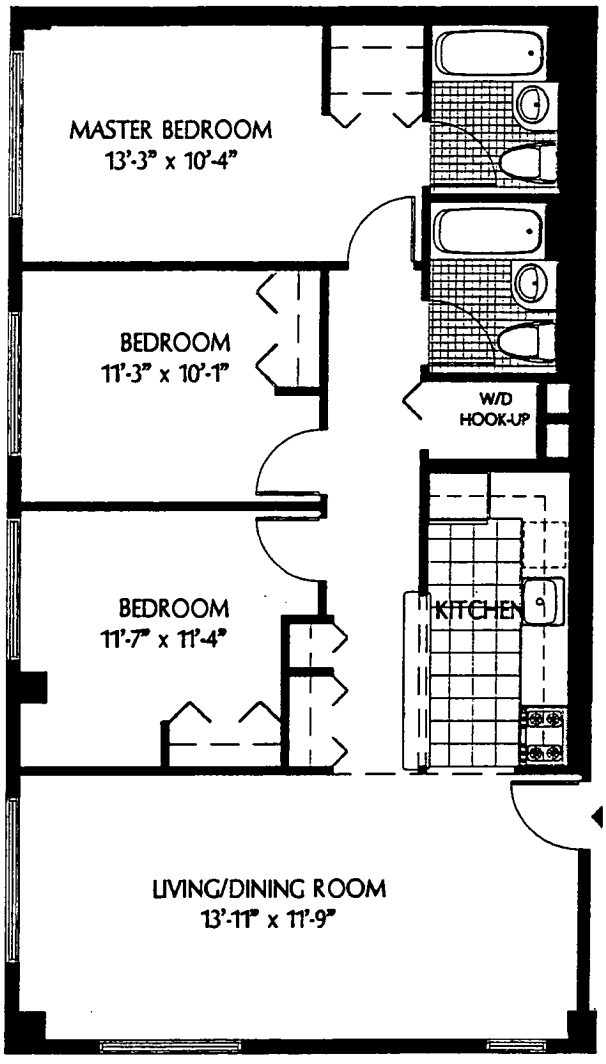


APARTMENT #2P,#3P,#4P,#5P
2nd THRU 5th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,118 S.F.

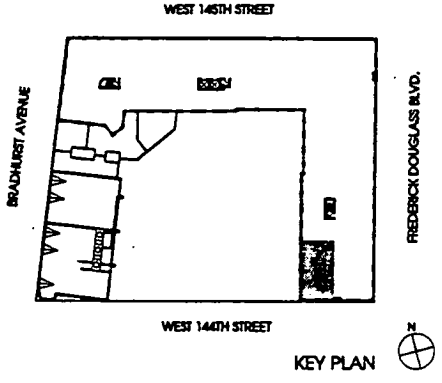
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

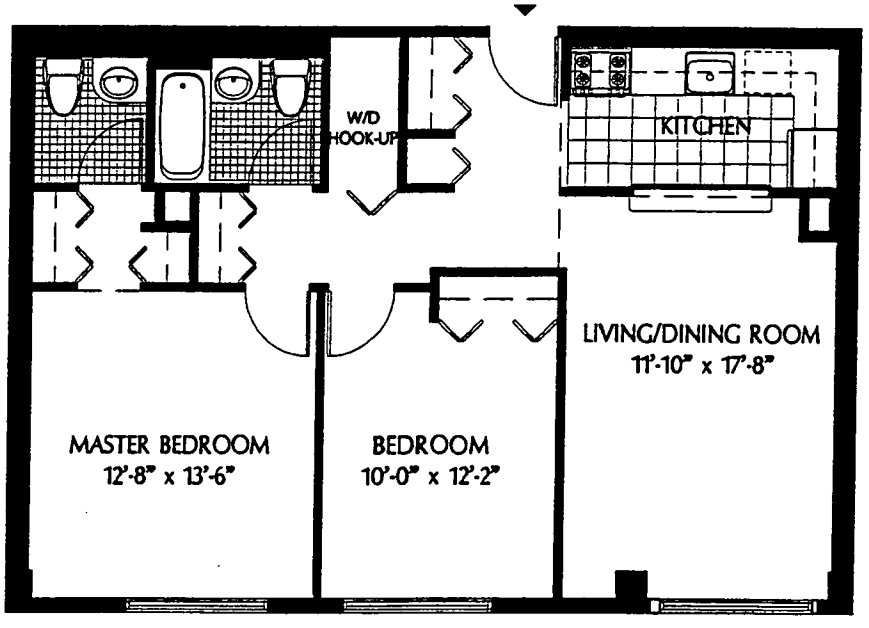


APARTMENT #2Q,#3Q,#4Q,#5Q
2nd THRU 5th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,118 S.F.

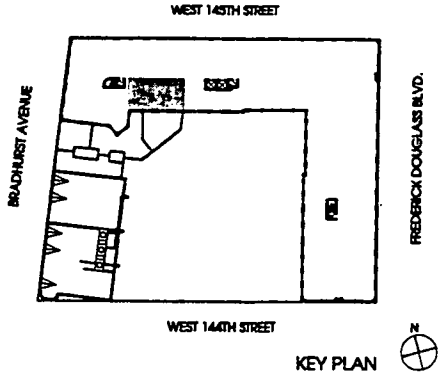
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

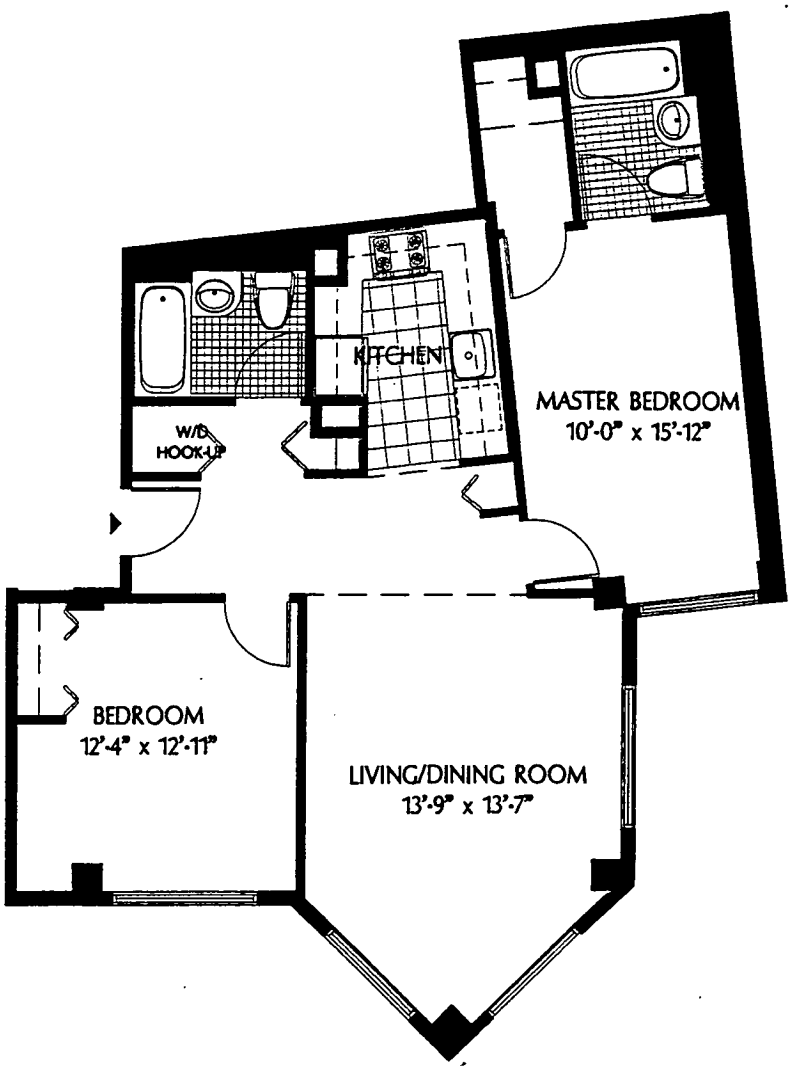


APARTMENT #3B,#4B,#5B,#6B,#7B
3rd thru 7th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 898 S.F.

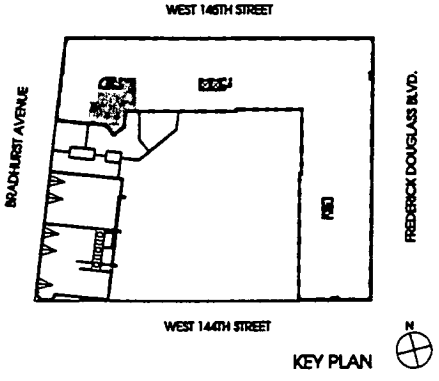
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.



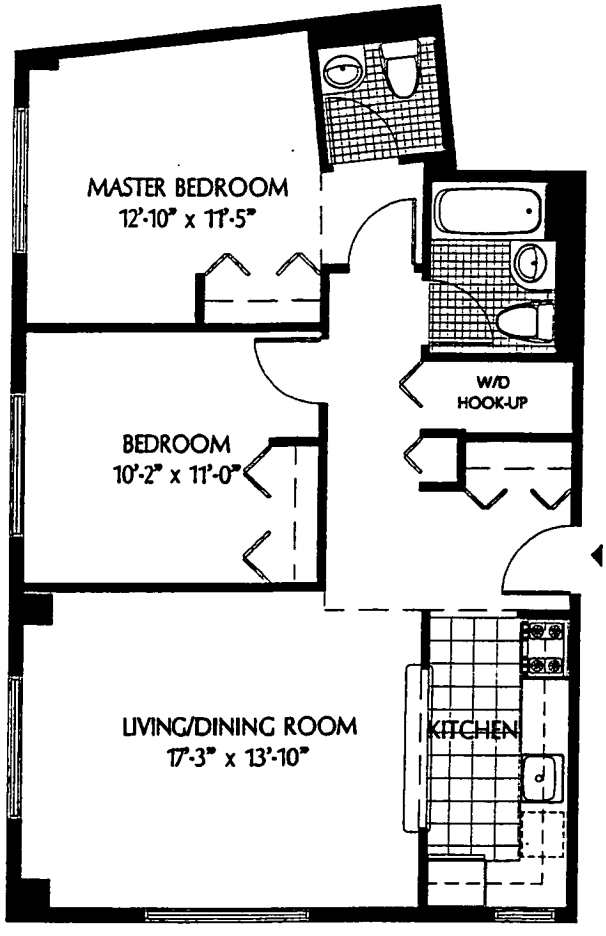
KEY PLAN

APARTMENT #3C,#4C,#5C,#6C
3rd THRU 6th FLOOR
2 BEDROOM APARTMENT
2 BATHROOM
AREA: 928 S.F.

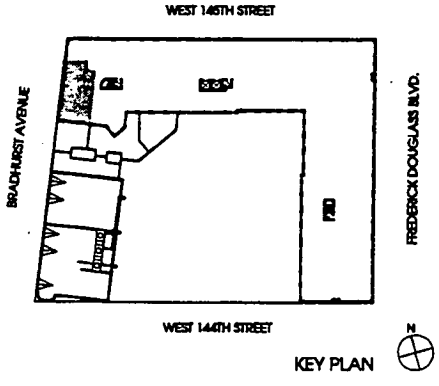
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

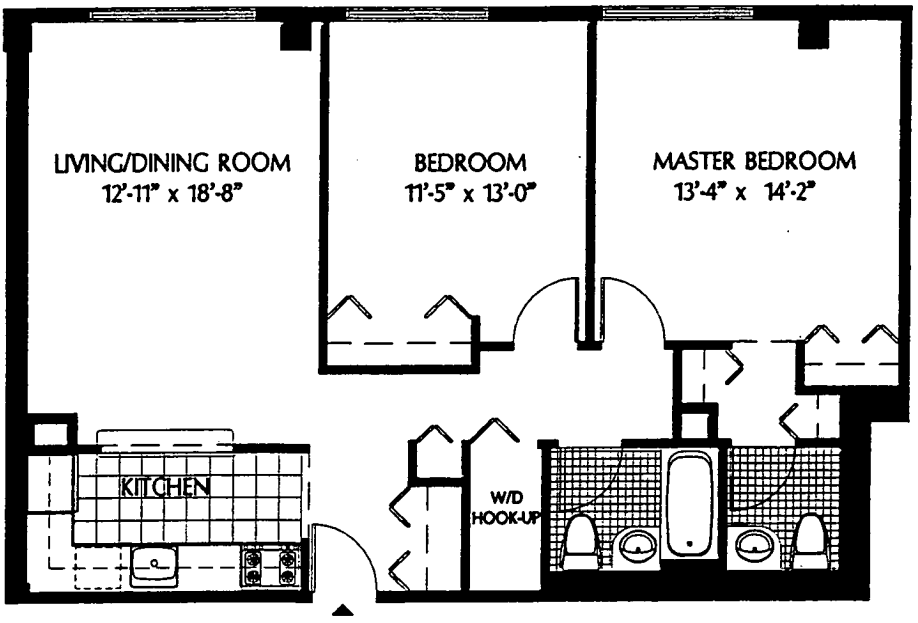


APARTMENT #3D,#4D,#5D,#6D
3rd THRU 6th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 883 S.F.

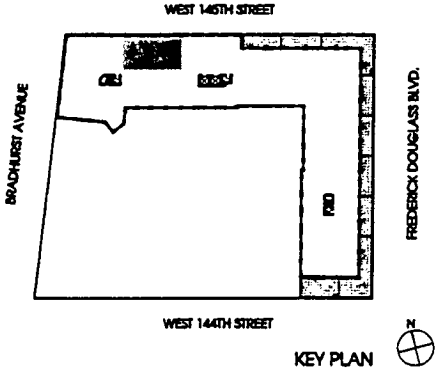
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

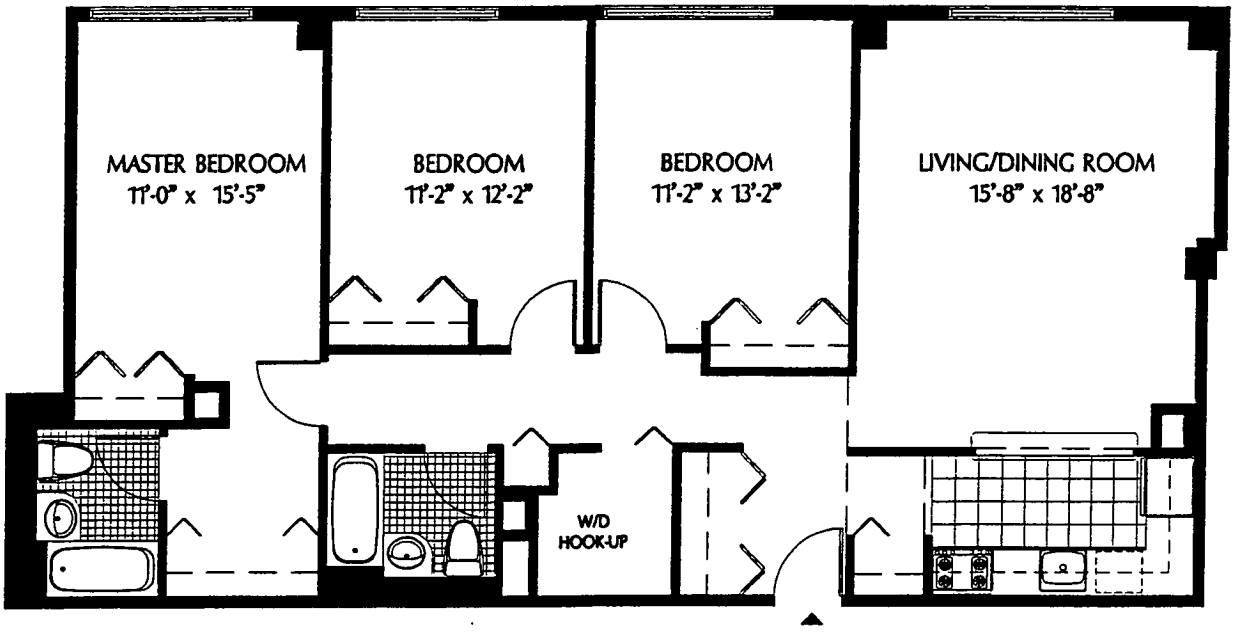


APARTMENT #6F
6th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 976 S.F.

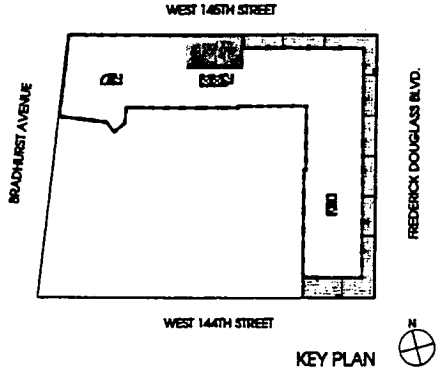
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

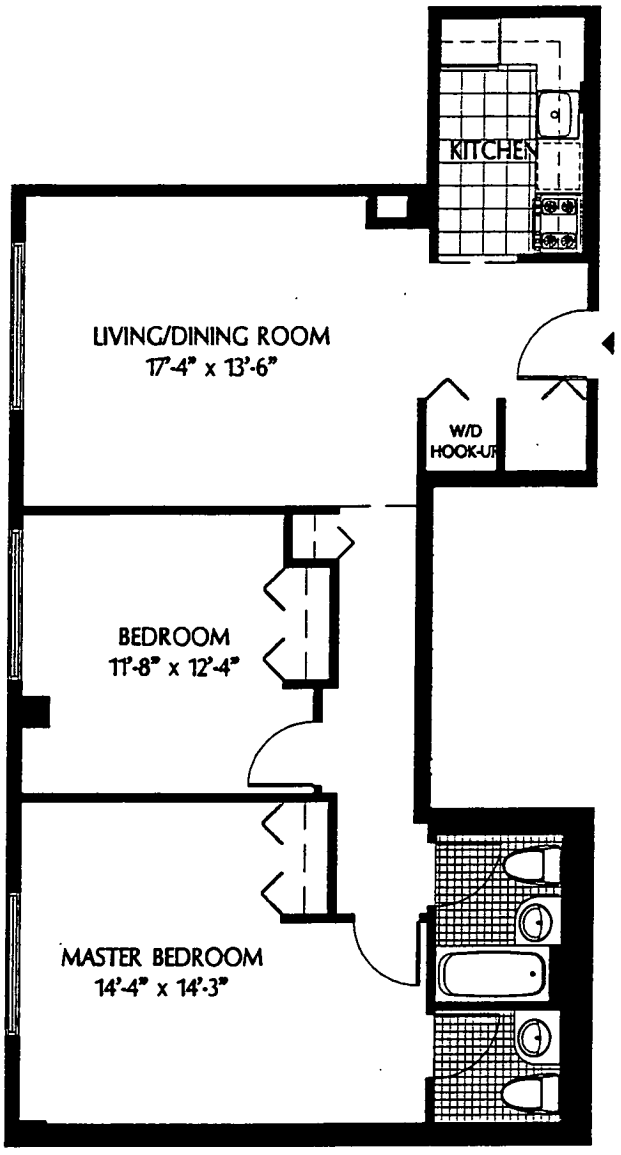


APARTMENT #6G
6th FLOOR
3 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1,289 S.F.

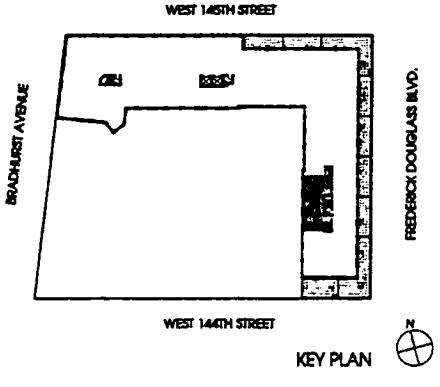
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.

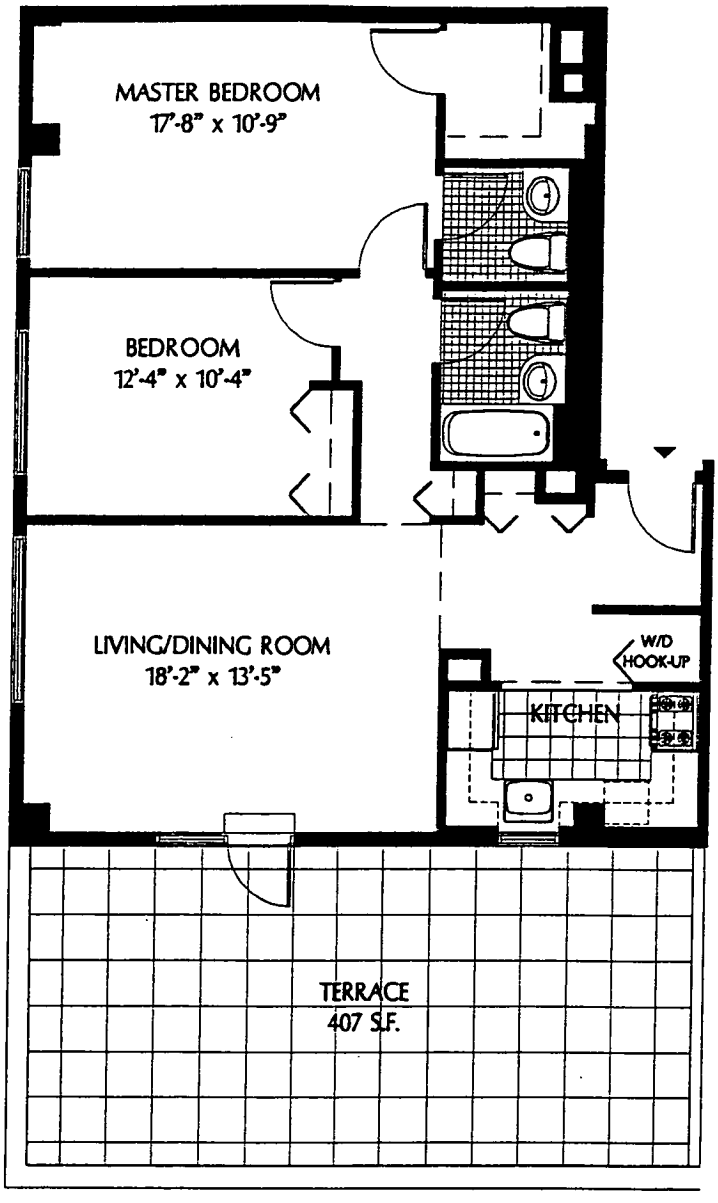


APARTMENT #6P,#7P
6th-7th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 982 S.F.

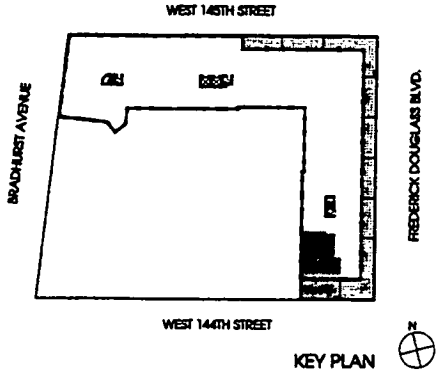
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BRADHURST COURT

04/12/04



0 5 FT. 10 FT.



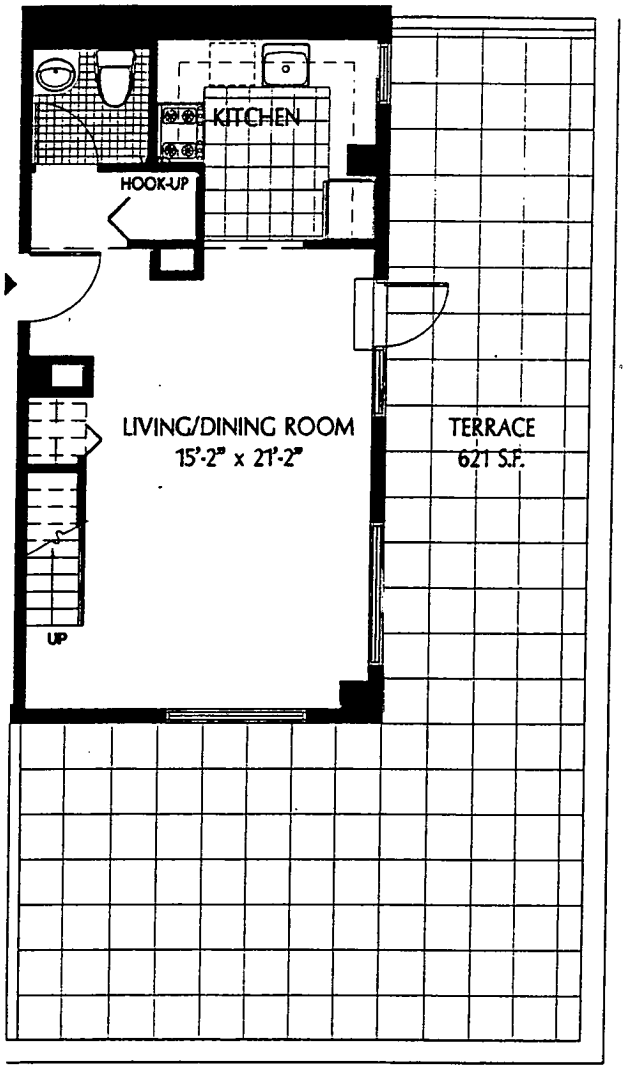
KEY PLAN

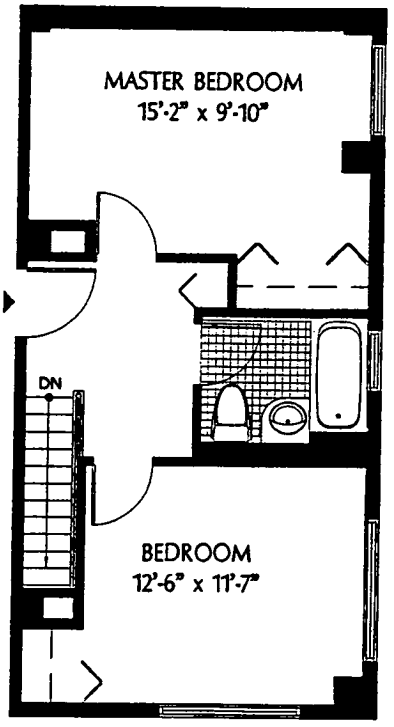
APARTMENT #6Q
6th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 964 S.F.
TERRACE AREA: 407 S.F.

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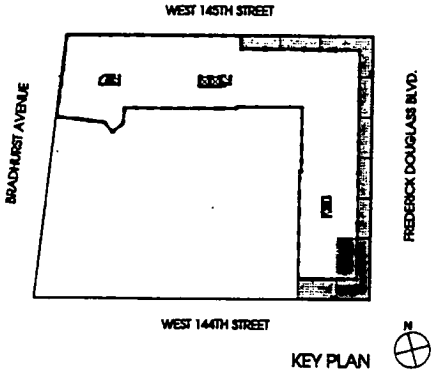
BRADHURST COURT

04/12/04





0 5 FT. 10 FT.

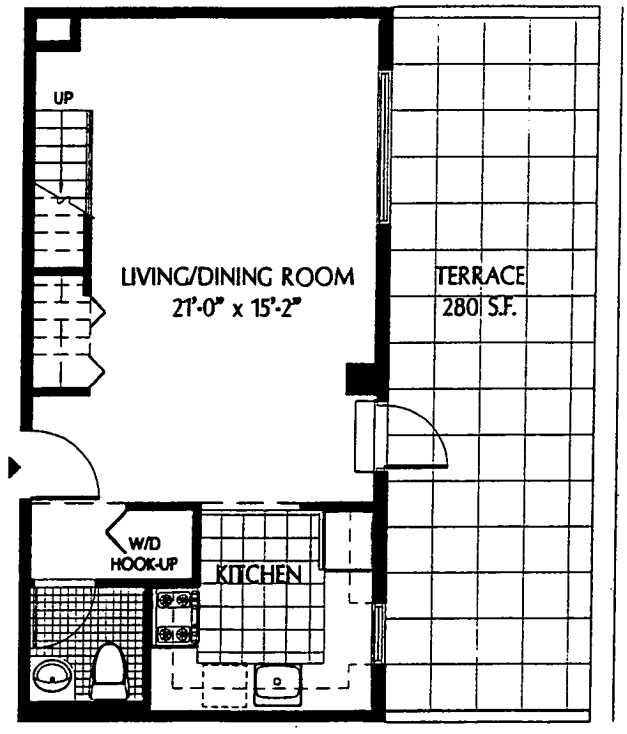


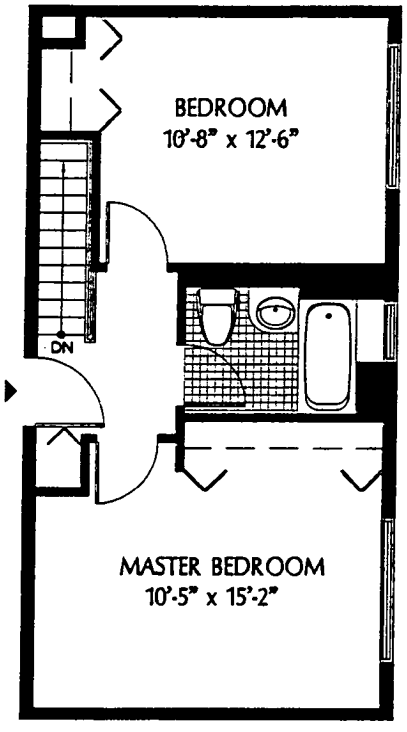
APARTMENT #6R
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 925 S.F.
TERRACE AREA: 621 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

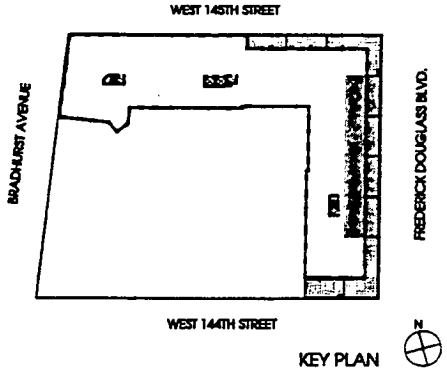
BRADHURST COURT

04/06/04





0 5 FT. 10 FT.

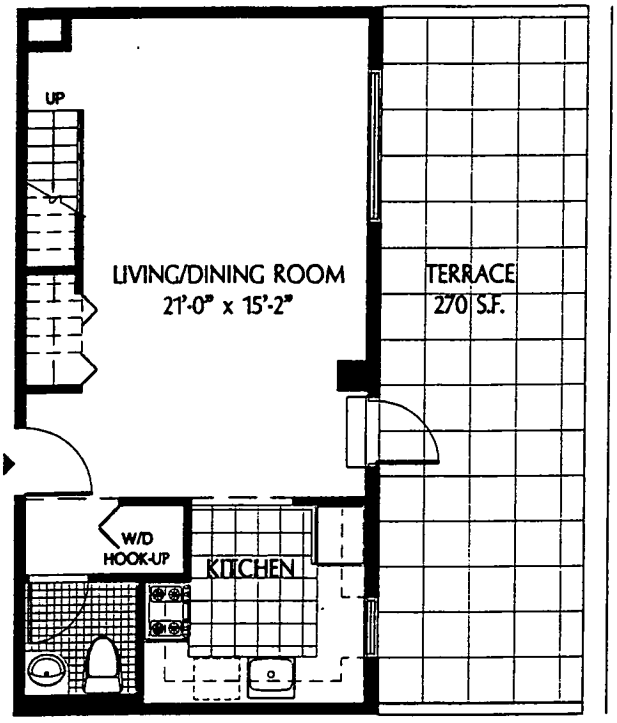


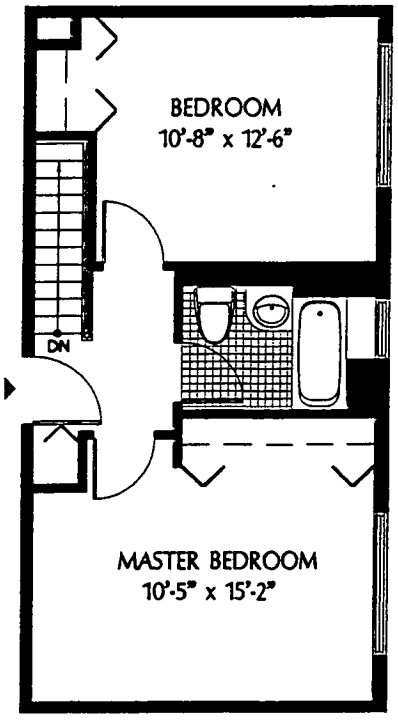
APARTMENT #6S
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 974 S.F.
TERRACE AREA: 280 S.F.

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BRADHURST COURT

04/12/04

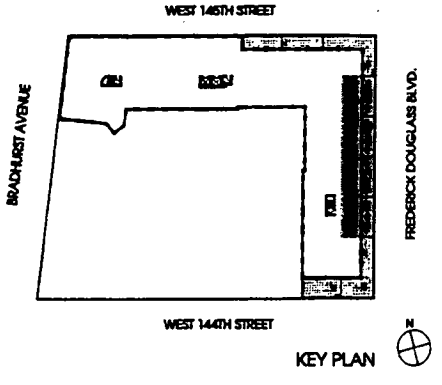






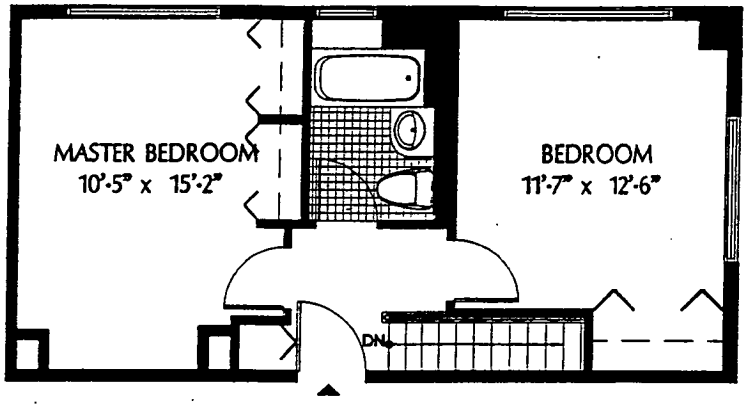
APARTMENT #6T,#6U,#6V
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 941 S.F.
TERRACE AREA: 270 S.F.

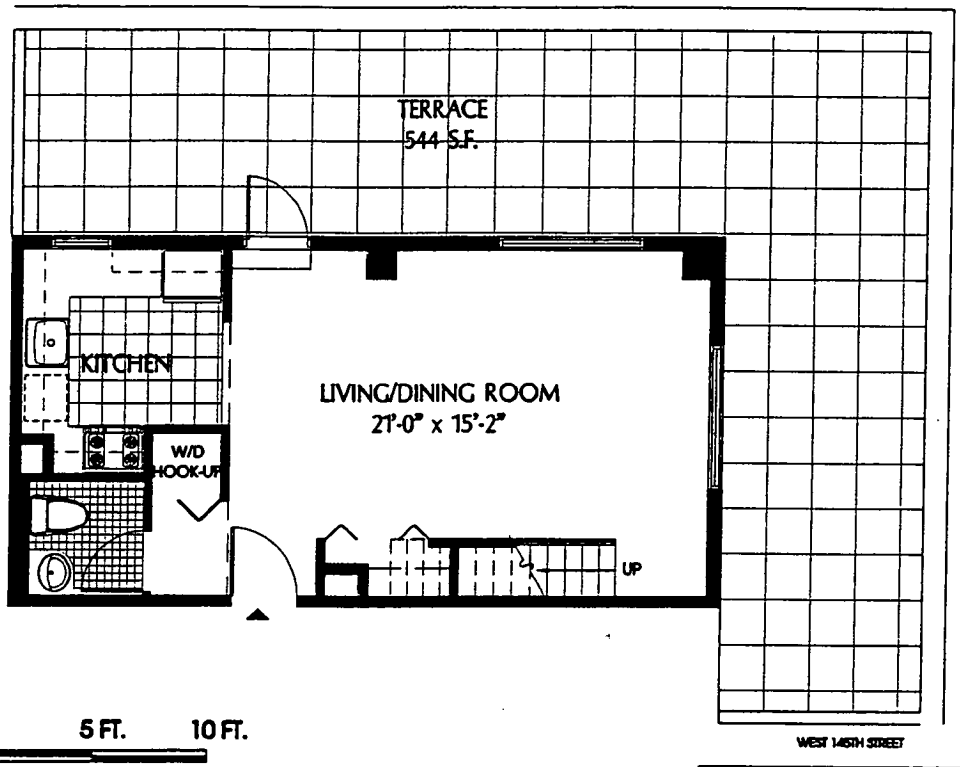
Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended



BRADHURST COURT

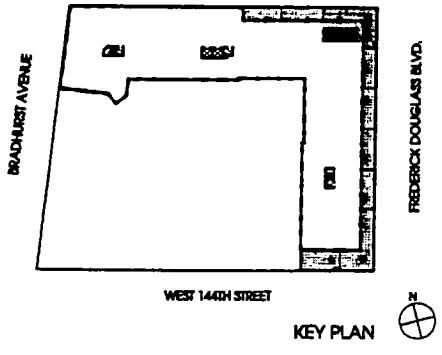
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WEST 145TH STREET



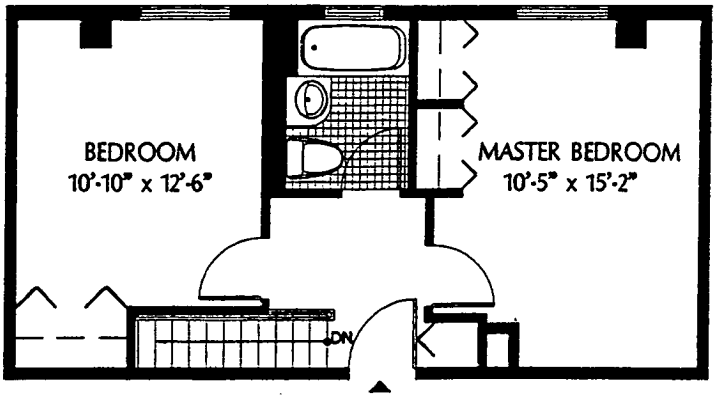
KEY PLAN

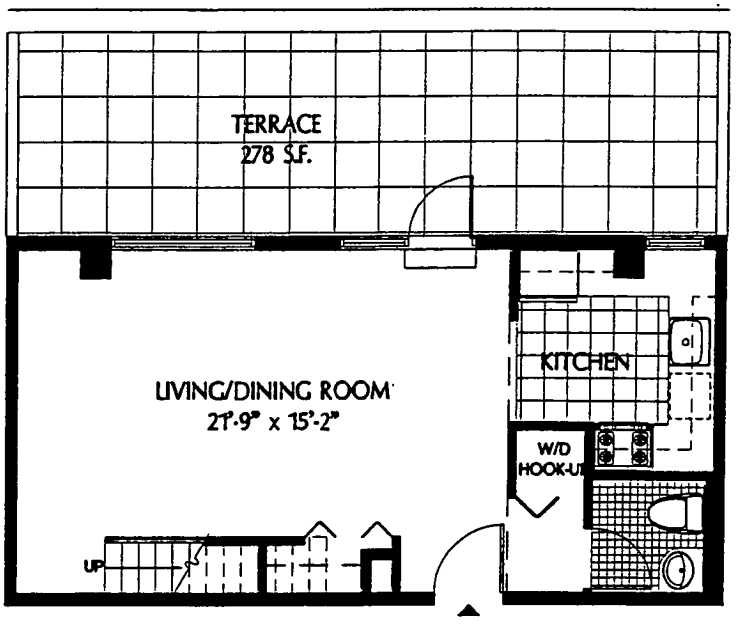
APARTMENT #6W
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 947 S.F.
TERRACE AREA: 544 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

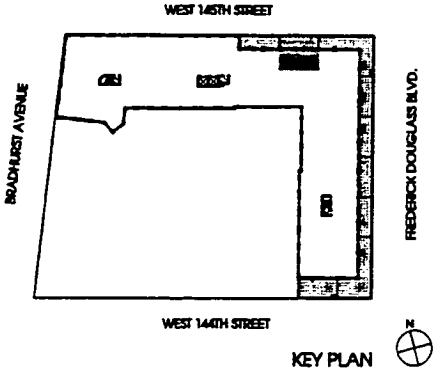
BRADHURST COURT

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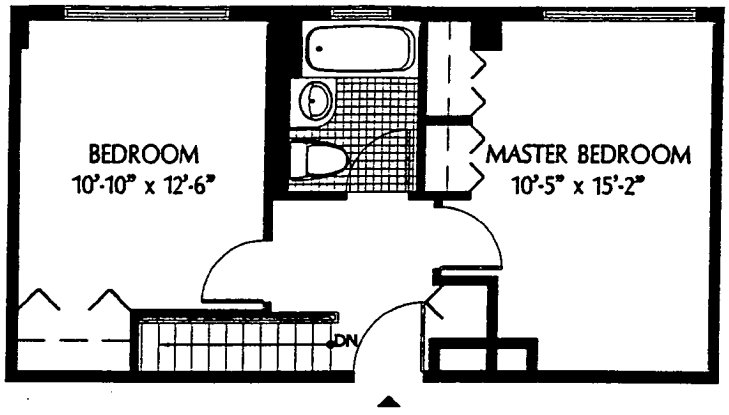


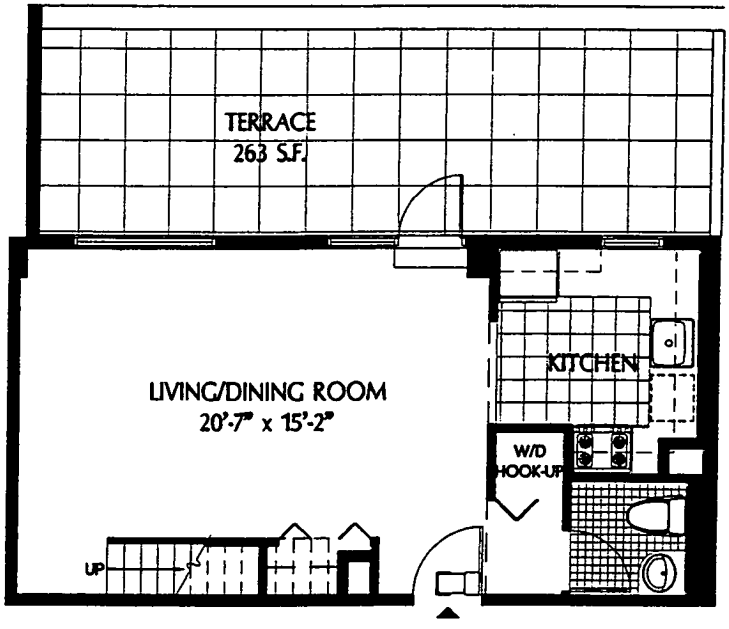
APARTMENT #6X
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 955 S.F.
TERRACE AREA: 278 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

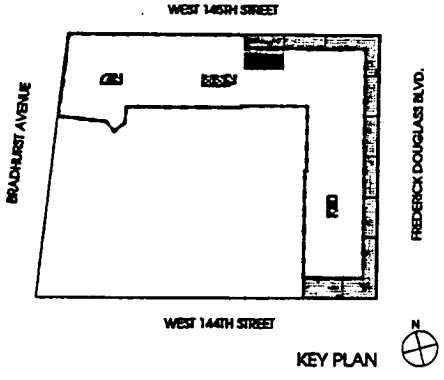
BRADHURST COURT

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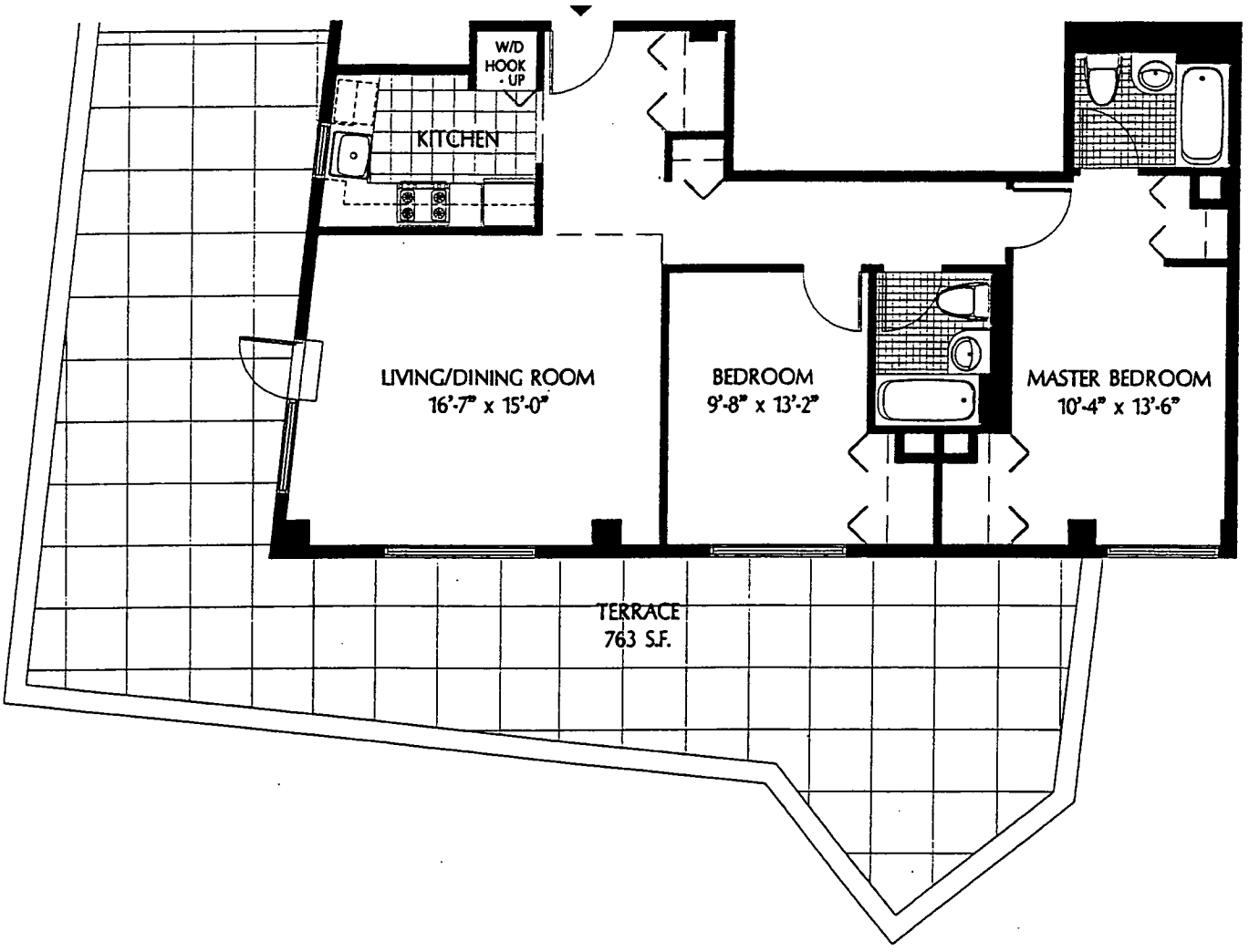


APARTMENT #6Y
6th FLOOR
2 BEDROOM DUPLEX APARTMENT
1 1/2 BATHROOMS
AREA: 943 S.F.
TERRACE AREA: 263 S.F.

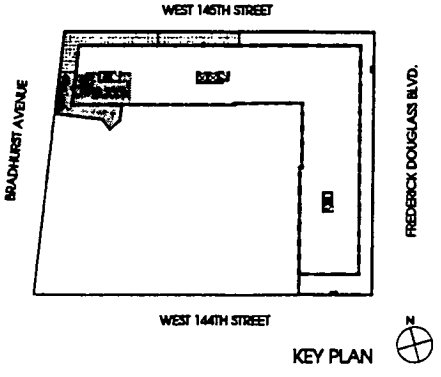
Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

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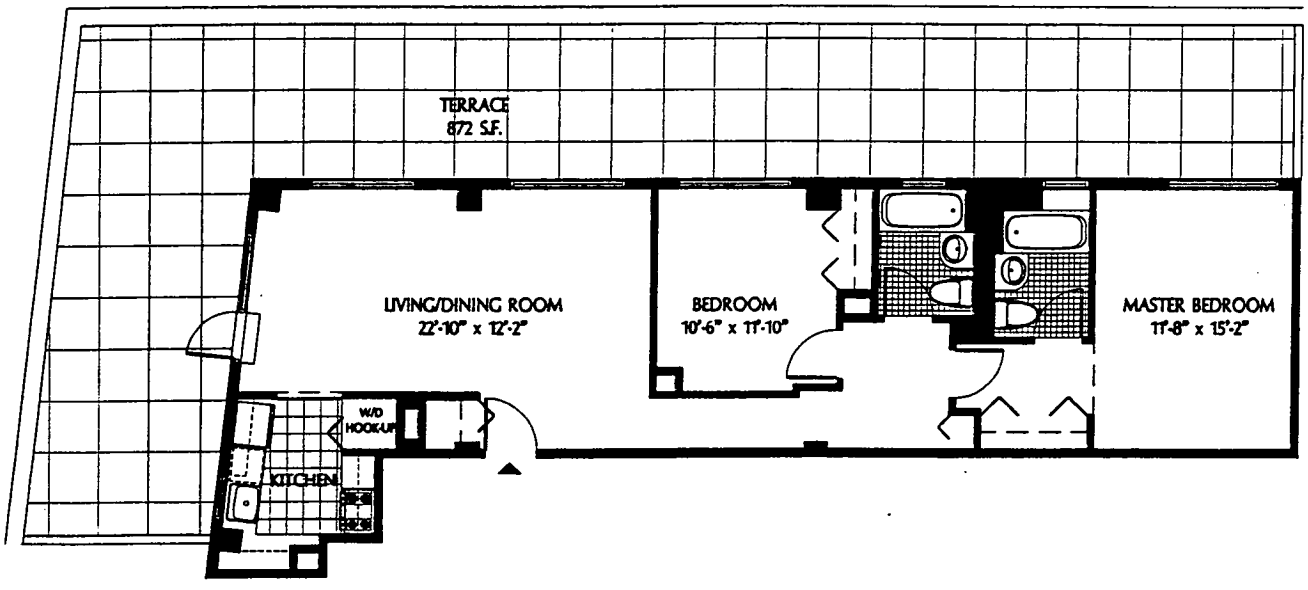


APARTMENT #7C
7th FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 980 S.F.
TERRACE AREA: 763 S.F.

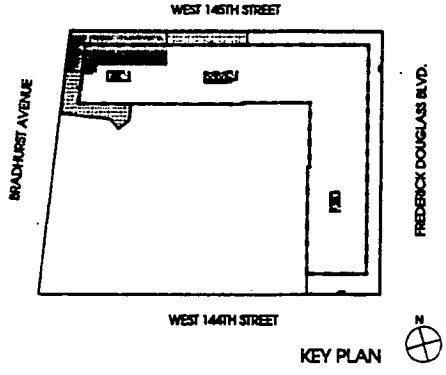
Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended.

BRADHURST COURT

04/12/04



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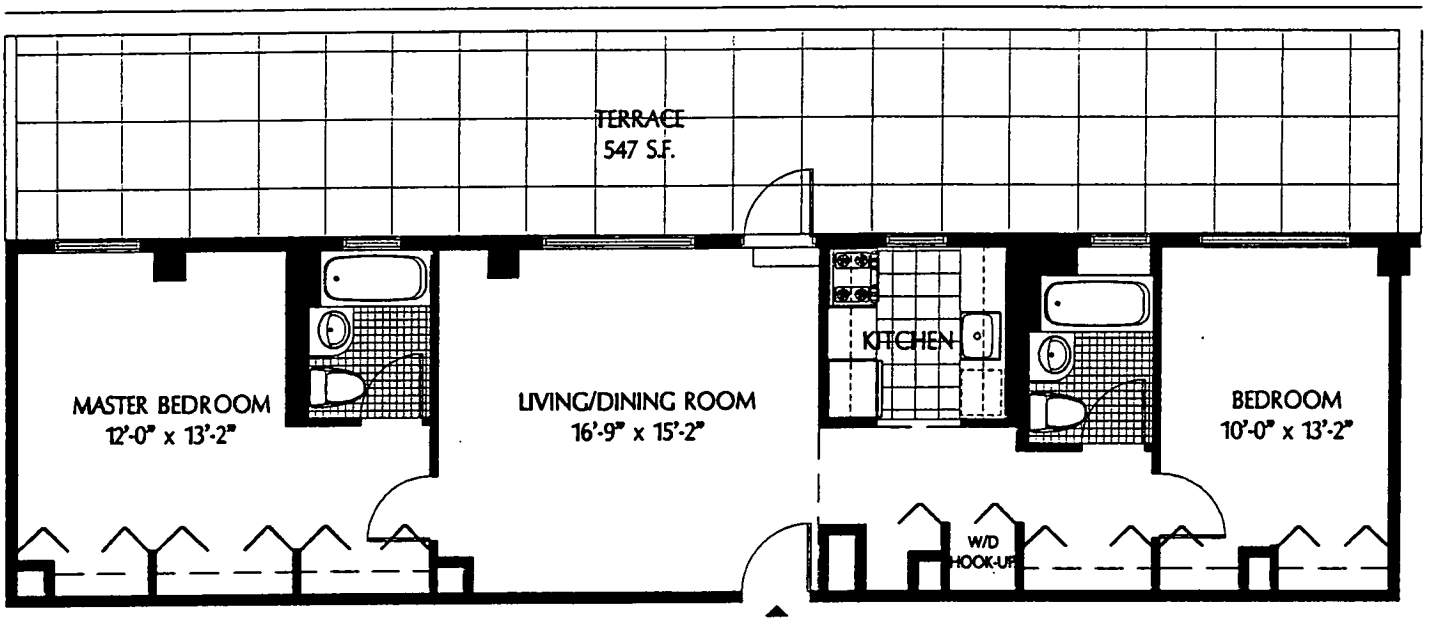
KEY PLAN

APARTMENT #7D
7th FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 1006 S.F.
TERRACE AREA: 872 S.F.

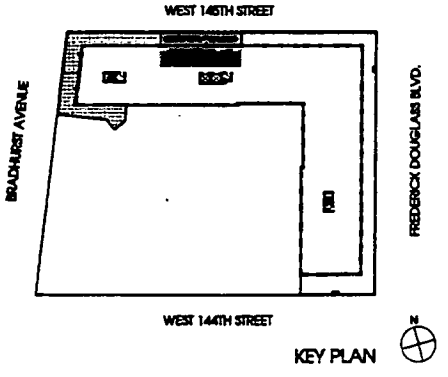
Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended.

BRADHURST COURT

04/12/04



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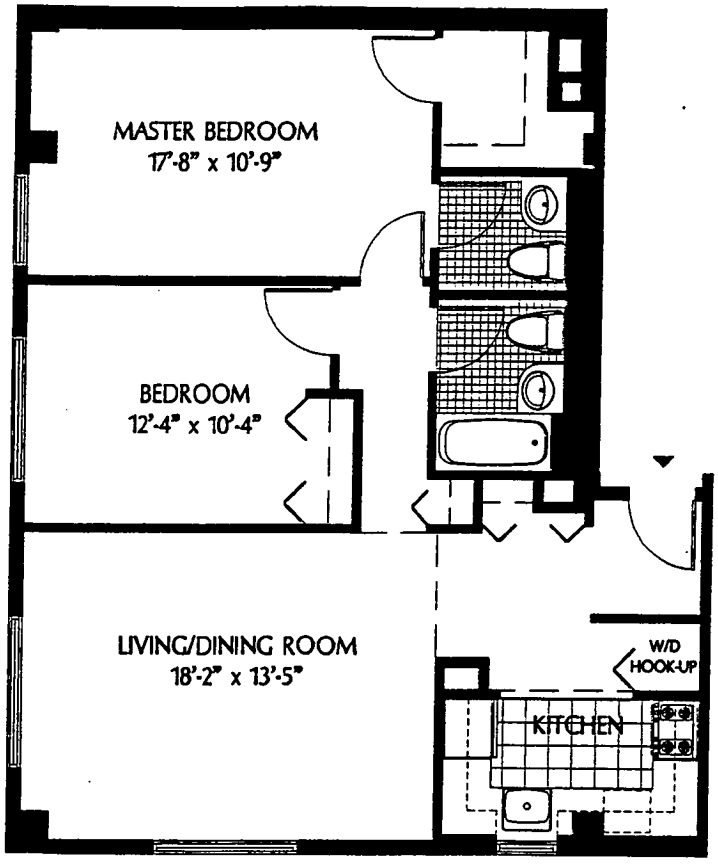
KEY PLAN

APARTMENT #7E
7th FLOOR
2 BEDROOM APARTMENT
2 BATHROOMS
AREA: 940 S.F.
TERRACE: 547 S.F.

Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

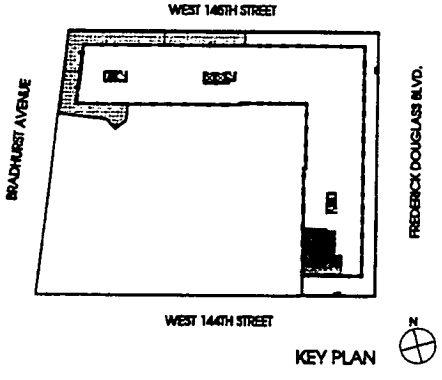
BRADHURST COURT

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APARTMENT #7Q
7th FLOOR
2 BEDROOM APARTMENT
1 1/2 BATHROOMS
AREA: 964 S.F.



Note: All dimensions, layouts, and details shown are approximate. Plan is subject to change as deemed necessary by site conditions, by Building Department or other Authority, or as determined by the Builder. When accurate dimensions are necessary, on-site measurements are recommended

BRADHURST COURT

04/12/04

EXHIBIT "5"

CONDOMINIUM DECLARATION

DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as
300 West 145th Street
New York, New York 10039

Pursuant to Article 9-B of the Real Property Law of the State of New York
Name
Bradhurst Court Condominium
Declarant

NYC Partnership Housing Development Fund Company, Inc.
One Battery Park Plaza
New York, New York 10004

Date of Declaration:

The land affected by the within instrument lies in
Section 7, Block 2044 formerly known as Lot 33,
now known as Lots ____ - _____
on the Tax Map of the Borough of Manhattan, City of New York

Stroock & Stroock & Lavan LLP
Attorneys for Declarant
180 Maiden Lane
New York, New York 10038
(212) 806-5400

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Exhibits

A. Description of the Land
B. Description of the Units
C. Definitions
D. By-Laws
E. Condominium Recognition and Non-Disturbance Agreement
F. Façade Elevations

DECLARATION
OF
BRADHURST COURT CONDOMINIUM

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

NYC Partnership Housing Development Fund Company, Inc. ("Partnership Housing"), a New York not-for-profit corporation formed pursuant to the laws of the State of New York, having its principal office at One Battery Park Plaza, New York, New York, 10004 ("Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "Bradhurst Court Condominium" (the "Condominium").

2.2 Attached to this Declaration as Exhibit B annexed hereto and made a part hereof, are the by-laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

2.3 Excluded from the Property is that portion of the unused floor area development rights that are now owned, are subsequently acquired or that may become available under the Zoning Resolution of the City of New York (the "Development Rights") which are not being utilized in connection with the construction of the Building and which shall be initially retained by the Retail Unit A Owner, which Development Rights may be utilized by Retail Unit A Owner or any party acquiring same from Retail Unit A Owner (the Development Rights Purchaser") and merged into a zoning lot pursuant to the terms a zoning lot development agreement ("ZLDA").

ARTICLE 3

THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 is a building (the "Building") comprised of Common Elements and four (4) units (all as more particularly identified on the Floor Plans): one located on portions of the Cellar and Basement ("the "Parking Unit"); one located on portions of the Cellar, Basement, and Basement Mezzanine ("Retail Unit A"); one located on portions of the First Floor ("Retail Unit B") and 128 units located on portions of the Basement, Basement Mezzanine, First Floor and Floors 2-7 (hereinafter sometimes referred to collectively as the "Residential Unit" or the Residential Units). Retail Unit A and Retail Unit B are sometimes collectively referred to as the "Retail Units" and individually as a "Retail Unit." The Parking Unit and the Retail Units are sometimes collectively referred to as the "Commercial Units" and individually, as a "Commercial Unit." The Commercial Units and the Residential Units are collectively referred to as the "Units" and individually, as a "Unit". The owner of the Parking Unit is herein called the "Parking Unit Owner" and the owner of a Retail Units at any time is herein called the "Retail Unit Owner." The owner of a Commercial Unit at any time is herein called the "Commercial Unit Owner" and the owner of the Residential Units at any time is herein called the "Residential Unit Owner." The Commercial Unit Owners and the Residential Unit Owner are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner." In the event that any Unit is further subdivided as provided in this Declaration and the By-Laws, any reference herein or in the By-Laws to such Unit shall be deemed a reference to all units created as a result of such subdivision.

ARTICLE 5

THE BUILDING

The Building consists of one building, having three (3) below grade levels and seven (7) above grade floors. The Building is precast concrete plank and poured concrete on metal deck floors on steel beams and columns. Concrete filled steel pipe piles support concrete footings. The floors in the Building are named (from bottom to top): Cellar, Basement, Basement Mezzanine, First Floor and Floors through 2-7.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) square foot area; (v) the Common Elements to which the Unit has immediate access; and (vi) the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by _____ and approved by the Real Property Assessment Bureau of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each of the Commercial Units consist of those Facilities, installations and equipment in the Building installed by the Commercial Unit Owner or which exclusively serve, benefit or are necessary for the existence, maintenance, operation or safety of the Commercial Unit and which are located within the Commercial Unit as may be more particularly identified on the Floor Plans, which include, but are not limited to the following items:

(i) Central and appurtenant Facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, electrical work, fire safety which are located within a Commercial Unit and exclusively serve such Commercial Unit; and

(ii) All escalators, elevators, stairs, parking ramps, and garage doors and loading docks, if any, and all related Facilities exclusively serving that Commercial Unit to the extent not specifically designated as a Commercial Common Element or a Commercial Limited Common Element.

(iii) stairs, if any, and all related Facilities exclusively serving the Commercial Unit not specifically designated as a General Common Element.

In addition to the foregoing, the Commercial Unit will include all equipment, areas and Facilities, on whatever floor of the Building they may be located to the extent that same were installed by or on behalf of a Commercial Unit Owner after the first conveyance of a deed to the Commercial Unit and any equipment, areas and Facilities which exclusively serve the Commercial Unit including all Signs for the Commercial Unit (except to the extent such equipment, areas and Facilities are deemed part of the Common Elements, as more particularly described in Article 8 of this Declaration). A Commercial Unit shall not include any of the Common Elements located therein or any Facilities, plumbing, electrical, heating, venting and air conditioning work, machinery, or other materials and equipment used exclusively by and for another Unit.

6.3 The Residential Unit consists of portions of the Cellar, Basement, Basement Mezzanine, First Floor and Floors 2 through 7 in the Building including all of the Cooperative Apartments, as shown on the Floor Plans. It also includes all other Facilities, installations and

equipment in the Building installed by or on behalf of the Residential Unit Owner or which exclusively serve, benefit or are necessary for the existence, maintenance, operation or safety of the Residential Unit; which include, but are not limited to the following items:

(i) Central and appurtenant Facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, electrical work, fire safety which are located within the Residential Unit and exclusively serve the Residential Unit;

(ii) Stairways ___ and ___ and their landings and corridors, from the Cellar to the roof as noted on the Floor Plans; and

(iii) Two passenger elevators and one passenger/service elevator (including their respective shafts, machine rooms, pits and vestibule).

(iv) The residential trash/collection room in the Cellar.

(v) The Residential Lobby (including the vestibule, package room, mailroom and toilet) on the Basement Mezzanine level.

(vi) All Signs and similar items affixed to the Building and exclusively serving the Residential Unit.

(vii) The Fitness Room on the First Floor

In addition to the foregoing, equipment, areas and Facilities, on whatever floor of the Building they may be located to the extent that same were installed by or on behalf of the Residential Unit Owner after the first conveyance of a deed to the Residential Unit and any equipment, areas and Facilities to the extent that they exclusively serve the Residential Unit shall be deemed a part of the Residential Unit. The Residential Unit shall not include any of the Common Elements located therein or any plumbing, electrical, heating, venting and air conditioning work, machinery, or other materials and equipment used exclusively by and for the Commercial Unit or the Residential Unit.

ARTICLE 7

DIMENSIONS OF UNITS

Each Unit will be measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted) to (i) the centerline of the partitions separating one Unit from another Unit or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or (ii) to the exterior side of the opposite exterior walls. Each Unit will be measured vertically from the top of the concrete floor to the underside of the ceiling; provided, however that where a Unit consists of two or more contiguous floors, the Unit shall be

measured from top of the concrete floor of the lowest floor to the underside of the concrete ceiling of the highest floor.

ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the General Common Elements and the Limited Common Elements. The General Common Elements include, but are not limited to, the Land, all parts of the Building and improvements thereon except the Units and the Limited Common Elements, and those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements that serve or benefit exclusively (a) the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), (b) the Parking Unit or the Parking Unit Owner (in which event they are called "Parking Common Elements"), (c) each of the Retail Units or the Retail Unit Owners (in which event they are called "Retail Common Elements"), (d) one or more but not all of the Commercial Units (in which event they are called Commercial Limited Common Elements and (e) one or more Residential Units or the Residential Unit Owner (in which event they are called "Residential Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners. The Commercial Unit Owners with respect to the Commercial Common Elements, the Parking Unit Owner with respect to the Parking Common Elements and the Commercial Limited Common Elements appurtenant to the Parking Unit, the Retail Unit Owners with respect to the Retail Common Elements and the Commercial Limited Common Elements appurtenant to such Retail Unit and the Residential Unit Owner which respect to the Residential Common Elements, shall be deemed to be the "owner" of such Limited Common Elements, entitled to all rights of ownership with respect thereto (except as such rights may be otherwise expressly modified as provided in this Declaration, the By-Laws or rules and regulations adopted by the Condominium Board).

8.2 The Common Elements will remain undivided and no Unit Owner or other Person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.3 The General Common Elements consist of the following:

8.3.1 The Land (as more particularly described in Exhibit A attached to this Declaration.

8.3.2 Any land lying in the bed of any street, road or avenue open or proposed, public or private, in front of or adjoining the Land, including any utility vaults, (b) any award made or be made in lieu thereof, (c) any unpaid award for damage to the Land or the Building by

reason of change of grade of any street, and (d) any strips and gores bisecting, adjoining or adjacent to the Land.

8.3.3 All easements, rights of way, privileges, appurtenances and other rights appurtenant to or pertaining to the Property, and excepting those which by their terms or by the terms of this Declaration are appurtenant or pertain only to less than all Units.

8.3.4 All Structural Supports from the from the Subcellar through and including the slab separating the Basement Mezzanine from the First Floor. The Exterior Façade of the Building, other than the entrances and storefronts which comprise a part of the Units or the Limited Common Elements, as more particularly set forth on the Façade Elevations set forth on Exhibit F annexed hereto.

8.3.5 The covered arcade along Bradhurst Avenue and West 145th Street.

8.3.6 The water meter room, electric meter room and the water and gas meter room and such other mechanical rooms in the Celler identified as General Common Elements on the Floor Plans, provided, however, that the equipment located therein shall not be deemed General Common Elements.

8.3.7 Meters for electrical, gas and water service, which meters serve to gauge the level of usage of such utilities among the Units, but not within a particular Unit.

8.3.8 That portion of the sprinkler system for the Building that is not included within the Units or the Limited Common Elements including the booster fire pump.

8.3.9 All other Facilities serving all of the Units and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Building except to the extent specifically included in each Unit pursuant to Article 6.

8.3.10 Notwithstanding anything to the contrary in this Article 8, if a General Common Element benefits one Unit Owner and not the others, then such General Common Element shall be redesignated as a Limited Common Element appurtenant to that Unit. Any disputes arising hereunder shall be resolved by Arbitration.

8.4 The Commercial Common Elements consist of the following:

8.4.1 That portion of the Exterior Facade of the Building designated as a Commercial Common Element on the Façade Elevations.

8.4.2 Central and appurtenant Facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, electrical work, fire safety which exclusively serve the Commercial Units but are not located within the Commercial Units;

8.4.3 All street trees, shrubbery, planters and other plantings located on the street level on the __ Street side of the Property.

8.4.4 The Commercial Roofs and Roof Setbacks.

8.4.5 All other Common Elements exclusively serving the Commercial Unit.

8.5 The Commercial Limited Common Elements consist of the following:

8.5.1 That portion of the Exterior Facade of the Building designated as Commercial Limited Common Element on the Elevations.

8.6 The Residential Common Elements consist of the following:

8.6.1 That portion of the Exterior Facade of the Building designated as Residential Façade on the Elevations, including, without limitation, all windows, storefronts, skylights, garage entrances, door assemblies and related and similar installations in the Exterior Facade of the Building exclusively opening into the Residential Unit.

8.6.2 Structural Supports from the middle of the slab separating the Basement Mezzanine from the First Floor to the Roofs and Roof Setbacks.

8.6.3 The Residential Roofs and Roof Setbacks.

8.6.4 Central and appurtenant Facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, electrical work, fire safety which exclusively serve the Residential Unit but are not located within the Residential Unit;

8.6.5 All Signs and similar items affixed to the Building and exclusively serving the Residential Unit.

8.6.6 The decking material, fencing, lighting and all landscaping, trees, shrubbery, planters and other plantings, and fixtures located over the First Floor Roof (the "Landscaped Court Amenities").

8.6.7 All other Common Elements exclusively serving the Residential Unit.

ARTICLE 9

USE OF UNITS

9.1 Except as otherwise provided in the By-Laws, the Commercial Units may be used for any purpose permitted by Law. The Residential Unit shall only be used for residential purposes and ancillary purposes (including, without limitation, exercise rooms, laundry facilities and storage). The Residential Unit may not be used in a manner which violates the terms and provisions of the Regulatory Agreement.

9.2 Notwithstanding anything to the contrary set forth herein Developer may use any Cooperative Apartments as models and sales and/or promotion offices in connection with sale or rental activities in the Building or other properties, subject only to compliance with applicable Law.

ARTICLE 10

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO THE UNITS

10.1 Except to the extent prohibited by Law or as otherwise provided herein or in Section 5.9 of the By-Laws, and provided such Unit Owner complies with the requirements of the By-Laws, including but not limited to, Section 5.9 thereof, each Unit Owner shall have the right, without the consent or approval of the Condominium Board, the other Unit Owners or any managing agent, to: (i) make alterations, additions, or improvements, whether structural or non-structural, ordinary or extraordinary, in, to and upon the interior of its Unit; and (ii) change the layout of, or number of rooms in, its Unit.

10.2 A Unit Owner, at such Unit Owner's sole cost and expense, may subdivide such Unit Owner's Unit without the approval of the other Unit Owners or the Condominium Board. In the event of such subdivision a Unit Owner may redesignate any portion of said Unit as a Limited Common Element appurtenant to such Unit. Notwithstanding anything to the contrary set forth above, no subdivision of any Unit shall cause a change in the aggregate Common Interests appurtenant to any other Unit.

ARTICLE 11

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action that may be brought against the Condominium. In the event that the Condominium receives service of process, the Condominium Board shall promptly notify each of the Unit Owners.

ARTICLE 12

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The percentage interest of each Unit in the Common Elements has been based upon the approximate proportion that the floor area of each Unit at the date of the Declaration bears to the then aggregate floor area of all of the Units but such proportion also reflects the substantially exclusive advantages in a part or parts of the Common Elements which may be enjoyed by one but not all Units.

ARTICLE 13

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board or a Unit Owner or as otherwise required by applicable law, in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board or a Unit Owner or as otherwise required by applicable law, in accordance with this Declaration or the By-Laws; then, in any such event and provided such encroachment does not materially and adversely affect the use or utility of the Common Elements or the Unit so affected, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 14

ACCESS TO AND EASEMENTS RELATING TO COMMON ELEMENTS

14.1 Except as set forth in this Declaration, each Unit Owner shall have a reciprocal easement for the use of the General Common Elements and an exclusive easement for the use of the Limited Common Elements serving such Unit, as more particularly described Article 8 of this Declaration or the Floor Plans, located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit including an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, water and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all General Common Elements located in such Unit or elsewhere on the Property. In addition, the Condominium Board shall have an easement and a right of access within each Unit to inspect the same, to remove violations therefrom and to operate or Maintain the General Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes, and each Unit Owner whose Unit is subject to the easements and rights of access described in this Article shall be reimbursed for reasonable actual out-of-pocket costs (but not consequential damages) incurred by said Unit Owner as a result of the exercise of the easements and rights of access hereunder, including, but not limited to, the cost of repairs to such Unit Owner's Unit and security measures incurred by said Unit Owner as a result of the exercise of the easement and right of access hereunder. Such entries shall be permitted on reasonable notice, but in no event less than one day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other

individuals or required to avoid the suspension of any necessary service in the Building). Any dispute by and among the Commercial Unit Owners, the Residential Unit Owner and/or the Condominium Board as to the nature, scope or interpretation of the easements contained in this Article 14 shall be resolved by Arbitration.

14.2 All Permitted Users shall have a right and easement to use the sidewalks and the ramps, stairways, entrances and exits constituting General Common Elements and any replacements thereof for the sole purpose of providing all Permitted Users a means of ingress and egress to and from the Land and its respective Unit and an approach to and from the public street subject to compliance with the provisions of the By-Laws.

14.3 The Condominium Board shall have an easement to install, utilize, operate and Maintain, within the General Common Elements any utilities servicing the Units and/or the General Common Elements including, without limitation, all pipes, wires, ducts, cables, conduits, lines, service, connections and other apparatus and equipment for any electricity, gas, steam, heat, water, sewerage, telephone, cable, and other communications facilities as are reasonably necessary or desirable to provide all utility services required by the Unit Owners or as may be required by Law or by the utility companies providing such services (the "Utility Facilities"), together with a non-exclusive or an exclusive right and easement, as the case may be, to utilize and receive services from the Utility Facilities. Access to any Unit or the General Common Elements in furtherance of the foregoing easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business within or use of the Units for their permitted purposes, except in cases of an emergency. Any entry granted herein shall be permitted on reasonable notice (but not less than one days' notice), except that no notice will be necessary in the case of an emergency.

14.4 Each Unit shall have an easement of support and of necessity from all other Units and the Common Elements and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

14.5 All Permitted Users shall have a right of emergency egress through passageways, emergency stairways and exits contained within any Unit, Limited Common Element or General Common Element, and each Unit shall be subject to the rights of all Permitted Users to use such passageways, stairways and exits for emergency egress.

14.6 Subject to the other terms and conditions of this Declaration, each Unit Owner shall be permitted to install, place or permit to be installed or placed any sign, marquee, awning, canopy, banner, flag, flagpole, pennant, aerial, antenna or the like (each, a "Sign") on the Exterior Facade of the Building in the locations designated on the Elevations. Developer shall also be entitled to place signs on any portion of the Exterior Facade of the Building above Floor 3. Anything to the contrary contained in this Declaration notwithstanding, no Sign shall be installed any where on the Building (i) which is pornographic, (ii) which is not consistent with any regulations promulgated under the Zoning Resolution, (iii) which is comprised of flashing lights, (iv) which interferes with the line of sight from the windows of any Unit, or (v) which directs light into the windows of the Residential Unit. All items installed pursuant to this Section 14.6 shall be installed in accordance with all Laws and kept clean and in good order and state of

repair and appearance by and at the expense of the applicable Unit Owner. Any disputes arising hereunder shall be resolved by Arbitration.

14.7 The Condominium Board with respect to the General Common Elements and the Building, the Commercial Unit Owners with respect to the Commercial Unit and the Commercial Common Elements and the Residential Unit Owner with respect to the Residential Unit and the Residential Common Elements shall have the right to grant such additional electric, gas, water, ventilation, communications or other easements for utilities or otherwise or relocate any easements in any portion of the General Common Elements, the Limited Common Elements, the Commercial Unit, the or the Residential Unit, as the Condominium Board, the Commercial Unit Owners or the Residential Unit Owner, each with respect to the Land, the Building, its respective Unit or Limited Common Elements, shall deem necessary or desirable for the proper operation and maintenance of the Building, the General Common Elements or the respective Units and their Limited Common Elements, as the case may be, or any portion thereof, or to complete the Building, or for the general health or welfare of the Permitted Users of the Units; provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of tenants and occupants of the Units or with the use of the Units for their permitted purposes, and provided further that any work shall comply with all of the requirements of the By-Laws including, but not limited to Sections 5.9 and 5.10 thereof. Any utility company and its employees and agents shall have the right of access, upon reasonable notice, to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes. Any fees, compensation or other profits received by the Condominium Board or the Unit Owners in furtherance of the aforesaid easements shall be the property of the Condominium Board or the Unit Owners granting such easements, as applicable.

14.8 The Condominium Board shall have the right, at reasonable times, at reasonable intervals and upon reasonable advance notice, to enter into the Land and the Building and all Common Elements and Units therein to inspect the structural condition of the Building, and the Utility Facilities and any other facilities that the inspecting party is permitted or required to Maintain; provided, however, that only such notice as shall be practicable under the circumstances (including no notice) shall be required in order to inspect or correct conditions imminently dangerous to persons or property.

14.9 The Residential Unit shall have and the Commercial Units shall be subject to, an easement to utilize, operate and Maintain sanitary piping, wiring, conduits, risers, feeders to Cooperative Apartments and electrical service switches, meter bank and individual electrical panels exclusively servicing the Residential Unit, through the floors, ceilings and walls of the Commercial Units, or expand the area of the floors, ceilings or walls of the Commercial Units in which the conduits and other equipment are located as of the date of this Declaration, and within the area which extends horizontally two (2) feet below the concrete slab over the First Floor, provided that (i) access to the Commercial Units in furtherance of such easement shall be exercised in a manner as will not materially adversely affect the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Commercial Units for

its permitted purposes, (ii) any operation or alteration of the wiring, conduits, risers or other equipment shall not cause a material loss of useable square footage in the Commercial Units, and (iii) from and after the date hereof, any alteration, repair, maintenance, restoration or other modification causing the location, size, placement, noise level, emission of heat or cold, or general character of such item located within the Commercial Units to change shall be subject to the prior approval of the Commercial Unit Owner owning the Commercial Unit affected, which approval shall be (A) granted or withheld nor more than five (5) business after the request therefor, and (B) may be given or withheld at the Commercial Unit Owner's sole discretion. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

14.10 Retail Unit A Owner and the Supermarket Tenant shall have an easement for the installation, use, maintenance, repair and replacement, of or to the HVAC system, all other mechanical equipment, utility lines, pipes, risers, apparatus, conduits and facilities of any type whatsoever serving either (i) Retail Unit A or (ii) any portion of the property that is the subject of an easement in favor of the Supermarket Tenant under the Supermarket Lease (hereinafter the "Maintenance Rights"). Supermarket Tenant shall promptly repair, at Supermarket Tenant's sole cost and expense, any damage caused by Supermarket Tenant's entry into any portion of the Building, as aforesaid and shall indemnify and hold Retail Unit A Owner, the other tenants and the Condominium Board harmless from claims, losses, and expenses arising from such access. Subject to the foregoing, and except in cases of emergency, if Supermarket Tenant needs to perform any of its Maintenance Rights and requires access to the Common Elements, Supermarket Tenant will provide not less than 48 hours prior telephonic and facsimile notice to the Condominium Board and/or its managing agent (as directed in writing by the Condominium Board). If a representative of the Condominium Board is unavailable to accompany Supermarket Tenant in its performance of the Maintenance Rights, Supermarket Tenant shall nevertheless be entitled to access to the Common Elements. For purposes of this paragraph, an "emergency" shall be defined to include a condition or situation, which could cause or be imminently likely to cause monetary loss or disruption of services to Supermarket Tenant such that Supermarket Tenant would be prevented from conducting any material portion of its business.

14.11 Retail Unit A Owner and the Supermarket Tenant (and any Commercial Tenant which may subsequently lease Retail Unit A) shall have an easement of ingress, egress and access through such portions of the Land and the Building as shall enable Supermarket Tenant, its customers, subtenants, licensees, employees and invitees to utilize the Parking Unit and the Commercial Section as may be required under the Supermarket Lease, including, without limitation, the Parcel Pickup Lane on the Frederick Douglass Blvd. side of the Building. In furtherance thereof, no entrance to or exit from the Commercial Section shall be interfered with or disturbed and Supermarket Tenant, its customers, subtenants, licensees, employees and invitees, shall have unobstructed vehicular and pedestrian ingress and egress at all times between each of the entrances and exits of the Commercial Section and the adjoining public streets or highways, except for reasonable periods during which repairs or other work are being performed by utility companies or municipal authorities or repairs are being performed by Retail Unit A Owner.

14.12 Notwithstanding anything to the contrary contained in this Article, no actions may be taken in furtherance of any of the foregoing easements or any other easements granted pursuant to this Declaration or the By-Laws, which an Commercial Unit Owner cannot take under the terms of a Commercial Lease and all rights which may be exercised pursuant to the foregoing easements are subject to the rights of Commercial Tenants under Commercial Leases and the provisions of Article 28 hereof.

14.13 Retail Unit B and the Retail Unit B Owner shall have an easement to access, from time to time, the HVAC system delivering steam heat to the Residential Unit (which HVAC system is a Residential Common Element) and to utilize a portion of the steam provided therefrom and, to the extent Retail Unit B so accesses and utilizes the HVAC system, Retail Unit Owner B shall reimburse Residential Unit Owner for its costs in provided such steam, determined in accordance with the proportionate metered use of such steam by the Retail Unit Owner B, to the extent possible.

14.14 Commercial Unit A Owner shall have an easement to utilize, operate and Maintain the condenser on the roof of the Building as noted on the Floor Plans.

14.15 Commercial Unit B Owner shall have an easement to utilize, operate and Maintain a flue vent required in connection with the operation of a restaurant in Commercial Unit B.

14.16 The Apartment Corporation shall have an easement through the Parking Unit in order to move trash from the compactor room to the street. Such easement shall be subject to such rules and regulations as may be adopted by the Parking Unit Owner to minimize interference with the operation of the Parking Unit.

14.17 The Condominium Board Unit shall have, and the North Unit shall be subject to, an easement to and through the public corridors of the North Unit on the Second Floor of the North Tower to access the Landscaped Court Amenities as may be required to enable the South Unit Owner to maintain, repair, operate, alter or restore the Landscaped Court Amenities, as provided in this Declaration and the By-Laws, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes.

ARTICLE 15

NAME OF CONDOMINIUM AND BUILDING

The Condominium and the Building shall be designated and known as "Bradhurst Court Condominium," or such other name as the Condominium Board may designate from time to time. The Retail Unit A Owner shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. Only the Retail Unit A Owner shall have the right to change or assign the name of the Condominium and/or the Building. In addition, Developer shall have the right, for so long as the Residential Unit is owned by the Apartment Corporation, to Maintain a plaque

identifying Developer as the sponsor of the Plan, together with such other information as Developer determines in its sole discretion.

ARTICLE 16

INTENTIONALLY DELETED

ARTICLE 17

ACQUISITION OF UNITS BY CONDOMINIUM BOARD

If (i) any Unit Owner surrenders its Unit, together with its Appurtenant Interest, to the Condominium Board pursuant to the terms of Section 339-x of the Condominium Act, or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases any Unit, together with its Appurtenant Interest, or (y) purchases any Unit, together with its Appurtenant Interest, at a foreclosure or other similar sale, then, in any such event, the title in and to such Unit and such Appurtenant Interest shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of the remaining Unit Owners in proportion to their respective interests in the General Common Elements. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of the remaining Unit Owners, in proportion to their respective interests in the General Common Elements.

ARTICLE 18

COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration and the By-Laws which are annexed hereto and made a part hereof, and any rules and regulations adopted by the Condominium Board, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such Unit Owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and any rules and regulations adopted by the Condominium Board, as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and any rules and regulations adopted by the Condominium Board, as they may be amended from time to time, 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 or conveyance or lease or use and occupancy agreement thereof.

18.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

18.3 Subject to Section 18.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 19

AMENDMENTS OF DECLARATION

19.1 Except as otherwise provided in this Article 19 or in the By-Laws, or except as may otherwise be required by law, any provision of this Declaration may be amended, modified, added to, or deleted only by the unanimous vote of Unit Owners taken in accordance with the provisions of the By-Laws. No such amendment, modification, addition, or deletion shall be effective until executed and acknowledged by all Unit Owners and recorded in the City Register's Office.

19.2 Notwithstanding anything to the contrary set forth above (i) no amendment, modification, addition or deletion of the Declaration shall be effective in any way, (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to the modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner and (ii) without the prior written consent of Developer, with

respect to any amendment, modification, addition or deletion of or to the Declaration modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Developer under this Declaration, the Plan, the Proprietary Leases or the Cooperative By-Laws, as the case may be.

19.3 Notwithstanding the foregoing but subject to the terms of Section 2.2.1 of the By-Laws: (a) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Units or the Commercial Unit Owners (and not adversely affecting the Residential Unit or Residential Unit Owner) may be added to, amended, modified or deleted by the Commercial Unit Owners without the consent of the Condominium Board or the Residential Unit Owner and (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Unit or the Residential Unit Owner (and not adversely affecting the Commercial Units or the Commercial Unit Owners) may be added to, amended, modified or deleted by the Residential Unit Owner without the consent of the Condominium Board or the Commercial Unit Owner. No such amendment, modification, addition or deletion shall be effective (x) unless the Unit Owner proposing such amendment, addition, modification, addition or deletion shall have provided the Condominium Board and the other Unit Owners at least thirty (30) days prior written notice of its proposed amendment, modification or deletion, along with a certification that such amendment, modification, addition or deletion does not affect the other Units, and (y) until recorded in the City Register's Office. Any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Any dispute between the Commercial Unit Owner and the Residential Unit Owner with respect to whether an amendment, modification, addition or deletion adversely affects a Unit Owner or whether the entire Condominium Board shall be entitled to, or required to, make any amendment, modification, addition or deletion shall be settled by Arbitration; provided, however, that no such dispute with respect to whether the amendment, modification, addition or deletion of one provision adversely affects another Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party and the Condominium Board within ten (10) business days of receipt by it of notice of such proposed amendment, modification, addition or deletion.

19.4 Developer shall have the right to amend this Declaration, without the consent of any other Unit Owner, to reflect changes in the Residential Unit which Developer is permitted to make in accordance with the terms of this Declaration, the Plan, the Proprietary Leases or the Cooperative By-Laws, including, without limitation, the right to amend this Declaration to merge the Residential Units, into a single Residential Unit as set forth in the Plan. Any such amendment, modification, addition or deletion shall be executed by the Condominium Board, on behalf of Developer, as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact.

19.5 Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to the Declaration shall be effective as against the Supermarket Tenant which modification, addition, amendment or deletion would decrease the rights of the Supermarket Tenant or increase the Supermarket Tenant's obligations or decrease

the obligations of the Condominium Board to the Unit Owner owning Retail Unit A, without the prior written consent of the Supermarket Tenant, which consent may be granted or withheld in the Supermarket Tenant's sole and absolute discretion. Any dispute that shall arise as to whether a modification, addition, amendment or deletion would adversely affect the Supermarket Tenant, as aforesaid, shall be resolved by Arbitration.

ARTICLE 20

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of all Unit Owners and the Supermarket Tenant, if such termination would adversely affect the rights of the Supermarket Tenant under the terms of the Supermarket Lease. In the event said withdrawal is authorized as aforesaid, 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 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 from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 21

WAIVER

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

ARTICLE 22

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 this Declaration or the intent of any provision hereof.

ARTICLE 23

CERTAIN REFERENCES

23.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

23.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

23.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 24

SEVERABILITY

Subject to the provisions of 18.2 and 18.3, if any provision of this Declaration is invalid or unenforceable as against any Person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 25

COVENANT OF FURTHER ASSURANCES

25.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

25.2 If any Unit Owner, or any other party which is subject to the terms of this Declaration, the Proprietary Leases or the Regulatory Agreement fails, within five (5) business days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, the By-Laws or the Proprietary Leases, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

25.3 Each Unit Owner shall have the affirmative duty to Maintain its respective Unit and its appurtenant Limited Common Elements in such a manner so as to reasonably prevent and avoid inflicting harm to other Units, the Limited Common Elements, the General Common Elements or the Building. In the event any Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Unit, any Limited Common Elements, the General Common Elements or the Building, the Condominium Board shall give written notice to such Unit Owner including a request that the Unit Owner take

specific steps to ameliorate such a condition ("Remedy Notice"). If the Unit Owner fails to remedy the condition within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven days, fails to commence appropriate remedies, the Condominium Board may, upon ten (10) business days (or such shorter time that the Condominium Board reasonably determines is necessary to prevent irreparable damage in the event of an emergency) additional notice to the Unit Owner, enter into the Unit and effect a reasonable remedy, at the Unit Owner's sole cost and expense. In the event a Unit Owner reasonably believes another Unit Owner has caused, permitted, or failed to prevent a condition that has a deleterious effect on its Unit, the first Unit Owner may request that the Condominium Board send a Remedy Notice. If the Condominium Board fails or otherwise determines not to send the Remedy Notice, the Unit Owner shall have all rights to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such condition or breach and to seek reimbursement for any costs or expenses incurred in connection therewith.

25.4 Each Unit Owner shall indemnify, defend and hold harmless the other Unit Owners, Permitted Users and the Condominium Board (collectively, the "Indemnitees") from any and all claims, damages and expenses incurred by the Indemnitees arising from actions or inactions of such Unit owner, including, but not limited to, reasonable legal fees.

ARTICLE 26

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of the Condominium Board and the Unit Owners shall inure to the benefit of and be binding upon any successor or assign of the Condominium Board and the Unit Owners and shall constitute and be enforceable with respect to the Property as a covenant running with the land.

ARTICLE 27

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D and (v) the Floor Plans (including the Elevations), (vi) the Condominium Recognition and Nondisturbance Agreement as more particularly described on Exhibit E annexed hereto; (vii) the Floor Plans and (viii) the Regulatory Agreement, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 28

RESIDENTIAL UNIT OWNERSHIP, DEVELOPER RIGHTS AND COMMERCIAL LEASES

28.1 Subsequent to the recording of this Declaration, Declarant will convey the Residential Units to Bradhurst Court Owners Inc. (the "Apartment Corporation"). Developer is the sponsor of the cooperative offering plan dated _____ (as same may be amended from time to time, the "Plan") for the conversion of the Residential Unit to cooperative ownership and the sale of the shares of the Apartment Corporation and the issuance of proprietary leases (each a "Proprietary Lease") for the cooperative apartments to be located therein (each a "Cooperative Apartment").

28.2 Developer shall have all rights and powers under this Declaration and By-Laws as shall be necessary to effectuate the rights granted to Developer under the provisions of the Plan, the Proprietary Lease and the Cooperative By-Laws.

28.3 The Commercial Unit Owners have the right to enter into leases for all or any portion of the Commercial Units including without limitation the Supermarket Lease (as same may be modified, amended, supplemented or restated from time to time, such leases are hereinafter referred to as the "Commercial Leases"). Neither the Condominium Board nor any Unit Owner (including, without limitation, the Apartment Corporation) will take, permit or suffer any actions with respect to any portion of the Property which the Commercial Unit Owner, with respect to such portion of the Property, take under the terms of a Commercial Lease for such Commercial Units and all rights which may be exercised by the Condominium Board with respect to the Commercial Units and the Condominium are subject to the rights of the tenant under any Commercial Leases then in effect (the "Commercial Tenants"). Each Commercial Unit Owner is hereby granted such rights in and to its Commercial Unit, the Limited Common Elements and General Common Elements as the Commercial Unit Owner has granted to the Commercial Tenant under the Commercial Lease with such Commercial Tenant. Each Commercial Unit Owner is hereby authorized to exercise hereunder all rights granted to the Commercial Tenant under the Commercial Lease entered into by such Commercial Unit Owner and to the extent granted under a Commercial Lease, the Commercial Tenant thereunder shall have all rights of a Commercial Unit Owner granted pursuant to this Declaration and the By-Laws and may take all actions which a Commercial Unit Owner has obligated itself to perform or has granted the right to a Commercial Tenant to perform under its Commercial Lease, including, without limitation, exercising any rights of "self-help" granted to Commercial Tenants under Commercial Leases.

28.4 Without intending to limit the rights granted to a Commercial Tenant under a Commercial Lease, a Commercial Tenant will have the rights the Commercial Unit Owner has under this Declaration and which such Commercial Unit Owner has granted to such Commercial Tenant under its Commercial Lease, including, without limitation, (i) the rights to use the Unit, the Limited Common Elements and the General Common Elements and rights to access such Common Elements, (ii) the rights to repair the Unit, General Common Elements, Limited Common Elements, Facilities and Owner's Installations, whether or not such portions of the Building or systems are utilized by other Unit Owners or Boards, and (iii) the right to install signage on or about the Building including the exterior facade of the Building, to the extent that the Commercial Unit Owners have the right to install such signage under the terms of this Declaration and the By-Laws and at all times in accordance with the Supermarket Tenant's rights under the Lease, and (v) the right of the Supermarket Tenant to utilize the pick-up lane adjacent

to Retail Unit A. Such rights and all other matters solely relating to the Commercial Units will be exercised by the Commercial Unit Owners and the Commercial Tenants without the necessity of obtaining the consent of the Condominium Board or any other Unit Owner.

28.5 A Commercial Tenant may exercise any and all rights available to it at law and in equity if the Condominium Board or Unit Owner interferes with or otherwise fails to permit a Commercial Tenant to exercise any rights granted to it under the terms of this Declaration or the By-Laws and, to the extent permitted under a Commercial Lease, a Commercial Tenant, in addition to any other rights available under the Commercial Lease and the Declaration or these By-Laws , shall be subrogated to the rights of the Commercial Unit Owner which is the landlord under the Commercial Lease.

28.6 Notwithstanding anything to the contrary set forth in this Declaration or the By-Laws, in the event of any default under the terms of these By-Laws or the Declaration which is also a default under the Supermarket Lease, any cure period provided for with respect to such default, shall not be less than the cure period provided for therein under the terms of the Supermarket Lease.

28.7 Notwithstanding anything to the contrary contained in this Declaration or the By-Laws (i) the Condominium Board's actions and determinations under this Declaration or the By-Laws must be reasonable where the Supermarket Lease requires that such determinations and actions, if made by the Retail Unit A Owner, be reasonable and (ii) easements through and access to any Commercial Unit granted under the Declaration and By-Laws will be restricted to the extent that access to the Commercial Unit is restricted under the Commercial Lease.

28.8 Provided such rights are granted in a Commercial Lease, a Commercial Tenant will have the right to seek appropriate injunctive relief and other equitable remedies against the Condominium Board or other Unit Owner or Unit Owners if (w) the Condominium Board or such Unit Owner or Unit Owners fail to perform their respective obligations, or fail to recognize the rights of the Commercial Unit Owners as provided hereunder, (x) any such failure results in the Commercial Unit Owner being in default in respect of the Commercial Unit Owner's obligations to the Commercial Tenant, (y) the Commercial Tenant gives the Commercial Unit Owner notice that the Commercial Tenant intends to seek such injunctive relief, and (z) the Condominium Board or such other Unit Owner or Unit Owners fail to remedy their aforesaid failure within ten (10) days after the Commercial Tenant gives the Commercial Unit Owner notice thereof, or, if such failure is of a nature that cannot with due diligence be remedied within such period of ten (10) days, the Condominium Board or such other Unit Owners fail to commence the remedy of such failure within such period or ten (10) days or thereafter fail to prosecute such remedy to completion with due diligence.

28.9 Notwithstanding anything to the contrary set forth herein: (i) with respect to the rights of Commercial Tenants granted hereunder, in the event of a conflict between the rights granted to more than one Commercial Tenant, the rights of the Commercial Tenant to which such conflicting rights were first granted shall govern and (ii) in the event of any inconsistency between the provisions of this Article 28 and any other provisions of this Declaration or the By-Laws, the provisions of this Article 28 shall govern.

28.9 Notwithstanding anything to the contrary set forth herein: (i) with respect to the rights of Commercial Tenants granted hereunder, in the event of a conflict between the rights granted to more than one Commercial Tenant, the rights of the Commercial Tenant to which such conflicting rights were first granted shall govern and (ii) in the event of any inconsistency between the provisions of this Article 28 and any other provisions of this Declaration or the By-Laws, the provisions of this Article 28 shall govern.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 200_.

NYC PARTNERSHIP HOUSING
DEVELOPMENT FUND COMPANY, INC.

By: _____
Name:
Title:

ACKNOWLEDGMENTS

STATE OF NEW YORK)
: ss.
COUNTY OF NEW YORK)

On the __ day of ___ in the year 200_, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and by his/her signature on the instrument, the individuals, or the person on behalf of which the individual acted, executed the foregoing instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

SCHEDULE A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, further designated as Tax Block 2044 Tax Lots 23 through 40 and Tax Lot 137 as said tax map existed on July 1, 2001 and bounded and described as follows:

BEGINNING at a point at the corner formed by the intersection of the Northerly side of West 144th Street (60 feet wide) and the Easterly side of Bradhurst Avenue (75.00 feet wide), running

THENCE Northerly along the Easterly side of Bradhurst Avenue, 201 feet and 1/2 inch to a point at the intersection of the easterly side of Bradhurst Avenue with the Southerly side of West 145th Street (100 feet wide);

THENCE Easterly along the Southerly side of west 145th Street, 235 feet 11 3/4 inches to a point at the intersection of the Westerly side of Frederick Douglass Boulevard, formerly Eighth Avenue (100 feet wide);

THENCE Southerly along the Westerly side of Frederick Douglass Boulevard, 199 feet 10 inches to a point at the intersection of the Westerly side of Frederick Douglass Boulevard and the Northerly side of West 144th Street; and

THENCE Westerly along the Northerly side of West 144th Street, 257 feet 10 3/4 inches to the point or place of BEGINNING.

EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

Unit Designation	Tax Lot Number	Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements
Parking Unit				
Retail Unit A				
Retail Unit B				
Residential Unit				
TOTAL				

EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

"Affiliate" shall mean as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person.

"Appurtenant Interest" refers to, with respect to a Unit, the proportionate undivided interest of the owner thereof, pursuant to the terms of Section 339-i of the Condominium Act, in and to: (i) the Common Elements; (ii) any Unit owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise; (iii) any proceeds of the sale or lease of the Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Arbitration" shall have the meaning ascribed thereto in Section 10.1 of the By-Laws.

"Building" refers to the structure and improvements including above and below grade segments, known as 300 West 145th Street, New York, New York 10039 in which the Units of the Condominium are located.

"Building System" refers to any of the systems in the Building providing heat, sprinkler, water, electric, gas, sewer and fire protection or similar services serving more than one Unit.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D of the Declaration.

"Certifying Professional" refers to an 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 terms of the Declaration and By-Laws within at least three (3) of the ten (10) years immediately preceding engagement, selected by the Condominium Board or the Unit Owner in accordance with the provisions of the By-Laws.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Units or the Commercial Unit Owners as more particularly described in Section 8.4 of the Declaration and the Floor Plans.

"Commercial Lease" shall have the meaning ascribed thereto in Section 28.3 of the Declaration.

"Commercial Roofs and Roof Setbacks" refers to the roofs, setbacks, terraces and the like (including, without limitation, to bulkheads, parapets and the protective layers beneath the decking material) identified as such on the Floor Plans.

"Commercial Section" refers to the Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements.

"Commercial Tenant" shall have the meaning ascribed thereto in Section 28.3 of the Declaration.

"Commercial Unit(s)" refers to Retail Unit A and Retail Unit B and any other Unit(s) which may be designated as a Commercial Unit, as more particularly described in Article 6 and Exhibit B to this Declaration and the Floor Plans.

"Commercial Unit Owner(s)" refers to the owner of a Commercial Unit at the time in question.

"Common Charges" refers to the assessments payable to the Condominium Board by the Unit Owners for the purpose of meeting the Common Expenses.

"Common Elements" shall have the meaning ascribed thereto in Article 8 of this Declaration.

"Common Expenses" shall have the meaning ascribed thereto in Subsection 5.1.3 of the By-Laws.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, of each Unit Owner in the Common Elements as more particularly set forth in Exhibit B annexed to this Declaration.

"Condominium" refers to Bradhurst Court Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time, and presently found in the New York Real Property Law, Article 9B.

"Condominium Board" refers to the governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 of the By-Laws.

"Cooperative Apartment" shall have the meaning ascribed thereto in Section 28.2 of the Declaration.

"Cooperative Board" shall have the meaning ascribed thereto in Section 2.1 of the By-Laws.

"Cooperative By-Laws" shall have the meaning ascribed thereto in Section 2.1 of the By-Laws.

"Creditor Owner" shall have the meaning ascribed thereto in Section 5.6 of the By-Laws.

"Declarant" refers to NYC Partnership Housing Development Fund Company, Inc., not-for profit corporation organized under the laws of the State of New York, and its successors and assigns.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time.

"Defaulting Owner" shall have the meaning ascribed thereto in Section 5.6 of the By-Laws.

"Depositary" shall have the meaning ascribed thereto in Section 11.5 of the By-Laws.

"Developer" shall mean Bradhurst Development Company, LLC, a New York limited liability Company, having an address at 625 Madison Avenue, New York, New York 10022 and its successors and assigns.

"Development Rights" refers to the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a zoning lot, to develop the zoning lot by erecting thereon a structure or structures with a total floor area determined (i) by multiplying the area of the zoning lot by the maximum allowable floor area ratio for structures in the zoning district or districts in which such zoning lot is located and (ii) by including any available bonus floor area and any use, bulk, density and other development rights permitted under the Zoning Resolution and which may be authorized to be developed by the appropriate agency of the City of New York from time to time.

"Elevations" mean the elevation drawings included in the Floor Plans depicting the Exterior Facades of the Building and identifying certain Limited Common Elements appurtenant to the Units.

"Exterior Facade" means the outer portion of the Building above grade, including, but not limited to, the exterior of all windows, doors, masonry, aluminum or other skin materials, walls or parapets, whether or not visible from street level.

"Facility" or "Facilities" refers to, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, fire pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, breeching connections, ducts and exhaust vents, fittings, valves, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, intercom, call boxes and

televisions, cameras, receivers; meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, waste stack, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of The City of New York and filed with the City Register's office.

"General Common Elements" shall have the meaning ascribed thereto in Section 8.3 of the Declaration.

"Hazardous Material(s)" means any petroleum and petroleum products, flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), polychlorinated biphenyls, lead, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise, including, but not limited to, those materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by Hazardous Materials Law or regulated by Hazardous Materials Law in any manner whatsoever.

"Hazardous Materials Law(s)," means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other binding governmental requirements now or hereafter enacted or in force, and any court judgments applicable to Tenant or to the Premises relating to industrial hygiene or to environmental or unsafe conditions or to human health including, but not limited to, those relating to the generation, manufacture, storage, handling, transportation, disposal, release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Premises, and those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about the Premises.

"HDC Regulatory Agreement" refers to the Amended and Restated Regulatory Agreement entered into as of November 21, 2003 by the Partnership Housing, the Cooperative Corporation, Developer and HDC and thereafter recorded in the City Register's Office, as same may be amended from time to time.

"HPD Regulatory Agreement" refers to the Regulatory Agreement entered into as of June 28, 2002 by the Partnership Housing 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.

"Land" shall have the meaning ascribed thereto in Article 3 of the Declaration.

"Landscaped Court Amenities" shall have the meaning ascribed thereto in Subsection 8.8.6 of the Declaration.

"Limited Common Elements" refers to the Commercial Common Elements and the Residential Common Elements.

"Maintenance" or "Maintain" or "Maintaining" refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

"Maintenance Rights" shall have the meaning ascribed thereto in Section 14.10 of the Declaration.

"Notice Work" shall have the meaning ascribed thereto in Subsection 5.8.5 of the By-Laws.

"Parking Unit" refers to the Unit designated as the Parking Unit in the Declaration and the Floor Plans.

"Parking Unit Owner" refers to the owner of the Parking Unit at the time in question.

"Permitted User(s)" refers to any Unit Owner, the Condominium Board and all employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, students, faculty and visitors of a Unit Owner or a tenant of a Unit Owner and/or the Condominium Board and all tenants and/or tenant-shareholders, or any Recognized Mortgagee, as the case may be, and occupants of a Unit and all officers, directors, members, partners and shareholders of a Unit Owner and/or the Condominium Board.

"Persons" refers to an individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any Federal, State, County or municipal government, or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Plan" shall have the meaning ascribed thereto in Section 28.2 of the Declaration.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Proprietary Lease" shall have the meaning ascribed thereto in Section 28.2 of the Declaration.

"Recognized Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units or upon the Tenant's interest in the Lease, pursuant to the provisions of the By-Laws and held by a Recognized Mortgagee.

"Recognized Mortgagee" has the meaning set forth in Section 6.2 of the By-Laws.

"Regulatory Agreement" refers to either the HDC Regulatory Agreement or the HPD Regulatory Agreement or both of them.

"Related Costs" refers to all reasonable fees and expenses incurred by the Condominium Board or a Unit Owner in connection with necessary and reasonable inspections of Unit Work or Common Element Work to determine whether the same are being or have been performed in accordance with the approved plans and specifications therefor and all requirements of (i) Law; (ii) insurance carriers providing insurance coverage pursuant to Section 5.2, (iii) the Declaration; and (iv) these By-Laws (including, with respect to Unit Work or Common Element Work which constitute Structural Alterations, the fees and expenses of any architect or engineer employed for such purpose).

"Remedy Notice" has the meaning specified in Section 25.3 of the Declaration.

"Residential Common Elements" refers to those Common Elements which serve or benefit exclusively the Residential Unit or the Residential Unit Owner as more particularly described in Section 8.5 of the Declaration and the Floor Plans.

"Residential Roofs and Roof Setbacks" refers to all the roofs, setbacks and terraces and the like, from the beginning with the roofs and setbacks over the Second Floor of the Building to the top of the Building (including, without limitation, bulkheads, parapets and the protective layers beneath any decking material) as more particularly described on the Floor Plans.

"Residential Section" refers to the Residential Unit and the Residential Common Elements.

"Residential Unit" refers to the Unit or Units designated as the Residential Unit as more particularly described in Article 6 and Exhibit B to this Declaration and the Floor Plans.

"Residential Unit Owner" refers to the owner of the Residential Unit at the time in question.

"Retail Unit" refers to any Unit designated as a Retail Unit in the Declaration and the Floor Plans which initially shall include Retail Unit A and Retail Unit B..

"Retail Unit A" refers to the Unit designated as the Retail Unit A in the Declaration and the Floor Plans.

"Retail Unit A Owner" refers to any owner of a Retail Unit A at the time in question.

"Retail Unit B" refers to the Unit designated as the Retail Unit B in the Declaration and the Floor Plans.

"Retail Unit B Owner" refers to any owner of a Retail Unit B at the time in question.

"Retail Unit Owner" refers to any owner of a Retail Unit, which shall include Retail Unit A Owner and Retail Unit B Owner.

"Roofs and Roof Setbacks" refers the Residential Roofs and Roof Setbacks and the Commercial Roofs and Roof Setbacks.

"Sign(s)" shall have the meaning ascribed thereto in Section 14.6 of the Declaration.

"Special Assessments" shall have the meaning set forth in Section 5.1.4 of the By-Laws.

"Structural Alterations" refer to any alterations of any (a) Building System or element of the Building that would materially and adversely affect the effective and proper operation of any Building System, (b) exterior walls and windows, Structural Supports and Roof and Roof Setbacks.

"Structural Supports" refers to all elements (including, without limitation, foundations, the structural columns, slabs, girders, beams, braces, trusses and walls) which are load bearing or which are necessary for the structural integrity of any portion of the Building.

"Supermarket Lease" refers to that certain lease dated as of June 21, 2002 between Developer and Pathmark Stores, Inc. for the premises comprised of Retail Unit A, as same may be further amended from time to time.

"Supermarket Tenant" refers to the tenant under the Supermarket Lease at the time in question.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Developer), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to a space designated as a Commercial Unit and/or a Residential Unit in the Declaration and Floor Plans and all such Units are collectively referred to as "Units."

"Unit Owner" refers to either the Commercial Unit Owners or the Residential Unit Owner at the time in question and all such Unit Owners are collectively referred to as the "Unit Owners."

"Unit Work" shall have the meaning ascribed thereto in Subsection 5.8.2 of the By-Laws.

"Utility Facilities" refers to the utilities referenced in Article 14.3 of the Declaration.

"Zoning Resolution" refers to the Zoning Resolution of the City of New York, effective as of December 15, 1961, as amended, or any successor statute.

EXHIBIT D

BY-LAWS

OF

BRADHURST COURT CONDOMINIUM
300 WEST 145TH STREET
NEW YORK, NEW YORK 10039

EXHIBIT "6"

CONDOMINIUM BY-LAWS

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BY-LAWS

ARTICLE 1

GENERAL

1.1 **Purpose.** The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of Bradhurst Court Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of the entire city blcok at West 144th Street, West 145th Street, Frederick Douglass Boulevard and Bradhurst Avenue (the "Land") which forms Block 2044 of Section 2 the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or Exhibit C thereto.

1.2 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and any rules and regulations adopted by the Condominium Board. The acceptance of a deed of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, and the Declaration and any rules and regulations adopted by the Condominium Board are accepted, ratified, and will be complied with.

1.3 **Principal Office of Condominium.** The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 **Number, Term and Qualification.** As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). The Condominium Board shall consist of five (5) individuals, one (1)

of whom shall be designated by the Parking Unit Owner, one (1) of whom shall be.designated by the Retail Unit A Owner, one (1) of whom shall be designated by the Retail Unit B Owner and two (2) of whom shall be designated by the Residential Unit Owner from time to time. In the event that the Residential Unit is conveyed to the Apartment Corporation and converted to cooperative ownership, two of the three members of the board of directors of the Apartment Corporation (the "Cooperative Board"), acting in accordance with the terms of the Proprietary Leases and the by-laws of the Apartment Corporation (the "Cooperative By-Laws") will also serve as the members of the Condominium Board to be designated by the Residential Unit Owner.

2.2 **Powers and Duties.**

2.2.1 The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Condominium Board by the Unit Owners).

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof the Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1 Using, operating and Maintaining the General Common Elements.

2.2.2.2 Determining the amount of Common Charges (as hereinafter defined) subject to the provisions of Section 5.1 of these By-Laws.

2.2.2.3 Employing and dismissing personnel necessary for the maintenance and operation of the General Common Elements.

2.2.2.4 Making contracts and incurring liabilities in connection with the exercise of any of the powers and duties of the Condominium Board; provided that any such contracts entered into with (i) an affiliate of Unit Owner, (ii) a constituent entity of an Unit Owner or (iii) an affiliate of any such constituent entity, shall be on arm's length terms at market rates.

2.2.2.5 Bringing actions on behalf of the Unit Owners, as their respective interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable.

2.2.2.6 Causing repairs to be performed in a Unit in the event of an emergency (i.e., a situation involving continuing or imminent loss or threat of loss of life or property, personal injury or material business interruption).

2.2.2.7 Procuring such fidelity bonds as the Condominium Board deems advisable covering officers and employees of the Condominium Board handling and responsible for the Condominium Board's funds and personal property and to procure managers' and officers' liability insurance if the Condominium Board deems it advisable. The premiums of such bonds and insurance shall be at market rates and be paid by the Condominium Board as a part of General Common Expenses.

2.2.2.8 Determining policies, adopting and amending the administrative rules and regulations governing the details of operation of the Property and its use, including the General Common Elements, and amending such administrative rules and regulations from time to time as the Condominium Board deems advisable.

2.2.2.9 Making additions and improvements to, or alterations of, the General Common Elements subject to the provisions of Section 5.10 of these By-Laws.

2.2.2.10 Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings which repairs and restorations shall be performed after a casualty to the General Common Elements without requiring a prior vote of the Condominium Board.

2.2.2.11 Enforcing obligations of Unit Owners under the Declaration and the By-Laws.

2.2.2.12 Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.13 Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves the Common Elements, as set forth in 5.2.

2.2.2.14 Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of all Unit Owners (other than any Unit Owner in default of its obligation to pay Common Charges and/or General Common Expenses and such borrowing is a result of such default) and the consent of the Recognized Mortgagees (if same shall be required under the terms of the Recognized Mortgages on such Unit) shall be required for any borrowings in excess of $250,000, and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of the Units and the Recognized Mortgagees, if same shall be required under the terms of the Recognized Mortgages on such Units. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.14 is not

repaid by the Condominium Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the General Common Elements bears to the interest of all the Unit Owners in the General Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.15 Organizing corporations to act as designees of the Condominium Board with respect to such matters as the Condominium Board may determine.\

2.2.2.16 Executing, acknowledging and delivering (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.17 Preparing, executing and recording 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 (without modification) whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.18 Entering into a zoning lot merger or any declaration or other instruments necessary to acquire, purchase, allocate, sell or dispose of any Floor Area Development Rights now or in the future appurtenant to the Property or other zoning lot pursuant to the Zoning Resolution of the City of New York or to merge or subdivide a zoning lot.

2.2.2.19 Obtaining and reviewing insurance for the Property pursuant to the provisions of Section 5.2.

2.2.2.20 Issuing estoppel certificates to any Unit Owner or Recognized Mortgagee relating to such Unit Owner's payment of Common Charges.

2.2.2.21 Performing any and all duties imposed on the Condominium Board by legal requirements or insurance requirements applicable to the Property.

2.2.3 Any act with respect to a matter determinable by the Condominium Board and deemed necessary or desirable by the Condominium Board in connection therewith shall be done or performed by the Condominium Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Condominium Board.

2.2.4 Notwithstanding anything to the contrary contained in the Declaration or these By-Laws, the Condominium Board shall take no any actions with respect to the Parking Unit or the Retail Units which the Commercial Unit Owners cannot take under the terms of any Commercial Lease and all rights which may be exercised by the Condominium Board with respect to the Commercial Units and the Condominium are subject to the rights of the Commercial Tenants under the Commercial Leases. The Commercial Unit Owners and their designees are hereby authorized to exercise hereunder all rights granted to the Commercial Tenants under the Commercial Leases and may take all actions which the Commercial Unit Owners have obligated themselves to perform or granted the right to the Commercial Tenants to perform under the Commercial Leases, including, without limitation, exercising any rights of "self-help" granted to the Commercial Tenants under Commercial Leases. The rights granted under and the limitations imposed by this Subsection 2.2.4 are in addition to any rights granted under the Declaration or these By-Laws with respect to the Commercial Leases and the rights of the Commercial Tenant, including, without limitation, the rights granted under Article **16** and Article 28 of the Declaration.

2.3 **Managing Agents and Managers.** With respect to matters the determinations concerning which the Condominium Board is entitled to make, the Condominium Board may employ a managing agent and/or a manager at a compensation established by the Condominium Board to perform such duties and services as the Condominium Board shall authorize. The Condominium Board may delegate to such managing agent or manager other powers granted to the Condominium Board by these By-Laws.

2.4 **Resignation and Removal.** A Condominium Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Condominium Board. 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. Any Condominium Board member may be removed by the Unit Owner designating such Condominium Board member, at any time, with or without cause, in which event such Unit Owner will designate a replacement.

2.5 **Designations; Vacancies.** The Condominium Board shall be filled by designation, in writing, made by each Unit Owner, respectively, in accordance with the provisions of Section 2.1. Each Unit Owner may substitute, in writing, individuals designated to represent such Unit Owner on the Condominium Board. In the event of any vacancy on the Condominium Board for whatever reason, such vacancy shall be filled by the Unit Owner who designated such member. If a Recognized Mortgagee has the right under its Recognized Mortgage or Regulatory Agreement to remove members of the governing body of the Unit Owner of the Unit securing its loan, and if the Recognized Mortgagee exercises such right in accordance with the Recognized Mortgage or Regulatory Agreement, then in such event the Recognized Mortgagee also shall have the right to remove the members of the Condominium Board appointed by that Unit Owner and to appoint its own representatives to serve on behalf of such Unit Owner.

2.6 **Regular Meetings of Board.** Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by all the members thereof. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, or facsimile (or such other method as all members of the Condominium Board shall have agreed upon), at least five business days prior to the day named for such meeting.

2.7 **Special Meetings of Board.** Special meetings of the Condominium Board may be called by the President or Vice President of the Condominium Board by giving five business days' prior notice to each member of the Condominium Board in accordance with Section 2.6, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting.

2.8 **Waiver of Notice.** Any Board member may at any time waive notice of a Condominium Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of a Condominium Board, no notice shall be required and any business may be transacted at such meeting.

2.9 **Determinations by Board; Quorum.**

2.9.1 Except as otherwise set forth in Section 2.9.3 and Section 2.13, all determinations by the Condominium Board shall be made at a meeting of the Condominium Board at which a quorum thereof is present. At any Condominium Board meeting, all of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Condominium Board. In the event the vote arises from the default of one Unit Owner in its obligations created under the Declaration or these By-Laws, the Board member designated by the defaulting Unit Owner may not vote, the attendance of such Board Member shall not be required to constitute a quorum and the unanimous vote of the remaining Board Members shall constitute the decision of the Condominium Board.

2.9.2 If at any Condominium Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.9.3 Members of the Condominium Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all individuals participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Condominium Board may be taken without a meeting if all members of the Condominium Board consent in writing to the adoption

of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Condominium Board.

2.10 **Compensation.** No member of the Condominium Board shall receive any compensation for acting as such.

2.11 **Liability of Board and Unit Owners.**

2.11.1 To the extent permitted by applicable law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board or of any managing agent or manager in connection with the affairs or operation of the Condominium or the Units (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Condominium Board or by any managing agent or manager thereof shall provide or be deemed to provide that it is made by the Condominium Board, managing agent or manager only as agent for all Unit Owners, that the Condominium Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and, unless expressly stated to the contrary in such contract (as determined by the Condominium Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Condominium Board. Notwithstanding anything herein to the contrary, Condominium Board members shall have no liability to Unit Owners except that a Condominium Board member shall be liable for such Board member's own bad faith or willful misconduct. Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owner, or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing, provided such dealing is on an arms-length basis and not above market rates.

2.11.2 Neither the Condominium Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any Common Element.

2.12 **Fidelity Bonds.**

2.12.1 The Condominium Board shall obtain or ensure maintenance of fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute General Common Expenses.

2.12.2 To the full extent permitted by law, the Condominium Board shall purchase and maintain directors and officers insurance (i) to indemnify the Condominium for any obligation which it incurs as a result of the indemnification of members and officers of the Condominium as required by law or by a court order, (ii) to indemnify members and officers of the Condominium Board in instances in which they may be indemnified by the Condominium under the provisions of these By-Laws, and (iii) to indemnify members and officers of the Condominium in instances in which they may not otherwise be indemnified, to the extent provided by such insurance.

2.13 **Committees.** The Condominium Board may, subject to such limitations and exceptions as the Condominium Board may prescribe, appoint an Executive Committee and such other committees as the Condominium Board may deem appropriate, each to consist of as many members as the Condominium Board shall deem appropriate for the purpose of making such reports and studies as the Condominium Board deems appropriate.

2.14 **Principal Office of Condominium Board.** The principal offices of the Condominium Board shall be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Condominium Board.

2.15 **Status of Condominium Board.** In addition to the status conferred upon the Condominium Board under or pursuant to the provisions of the Condominium Act, the Condominium Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Condominium Board pursuant to the provisions of Section 2.16, the provisions of this Section 2.15 shall no longer be applicable to the Condominium Board.

2.16 **Incorporation of Board.** To the extent and in the manner provided in the Condominium Act, the Condominium Board may, as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Condominium Board so incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Condominium Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall

control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.17 **Board as Agent of Unit Owners.** In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act in good faith as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

OFFICERS

3.1 **Designation.** The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Condominium Board. The Condominium Board members may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. None of the officers of the Condominium Board need be Unit Owners or have any interest therein or be Board members. One individual can hold two offices provided that the office of President and Vice President shall be held by different individuals.

3.2 **Election of Officers.** The officers of the Condominium Board shall be elected annually by the members of the Condominium Board and shall hold office until their successors are elected or until his or her death, resignation or removal.

3.3 **Resignation and Removal of Officers.** Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Condominium Board. 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. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose. Any officer may be removed at any time, either with or without cause, by the affirmative vote of at least two members of the Condominium Board.

3.4 **President.** The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of the Condominium Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees (in accordance with the provisions of Section 2.13) from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Condominium.

3.5 **Vice President.** The Vice President shall take the place of the President and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Condominium Board are unable to act, the Condominium Board shall appoint some member of the Condominium Board to act in the place of such

President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Condominium Board or by the President.

3.6 **Secretary.** The Secretary of the Condominium shall keep the minutes of all meetings of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York. Any Assistant Secretary appointed by the Condominium Board pursuant to Section 3.1 of these By-Laws shall have all of the powers of the Secretary.

3.7 **Treasurer.** The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board (or in the name of the managing agent appointed by the Condominium Board) in such depositories as may from time to time be designated by the Condominium Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. Any Assistant Treasurer appointed by the Condominium Board pursuant to Section 3.1 of these By-Laws shall have all of the powers of the Treasurer.

3.8 **Execution of Documents.** The Condominium Board shall proscribe rules governing the execution of documents, including without limitation, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium, as it sees fit.

3.9 **Compensation of Officers.** No officer shall receive any compensation for acting on the Condominium Board.

ARTICLE 4

NOTICES; UNIT OWNER MEETINGS

4.1 **Notices.** All notices required or desired to be given hereunder to the Condominium Board shall be personally delivered or sent by registered or certified mail to the office of the Condominium Board or to such other address as the Condominium Board may designate from time to time, by notice in writing and to all Unit Owners and to all Recognized Mortgagees, as the case may be, and if there is a managing agent of the Condominium Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail or by recognized overnight courier service to the Property address of such Unit Owner or to such other address(es) as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board. All notices to Recognized Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to

the Condominium Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper or sent by recognized overnight courier service, except notices of change of address which shall be deemed to have been given when received.

4.2 **Waiver of Service of Notice.** Whenever notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

4.3 **Unit Owners Meetings.** Except as otherwise agreed by all of the Unit Owners, no regular meetings of Unit Owners need be held. As to any matter as to which the Unit Owners are permitted or required act at any meeting of Unit Owners, such action may be taken without a meeting if the requisite number of such Unit Owners, in number and Common Interest, consent in writing (by proxy or otherwise) to such action and the writing or writings are filed with the minutes of such Board.

ARTICLE 5

OPERATION OF THE PROPERTY

5.1 Determination of Common Expenses and Fixing of Common Charges.

5.1.1 From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium for the next ensuing fiscal year; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the General Common Expenses; and (iii) subject to the provisions of Subsection 5.1.2, allocate and assess such Common Charges amongst the Unit Owners, pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise the Unit Owners in writing of the amount of Common Charges payable by each of them, not later than ten (10) days next preceding the date upon which the first monthly installment in an amount equal to 1/12 of newly-determined Common Charges is due and shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners. Subject to the provisions of Subsection 5.1.2, the Condominium Board may, at its sole discretion, from time to time, increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners, and may modify its prior determination of the General Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of General Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Alternatively, the Condominium Board, may, at its option, determine Common Expenses and allocate Common Charges monthly, based upon actual cost incurred. In the event the Condominium Board fails to adopt a proposed budget for a fiscal year within ninety (90) days

after the commencement of that fiscal year, (a) the budget for the previous fiscal year shall remain in effect, (b) the proposed budget shall be submitted to Arbitration, and (c) at such time as the arbitrator has ruled on the proposed budget, such budget shall be substituted for the previous fiscal year's budget. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees servicing the Commercial Units or categories of services, utilities or supplies provided to the Commercial Units in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners or as otherwise required by Law.

5.1.2 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration, and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth in these By-Laws and the Declaration, and shall be borne proportionally by the Unit Owners in accordance with their Common Interests. The General Common Expenses of the Condominium shall also include the expenses provided for in the Declaration and these By-Laws to be Common Expenses and may also include amounts for working capital, general operating reserves and a reserve fund for replacements and provisions for retiring any deficit for Common Expenses for any prior operating year. All costs and expenses which are allocable solely to the repair, maintenance and operation of the Commercial Unit, the Residential Unit or the Limited Common Elements, respectively, shall in no event be deemed General Common Expenses and shall be borne solely by the Unit Owner of such Unit or the Unit Owner having an interest in such Limited Common Element, as the case may be. Any disputes under this Section 5.1.2 shall be resolved by Arbitration.

5.1.3 Any delay or failure by the Condominium Board to prepare or adopt a budget or calculate the annual Common Charges and/or to furnish such written statement to the Unit Owners shall not constitute a waiver of or in any way impair the continuing obligation of the Unit Owners to pay the applicable annual Common Charges, in advance, on the first day of each month, as due and payable pursuant to the terms hereof. Until the Condominium Board shall have made such calculation of the annual Common Charges payable by the Unit Owners and furnished such written statement to the Unit Owners for the fiscal year in question, the Unit Owners shall pay annual Common Charges, to the Condominium Board in twelve equal monthly installments, in an amount equal to the monthly installments of annual Common Charges payable by the Unit Owners during the previous fiscal year. Within fifteen (15) days after the Condominium Board has furnished the aforesaid written statement to the Unit Owners, each Unit Owner shall pay to the Condominium Board, as a lump sum payment, any deficiency in the annual Common Charges payable by the Unit Owners for the period of the fiscal year in question, which has elapsed prior to the furnishing of such written statement. Subject to the right of the Condominium Board to change the amount of Common Charges payable by the Unit Owners or base Common Charges upon actual Common Expenses incurred, as provided in Subsection 5.1.1, for the remainder of such fiscal year, the Unit Owners shall pay monthly installments of annual Common Charges, in advance on the first day of the month, at the rate

specified in such written statement. To the extent that the share of annual Common Charges payable by the Unit Owners by operation of this Subsection 5.1.3 shall be less than the actual Common Expenses of the Condominium for the fiscal year in question, the deficiency shall be paid by the Unit Owners within ten (10) days after the Unit Owners are notified of the deficiency.

5.1.4 "Special Assessments" shall mean those assessments levied against Unit Owners for the purpose of paying non-recurring, extraordinary expenses affecting the General Common Elements, including without limitation, capital expenses relating to the General Common Elements. All Special Assessments relative to the General Common Elements shall be levied by the Condominium Board against the Unit Owners in the proportion of each Unit Owner's respective Common Interests (except as otherwise provided in the Declaration or these By-Laws). Such Special Assessments shall be payable by the Unit Owners in addition to their respective obligations to pay Common Charges as herein above provided by this Section 5.1. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than thirty (30) days' written notice, except in the case of an emergency, prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 5.4). Notwithstanding anything to the contrary set forth herein, any proposed Special Assessment shall require the approval of all members of the Condominium Board.

5.1.5 General Common Expenses shall include real estate taxes on the Property, if any, until the Units are separately assessed. Until the Units are separately assessed, a Unit Owner shall pay such real estate taxes in the proportion that the Common Interests of the Unit bears to the Common Interests of all of the Units. Until such time as (and thereafter, in respect of the period until) the Property shall have been subdivided so that each Unit shall constitute a separate tax lot, the Condominium Board shall have the sole right to commence and maintain tax reduction or other proceedings to reduce the assessed valuation of the Property, which shall be maintained on behalf of the Unit Owners, collectively. The Condominium Board shall not settle or compromise such tax reduction proceedings without the consent of all Unit Owners and, to the extent required under the applicable Recognized Mortgage, Recognized Mortgagees, in each case not to be unreasonably withheld or delayed and which shall be deemed given if not denied within twenty (20) days after written request therefor. The cost and expense of any such tax reduction proceeding, including, without limitation, reasonable attorney's fees and charges, shall be a Common Expense. Notwithstanding anything to the contrary set forth herein, prior to the period that the Units are separately assessed and billed for real estate taxes, in the event that any tax exemptions, benefits, credits, rebates or incentives are granted to the property as the result of any programs attributable to a particular Unit or the actions, undertakings or status of a particular

Unit Owner, such exemptions, benefits, credits, rebates or incentives will inure solely to the benefit of such particular Unit or Unit Owner.

5.1.6 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

5.2 **Insurance.**

5.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) standard "all risk" Property coverage, including coverage for Flood (including sewer back-up and seepage), Earthquake with sub-limits of not less than $5,000,000 to apply separately to Flood and Earthquake and Building Law and Ordinance (including, demolition debris removal and increased cost of construction) with a sub-limit of not less than $ 10,000,000 insuring the entire Common Elements (including each Unit's real property improvements; underground foundations; underground machinery, but excluding fixtures, furniture, furnishings or other personal property which are a part of the Unit), together with all machinery equipment and furniture that otherwise service the Building and covering the interests of the Condominium, the Condominium Board and the Unit Owners and their Recognized Mortgagees and Commercial Tenants (if required under the terms of the respective Commercial Leases), as their respective interests may appear, in an amount equal to the full reconstruction Replacement Costs, including reoccurring soft costs and professional fees with the limit of insurance to apply on a blanket basis to all Common Elements of the Building without any co-insurance clause, said policies shall contain a New York standard mortgagee clause in favor of each Recognized Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Recognized Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) business income insurance, including rent and extra expense, in an amount equal to anticipated 12 months of Common Charges and any other income anticipated from the operations of the Building, for the same perils and with all of the coverage extension pertaining to the insurance covering the Building and with an extended indemnity period of 180 days covering loss sustained subsequent to completion of reconstruction; (c) worker's compensation and New York State disability benefits insurance; (d) standard boiler and machinery insurance with a Replacement Cost the limit of insurance of not less than $10,000,000 to apply on a blanket basis to all Common Elements, including coverage for demolition, debris removal and increased cost of construction; and business income, including rents and extra expense, in an amount equal to anticipated 12 months of Common Charges and any other income anticipated from the operations of the Building, for the same perils and with all of the coverage extensions pertaining to the insurance covering the Building and with an extended indemnity period of 180 days covering loss sustained subsequent to completion of reconstruction; (e) fidelity insurance covering the Condominium Board and all officers, directors, managing agents and employees of the Condominium including any party that sits on the Condominium Board in an amount to be determined by the Condominium Board, of not less than $1,000,000 (f) directors and officers liability insurance in an amount to be determined by the Condominium Board; of not

less than $1,000,000 and (g) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be borne by the Unit Owners in proportion to their Common Interest; provided, however, if any Unit is used for a purpose different from the purpose for which the Unit was initially used, and which would cause the insurance premiums to be increased above rates typically charged, then the premiums will be allocated among the Unit Owners, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). Proof of payment of premiums for such insurance shall be delivered to any Unit Owner, Unit occupant or Recognized Mortgagee within 10 days of request therefor.

5.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Commercial Unit Owners if the loss involves only the Commercial Unit, the Commercial Common Elements or the Commercial Limited Common Elements, (b) the Residential Unit Owner if the loss involves only the Residential Unit or the Residential Common Elements or (c) the Condominium Board if the loss involves more than one Unit, only the General Common Elements or the General Common Elements and one or more Units. The right of the Condominium Board or a Unit Owner to adjust any loss as described above, shall be subject (as to an encumbered Unit) to the rights of a Recognized Mortgagee, if any, under the terms of a Recognized Mortgage to approve any adjustment in excess of $500,000, as it pertains to the Unit secured by the Recognized Mortgage held by said Recognized Mortgagee, which approval shall not be unreasonably withheld or delayed.

5.2.3 All "all risk" Property insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on the acts of the insured which increase the hazard, and shall provide that such policies may not be canceled or non-renewed without at least 30 days' written notice to all of the insureds except in the case of non-payment of premium where 30 days (subject to availability and if 30 days is not available, then 10 days) prior written notice shall be required, including all Unit Owners and Recognized Mortgagees. A certified copy of all original insurance policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Recognized Mortgagees at least fifteen (15) days prior to expiration of the then current policies.

5.2.4 The Condominium Board shall be required to obtain and maintain, through the combination of Commercial General Liability policy and an Umbrella Liability policy, in the amount of fifty million ($50,000,000) dollars if reasonably available in the marketplace, against claims for Bodily Injury, Property Damage and Personal Injury, all as defined in the Commercial General Liability policy, related to the operations of the Property. Such insurance shall be written on an "occurrence" form, if reasonably available in the marketplace, and shall contain: Products Liability and Completed Operations coverage; Cross Liability coverage including claims of one insured against another, with wording acceptable to the Condominium Board, Notice of Occurrence coverage with wording acceptable to the Condominium Board; and Unintentional Errors and Omissions coverage with wording acceptable to the Condominium Board. The policy(ies) shall

cover (i) the Condominium Board, the managing agent thereof, each Board member, and each officer and employee of the Condominium, (ii) the Unit Owners, all officers, directors and employees thereof, their Recognized Mortgagees and their respective managing agent or agents, and, to the extent required under any Commercial Lease, the Commercial Tenant thereunder, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit.

5.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines but in no event more than $50,000 during the first year of condominium operation and thereafter in no event more than $100,000, as adjusted for inflation as provided in Section 11.8 of these By-Laws.

5.2.6 The following provisions shall apply with respect to insurance requirements of Unit Owners.

5.2.6.1 No Unit Owner shall (1) knowingly do or permit any act or thing to be done in or to its Unit which will invalidate or be in material conflict with any public liability, property or other policy of insurance at any time carried by the Condominium Board with respect to the Property, (2) knowingly keep anything in its Unit or in the Common Elements which is prohibited by the Fire Department, Board of Fire Underwriters, fire insurance rating organization or other authority having jurisdiction or (3) knowingly permit its Unit or the Common Elements to be used in any manner which will increase the insurance rate for the Property over that in effect as of the date of this Declaration, unless such Unit Owner pays the additional cost thereof as provided below.

5.2.6.2 Any costs, expenses, fines, penalties or damages which shall be imposed upon the Condominium Board by reason of a default by a Unit Owner in performing its obligations under this Section 5.2.6 or by reason of any increase in the premium charged for insurance carried by the Condominium Board resulting from a change in the insurance rate for the Property attributable to a use of such Unit Owner's Unit, other than for Residential use, parking or ancillary uses or for any other use to which such Unit is put as of the date of the recordation of the Declaration, shall be assessed against such Unit and shall be payable by the Unit Owner thereof. For all purposes hereunder, a schedule or "makeup" of rates for the Property issued by the New York Fire Insurance Rating Bureau or other body making fire insurance rates applicable to the Property shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate or rates then applicable to the Property.

5.2.6.3 Each Unit Owner shall, at its sole cost and expense, maintain or cause to be maintained at all times through the combination of Commercial General Liability policy and an Umbrella Liability policy, insurance in the amount of twenty million ($20,000,000) per location dollars per occurrence and in the aggregate or if covered under a blanket Limit of Liability policy fifty million ($50,000,000) dollars per occurrence and in the aggregate against claims for Bodily Injury, Property Damage and Personal Injury, all as defined

in the Commercial General Liability policy, related to the ownership, operation, maintenance, use or control of the demised premises by the Unit Owner. Such insurance shall be written on an "occurrence" form if reasonably available, and shall contain: Products Liability and Completed Operations coverage, Contractual Liability coverage with a deductible of no greater than one hundred thousand ($100,000) adjusted for inflation (unless the Condominium Board agrees to permit a policy which allows for a greater deductible, or the Unit Owner has a net worth equal to at least $500,000,000 as evidenced annually by financial statements prepared by a certified public accountant); Liquor Law Liability coverage shall be required if the Unit Owner is in the business of selling, serving or distributing alcoholic beverages; with a limit of twenty million ($20,000,000) dollars each occurrence and in the aggregate. The Condominium Board reserves the right to reasonably require higher liability limits from time to time. The foregoing insurance coverages shall be adjusted for inflation.

5.2.6.4 The Condominium Board, Recognized Mortgagees and, to the extent required under any Commercial Lease, the Commercial Tenant thereunder, shall be named as additional insureds on the Unit Owner's General Liability and Umbrella Liability policies of the Unit Owner. It is agreed that the Unit Owner's Liability insurance shall be primary to any other insurance available to the above mentioned additional insures.

5.2.6.5 Each Unit Owner shall, at its sole cost and expense, maintain or cause to be maintained at all times Worker's Compensation/Employers Liability and New York State disability benefits insurance with respect to such Unit Owner's employees.

5.2.6.6 Each Unit Owner shall, at its sole cost and expense, maintain or cause to be maintained at all times such additional insurance, in type and limit, as is customarily carried with respect to comparable properties as the Condominium Board may reasonably require by unanimous vote of all members of the Condominium Board.

5.2.6.7 The aforementioned coverages shall be increased upon the reasonable request of a Recognized Mortgagee from time to time with respect to either or both of the Common Elements or the Unit on which the Recognized Mortgagee holds a Recognized Mortgage. To the extent such increased coverages are requested as the result of increased risks attributable to a particular Unit, the Unit Owner of such Unit shall bear the increased premiums resulting therefrom.

5.2.6.8 If a Unit Owner fails to procure and maintain the insurance required under this Article 5, the Condominium Board 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.

5.2.7 The insurance required to be maintained under this Section 5.2 shall meet the following criteria:

5.2.7.1 The policies of insurance shall be from a company rated in the A.M. Best Key Rating Guide with ratings of at least A-VII and each primary insurance company, admitted and licensed to do business in New York State (unless the Condominium Board in its reasonable judgment determines otherwise) and, except as provided in Sections 5.2.6.3 and 5.2.7.8, each umbrella insurance company shall be licensed to do business in the State of New York as an admitted insurer (unless the Condominium Board in its reasonable judgment determines otherwise). Except as provided in Section 5.2.7.8, all deductibles and self-insurance retentions shall be subject to prior approval of the Condominium Board, it being understood that the consent of each member shall not be unreasonably withheld or delayed.

5.2.7.2 Except for Workers Compensation and New York Statutory Disability Insurance coverages the Condominium Board and the Unit Owners each agree that they shall make no claim for recovery against each other for damages to or loss of the demised premises or improvements and betterments thereon, and injury or damage arising out of operations if such damage injury or loss is covered by valid and collectible insurance protecting the Condominium Board and the Unit Owners and which contains a clause permitting the insured to waive such rights prior to the occurrence of a loss. Such waiver of subrogation shall apply to all stated insurance coverages herein.

5.2.7.3 The policies shall contain a provision that before any non-renewals or cancellation of a policy, at least thirty (30) days' advance written notice, either by regular mail or by certified mail, return receipt requested, shall be given (1) in the case of insurance under Section 5.2.6, to the Condominium Board and Recognized Mortgagees, and (2) in the case of insurance under Section 5.2.1 and Section 5.2.4, to all Unit Owners and Recognized Mortgagees.

5.2.7.4 All policies maintained by the Condominium Board shall acknowledge that (a) all Unit Owners, Recognized Mortgagees and, to the extent required under any Commercial Lease, the Commercial Tenant thereunder are deemed additional insureds for any liability insurance except that Unit Owners shall not be considered additional insureds with respect to the business operations of their own Unit, (b) the Condominium Board is deemed a loss payee for casualty to a General Common Element and (c) each Unit Owner is deemed a loss payee for casualty to its respective Limited Common Element. The Condominium Board shall provide a certified copy of all insurance policies to all Unit Owners and Recognized Mortgagees evidencing all required Condominium Board policy coverages and additional insured, loss payee or mortgagee status.

5.2.7.5 Liability coverage shall be endorsed with a severability of interest endorsement, if not otherwise included, stating that if a claim is brought by one insured against another insured under such policy, or by an employee of one insured against another insured under such policy, each insured shall be considered a separate insured for purposes of the insurance. The policies shall be written with a contractual liability endorsement, if not otherwise included, providing coverage for bodily injury or property damage assumed under any type of written contract, except any contract under which the insured assumes liability for the sole negligence of an indemnitee to the extent permitted by law.

5.2.7.6 Any policies required to be furnished pursuant to Sections 5.2.6.3 or 5.2.6.5 may be maintained by the Unit Owner or occupant under a blanket policy or coverages; provided, however, that such insurance otherwise complies with Section 5.2.7. Certificate(s) evidencing the existence of such coverage to be maintained by an Unit Owner or occupant under Section 5.2.6 shall evidence satisfaction of the foregoing requirements and shall be delivered to the Condominium Board, each Unit Owner, occupant and Recognized Mortgagee no later than ten (10) days prior to such Unit Owner's acceptance of the deed for its Unit or, if under Section 5.9.4, not less than fifteen (15) days prior to the commencement of the work. Within ten (10) days of the expiration or termination date of any policy, the Unit Owner or occupant shall deliver a renewal or replacement certificate evidencing the existence thereof, to the Condominium Board, each Unit Owner and Recognized Mortgagee.

5.2.7.7 All of the conditions contained in Section 5.2.7 are required only to the extent obtainable at reasonable rates from any insurance company meeting the requirements set forth in Section 5.2.7.1.

5.2.7.8 Without limiting the remedies of the Condominium Board for an Unit Owner's default, in the event that any Unit Owner fails to provide evidence of insurance required to be provided by such Unit Owner hereunder and does not cure such default within (3) Business Days after request therefor by the Condominium Board, the Condominium Board shall be authorized (but not required) to procure such coverage in the amounts stated with all costs thereof to be assessed against such Unit Owner's Unit as if such costs were additional Common Charges, and subject to all remedies available to the Condominium Board contained in Sections 5.6 and 5.7 of these By-Laws.

5.2.7.9 Neither the issuance of any insurance policy hereunder, nor the minimum limits specified herein with respect to an Unit Owner's insurance coverage, shall be deemed to limit or restrict in any way any Unit Owner's liability in connection with or arising out of its work and the indemnification obligations set forth in this Declaration.

5.2.7.10 Each Unit Owner shall be solely responsible for obtaining and maintaining, at such party's sole expense, such property insurance with respect to such party's interests in property, improvements and betterments, and personal property located within its respective Unit as such party determines is suitable with respect to property not covered under the Condominium Board's Special Form Property Insurance Coverage, and, insofar as may be permitted by the terms insurance policies carried by it, each of the Condominium Board, each Unit Owner and each respective agents and employees with respect to the other parties for loss, damage or destruction with respect to any such property. All policies of property insurance maintained by any Unit Owner shall contain a waiver of subrogation with respect to the Condominium Board, each Unit Owner, each Recognized Mortgagee and their respective agents and employees, to the extent obtainable and in furtherance thereof the Condominium Board and all Unit Owners hereby waive their subrogation rights.

5.2.8 The Condominium Board 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 Condominium Board to each Recognized Mortgagee at least fifteen (15) 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.

5.2.9 If any of the foregoing insurance coverages, including without limitation, the deductibles with respect thereto, are unavailable or unavailable are commercially reasonable rates, then in lieu thereof, the Condominium Board may obtain and maintain obtain such other insurance coverages as would then be obtained and maintained by prudent property owners of similar properties situated in the City of New York. The Condominium Board shall have the right to amend the required limits and types of insurance from time to time. During the first year of Condominium operation or such longer period as may be determined by the unanimous consent of the Condominium Board, any coverages required to be maintained by the Condominium Board pursuant to the provisions of this Section 5.2, may be maintained under one or more policies maintained by The Related Companies, LP, including, without limitation, its master policies or builder's risk policies. Nothing contained herein shall be construed to require the Condominium Board to obtain insurance against acts of "terrorism" which may or may not be obtained by the Condominium Board in its sole discretion, subject to the requirements, if any of any Lease or a Recognized Mortgagee.

5.2.10 If the Condominium Board fails to obtain and maintain the insurance required in this Article 5, then any one or more of the Unit Owners shall have a joint and several right, upon five (5) business days notice to the Condominium Board, to obtain such insurance in the required amounts. If the Unit Owners fail to obtain and maintain the insurance required in this Article 5 following the Condominium Board' failure, then a Recognized Mortgagee shall have the right, upon seven (7) business days notice to the Condominium Board 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 Condominium Board 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 Citibank, N.A. 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. Each of the Unit Owners shall be deemed to have a power of attorney from the Condominium Board to act on its behalf to perform the obligations of the Condominium Board as set forth herein. Each Recognized Mortgagee also shall be deemed to have a power of attorney from the Condominium Board to act on its behalf to perform the obligations of the Condominium Board as provided under this Subsection.

5.2.11 At the Permanent Loan Closing, as defined in the HDC Commitment, and for so long as the HDC Loan is outstanding, the Condominium Board shall pay to HDC an insurance escrow reserve equal to approximately six months of insurance premiums, and thereafter on a monthly basis a sum equal to 1/12 of the anticipated annual premium(s), as reasonably determined by HDC, for any insurance policies required under these By-Laws. Such

amounts shall be paid to the HDC to reimburse the Condominium for, or to pay directly when due, the premiums of any insurance policies required by these By-Laws. The Condominium Board shall remit the Commercial Unit escrow to the Residential Unit to be included with the Residential Unit's mortgage payment to HDC. The Unit Owners and the Condominium Board agree that any amount by which the insurance escrow reserve shall, at any time in the sole discretion of HDC, be deficient for the purpose of paying the insurance premiums, shall be paid by the Unit Owners as apportioned by HDC within twenty (20) days after written notice and demand. All amounts in the insurance escrow reserve may be commingled with the general funds of HDC. Upon satisfaction of the HDC Loan, any amounts remaining in the insurance escrow reserve shall be returned to the Residential Unit and apportioned between it and the Commercial Unit. Absent gross negligence, willful misconduct or bad faith, HDC shall be protected and shall incur no liability for or in respect to any action taken or omitted with respect to this escrow reserve. This provision may not be amended or modified without the written consent of HDC.

5.3 **Repair or Reconstruction after Fire or Other Casualty.**

5.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Commercial Unit Owners with respect to any damage to or destruction of the Commercial Unit or the Commercial Common Elements, the Residential Unit Owner with respect to any damage to or destruction of the Residential Unit or the Residential Common Elements, and the Condominium Board with respect to any damage to or destruction of the General Common Elements, shall arrange for the prompt repair and restoration thereof and the Condominium Board, the Unit Owners or a Depositary, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. The party responsible for the prompt repair and restoration of any portion of the Building, as aforesaid, shall be deemed the "Responsible Party" as to such portion of the Building. Notwithstanding anything to the contrary set forth herein, where the Condominium Board is responsible for the prompt repair of restoration of any General Common Elements damaged or destroyed as provided in Section 5.3.1 of these By-Laws, in the event the Condominium Board fails to perform the repair and restoration as provided herein, a Recognized Mortgagee may perform such repair or restoration to the extent the damage or destruction materially affects the Unit securing the lien of its Recognized Mortgage. If only the Commercial Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. If only the Residential Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Residential Unit Owner will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. If said damage or destruction by fire or other casualty affects more

than one Unit and/or the General Common Elements, or any combination of two thereof, or if the damage only affects the General Common Elements then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the General Common Elements of the Building. Any surplus payable to any Unit Owner pursuant to this Subsection 5.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Recognized Mortgages) on any such Unit in the order or priority of such liens.

5.3.2 Insurance proceeds with respect to any loss (other than losses covered by policies maintained under Subsection 5.2.7.2 of these By-Laws) shall be payable (as loss payee) as follows: (i) to the Condominium Board with respect to losses adjusted by the Condominium Board in accordance with Section 5.2.2 of these By-Laws except that the proceeds of all policies of physical damage insurance, if in excess of $2,000,000 (as such amount is adjusted for inflation pursuant to Section 11.8 of these By-Laws), shall be payable to the Depositary. All payments to the Depositary hereunder shall be treated in accordance with the provisions of Section 11.5 of these By-Laws.

5.3.3 The Responsible Party shall supervise the repair and restoration which shall be commenced and pursued to completion in as timely a manner as practicable and shall be performed by a general contractor or a construction manager selected by the Responsible Party. If the overall cost of the repair and restoration is greater than $500,000 as adjusted for inflation, then (i) the Responsible Party 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 supervised by the construction manager, with a contract price in excess of $200,000, as adjusted for inflation) shall be selected by the Responsible Party and approved by the Recognized Mortgagee(s) of such Responsible Party where the Responsible Party is a Unit Owner and by all of the Recognized Mortgagees, where the Responsible Party is the Condominium Board, which approval shall not be unreasonably withheld or delayed. Each Responsible Party will cause its construction manager or general contractor to coordinate the work with other Responsible Parties performing such 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.

5.3.4 The plans and specifications for any repair and restoration shall be prepared by an architect engaged by the Responsible Party and shall provide for the restoration of the damaged portion of the Building as close as commercially practicable to the Building as existed prior to the damage or destruction, except to the extent any changes in law require otherwise or unless the Unit Owners agree otherwise subject to the reasonable approval of the Recognized Mortgagees holding Recognized Mortgages secured by the affected Units or except for any such changes which the Unit Owner would be entitled to perform without the consent of the Condominium Board or the other Unit Owners (or with the consent of such parties, if such consent is obtained). Each Responsible Party shall cause the architect to furnish the other Unit

Owners, the Condominium Board and the Recognized Mortgagees with a set of the plans and specifications (and shop drawings upon request) which it has prepared or caused to be prepared, to the extent the Unit Owners and/or the Condominium Board shall be entitled to such documentation under Sections 5.9. and 5.10 of the By-Laws with respect to alterations. Each Recognized Mortgagee shall receive copies of all change orders and shall have the right to reasonably approve any material changes to the Building which affect the Unit securing the lien of its Recognized Mortgage.

5.3.5 Subject to the provisions of Section 5.3.6 of these By-Laws, each Unit Owner shall be obligated to repair and restore its Unit and the Limited Common Elements appurtenant thereto, and the Condominium Board shall be obligated to repair and restore the General Common Elements, regardless of whether or not any insurance proceeds are available for that purpose. Furthermore, each Unit Owner shall cooperate with the other Unit Owners and the Condominium Board, and the Condominium Board shall cooperate with the Unit Owners, in connection with any repairs or restoration to the Property.

5.3.5.1 Notwithstanding the foregoing, if, however, one Owner defaults in the full, faithful and punctual performance of any obligation under this Section 5.3 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating and executing contracts, and performing construction and submitting requisitions to a Depositary) (a "Defaulting Unit Owner"), then the other Unit Owners or the Condominium Board, 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) business days' prior notice of such default (or such shorter notice period, as may be required in the event of an emergency), the right, but not the obligation, if the Defaulting Owner has not commenced the good faith cure of such default within said ten (10) business day period (or such shorter notice period, as may be required in the event of an emergency), (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) to use the Defaulting Owner's insurance proceeds in connection with the performance of any such obligation paid to the Depositary in accordance with the applicable provisions of Section 11.5. If any Unit Owner defaults in the performance of its obligations under this Section 5.3, as aforesaid, the other Unit Owners and the Condominium Board, 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 Condominium Board 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.

5.3.5.2 If the Condominium Board defaults in the full, faithful and punctual performance of any obligation under this Section 5.3 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating or executing contracts and performing construction and submitting requisitions to the Depositary), any Unit Owners shall have, in addition to any other rights and remedies, the right, acting jointly and severally, to perform all obligations of the Condominium Board, and the Unit Owners shall be deemed to have a power of attorney from the Condominium Board to act on its behalf to perform the Condominium Board's obligations set forth herein.

5.3.6 Notwithstanding anything to the contrary set forth herein, the consent of a Recognized Mortgagee under the provisions of Section 5.3 of these By-Laws will not be required where there is damage to General Common Elements or Limited Common Elements appurtenant to the Unit secured by the Recognized Mortgage held by said Recognized Mortgagee where the General Common Elements or Limited Common Elements are located within another Unit and (i) the damage to said General Common Elements and/or Limited Common Elements is less than $200,000, as adjusted for inflation or (ii) the damage pertains to any boiler flue.

5.3.7 If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies carried by the Condominium Board, adjusted on an Actual Cash Value Basis (depreciated), 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 out of such Unit Owner's share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Recognized Mortgages or mortgages which do not require such discharge) in the order of the priority of such liens. As used in this Section 5.3, the words "promptly resolve" mean resolve as promptly as practical under the circumstances but in any event, not more than 180 days from the date of such damage or destruction.

5.4 **Payment of Common Charges.**

5.4.1 The Unit Owners shall be obligated to pay to the Condominium Board the Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 5.1 at such time or times as the Condominium Board determines. Unless otherwise determined by the Condominium Board to which they are payable, Common Charges shall be payable, in 12 equal monthly installments, in advance, on the first day of each month. No Unit Owner may exempt itself from liability to pay all or any portion of Common Charges or from any of its other obligations hereunder by waiver of the use or enjoyment of any of the Common Elements, by abandonment of its Unit or by any claim of dissatisfaction with the quantity or quality of maintenance or services furnished to the Property.

5.4.2 Any sums assessed against a Unit Owner by the Condominium Board or expended by the Condominium Board on behalf of a Unit Owner, as provided in the Declaration or these By-Laws, shall be deemed Common Charges payable under this Section 5.4 for which the Condominium Board shall have a lien for nonpayment as provided in Section 5.6 of these By-Laws.

5.4.3 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by such Unit Owner (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by such purchaser of such Unit. In the event of a foreclosure sale of a Unit by a Recognized Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

5.4.4 To the extent permitted by applicable law, the lien of any mortgage of record shall be subordinate to all liens provided for in Subsection 5.4.2.

5.4.5 Notwithstanding Subsection 5.4.2, neither the seller nor the purchaser of a Unit shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Condominium Board (if a statement is so requested by the seller or purchaser of the Unit.

5.4.6 In the event that prior to the Units being separately assessed for real estate tax purposes, the Condominium Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes, determined by multiplying the total real estate taxes due on the entire Property by the percentage of Common Interest carried by that Unit, shall be deemed to be Common Charges, and the Condominium Board shall have a lien (as provided in Subsection 5.4.2) for any such accrued and unpaid amounts.

5.5 **Collection of Common Charges.** The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board which remain unpaid for more than thirty days after the due date for payment thereof.

5.6 **Default in Payment of Common Charges and Special Assessments.**

5.6.1 In the event any Unit Owner fails to make payment of Common Charges or Special Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month, but in no event in excess

of the maximum rate permitted by law (the "Default Rate") on such unpaid amounts computed from the due date thereof, together with all reasonable expenses, including, without limitation, reasonable attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, the Condominium Board may establish its own reasonable alternate fees for late payments, whether such fees are more or less than the charges set forth herein. The Condominium Board shall diligently and in good faith enforce the obligations of each Unit Owner to pay Common Charges and Special Assessments.

5.6.2 Notwithstanding anything to the contrary set forth herein, the Apartment Corporation shall establish its "Cash Requirements" (as such term is defined in the Proprietary Lease) to ensure that the Apartment Corporation will have sufficient funds to pay the Common Charges due and payable by the Apartment Corporation under the terms of the Declaration and these By-Laws and shall take prompt action to collect any charges due from Tenant-Shareholders to the Apartment Corporation under the terms of the Proprietary Lease which remain unpaid for more than twenty business days after the due date for payment thereof. In the event that the Apartment Corporation fails to take such action, the Condominium Board, may in its own name, or, if necessary, in the name of the Apartment Corporation, may take any action for the collection of such charges may have taken, including, without limitation, the institution of such actions, the issuance of the new shares and Proprietary Lease to the Condominium Board and the recovery of interest and expenses as provided in the Proprietary Lease.

5.6.3 In addition to any rights granted to the Condominium Board hereunder, in the event of a default by the Apartment Corporation in payment of the Common Charges owed by the Apartment Corporation hereunder, the Condominium Board may, at its option, so long as such default shall continue, after serving notice of the default upon the Apartment Corporation and any lender holding a loan secured by the Shares and Proprietary Lease of a Tenant-Shareholder, demand and receive from such Tenant-Shareholder, the Maintenance Charges due from the Tenant-Shareholder to the Apartment Corporation, and the Tenant-Shareholder shall pay such Maintenance Charges within 10 days of receipt of a demand therefore and any such payment of Maintenance Charges to the Condominium Board shall be sufficient payment and discharge of such Tenant-Shareholder's obligation to the Apartment Corporation as between such Tenant-Shareholder and the Apartment Corporation, to the extent of the amount so paid.

5.7 **Foreclosure of Liens for Unpaid Common Charges.**

5.7.1 In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure

action shall be entitled to the appointment, without notice, of a receiver to collect the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. No action shall be brought to foreclose such lien unless thirty (30) days' notice of claim of lien is given to the defaulting Unit Owner and any Recognized Mortgagee thereof. The Condominium Board, acting on behalf of the Unit Owners, shall have the power to bid in the amount of the lien at the foreclosure sale and to acquire and hold, lease, mortgage and convey same. In the event the net proceeds received on such foreclosure sale (after deduction of all reasonable legal fees, advertising costs, brokerage commissions and other reasonable costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

5.7.2 The Condominium Board at the request of any Unit Owner, will enter into a nondisturbance agreement (the "Condominium Nondisturbance Agreement") in substantially the form annexed hereto with a Commercial Tenant or on such other terms as the Condominium Board was determine. The Condominium Board, at the request of the Unit Owner entering into a lease with the Commercial Tenant, shall execute and deliver promptly the Condominium Nondisturbance Agreement and any other agreement that a Commercial Tenant may reasonably request in confirmation of the foregoing in form reasonably satisfactory to the Condominium Board.

5.8 **Statement of Common Charges.** The Condominium Board shall promptly provide any Unit Owner who so requests, with a written statement of all unpaid Common Charges, Special Assessments, late charges and interest due to it from Unit Owners.

5.9 **Alterations, Maintenance and Repairs of the Units and the Limited Common Elements.** Each Unit and the Limited Common Elements appurtenant thereto shall be kept in first-class condition (and with respect to Roofs or Roof Setbacks or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent same would cause damage to the Building) by the Unit Owner thereof. The Unit Owners shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection with their respective maintenance obligations. Each Unit Owner shall have the affirmative duty to Maintain its respective Unit in such a manner so as to prevent and avoid inflicting harm to other Units, the Limited Common Elements, the General Common Elements or the Building, including without limitation, providing necessary services and utilities to its respective Unit such as heat and water to the extent the provision of such services and utilities is necessary to the proper functioning of another Unit and insuring the water tightness of those portions of the Roofs and Roof Setbacks and Exterior Facade that are a Limited Common Element appurtenant to such Unit. Each Unit Owner shall periodically cause its Unit to be inspected for rodents and other pests, and, if necessary cause the same to be exterminated by a reputable and licensed extermination company. Notwithstanding anything to the contrary set forth herein, the Condominium Board and the Residential Unit Owner may agree that the Condominium Board's Maintenance obligations under the Declaration and these By-Laws will be delegated to the Residential Unit Owner, as agent of the Condominium Board and

any expenses incurred by the Residential Unit Owner in its capacity as agent of the Condominium Board shall be deemed General Common Expenses, allocated in accordance with the provisions of Section 5.1 of these By-Laws.

5.9.1 Each Unit Owner shall have the right, pursuant to the terms of Article 10 of the Declaration but subject to the provisions hereof and compliance with the provisions of the Regulatory Agreement and the Supermarket Lease, to make any alterations, additions, improvements, or repairs in, to or upon the interior of its Unit or the Limited Common Elements appurtenant thereto, whether structural or non-structural, ordinary or extraordinary (collectively the "Unit Work") subject to the provisions of the this Section 5.9. No Unit Owner shall have the right to make modify the appearance of the Exterior Façade which is a Limited Common Element appurtenant to such Unit Owner's Unit, without the approval of the Condominium Board; provided however that the Commercial Unit Owners will have an easement and the right to change the facade of the Building and alter, replace, restore, renovate, remodel and reconstruct the existing facade of the Building through and including the First Floor of the Building without the consent of the Condominium Board, provided that such penetration does not materially weaken the structural soundness of the Building.

5.9.2 Each Unit Owner, at its expense, shall (x) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of its Unit Work (and shall maintain the same in effect during the course of the Unit Work) and shall obtain final approval thereof upon completion (including, without limitation, a certificate of occupancy), and deliver copies of the same to the Condominium Board, (y) obtain such insurance coverage with respect to the Unit Work as the Condominium Board determines is necessary or appropriate in its reasonable discretion (and shall maintain the same in effect during the course of the Unit Work and (z) if the Condominium Board determines that any Unit Work so requires, cause the Declaration to be amended and new Floor Plans to be filed (by those Persons designated by the Condominium Board to prepare such amendment or file such plans) at the sole cost of the Unit Owner making such Unit Work. The Condominium Board shall cooperate with a Unit Owner and, at such Unit Owner's expense, execute all applications, authorizations and other instruments reasonably required to enable such Unit Owner to obtain such permits, authorizations, approvals and certificates. Each Unit Owner shall reimburse the Condominium Board for all reasonable fees and expenses incurred by the Condominium Board in connection with necessary and reasonable inspections of the Unit Work to determine whether the same are being or have been performed in accordance with the approved plans and specifications therefor and all requirements of (i) Law; (ii) insurance carriers providing insurance coverage pursuant to Section 5.2, (iii) the Declaration; and (iv) these By-Laws (including, with respect to Unit Work which may affect the Building structure, systems or exterior, the fees and expenses of any architect or engineer employed for such purpose). Any costs associated with the Unit Work including, but not limited to, the costs set forth above, shall be deemed "Related Costs."

5.9.3 No Unit Work involving any Structural Alterations or generating unusual or excessive noise, vibrations or odors (such Unit Work hereinafter referred to as "Notice

Work") shall be commenced by a Unit Owner (the "Performing Unit Owner") until the Condominium Board and the other Unit Owners shall have been furnished with (i) certificates of insurance, in such form, amount and from an insurance carrier or carriers reasonably satisfactory to the Condominium Board, and reasonably satisfactory evidence of payment of premiums therefor, indicating that the insurance coverage then required by the Condominium Board to be carried during the making of any Unit Work is in effect, (ii) in the case of Notice Work involving Structural Alterations, a certification of the architect for the Notice Work stating that such Notice Work will not adversely affect the structural integrity of the Building or the Building Systems, (iii) in the case of Notice Work involving noise, odor or vibrations, a certification of the architect for the Notice Work stating that such Notice Work will be performed in a commercially reasonable manner so as to minimize such noise, odor or vibrations (taking into account the fact that portions of the Building will be occupied by residential tenants) and (iv) all necessary permits, authorizations, approvals and certificates required for the commencement of the Unit Work (the provisions of subparagraphs (i) through (iv) are hereinafter referred to as the "Work Conditions").

5.9.3.1 A Performing Unit Owner shall not commence Notice Work unless (i) the Performing Unit Owner has given twenty (20) days prior written notice to the other Unit Owners of its intent to perform the Notice Work (the "Work Notice") which Work Notice shall include a set of plans of the Notice Work and a copy of the application for the building permit for the Notice Work and (ii) the Performing Unit Owner has (x) not received written objection thereto from the other Unit Owners or the Condominium Board pursuant to Section 5.9.4.2 of these By-Laws, (y) received consent from the other Unit Owners with respect to the Notice Work, or (z) received a written Arbitration determination in accordance with Subsection 5.9.4.2 of these By-Laws authorizing the Performing Unit Owner to perform the Notice Work.

5.9.3.2 A Unit Owner receiving the Work Notice may, within fifteen (15) days of receipt thereof, submit a written objection to the proposed Notice Work to the Performing Unit Owner setting forth in detail, the basis for such objection. If such an objection is submitted and not resolved by the Unit Owners, the proposed Notice Work may only be performed if the matter is submitted to Arbitration for a determination of whether the Notice Work will satisfy the requirements of Sections 5.9 including without limitation, the Work Conditions. In the event a Unit Owner receiving the Work Notice does not make a written objection to the Notice Work within the 15-day period, such Unit Owner will be deemed to have waived any objections and the Performing Unit Owner shall be authorized to perform the Notice Work, subject to compliance with these By-Laws.

5.9.3.3 Once Unit Work is commenced, such work shall be completed with reasonable diligence and designed and undertaken in such manner as not to unreasonably delay or impose any unreasonable additional expense upon the Condominium Board or the other Unit Owners in the construction, maintenance, cleaning, repair, safety, management, security of operation of the Building, or any part thereof, and so as not to unreasonably interfere with, or cause unreasonable interruption of, the operation and maintenance of the Building, or any part thereof, or cause unreasonable annoyance to, or unreasonable interference with, the use and

occupancy of the Building and the other Units by the Permitted Users (including, without limitation causing unusual noise or vibrations). Notice Work that involves unusual or excessive noise or vibrations may only be performed during the hours of 9:00 a.m. to 5:00 p.m. Monday – Friday (legal holidays excepted) except in cases of emergency or as otherwise required by law. No Unit Work may jeopardize the soundness or structural integrity of any Unit or the Common Elements or the safety of any Permitted Users or involve commercially unreasonable levels of noise, odors or vibrations (taking into account the fact that portions of the Building may be occupied by residential tenants). Any dispute hereunder shall be resolved by Arbitration.

5.9.3.4 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to perform Structural Alterations in or to any Unit or to the Limited Common Elements appurtenant thereto so approved by the Condominium Board (if such approval is required) shall, if required by law or such department or authority, be executed by said Condominium Board, provided that the Condominium Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any Person having any claim for injury to person or damage to property arising therefrom. The Condominium Board shall reasonably cooperate with any Commercial Tenant in connection with any governmental filing required to be made with respect to any such Unit Work, which cooperation shall include the execution, acknowledgment and delivery of such applications, forms, permits, consents and other documents as may reasonably be required in connection with such Unit Work, provided, however, that the Condominium Board shall be reimbursed by Tenant for the reasonable out-of-pocket costs incurred by the Condominium Board in connection with the Condominium Board's review or execution of any of the foregoing.

5.9.3.5 Except in the event of a situation which materially interferes with the normal operation of the Supermarket Tenant's business in Retail Unit A or creates a risk to the safety of persons or real or personal property in Retail Unit A or the Parking Unit (including the Supermarket Tenant's fixtures, equipment, merchandise or other personal property therein), no repair or other work which would result in the unavailability of any commercial parking spaces in the Parking Unit or that would materially interfere with any ingress or egress of the Commercial Section shall be commenced if the completion thereof would occur less than eight days before any Holiday, unless the Commercial Tenant expressly consents thereto. For purposes of this subparagraph "Holiday" shall be defined to mean Thanksgiving Day, Christmas Day, Independence Day, New Years Day, Memorial Day, Labor Day, Easter Sunday and the first day of Passover.

5.9.4 Each Unit Owner shall:

5.9.4.1 Give prompt notice to the Condominium Board of any written notice of violation received by said Unit Owner arising from or otherwise connected to the Unit Work performed by it or on such Unit Owner's behalf, which shall be issued by any public authority having or asserting jurisdiction over the Unit or Building, and, upon receipt of notice from the

Condominium Board or otherwise acquiring knowledge thereof, promptly procure the cancellation or discharge of the same at its expense; provided, however, nothing herein shall prevent a Unit Owner from contesting in good faith and at its own expense any such notice of violation, provided that: (w) neither the Condominium Board nor any other Unit Owner shall by reason thereof be subject to criminal penalty or to prosecution for a crime, nor shall the Property or any part thereof be subject to being foreclosed upon, condemned or vacated, nor shall the certificate(s) of occupancy for the Building or such Unit Owner's Unit be suspended or threatened to be suspended by reason of non-compliance or otherwise by reason of such contest; (x) before the commencement of such contest, the Unit Owner shall furnish to the Condominium Board either (1) a bond, in form and substance reasonably satisfactory to the Condominium Board, of a surety company reasonably satisfactory to the entire Condominium Board or (2) other security or indemnification reasonably satisfactory in all respects to the Condominium Board; (y) neither such non-compliance nor such contest shall constitute or result in any violation of the terms of the Declaration or the By-Laws; and (z) the Unit Owner shall keep the Condominium Board regularly advised as to the status of such proceedings.

5.9.4.2 Within 30 days after a Unit Owner receives notice from the Condominium Board or otherwise acquires knowledge of the filing of any lien or violation resulting from such Unit Owner's Unit Work performed by it at its sole expense, such Unit Owner shall discharge, by payment, bond or otherwise, such mechanics' liens or any other liens filed against the Building or its Unit for work, labor, services or materials claimed to have been performed at or furnished to such Unit Owner's Unit as aforesaid for or on behalf of such Unit Owner. If a Unit Owner shall fail to so discharge any such lien within such 30 day period, the Condominium Board shall have the right, but not the obligation, to do so at the expense of such Unit Owner and any such expenditure shall be a Special Assessment assessed against such Unit Owner's Unit.

5.9.5 Neither the Condominium Board nor the Unit Owners (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to its Unit) shall incur any liability, cost or expense (i) in connection with the preparation, execution, or submission of the applications referred to in Section 5.9.3 hereof; (ii) to any contractor, subcontractor, materialman, architect or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any other Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. A Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to its Unit or the Limited Common Elements appurtenant thereto shall agree (in writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing) to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and the other Unit Owners harmless from and against any such liability, cost and expense.

5.9.6 Notwithstanding any other provision of these By-Laws to the contrary:

5.9.6.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Unit Owners as a Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

5.9.6.2 The interior and exterior glass surfaces of all windows located in the Building shall not be colored or painted and may not be modified or altered without the consent of the Condominium Board. No paper or other decorations, signs, window treatments or installations may be attached to or located near the windows in the Commercial Unit which would be visible from outside the Unit other than window treatments which, when viewed from outside of the Unit are white.

5.9.6.3 The public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) the Condominium Board with respect to the General Common Elements and (b) the Unit Owners with respect to the Units and the Limited Common Elements appurtenant thereto including, without limitation, the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in their respective Units.

5.9.6.4 The Residential Unit Owner shall ensure that all operable windows opening into the Residential Unit comply with all applicable laws relating to window guards and, if necessary, install, operate and Maintain, at the Residential Unit Owner's expense, any additional equipment required by applicable Law.

5.9.6.5 Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws to the contrary, to the extent that there is located on an Roof or Roof Set Back a terrace appurtenant to any Cooperative Apartment in the Building (each a "Terrace"), the occupant of such Cooperative Apartment shall have the exclusive right to use such Terrace (subject to the right of the Condominium Board and the Residential Unit Owner to access same to perform any maintenance and repair obligations under the Declaration and these By-Laws and the Proprietary Lease), and shall be responsible for normal maintenance and repair to such Terrace, and to any fencing or other enclosure around the Terrace and to any decking, payers or other surface of the Terrace. All drains and gutters on or appurtenant to a Terrace must be maintained free of leaves and other debris, and to prevent any water back-up on the Terrace. Structural or extraordinary repairs to Terraces shall be undertaken by the Residential Unit Owner. No plantings, surface coverings and other furniture, equipment or other installations may be installed upon a Terraces without the consent of the Condominium Board and the Condominium Board may require that such plantings, surface coverings and other furniture, equipment or other installations be removed if same if the Condominium Board determines, that

such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. No Terrace may be enclosed without the express written consent of the Condominium Board. The Condominium Board may establish such other rules and regulations as it deems necessary, in its discretion to protect the Building and to insure the integrity of the Building and the health and safety of the occupants. The foregoing restrictions do not apply to Developer, which may make alterations or additions in or to unsold Cooperative Apartments without obtaining the consent of the Condominium Board or any of its agents, provided such work complies with the terms of the Residential Unit Lease and the Underlying Mortgage.

5.9.6.6 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit and the Limited Common Elements appurtenant thereto (except as otherwise provided in these By-Laws) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense and (b) in or to the General Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense.

5.9.6.7 Upon request of a Unit Owner, the Condominium Board shall execute (i) any declaration or other instrument affecting the Limited Common Elements appurtenant to such Unit Owner's Unit which the Unit Owner deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration thereof and which would not adversely affect the other Units, and (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Limited Common Elements appurtenant to such Unit Owner's Unit which the Unit Owner deems necessary or appropriate and which would not adversely affect the other Units or the Common Elements.

5.9.6.8 The Residential Unit Owner shall maintain and operate the Landscaped Court Amenities in such a manner as will not cause water infiltration into the Commercial Unit A; provided however that the First Floor Roof is a General Common Element, for which the repair, maintenance and replacement is the responsibility of the Condominium Board and the cost thereof a General Common Expense.

5.10 **Performance of Work in General Common Elements.**

5.10.1 Except as otherwise expressly provided herein, the Condominium Board shall be responsible for and shall operate and Maintain the General Common Elements and any appurtenances thereto, including but not limited to, the public areas adjacent to the Building, in first class condition, and shall promptly repair any damage or condition relating thereto. The sidewalk and public curbs appurtenant to the Property shall be Maintained in first class condition by the Condominium Board, which shall promptly repair any damage thereto, and the cost of

such maintenance and repair shall be borne equally by the Unit Owners. Whenever in the judgment of the Condominium Board the General Common Elements require repairs, additions, alterations or improvements (the "Common Element Work"), the Condominium Board shall proceed with the Common Element Work and shall assess all Unit Owners for the cost (including the Related Costs) thereof as a Common Charge. Notwithstanding the foregoing, any determination by the Condominium Board to perform Common Element Work costing in excess of $25,000 per year in the aggregate as such figure is increased pursuant to the terms of Section 11.8 hereof (the "Major Work") shall only be made if consents to the Major Work have been obtained from every member of the Condominium Board.

5.10.2 Notwithstanding the foregoing, a Unit Owner may perform Common Element Work to the General Common Elements and Facilities located in its Unit if (i) such Unit Owner and such Common Element Work will comply with all of the requirements of this Section 5.10 and not unreasonably interfere with the normal use of the other Units for their permitted purposes and (ii) the Unit Owner performing such Common Element Work (the "Performing Unit Owner") gives twenty (20) days prior written notice to the other Unit Owners of its intent to perform the Common Element Work (the "Work Notice") which Work Notice shall include a set of plans of the Common Element Work and (iii) the Performing Unit Owner does not receive written objection thereto from the other Unit Owners within the twenty (20) day period or receives a written Arbitration determination in accordance with Subsection 5.10.4 authorizing the Performing Unit Owner to perform the Common Element Work. All Common Element Work to be performed pursuant to this Section 5.10 shall satisfy the requirements with respect to Unit Work as set forth in Section 5.9 (including, without limitation, Section 5.9.5) and the Performing Unit Owner shall be subject to all of the terms thereof.

5.10.3 In the event that a Performing Unit Owner performs Common Element Work pursuant to Section 5.10.2 and such Common Element Work is (i) required by law, (ii) necessary to preserve the health or safety of Permitted Users or (iii) necessary to preserve the structural integrity of the Building, the cost of performing such Common Element Work (including, without limitation, Related Costs incurred in connection therewith) shall be deemed a Common Expense and the Performing Unit Owner shall be entitled to reimbursement therefor from the other Unit Owners based upon the other Unit Owners' Common Interest. The Work Notice required to be sent in accordance with Subsection 5.10.1 must specify whether the Performing Unit Owner is seeking reimbursement for the Common Element Work under this Subsection 5.10.3. Failure to so specify shall be deemed a waiver of the right to seek reimbursement hereunder. Notwithstanding anything to the contrary set forth above, in the event of an emergency the Performing Unit Owner may perform Common Element Work of a remedial nature without sending a Work Notice.

5.10.4 A Unit Owner receiving the Work Notice may, within twenty (20) days of receipt thereof, submit a written objection to the proposed Common Element Work to the Performing Unit Owner. If such an objection is submitted and not resolved by the Unit Owners, the proposed Common Element Work may only be performed if the matter is submitted to Arbitration for a determination of whether the Common Element Work will satisfy the

requirements of Sections 5.9 and 5.10. In the event a Unit Owner receiving the Work Notice does not make a written objection to the Common Element Work within the 20-day period, such Unit Owner will be deemed to have waived any objections and the Performing Unit Owner shall be authorized to perform the Common Element Work, subject to compliance with these By-Laws.

5.11 **Restrictions on Use of Units.**

5.11.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in this Section 5.11.

5.11.2 Except as otherwise provided in these By-Laws or the Declaration, the Commercial Unit may used for any purposes permitted by law, subject to the restrictions, if any, which may be set forth in the Supermarket Lease or any other Commercial Lease. The Residential Unit shall only be used for residential purposes and ancillary purposes (including, without limitation, exercise rooms storage and ancillary office and/or community facility use). The Unit Owners shall not use or occupy the Units or any part thereof or permit the Units or any part thereof to be used or occupied for the use, storage, production or generation of Hazardous Materials in violation of applicable Law. Each Unit Owner shall indemnify and hold the Condominium and the other Unit Owners, and their respective officers, directors and shareholders, harmless from and against any and all loss, liability, claims, penalties, costs and expenses, including without limitation, attorneys' fees and disbursements, incurred by either the Condominium or the other Unit Owners arising in connection with Hazardous Materials in or on such Unit Owner's Unit.

5.11.3 Notwithstanding anything to the contrary set forth herein, no Unit shall be used for a theater that deals exclusively in films of a prurient nature with no redeeming social value, an auto repair shop, a book or video store that deals exclusively in books or videos of a prurient nature with no redeeming social value, abortion clinic, substance abuse clinic, or a massage parlor suggestive of illicit sexual activity, or any other purpose as may be prohibited under the Supermarket Lease, unless consent to such use is granted by the Condominium Board or the Supermarket Tenant, if required under the Supermarket Lease.

5.12 **Use of Common Elements**. General Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

5.13 **Other Provisions as to Use**.

5.13.1 No nuisance, including, without limitation, disturbing noises or activities, shall be allowed in the Units nor shall any use or practice be allowed in the Building which is a source of annoyance to the Permitted Users of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper,

offensive or unlawful use shall be made of the Building any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to Maintain or repair such part of the Property.

5.13.2 Nothing shall be done, suffered or permitted to be done in any Unit or in or to any Common Element which would (1) impair the soundness or safety of the Building or materially impair any easement or hereditament pertaining to the Property, (2) affect in any way the outside appearance of the Building unless the same shall have been approved in writing by the Condominium Board, which approval (a) shall not be unreasonably withheld, and (b) shall be granted or denied on or before the date that is thirty (30) days after the submission of plans and specifications, (3) result in the cancellation of any insurance carried by the Condominium Board or any Owner hereunder, (4) be noxious or offensive or an unreasonable interference with the peaceful possession and proper use of other Units, or otherwise constitute a nuisance, (5) be in violation of any applicable Legal Requirements or Insurance Requirements with respect to the insurance referred to in clause (3) above, (6) be in violation of the certificate of occupancy for such Unit or the Building, (7) be in violation of this Declaration or the By-Laws or the rules and regulations of the Condominium Board promulgated thereunder, (8) materially interfere with the mechanical and utility systems of the Building or any Unit, or (9) materially impair the delivery of any service that the Condominium Board or any Owner is permitted to receive or required or permitted to provide hereunder.

5.13.3 If any governmental license or permit, other than a certificate of occupancy or a license or permit applicable to the Building as a whole and required in order to render lawful the operation of the Building, shall be required for the proper and lawful conduct of any business in its Unit, it shall be the responsibility of the Unit Owner of such Unit to duly procure and thereafter maintain such license or permit and submit the same to inspection by the Condominium Board. The Unit Owner shall at all times comply with the terms and conditions of each such license, permit, or certificate of occupancy.

5.13.4 No Unit Owner shall permit any unusual or objectionable noise or odors to be produced upon or to emanate from a Unit or discharge or permit to be discharged any materials into waste lines, vents or flues of the Building which might reasonably be anticipated to cause damage thereto or any fumes, vapors, or odors into flues or vents or otherwise as may be noticeable by Permitted Users, or is a Hazardous Material.

5.13.5 All data processing and other business machines and equipment and all other mechanical and electrical equipment installed and used in a Unit shall not exceed the permissible floor or electrical loads for said Unit and shall be so equipped, installed and Maintained by the Unit Owner as to prevent the transmission of noise, vibration or electrical or other interference from such Unit to any other area of the Building. All radio, television, telecommunications or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New

York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any such equipment in such Unit Owner's Unit.

5.13.6 Each Unit Owner shall pay, before delinquency, any and all taxes, custom and import duties, assessments and public charges levied, assessed or imposed upon such Unit Owner's business and/or personal property and its Unit.

5.13.7 The Residential Unit Owner shall not install, place or permit any lights, fixtures or decorations of any sort in any trees outside the Building or install, place or permit in windows or areas visible to public view any flashing, blinking or animated signs or lights, except for normal holiday decorations.

5.13.8 Without the consent of the Condominium Board, no Unit Owner shall use or permit to be used the sidewalks or other space outside the Building for any solicitation, display, sale or similar undertaking (except for the installation of signs as permitted hereunder) and no Unit Owner shall use or permit to be used any loudspeaker, phonograph or other sound system or advertising device which may be heard outside the Unit. Radio antennae, television aerials, satellite dished, or similar devices shall not be permitted to be attached to or hung from the exterior of the Building without the consent of the Condominium Board and only in accordance with applicable law.

5.13.9 Except as otherwise provided herein, the sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.

5.13.10 Each Unit Owner shall cause its Unit to comply with all Legal Requirements and insurance requirements.

5.13.11 Each Unit Owner shall be responsible for cleaning the interior and exterior of the windows appurtenant to its Unit at its sole cost and expense, however, no Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building.

5.13.12 Scaffolding necessary for the performance of work to the General Common Elements, Limited Common Elements or any Unit may be erected on the sidewalks adjacent to the Building, however, such scaffolding shall be installed (a) upon ten (10) business days prior written notice to the Condominium Board and each Unit Owner, (b) after provision of evidence to the Condominium Board that such scaffolding will be erected and Maintained in conformance with all applicable laws and any insurance requirements imposed by the Condominium, (c) in such a manner so as to minimize interference with access to each Unit, (d)

for only so long as the same is necessary for the performance of the work and (e) otherwise consistent with the general manner in which scaffolding is installed in similar buildings in Manhattan. Any such scaffolding shall extend up to the level of the First Floor and shall have approved lighting fixtures and identification signage attached thereto.

5.13.13 Each Unit Owner will dispose of trash and other materials generated from its use of the Unit in accordance with applicable law. No Unit Owner shall sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

5.14 **Right of Access.**

5.14.1 Each Unit Owner shall grant a right of access to its Unit to the Condominium Board, the managing agents, managers, superintendents and/or any other Person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements, or any other part of the Property or for the purpose of curing defaults (after the giving of notice and applicable grace period as set forth herein) hereunder or under the Declaration or and any rules and regulations adopted by the Condominium Board, by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, Maintaining or replacing utility meters relating to the General Common Elements, Unit or any other Unit in the Building, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Units or with the use of the Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present. Each Unit Owner whose Unit is subject to the easements and rights of access described in this Section 5.14.1 shall be reimbursed for reasonable out-of-pocket costs (but not consequential damages) incurred, including, but not limited to, the cost of repairs to such Unit Owner's Unit and security measures incurred by said Unit Owner as a result of the exercise of the easement and right of access hereunder.

5.14.2 If any excavation or other substructure work shall be undertaken or authorized upon land adjacent to the Building, then, provided that the Condominium Board shall have obtained evidence of insurance, indemnification and other legal protections, for the benefit of the Condominium Board and the Unit Owners, reasonably satisfactory to the Unit Owners, each Unit Owner shall, to the extent necessary, afford to the Person causing or authorized to cause such excavation or other substructure work, license to enter upon the Unit owned by such Unit Owner for the purpose of doing such work as shall be reasonably necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations; provided that all such work shall be performed in a manner that shall

minimize interference with the use and enjoyment of the Unit by the Unit Owner or occupant thereof.

5.14.3 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 Condominium Board and during reasonable business hours, to have access to and to inspect the Property, in the company of a member of the Condominium Board 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 Unit and the Common Elements appurtenant thereto that is subject to the lien of the Recognized Mortgagee's mortgage. Notwithstanding anything to the contrary set forth herein, access to any Limited Common Elements or General Common Elements located within a Unit other than the Unit subject to the lien of the Recognized Mortgagee, shall be permitted only on not less than three days' notice to the affected Unit Owner and shall not unreasonably interfere with the use of the affected Unit for its permitted purposes or with the normal conduct and use of the affected Unit by its tenants and occupants.

5.15 **Rules and Regulations.** The Condominium Board may from time to time adopt rules and regulations governing the use and occupancy of the Units and the Common Elements; provided however that no rule or regulation may be adopted without the consent of the Supermarket Tenant (which may be granted or withheld in the Supermarket Tenant's sole and absolute discretion), if such adoption would decrease the rights or increase the obligations or discriminate against either Retail Unit A Owner or Supermarket Tenant..

5.16 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services shall be supplied to and for all of the Units and the Common Elements through one or more Building Systems by the City of New York or such other utility servicing the Units and the Common Elements. Except to the extent Unit Owners are billed directly by the City Collector by separate meter, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Until the Units are separately assessed for real estate tax purposes, the Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of each Unit bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. Notwithstanding anything to the contrary set forth herein, prior to the period that the Units are separately assessed and billed for real estate taxes, in the event that any tax exemptions, benefits, credits, rebates or incentives are granted to the property as the result of any programs attributable to a particular Unit or the actions, undertakings or status of a particular Unit Owner, such exemptions, benefits, credits, rebates or incentives will inure solely to the benefit of such particular Unit or Unit Owner.

5.17 **Gas.** Gas for the Building will be supplied by the utility company servicing the Units and separately metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for gas consumed or used in such Unit Owner's Unit (or portion thereof), directly to the utility company.

5.18 **Electricity.** Electricity for each Unit (and its appurtenant Limited Common Elements) shall be supplied by the utility company servicing the Units and separately metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof), directly to the utility company as directed by the Condominium Board. Electricity for the General Common Elements therefor will be paid by the Condominium Board and will be borne by the Unit Owners as Common Charges. To the extent the usage of such electricity is not separately metered, such electrical usage shall be a Common Expenses allocated to the Unit Owners based upon the determination of a third party energy consultant as to their respective usage.

5.19 **Utilities Serving the General Common Elements.** Except as otherwise provided in this Article 5, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of Maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Unit Owners as a Common Expense according to their respective Common Interests. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

5.20 **Provision of Services and Utilities to the Supermarket Tenant.** In addition to such other rights granted to the Commercial Tenants under these By-Laws and in the Condominium Declaration and notwithstanding anything to the contrary set forth herein, the Condominium Board is obligated to furnish the services provided by the Condominium Board to the Supermarket Tenant on the Cooperative Conversion Date and cannot reduce such services without the consent of the Supermarket Tenant.

5.21 **Abatement and Enjoinment of Violations by Unit Owners.**

The violation of any 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 Condominium Board the right, in addition to such other rights set forth in these By-Laws, (i) to send a Remedy Notice to the owner of any Unit which has given rise to such a violation or breach, (ii) if the condition referenced in the Remedy Notice is not cured within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven days (7) fail to commence appropriate remedies, the Condominium Board may, upon seven (7) days additional notice to the Unit Owner, enter into any Unit or Common Element 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 resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any manner of trespass, or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach and to seek reimbursement for any costs or expenses incurred in connection therewith; provided, that in cases of emergency the Condominium Board shall not be required to send a Remedy Notice but may implement the terms of this Section immediately.

ARTICLE 6

MORTGAGES

6.1 **Unit Owners Rights.** Any Unit Owner shall have the right to give one or more mortgages on such Unit Owner's Unit.

6.2 **Recognized Mortgagees; Notice to Condominium Board.** A Unit Owner who mortgages such Unit Owner's Unit, or receives notice of the assignment by the Recognized Mortgagee of the mortgage, or the holder of any mortgage encumbering such Unit or the Lease, shall notify the Condominium Board of the name and address of said mortgagee or the assignee. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit or the Lease shall so notify the Condominium Board of such satisfaction. The Condominium Board shall maintain such information in a book entitled "Mortgages." A "Recognized Mortgagee" hereunder shall be deemed to be any mortgagee, for which the notices and/or documentation, as applicable has been provided pursuant to the provisions of this Section 6.2 and as to which the lien of the mortgage is subordinate to the Declaration and any mortgagee for which a Recognized Mortgage has been funded with the proceeds from bonds issued by such mortgagee, whether or not such mortgagee holds the Recognized Mortgage at the time in question.

6.3 **Notice of Default and Unpaid Common Charges.** The Condominium Board shall notify each Recognized Mortgagee of a defaulting Unit Owner of (i) any default in the payment of Common Charges, (ii) any other default beyond all cure periods by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which may to the Condominium

Board's knowledge then exist or (iii) the commencement by the Condominium Board of any action or proceeding pursuant to Article 5 of these By-Laws.

6.4 **Performance by Recognized Mortgagees.** The Condominium Board shall accept, by any Recognized Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or and any rules and regulations adopted by the Condominium Board, with the same force and effect as though paid or performed by such Unit Owner. 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 Condominium Board 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 Common Charges or other assessments (plus late payment charges and interest thereon as per these By-Laws), the Condominium Board shall be free to commence a proceeding to foreclose its lien at its discretion.

6.5 **Examination of Books.** Each Unit Owner and Recognized Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than once a month.

6.6 **Rights of Recognized Mortgagees.**

6.6.1 If a Recognized Mortgagee shall have served on the other Unit Owner(s), the Condominium Board, and the Depositaries, in the manner required by this Section or by a Depositary pursuant to the terms of an agreement with such Depositary, a notice specifying the name and address of such Recognized Mortgagee, such Recognized Mortgagee shall be given a copy of all notices provided for in Section 6.3 of these By-Laws. Any Recognized Mortgagee as of the date of the recording of the Declaration shall be deemed to have properly delivered to the Unit Owners and the Condominium Board a notice specifying its name and address. After receipt of such notice from a Recognized Mortgagee, no notice given under Section 6.3 of these By-Laws, 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:

6.6.2 Any insurance proceeds or Awards otherwise payable to a Unit Owner (and not a Depositary) shall, upon notice from a Recognized Mortgagee of such Unit Owner, be delivered instead to such Unit Owner's Recognized Mortgagee.

6.6.3 If a Unit Owner shall fail to appoint an arbitrator or otherwise fail to take any action as may be required or permitted under the Declaration or these By-Laws 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 Unit Owners and the Condominium Board.

6.6.4 If more than one Recognized Mortgagee having a lien on a Unit exercises any of the rights afforded by Subsection 6.6 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 such Unit shall be recognized by the other Unit Owners and the Condominium Board 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 such Unit shall be recognized by such other Unit Owners and the Condominium Board, unless such Recognized Mortgagee has designated a Recognized Mortgagee whose Recognized Mortgage is junior in lien to exercise such right.

6.7 Each Unit Owner shall give its Recognized Mortgagee prompt notice of any arbitration or legal proceedings between such Unit Owner and the other Unit Owner or the Condominium Board involving obligations under the Declaration or these By-Laws. Each Recognized Mortgagee shall have the right but not the obligation to intervene in any such proceedings in the name of and on behalf of the Unit Owner whose Unit is secured by the Recognized Mortgage. In the event that any Recognized Mortgagee does not elect to intervene or become a party to any such proceedings, each Unit 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.

ARTICLE 7

SELLING AND LEASING OF UNITS

7.1 **Selling and Leasing.** Except as otherwise provided in Article 9 of the Declaration, a Unit Owner may sell, lease, transfer, assign, sublease, pledge, hypothecate or encumber such Unit Owner's Unit at any time without limitation or restriction.

7.2 **No Severance of Ownership.** No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 7.2 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

7.3 **Payment of Assessments; Fees.** No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, lease or sublease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and

Special Assessments theretofore assessed by the Condominium Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Recognized Mortgages. No other fees shall be charged by the Condominium Board with respect to any such conveyancing, mortgage, pledge, hypothecation, lease or sublease.

7.4 **Leasing of Units.** A Unit Owner (including a Recognized Mortgagee who acquires title to the Unit through foreclosure or by deed or assignment in lieu of foreclosure) may lease or sublease said Unit in whole or in part, without any notice to or consent of the Condominium Board but subject, in all events, to the provisions of the Declaration or these By-Laws concerning uses of Units. 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 shall be deemed to have incorporated into it the following provisions:

7.4.1 In the event the Unit Owner of the Unit forming all or part of the demised premises under a 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 Condominium Board 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 Condominium Board. Upon receipt of such rental income the Condominium Board shall apply it against Common Charges, assessments or late fees owed by the defaulting Unit Owner. When the Unit Owner becomes current in Common Charges, assessments or late fees, as applicable, the Condominium Board 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.

7.4.2 In the event, however, that the Unit Owner has made an assignment of rents to a Recognized Mortgagee in connection with a Recognized Mortgage on the Unit, the Condominium Board 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 Condominium 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 Condominium Board, in order to allow the Recognized Mortgagee to enforce its assignment of rents. If the Recognized Mortgagee notifies the Condominium Board in writing during such 30-day period that it has enforced its assignment of rents, the Recognized Mortgagee so notifying the Condominium Board shall be required to make payments of Common Charges attributable to the Unit to the Condominium Board. If the Recognized Mortgagee shall not provide notice to such effect to the Condominium Board, then, at the expiration of the 30-day period following the Condominium Board's written notice to the tenant and the Recognized Mortgagee of the Unit Owner's default, the Condominium Board shall be entitled to direct tenant to pay rent directly to the Condominium Board as described above.

ARTICLE 8

CONDEMNATION

8.1 **Notice.** If a Unit Owner or the Condominium Board receives notice that all or any part of the Property has been or is to be subject to a taking through the exercise of the power of eminent domain under applicable law (a "Taking"), such Unit Owner or the Condominium Board shall so notify the other Unit Owners and the Condominium Board and the Condominium Board shall notify all Recognized Mortgagees, as applicable.

8.2 **Repair and Restoration.** In the event of the Taking of all or any part of the General Common Elements, the Condominium Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General Common Elements so taken. The award made for any such Taking (the "Award") shall be payable to the Condominium Board; provided, however, that if any such award exceeds $2,000,000 (as such amount is adjusted for inflation pursuant to Section 11.8 of these By-Laws), such award shall be payable to the Depositary in accordance with the provisions of Section 11.5 of these By-Laws, and shall be disbursed in accordance with the provisions of Section 11.5 of these By-Laws. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared pro rata in accordance with such Unit Owner's Common Interest (i) by all Unit Owners with respect to any Taking of the General Common Elements (ii) by the Residential Unit Owner and the Residential Unit Owner with respect to any taking of the Residential Unit and Residential Common Elements and (iii) the Commercial Unit Owners with respect to any taking of the Commercial Unit and Commercial Common Elements. Each Unit Owner shall be obligated to repair and restore its Unit and appurtenant Limited Common Elements and the Condominium Board shall be obligated to repair and restore the General Common Elements, regardless of whether or not the Award therefore is sufficient. Furthermore, each Unit Owner shall cooperate with the other Unit Owners and the Condominium Board, and the Condominium Board shall cooperate with each Unit Owner, in connection with any repairs or restoration to the Building.

8.2.1 Notwithstanding the foregoing, if one Unit Owner defaults in the full, faithful and punctual performance of any obligation under this Section 8.2 or Section 11.5 (including, without limitation, preparing plans and specifications, selecting contractors, negotiating and executing contracts, performing construction, diligently prosecuting work to completion and submitting requisitions to a Depositary), then the other Unit Owner or the Condominium Board 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) business days' prior notice of such default (or such shorter notice period, as may be required in the event of an emergency), the right, but not the obligation, if the Defaulting Owner has not commenced or is not diligently prosecuting the good faith cure of such default within said ten (10) business day period (or such shorter notice period, as may be required in the event of an emergency), (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 11.5, to use the Defaulting Owner's Award in connection with the performance of any such obligation. If any Unit Owner defaults in the performance of its obligations under this Section 8.2, as aforesaid, the other Unit Owners and the Condominium Board 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 Condominium Board 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.

8.2.2 If the Condominium Board defaults in the full, faithful and punctual performance of its obligations under this Section 8.2 (including, without limitation, adjusting any loss, preparing plans and specifications, selecting contractors, negotiating or executing contracts, performing construction, diligently prosecuting work to completion or submitting requisitions to the Depositary), any Unit Owners shall have, in addition to any other rights and remedies, the right, acting jointly and severally, to perform all obligations of the Condominium Board, and the Unit Owners shall be deemed to have a joint and several power of attorney from the Condominium Board to act on its behalf to perform the Condominium Board' obligations set forth herein.

8.3 **Taking; Adjustment of Common Interest.** If all or a portion of any Unit shall be taken by eminent domain, the Common Interest appurtenant to each Unit remaining after such Taking shall be adjusted as follows: (1) if one Unit is taken in its entirety, the Common Interest appurtenant to the remaining Units shall be increased in proportion to the existing Common Interests of such Units to 100% in the aggregate; and (2) if a portion of any Unit (a "Partially Taken Unit") is so taken and any other Units (a "Retained Unit") are not taken, then each Partially Taken Unit shall, for the purpose of calculation only, be treated as if it had been divided prior to such Taking into two (2) Units, one of which (the "Non-Taken Unit") having appurtenant thereto a Common Interest equal to the product of the Common Interest of the Partially Taken Unit and a fraction, the numerator of which is the floor area in square feet of the Non-Taken Unit and the denominator of which is the floor area in square feet of the Partially Taken Unit, and the other of which (the "Taken Unit") having appurtenant thereto a Common Interest equal to the product of the Common Interest of the Partially Taken Unit and a fraction, the numerator of which is the floor area in square feet of the Taken Unit and the denominator of which is the area in square feet of the Partially Taken Unit (the "Taken Common Interest"). The Taken Common Interest shall be allocated among the Retained Units and the Non-Taken Units in proportion to their respective Common Interests prior to such reallocation.

8.4 **Application of Condemnation Award.** The proceeds of any condemnation award resulting from the Taking of (i) a Unit or any portion thereof shall belong to the Unit Owner of such Unit, (ii) the General Common Elements or any part thereof shall belong to the Unit Owners in accordance with their Common Interests calculated before the adjustment provided in Section 8.2 and (iii) any Limited Common Element or any part thereof shall belong to the Unit Owner(s) with the right to exclusive use of such Limited Common Element, to each in

accordance with the relative interest(s) of such Unit Owner(s) in and to such Limited Common Element(s); provided, that any Unit Owner not otherwise entitled to any such proceeds in accordance with the foregoing may make a claim in any condemnation proceeding for any diminution in value of its interest as the result of such condemnation; and provided, further that if the Condominium Board shall have the obligation to restore the General Common Elements in accordance with Section 8.2, then such proceeds shall be assigned to the Condominium Board and delivered to the Condominium Board or the Depositary, as applicable, for purposes of such application. The proceeds of any condemnation award resulting from a Taking of one or more Unit(s) or any portion thereof and a Taking of the Common Elements (including the Limited Common Elements) or any portion thereof, if not otherwise allocated by the condemning authority, shall be allocated by the Condominium Board (subject to the reasonable approval of each Recognized Mortgagee if required by the applicable Recognized Mortgage) between those resulting from the Taking of a Unit(s) or portion thereof and those resulting from the Taking of the Common Elements (including the Limited Common Elements) or portion thereof. If any Unit Owner or any such Recognized Mortgagee shall notify the Condominium Board within thirty (30) days of such allocation that such Unit Owner disputes such allocation and the Condominium Board and such Unit Owner or any such Recognized Mortgagee shall be unable to resolve such dispute within thirty (30) days after the receipt of such notice, the dispute will be referred to Arbitration. Notwithstanding anything in this Section to the contrary, no payment of any such proceeds shall be made by the Condominium Board to an Unit Owner without the consent of the Recognized Mortgagee, if required by the terms of a Recognized Mortgage, and unless there has first been paid out of such proceeds such Unit Owner's share of all Common Charges, Special Assessments, liens or unpaid assessments on its Unit or a release is obtained from such lienor.

8.5 **Impairment of Easements**. In the event all or any portion of any Unit shall be taken in condemnation, and as a result of such Taking, the interest of any other Unit Owner in and to any easement or other property interest provided for these By-Laws or the Declaration (including rights with respect to Limited Common Elements) shall be taken or otherwise impaired, then such other Unit Owner may petition the Court having jurisdiction for a division of the award in respect of such Taking between the Unit or such portion thereof and such easement or other property interest.

ARTICLE 9

RECORDS AND AUDITS

9.1 **Records.** The Condominium Board or the managing agent for the Condominium Board, if any, shall keep detailed records of the actions of the Condominium Board, minutes of the meetings of the Condominium Board, and financial records and books of account with respect to the activities of the Condominium Board, including a listing of all receipts and expenditures.

9.2 **Audits.** Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared in accordance with generally accepted accounting principles and certified by an independent certified public accountant shall be submitted by the Condominium Board to the Unit Owners, and, if so requested by a Unit Owner, to its Recognized Mortgagee. The cost of such report shall be paid proportionally by the Unit Owners as a Common Expense in accordance with their respective Common Interests.

9.3 **Availability of Documents.** Copies of the Declaration, these By-Laws, and any rules and regulations adopted by the Condominium Board and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 10

ARBITRATION

10.1 **General Procedure.** Any arbitration provided for in these By-Laws shall be conducted in accordance with the provisions of this Article 10 (an "Arbitration"). Each Arbitration shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any Arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any Arbitration under this Article 10 shall be a lawyer or real estate owner, developer, or manager familiar with similar properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

10.2 **Costs and Expenses.** The fees, costs and expenses of the arbitrator will be borne by the losing party in the Arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and reasonable expenses of such Unit Owner's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection with any Arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses.

10.3 **Agreement by Parties.** The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 10.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section

3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 11

MISCELLANEOUS

11.1 **Waiver.** No provision contained in these By-Laws or and any rules and regulations adopted by the Condominium Board 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 which may occur.

11.2 **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

11.3 **Certain References.**

11.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

11.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

11.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

11.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or and any rules and regulations adopted by the Condominium Board conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

11.5 **Depositary.**

11.5.1 The Depositary shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Depositary resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Depositary. The

Condominium Board shall pay the fees and disbursements of any Depositary and such fees and disbursements shall constitute a General Common Expense. Subject to the provisions set forth below, the Depositary shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Developer's construction or permanent lender, such lender shall be the Depositary until its release of all Units from the lien of its mortgage and the Condominium Board and the Depositary shall enter into an agreement with the Depositary setting forth the terms under which the Depositary will hold such funds, all in accordance with the provisions of these By-Laws.

11.5.2 Each request pursuant to the provisions of these By-Laws for disbursement of insurance proceeds, or any 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 11 and otherwise comply with the provisions of this Article.

11.5.3 Before disbursing any Restoration Funds pursuant to the provisions of this Article 11, 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.

11.5.4 Subject to the provisions of this Subsection and Subsections 11.5.5 and 11.5.6 below, the Depositary shall disburse the Restoration Funds received by the Condominium Board connection with the Restoration Work, in installments as the Restoration Work progresses, to the Unit Owner or the Condominium Board, 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 by a Unit Owner in accordance with the terms of these By-Laws, such Unit Owner submitting the Restoration Funds Request shall also provide a copy of such request to its Recognized Mortgagee(s) and to the Condominium Board. If the Restoration Work is made by the Condominium Board each Restoration Funds Request shall be sent to each Unit Owner and all Recognized Mortgagees. Each party entitled to receive a Restoration Funds Request shall also receive the accompanying documents set forth in Section 11.5.8 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 Unit Owner or the Condominium Board, as applicable, addressed to the Depositary (each such request being herein called a "Restoration Funds Request"), provided that:

(i) such Restoration Fund Request shall be accompanied by a certificate of the Unit Owner(s) or the Condominium Board, 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 a Unit Owner or the Condominium Board as reimbursement for a cost of the Restoration Work paid by the Unit Owner or the Condominium Board, (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");

(ii) the Depositary receives any certificates and lien waivers required pursuant to Section 11.5.8;

(iii) the requirement to provide any deposit under Section 11.5.9, if any, has been satisfied; and

(iv) with respect to insurance proceeds, 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 Unit Owners or the Condominium Board pursuant to the By-Laws 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.

(v) 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 Unit 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 Unit Owner or the Condominium Board 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 Unit Owner or the Condominium Board 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, as adjusted for inflation.

(vi) 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 Subsection, 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.

11.5.5 If the Depositary receives a certificate from a Unit Owner stating that, pursuant to Section 5.3, the Unit Owner is entitled to receive the entire net proceeds of the insurance paid to the Depositary, the Depositary shall send a notice to the Condominium Board, the other Unit Owners and those Recognized Mortgagees whose names and addresses have been given to the Depositary, enclosing a copy of the certificate received from the Unit 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 Unit Owner, except that if Depositary has received a notice pursuant to Section 6.6 of these By-Laws, then to such Recognized Mortgagee of the requesting Unit Owner. The amount to be paid by the Depositary under this Subsection shall not exceed $200,000 (or such lesser amount as agreed by the Depositary), as adjusted for inflation.

11.5.6 The Depositary shall disburse such portions of Awards held pursuant to Section 11.5 to the extent provided in Article 8 at such time as and otherwise pursuant to such Article 8.

11.5.7 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 Unit Owner(s) or the Condominium Board, as applicable, in accordance with Section 5.3, provided, however, that if the Depositary has received a notice from a Recognized Mortgagee of a Unit pursuant to Section 6.6, then the portion of the Restoration Funds otherwise payable to the Unit Owner of the Unit securing the Mortgage held by the Recognized Mortgagee, shall be paid to the Recognized Mortgagee. 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 Article 8 of these By-Laws provided, however, that if the Depositary has received a notice from a Recognized Mortgagee pursuant to Section 6.6, then the portion of the Restoration Funds otherwise payable to the Unit Owner of the Unit securing the Mortgage held by the Recognized Mortgagee, shall be paid to the Recognized Mortgagee.

11.5.8 The following are conditions precedent to each payment of Restoration Funds requested to be made pursuant to a Restoration Funds Request:

11.5.8.1. The Restoration Funds Request shall be accompanied by a certificate, dated not more than twenty (20) 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 Unit Owner(s) or the Condominium Board, 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 as may be required in accordance with these By-Laws, 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, 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.

(iv) All the Restoration Work theretofore performed has been performed substantially in accordance with the approved plans and specifications for such Restoration Work.

(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 Unit Owner(s) or the Condominium Board, the balance of the Restoration Funds held by the Depositary (including any funds or other security provided by the Unit Owner(s) or the Condominium Board) 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 Unit Owner(s) or the Condominium Board, 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 11.5.9.1(v) 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 Subsection 11.5.8.3 have been obtained.

(xi) That the Builder's Risk insurance required pursuant to these By-Laws 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.

11.5.8.2 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 Condominium Board 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.

11.5.8.3 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.

11.5.9. If, in connection with any Restoration Work, a determination that a deficiency exists has been made pursuant to Section 5.3 or Article 8, 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 Subsection 11.5.9, then (a) the Unit Owner(s) or the Condominium Board responsible for such deficiency as provided in Article 5 or Article 8, 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, a Unit Owner or the Condominium Board 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 Unit Owner or the Condominium Board or such other security as may be reasonably acceptable to the other Unit Owners and/or the Condominium Board, 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 Unit Owner or the Condominium Board, as applicable, to such cost.

11.5.10. If a Restoration Fund Request is submitted to the Depositary by only one of the Unit Owners or by the Condominium Board, together with such Unit Owner's or the Condominium Board's certificate stating that the other Unit Owners and/or the Condominium Board, as applicable, is obligated to execute the Owner's Certificate but has failed to do so, and

requesting that, pursuant to Section 5.3.5 or 8.2 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 Unit Owners and/or the Condominium Board, 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 Unit Owner's Certificate in question be signed by only the submitting Unit Owner or the Condominium Board, 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 Unit Owner or the Condominium Board, as applicable, and to the extent that the other provisions of this Section 11.5 have been complied with, the Depositary shall pay the requested portion of the Restoration Fund as requested.

11.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of any Unit Owner or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of said Unit Owner or its designee.

11.7 **Covenant of Further Assurances.** Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction

11.8 **CPI Adjustments.** Unless otherwise expressly provided hereunder, any dollar amount described in this document as "adjusted for inflation" or "subject to adjustment for inflation" (or words of similar import) shall be adjusted by multiplying such amount by a fraction, the numerator of which shall be the Consumer Price Index for the full calendar month immediately preceding the date of such adjustment, and the denominator of which shall be the Consumer Price Index for the calendar month _____, 200_. The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York, New York - Northeastern New Jersey Area, All Items (1982-84 = 100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other reasonably similar index as is designated by the Condominium Board shall be substituted for the Consumer Price Index; provided that, if a Unit Owner disputes the reasonable similarity of any index designated by the Condominium Board to the Consumer Price Index, a Unit Owner may submit the matter to Arbitration. If the Consumer Price Index is not immediately available, payments to be calculated in accordance with such Index shall be made based on a reasonable estimate of such Index, and any deficiency shall be paid, and any

overpayment credited, against the next installment of funds due, immediately after such Index is available.

11.9 **Consents.** Any time any Unit Owner, the Condominium Board or a Recognized Mortgagee, as applicable, gives any consent or approval requested to be given hereunder, the other Unit Owners or the Condominium Board, 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 Declaration or these By-Laws (other than a consent to an amendment to the Declaration or these By-Laws 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. Any designation made pursuant to this Section 11.9 shall be effective within ten (10) days after notice thereof is given to the Condominium Board and/or the Unit Owner(s) and the Depositary for said Unit. 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. Any time a consent or approval is required from a Unit Owner, the Condominium Board or a Recognized Mortgagee under the terms of the Declaration or these By-Laws, and such party fails to respond to a request for such consent within the period specified, such consent or approval shall be deemed given provided that the notice requesting such approval or consent specifies in capital letters the date by which a response is required and that such notice or consent will be deemed given if no response is received by said date.

11.10 **Regulatory Agreements**. Nothing contained in the Declaration or these By-Laws 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 any of the Regulatory Agreements affecting the Residential Unit, including but not limited to the obligations thereunder of Declarant, Developer or any subsequent Owner of the Residential Unit.

ARTICLE 12

AMENDMENT TO BY-LAWS

12.1 **Amendments by Unit Owners.** Any provision of these By-Laws may be added to, amended, modified or deleted by the unanimous vote of the Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that (a) the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting,

protecting or otherwise affecting only the Commercial Unit or the Commercial Unit Owners (and not adversely affecting the Residential Unit Owner) may be amended, modified, added to or deleted by the Commercial Unit Owners upon ten (10) days prior written notice to the Residential Unit Owner and the Condominium Board, (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Unit or the Residential Unit Owner (and not adversely affecting the Commercial Unit Owners) may be amended, modified, added to or deleted by the Residential Unit Owner upon ten (10) days prior written notice to the Commercial Unit Owners and the Condominium Board Any disputes under this Section 12.1 shall be resolved by Arbitration.

12.2 **Amendments Affecting Recognized Mortgagees**. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to the By-Laws shall be effective as against a Recognized Mortgagee whose interest would be adversely affected by such modification, addition, amendment or deletion unless such Recognized Mortgagee has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed. Any such amendment that is adopted without the prior written consent of an affected Recognized Mortgagee shall be deemed null and void ab initio. Any dispute that shall arise as to whether a modification, addition, amendment or deletion would adversely affect a Recognized Mortgagee shall be resolved by Arbitration.

12.3 **Amendments Affecting Supermarket Tenant**. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to the By-Laws shall be effective as against the Supermarket Tenant which modification, addition, amendment or deletion would decrease the rights of the Supermarket Tenant or increase the Supermarket Tenant's obligations or decrease the obligations of the Condominium Board to the Unit Owner owning Retail Unit A, without the prior written consent of the Supermarket Tenant, which consent may be granted or withheld in the Supermarket Tenant's sole and absolute discretion. Any dispute that shall arise as to whether a modification, addition, amendment or deletion would adversely affect the Supermarket Tenant, as aforesaid, shall be resolved by Arbitration.

EXHIBIT E

CONDOMINIUM RECOGNITION AND NON-DISTURBANCE AGREEMENT

AGREEMENT, dated as of _____, 200_, between THE CONDOMINIUM BOARD OF MANAGERS OF THE BRADHURST COURT CONDOMINIUM, acting as agent for the owners of all Units and Residential Units (as such terms are defined in the Declaration hereinafter referred to) (collectively the "Board") and _____ (the "Tenant").

W I T N E S S E T H

WHEREAS, _____(the "Landlord"), and the Tenant have entered into a lease dated as of _____ (the "Lease") demising to the Tenant certain portions (the "Premises") of the Commercial Unit (hereinafter the "Commercial Unit") in the condominium known as _____ Condominium (the "Condominium") created by that certain declaration dated _____ recorded on _____ in the City Register of the City of New York for the County of New York as CRFN _____ (the "Declaration") subjecting the land described on Exhibit A hereto the provisions of Article 9-B of the Real Property Law of the State of New York;

WHEREAS, capitalized terms not defined herein are used as defined in the Declaration;

WHEREAS, the Board and the Tenant desire to enter into certain agreements with respect to the Lease and related matters;

NOW, THEREFORE, the Board and the Tenant hereby agree as follows:

1. Subordination. The Tenant hereby agrees that the Tenant's interest in the Lease is subject to the terms of this Agreement and is subject and subordinate to the Declaration, and that notwithstanding that a memorandum of lease with respect to the Lease may be recorded prior to the recording of the Declaration, the Declaration shall be deemed to have been recorded prior to such memorandum of lease.

2. Nondisturbance. So long as no default under the Lease has continued for such period as would entitle the Landlord under the Lease to terminate the Lease or dispossess the Tenant thereunder, the Tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on the Commercial Unit for common charges or other sums of any sort, and the Lease shall not be terminated, nor shall the Tenant's use, possession, or enjoyment of the Premises be interfered with, nor shall the leasehold estate granted by the Lease be affected in any manner, nor shall any of the rights of the Tenant granted under the Lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection

with such lien, or in the exercise of any rights of the Board, or any party acquiring the interest of the Landlord by reason of foreclosure of such lien and such party's successors and assigns (the "Purchaser") or in case the Purchaser takes possession of the Premises or the Commercial Unit pursuant to any provisions of the Declaration or the by-laws of the Condominium, or otherwise.

3. Attornment. In the event that the Purchaser succeeds to the interest of the Landlord under the Lease by reason of foreclosure of such lien or otherwise:

(A) Tenant shall be bound to the Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease Term, including any Renewal Periods (as defined in the Lease), with the same force and effect as if the Purchaser were the landlord under the Lease, and the Tenant does hereby attorn to the Purchaser, including the Board if it be the Purchaser, as its landlord, said attornment to be effective and self-operative without the execution of any further instruments upon the Purchaser succeeding to the interest of the Landlord under the Lease, provided that the Tenant shall not be obligated to pay any rent to the Purchaser until the Tenant has received notice from Purchaser that it has succeeded to such interest.

(B) Purchaser shall be bound to Tenant under, and shall perform all of the terms, covenants and provisions of, the Lease to be performed by the landlord thereunder for the remainder of the Lease Term, including any Renewal Periods, to the extent that Tenant shall elect or has elected to exercise any or all of its options to extend the Lease Term), and Tenant shall, from and after the date Purchaser succeeds to the interest of the landlord under the Lease, have the same remedies against Purchaser for the breach of any provision of the Lease that Tenant might have had under the Lease against Landlord if Purchaser had not succeeded to the interest of Landlord, except that Purchaser shall not be (i) bound by any Fixed Annual Rent or additional rent which Tenant may have paid for more than one month in advance to any prior landlord (including Landlord); or (ii) bound by any amendment or modification of the Lease made without Purchaser's consent which would reduce (A) Fixed Annual Rent, (B) any other monetary obligation of Tenant under the Lease or (C) the Lease Term; or (iii) bound by any amendment or modification of the Lease not made in connection with an "arms-length" negotiation between any prior landlord and Tenant, or (iv) liable for any action or omission of any prior landlord (including Landlord) under the Lease; or (v) liable for any offsets, claims or defenses which tenant may have against any prior landlord (including Landlord) other than as specifically set forth herein. The foregoing subdivisions (iii) and (iv) shall not be construed to relieve Purchaser from the obligation to perform the covenants of the landlord under the Lease after such succession, including the obligation to cure nonmonetary defaults of Landlord that continue after such succession, if such default is curable by Purchaser and if tenant gives Purchaser written notice of such default and at least the same time given by the Lease to Landlord to cure such default after Purchaser becomes the owner of the Premises.

4. Consent and Approval of Lease. The Condominium Board hereby consents to and approves the Lease and the terms thereof, including the options to extend the Lease Term, as provided in the Lease, if any, and agrees that the exercise by Tenant of any of its rights, remedies and options therein, shall not constitute a default under the Declaration or these By-Laws.

4. Notices. All notices, consent, approvals or other communications given under or pursuant to this Agreement shall be in writing and shall be given by registered or certified mail, return receipt requested, postage prepaid, or by a recognized overnight courier service that provides proof of receipt (a) if to the Board, at the address of the Board set forth above or at such other address as the Board may designate by notice to Landlord and Tenant, (b) if to Landlord, at the address of Landlord set forth above or at such other address as Landlord may designate by notice to the Board and Tenant, or (c) if to Tenant, at the address of Tenant set forth above or at such other address as Tenant may designate by notice to the Board and Tenant, with one copy to the attention of its Senior Vice President, Retail Development, and one copy to the attention of its General Counsel – Real Estate, at the address of Tenant set forth above or at such other address or to such other persons as Tenant may designate by notice to the Board and Landlord.

5. Binding Effect. This agreement shall run with the land and bind all future boards and Unit owners. No amendment hereafter made to the Declaration or to the By-Laws of the Condominium and no other act of the Board shall be valid or effective to diminish any of the Tenant's rights hereunder, unless the Tenant shall give its written consent thereto, regardless of whether or not the Landlord shall consent thereto or join therein.

6. Miscellaneous. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, representatives, successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE BOARD OF MANAGERS
OF _____ CONDOMINIUM

By: _____
Name:
Title:

[TENANT]

By: _____
Name:
Title:

ACKNOWLEDGEMENTS TO BE PROVIDED AT EXECUTION

EXHIBIT A
DESCRIPTION OF THE LAND

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

EXHIBIT "7"

PROPRIETARY LEASE

SHAREHOLDERS AGREEMENT AND PROPRIETARY LEASE

Apartment Corporation: **BRADHURST COURT OWNERS INC.**

Address of the Building: **300 WEST 145TH STREET**

NEW YORK **NEW YORK 10039:**

Block and Lot of the Building: **Block:1439**

Tenant-Shareholder: _____

Apartment Number _____

Number of Shares: _____

Effective Date: _____

Termination Date: _____

SHAREHOLDERS AGREEMENT and PROPRIETARY LEASE (the "Agreement") made on the Effective Date set forth above by and between the APARTMENT CORPORATION named above, a corporation organized under the laws of the State of New York, and the Tenant-Shareholder named above.

RECITALS:

1. NYC Partnership Housing Development Fund Company, Inc., a New York not-for-profit corporation formed pursuant to the laws of the State of New York, having its principal office at One Battery Park Plaza, New York, New York, 10004, as fee owner of the property having the street address 300 West 135th Street, New York, York (the "Property") submitted the Property to a condominium regime known as the Bradhurst Court Condominium (the "Condominium") by the recording of a condominium declaration dated _____, recorded on _____ as Instrument _____ (such declaration together with the by-laws and other exhibits annexed thereto and the floor plans filed in connection therewith hereinafter referred to as the "Condominium Documents").

2. On _____ (the "Cooperative Conversion Date") the Apartment Corporation acquired the fee interest in the condominium units identified as the Residential Unit in the Condominium Documents and its appurtenant Common Interests in the Common Elements of the Condominium (the "Residential Unit").

3. Bradhurst Development Company, LLC, a New York limited liability company, LLC (the "Sponsor") is the sponsor of the offering plan dated _____ (the plan as same may be amended from time to time is hereinafter referred to as the "Plan") to convert the Residential Unit to cooperative ownership and to sell the shares of the Apartment Corporation appurtenant to 127 cooperative apartments including the Apartment. The Tenant-Shareholder is

the owner of the Number of Shares of the Apartment Corporation set forth above (the "Shares"), which have been allocated to the Apartment, as defined below in Paragraph 1.1, in the seven-story building at the above referenced address, in which the Residential Unit is located (the "Building").

DEFINITIONS:

"Apartment" is defined in paragraph 1.1 hereof.

"Additional Space" is defined in paragraph 1.1 hereof.

"Additional Rent" is defined in paragraph 2.3.5 hereof.

"Cash Requirements" is defined in paragraph 2.3 hereof.

"Condominium" is defined in the Recitals set forth above.

"Condominium Documents" are defined in the Recitals set forth above.

"Cooperative Conversion Date" is defined in the Recitals set forth above.

"HDC" is defined in paragraph 3.3 hereof.

"HDC Amended and Restated Regulatory Agreement" is defined in paragraph 2.3 hereof.

"House Rules" is defined in paragraph 4.4 hereof.

"HPD" is defined in paragraph 2.3 hereof.

"HPD Regulatory Agreement" is defined in paragraph 2.3 hereof.

"Income Determination Procedures" is defined in paragraph 5.3 hereof.

"Maintenance Charges" is defined in paragraph 2.1 hereof.

"Plan" is defined in the Recitals set forth above.

"Proportionate Share" is defined in paragraph 2.2 hereof.

"Prospective Purchaser" is defined in paragraph 5.2. hereof.

"Rent" is defined in paragraph 2.1 hereof.

"Residential Unit" is defined in the Recitals set forth above.

"Shares" is defined in the Recitals set forth above.

"Sponsor" is defined in paragraph 9.1 hereof.

"Term" is defined in paragraph 1.3 hereof.

"Total Consideration" is defined in paragraph 5.3 hereof.

"Underlying Mortgages" is defined in paragraph 2.3 hereof.

"Unit Debt" is defined in paragraph 5.3 hereof.

"Unsold Shares" is defined in paragraph 9.1 hereof.

"User Charges" is defined in paragraph 2.3.4 hereof.

Any terms not hereinafter defined shall have the meaning ascribed thereto under the Plan or the Condominium Documents.

The parties hereby agree as follows:

1 **Demised Premises and Term.**

1.1 The Apartment Corporation hereby leases to the Tenant-Shareholder, and the Tenant-Shareholder hereby hires and takes from the Apartment Corporation, upon the terms and conditions hereinafter expressed, the Apartment. This Apartment is defined as the space in the Building as existing on the date of the execution of this Agreement designated by the above-stated Apartment Number, together with any appurtenances and fixtures, and the right to exclusive use of any Additional Space, which may include maids rooms, closets, storage bins, garage or parking spaces, or a terrace, balcony, or a portion of the roof, which are allocated exclusively to the Apartment. Any such Additional Space shall be identified on Schedule A to this Agreement. Tenant-Shareholder shall not have any rights to exclusive use of any space not listed on Schedule A, except as may be expressly provided by separate agreement.

1.2 If this Apartment includes Additional Space listed in Schedule A, the Tenant-Shareholder shall have and enjoy the exclusive use of such Additional Space subject to the applicable provisions of this Agreement and to the use of such Additional Space by the Apartment Corporation to the extent herein permitted. The Tenant-Shareholder's use thereof shall be subject to such regulations as may, from time to time, be prescribed by the Apartment Corporation.

1.3 The Term of this Agreement shall be, and the Tenant-Shareholder shall have and hold the Apartment upon the terms and conditions herein set forth, from the Effective Date set forth above until the Termination Date set forth above, unless the term shall sooner expire or be extended as hereinafter provided in this Agreement.

2 **Payments to the Apartment Corporation.**

2.1 The "rent" (hereinafter called "Maintenance Charges") payable by the Tenant-Shareholder during the term of this Agreement shall equal the Proportionate Share, as defined in Paragraph 2.2, of the aggregate amount of the Cash Requirements of the Apartment Corporation, as defined in paragraph 2.3.

2.1.1 The Maintenance Charges shall be payable in equal monthly installments in advance on the first day of each month unless the board of directors of the Apartment Corporation (the "Board of Directors") shall direct otherwise. The Board of Directors may also require payment of additional special assessments at such times and in such amounts as it shall determine which, unless otherwise determined by the Board of Directors, shall be allocated among Tenant Shareholders based upon the Proportionate Share and shall constitute a portion of Maintenance during the period such special assessments are due and owing. The Tenant-Shareholder shall also pay, when due, such Additional Rent, User Charges, and fees as may be provided for herein.

2.1.2 In the event that after the fixing of the amounts payable as Maintenance Charges by the Tenant-Shareholders under Agreements for any period of time, one or more additional Agreements and appurtenant shares shall be issued, thus increasing the aggregate number of shares specified in all Agreements, the Maintenance to be paid under such additional Agreement, until otherwise fixed by the Board of Directors, shall be at the same rate per share of stock as applied to the shares of stock specified in all other Agreements in effect at the time.

2.2 In every Agreement previously executed by the Apartment Corporation there has been specified, and in every Agreement hereafter executed by it there will be specified, the number of shares of the capital stock of the Apartment Corporation appurtenant to such Agreement, which number, expressed as a ratio, in relation to the aggregate of all shares, issued and outstanding, similarly specified in all the Agreements at the time in effect, shall constitute the basis for fixing the Proportionate Share of the Cash Requirements of the Apartment Corporation which shall be payable as Maintenance Charges by the Tenant-Shareholder.

2.3 The Cash Requirements shall be such amount as the Board of Directors shall determine is necessary or proper to pay the estimated costs of the Apartment Corporation, over such period of time as the Board of Directors shall determine, arising out of or connected with the Apartment Corporation's ownership interest in the Residential Unit and its appurtenant Common Interest in the Condominium (including, without limitation, the Apartment Corporation's rights and obligations under the terms of the Condominium Documents, the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages) and the operation, upkeep, and care of such land and Building as a cooperative within the Condominium and may include, among other things, without limitation, all sums due from the Apartment Corporation with respect to the real estate taxes and assessments, water and sewer rents, interest on mortgage indebtedness, insurance premiums, property insurance and real estate tax escrows, mortgage amortization payments, Common Charges, renovation or capital improvements, corporate taxes, professional fees, management fees, the creation of reserve or surplus funds, and expenses for other corporate purposes, salaries,

utilities, replacements, renewals and repairs, and other operating expenses and liabilities incurred by the Apartment Corporation (even though incurred during a prior period). In making its determination regarding Cash Requirements, the Board of Directors may give consideration to other income of the Apartment Corporation, including User Charges as defined in Paragraph 2.3.2, existing funds, existing and future liabilities, and existing and future services provided pursuant to Paragraph 3.2 hereof, and any other relevant financial consideration. The right of the Board of Directors to establish the Cash Requirements is subject to the rights of HDC and of Sponsor and the rights of the Condominium Board as set forth as set forth in this Agreement.

2.3.1 The Board of Directors may, by resolution or resolutions duly adopted from time to time, increase or diminish the amount of Cash Requirements previously fixed or determined. No determination of Cash Requirements shall have any retroactive effect on the amount of the Maintenance Charges payable by the Tenant-Shareholder for any period prior to the date of such determination. All determinations of Cash Requirements shall be conclusive as to all Tenant-Shareholders.

2.3.2 The Apartment Corporation may also charge User Charges to the Tenant-Shareholder. User Charges are defined as charges for services, facilities, or utilities, consumption of which is discretionary on the part of the shareholder or which, in the sole discretion of the Board of Directors, are appropriately charged based on use. Utilities which may be charged on a uniform fee or use basis include, but are not limited to, water, electricity, or transmission or receipt of electronic signals, supplied by or contracted for by the Apartment Corporation, or for which the Apartment Corporation pays the service provider. Services or facilities which may be charged on a uniform fee or use, basis include, but are not limited to, parking, laundry facilities, health club or exercise room, or storage areas. Fixtures, appliances, or facilities which may be charged on a uniform fee or use basis include, (but are not limited to) air conditioners, washing machines, dryers, or other items that may require the consent of the Board of Directors before installation or use.

2.3.3 Additional Rent shall mean such amounts as the Tenant-Shareholder may be obligated to pay under the terms of this Agreement other than Maintenance Charges and User Charges, including, without limitation, those amounts specified in Paragraphs 2.4, 2.5, 2.6, 3.2.3, 3.7, [[3.7.1, 4.4.3, 4.5.3 and 8.2.4 hereof.

2.3.4 For purposes of this Agreement:

2.3.4.1 "HDC" refers to the New York City Housing Development Corporation

2.3.4.2 "HDC Amended and Restated Regulatory Agreement" refers to the Regulatory Agreement entered into as of June 28, 2002 by and between HDC, the Cooperative Corporation, Sponsor and the NYC Partnership Housing Development Fund Company, Inc., recorded in the City Register's Office on _____ in Reel, _____, Page _____, as same may be further amended from time to time, a copy of which is annexed hereto as Exhibit 1.

2.3.4.3 "HPD" refers to New York City Department of Housing Preservation and Development.

2.3.4.4 "HPD Regulatory Agreement" refers to the Regulatory Agreement entered into as of June 28, 2002 by and between HPD, the Cooperative Corporation, the Sponsor and the New York City Housing Development Corporation, recorded in the City Register's Office on _____ in Reel, _____, Page _____, as same may be further amended from time to time, a copy of which is annexed hereto as Exhibit 2.

2.3.4.5 "Underlying Mortgages" refers to "Underlying Mortgages" refers to all mortgages encumbering the Residential Unit from and after the Cooperative Conversion Date.

2.3.4.6 If the Board of Directors does not determine the Apartment Corporation's Cash Requirements for any year or portion thereof, it shall not be deemed a waiver or modification in any respect of the covenants and provisions of this Agreement, or a release of the Tenant-Shareholder from the obligation to pay the Maintenance Charges or any installment thereof, but the Maintenance Charges computed on the basis of the Cash Requirements as last determined for any year or portion thereof shall thereafter continue to be the Maintenance Charges until a new determination of Cash Requirements shall be made.

2.4 The Tenant-Shareholder will pay the Maintenance Charges, Additional Rent, and User Charges to the Apartment Corporation upon the terms, at the times and in the manner herein provided, without any deduction on account of any set-off or claim which the Tenant-Shareholder may have against the Apartment Corporation. If the Tenant-Shareholder shall fail to pay any installment of Maintenance Charges, Additional Rent, or User Charges, or any other sum due hereunder, when due, the Tenant-Shareholder shall be subject to a late fee to be determined by the Board of Directors. If the Tenant-Shareholder shall fail to pay any installment of Maintenance Charges, Additional Rent, or User Charges, or any other sum due hereunder, within one month from the time when the same becomes due, the Tenant-Shareholder shall pay in addition to the applicable late fee, interest on such unpaid amounts at the rate to be determined by the Board of Directors, not to exceed the highest rate permitted by law, from the date when such installment shall have become due to the date of the payment thereof. Such late fee and interest shall be Additional Rent.

2.5 If the Tenant-Shareholder shall at any time fail to comply with, or be in default under, any part of this Agreement or of the House Rules and the Apartment Corporation shall incur any expense (whether paid or not) in causing such default to be cured or in performing any act which the Tenant-Shareholder is required to perform, or in curing any damage to the Building or any part thereof caused by the Tenant-Shareholder or anyone occupying or visiting the Apartment with the consent of the Tenant-Shareholder or anyone for whom the Tenant-Shareholder is legally responsible, or in enforcing the terms of this Agreement or of the House Rules against the Tenant-Shareholder, including, but not limited to, the sending of notices and the prosecution of any arbitration, action or proceeding based on such default, or in defending, or asserting a counterclaim in any arbitration, action or proceeding brought by the Tenant-Shareholder, the expense thereof to the Apartment Corporation, including attorneys' fees

and disbursements, shall be paid by the Tenant-Shareholder to the Apartment Corporation, on demand, as Additional Rent.

2.6 If damage to the Apartment or to the Building shall render the Apartment partly or wholly untenantable, no portion of the Maintenance Charges shall abate except to the extent of the rental value insurance, if any, collected by the Apartment Corporation with respect to the Apartment.

2.7 Notwithstanding the foregoing, under the terms of the HDC Amended and Restated Regulatory Agreement, 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 or to provide for sufficient reserves for capital replacements or operational shortfalls, including payments due with respect to the HDC Note, 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 carrying charges or to impose a special assessment, provided, however, HDC shall not be bound by such certification in making its final determination.

2.8 Notwithstanding anything to the contrary set forth herein, the Cash Requirements shall be sufficient to pay the Apartment Corporation's obligations to the Condominium Board under the terms of the Condominium Documents. In the event the Apartment Corporation fails to pay such obligations, the Condominium Board may, at its option, so long as such default shall continue, after serving notice of the default upon the Apartment Corporation, demand and receive from the Tenant-Shareholder, the Maintenance Charges due from the Tenant-Shareholder to the Apartment Corporation, and the Tenant-Shareholder shall pay such Maintenance Charges within 10 days of receipt of a demand therefore and any such payment of Maintenance Charges to the Condominium Board shall be sufficient payment and discharge of such Tenant-Shareholder's obligation to the Apartment Corporation as between such Tenant-Shareholder and the Apartment Corporation, to the extent of the amount so paid.

3 **Operating and Repairing**

3.1 The Apartment Corporation shall at its expense keep in good repair all of the Building including all of the Apartments, the sidewalks and courts surrounding the same, and all equipment and apparatus except those portions the maintenance and repair of which are expressly stated to be the responsibility of the Tenant-Shareholder pursuant to Paragraphs 3.2. and 3.3 hereof or stated to be the responsibility of the Condominium Board under the terms of the Condominium Documents. The Apartment Corporation shall operate and manage the Residential Unit as a first-class apartment cooperative and shall keep or cause to be kept all common areas, elevators, halls, basements, cellars, and stairways, and all portions of the Building that are not part of any Apartment (and which are not the responsibility of the Tenant-Shareholder to maintain in accordance with the terms of this Agreement or the Condominium Board in accordance with the terms of the Condominium Documents), clean and properly lighted and heated, and shall provide the number of employees requisite, in the discretion of the Board of Directors, for the proper care and service of the Building, and shall provide or cause to be provided to the Apartment a proper and sufficient supply of hot and cold water and of heat, and, if there be central air conditioning equipment supplied by the Apartment Corporation, air conditioning when deemed appropriate by the Board of Directors, and such other amenities and services as the Board of Directors deems appropriate. The covenants by the Apartment Corporation herein contained are subject, however, to the discretionary power of the Board of Directors to determine from time to time what services and what employees shall be proper, and the manner of operating the Residential Unit (subject to the requirements of the Condominium Documents), and what existing services shall be increased, reduced, changed, modified or terminated, and what facilities or services shall require the payment of User Charges, and the Board of Directors shall have the discretion to make repairs, replacements, alterations or improvements to the structure, facilities, or appearance of the Residential Unit subject to the rights of the Condominium Board and of the Sponsor and the holder of Unsold Shares as more particularly set forth in Paragraph 9 of this Agreement.

3.2 The Tenant-Shareholder accepts the Apartment and the Additional Space in its as-is condition as of the Effective Date set forth above, and shall keep the interior of the Apartment, and any additional maids room, closet or storage area of which the shareholder has exclusive use, (including interior walls, floors and flooring material, ceiling and floor molding, sheet rock, and ceilings, but excluding the exterior façade of windows, window panes, window frames, sashes, sills, entrance and terrace doors and their frames and saddles) in good repair. The Tenant-Shareholder shall be responsible for all of the paint, wall surfaces, plaster, wall paper and tiles, and for all decorating required for the Apartment, including the interior of window frames, sashes and sills, entrance and terrace doors, frames, and saddles. The Tenant-Shareholder shall be solely responsible for the upkeep, repair, and replacement of plumbing, gas and heating fixtures and equipment and such refrigerators, dishwashers, removable and through-the-wall air conditioners, washing machines, ranges and other appliances, as may be in the Apartment. Plumbing, gas and heating fixtures as used herein shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Tenant-Shareholder or any predecessor Tenant-Shareholder may have installed within the wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceiling or floors, or air conditioning or heating equipment which is part of the

standard building equipment. The Tenant-Shareholder shall be solely responsible for the upkeep, 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 of the common wiring and the Tenant-Shareholder's fuse box or current breaker box into and through the Apartment. In the event the Tenant-Shareholder or any prior Tenant-Shareholder made changes to the windows, plumbing, electrical lines or made alterations to the structure of the Apartment, or installed any appliance or equipment outside of the Apartment which exclusively serves the Apartment, the Tenant-Shareholder shall be responsible for making repairs, replacements and alterations to such items, notwithstanding paragraph 3.1. hereof. Any ventilator or air conditioning device which shall be visible from the outside of the Building shall at all times be painted by the Tenant-Shareholder in a standard color which the Condominium Board shall have the right to designate for the Building. The obligations of the Tenant-Shareholder under this Paragraph 3.2. may be expanded by separate agreement entered into pursuant to Paragraph 8.1 of this Agreement

3.3 The Tenant-Shareholder shall maintain in proper condition all safety devices and equipment, including but not limited to smoke detectors, and window guards, located in or appurtenant to the Apartment which serve the Apartment exclusively, and shall be responsible for remediation of all environmental hazards within the Apartment. The Tenant-Shareholder will be obligated to maintain the appropriate temperature and humidity in the Apartment in order to avoid causing damage to any portion of the Building. Tenant-Shareholder will be responsible for cleaning the interior of any window in the Apartment. Tenant-Shareholder will not require, permit, suffer or allow the cleaning of any window in the Apartment from the outside (within the meaning of Section 202 of the New York Labor Law) unless the equipment and safety devices required by !aw, ordinance, rules and regulations, including, without limitation, Section 202 of the New York Labor Law, are provided and used, and unless the industrial code of the State of New York is fully complied with; and the Tenant-Shareholder hereby agrees to indemnify the Condominium, the Apartment Corporation and its employees, other Tenant-Shareholders, and the managing agent, for all losses, damages or fines suffered by them as a result of the Tenant-Shareholder'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 laws, ordinances, regulations and rules.

3.4 The Tenant-Shareholder shall keep any terrace, balcony, or portion of the roof included as Additional Space on Schedule A clean, and free from snow, ice, leaves and other debris (to the extent necessary to avoid harm to the Building or the Units), and shall keep all screens and drains clean, free of debris, and in good condition. No furniture, planting, fences, structures or lattices shall be erected or installed on the courtyards, terraces, balconies, or roof of the Building without the prior written approval of the Condominium Board and the Apartment Corporation. No cooking shall be permitted on any terraces, balconies or the roof of the Building, nor shall the surfaces, walls, parapets or balustrades of a Terrace be painted, covered or otherwise affected (including without limitation, attachment of vines, plants or fences) by the Tenant-Shareholder without the prior written approval of the Condominium Board and Apartment Corporation. Any furniture, planting, fixtures alteration, decoration or structure erected by the Tenant-Shareholder or any prior Tenant-Shareholder shall be maintained by the Tenant-Shareholder, and may be removed and restored by the Condominium Board or the Apartment Corporation at the expense of the Tenant-Shareholder for the purpose of

improvements, repairs, upkeep or maintenance of the Building. No sprinklers or other equipment shall be installed on such Terrace without the prior written approval of the Condominium Board and Board of Directors, which approval may be withheld for any or no reason. In the event of such installation without such approval, the Condominium Board or Apartment Corporation shall have the right, at the Tenant-Shareholder's expense, to remove the sprinklers. The Tenant-Shareholder shall be responsible for damage to the Building caused by improper or unauthorized use of any Additional Space. Any sum owed by the Tenant-Shareholder hereunder shall be Additional Rent. The Condominium Board or the Board of Directors may require a Tenant-Shareholder to remove same if the Condominium Board or the Board of Directors, in their respective discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. No terrace may be enclosed without the express written consent of the Condominium Board and the Board of Directors which may establish such other rules and regulations as they deem necessary to protect the Buildings and the Apartments and to insure the integrity of the Building and the health and safety of the occupants. Notwithstanding the foregoing, the Sponsor and the holder of Unsold Shares may alter and equip any Terraces appurtenant to Unsold Apartments without the consent of the Condominium Board or Board of Directors, provided any work performed is in accordance with applicable law and the provisions of the Condominium Documents, HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages.

3.5 The Tenant-Shareholder shall not, without first obtaining the written consent of the Condominium Board and the Apartment Corporation, make in the Apartment, or in any Additional Space, or any portion of the Building which Tenant-Shareholder is not obligated to maintain pursuant to Paragraph 3.2 hereof, or any other place in the Building, any alteration, which shall include, without limitation, any alteration of the structure of the Building, or any portion of the Building which the Tenant-Shareholder is not obligated to maintain by Paragraph 3.2 hereof including any windows, walls, floors slabs, or ceiling slabs, or any alteration of or addition to the water, gas or steam pipes, electrical conduits, or plumbing, heating or air conditioning fixtures, or any communication or alarm system, or, except as hereinafter authorized, remove any additions, improvements, fixtures or appliances from the Apartment.

3.5.1 There shall be no limitation on the right of the Condominium Board or the Board of Directors to grant or withhold consent for any reason or for no reason to any such alteration. Consent may be subject to such conditions as the Condominium Board or Board of Directors may impose, which may include, but shall not be limited to, an obligation to indemnify the Condominium Board or the Apartment Corporation, and minimum insurance requirements for all contractors.

3.5.2 The performance by Tenant-Shareholder of any work in the Apartment shall be in accordance with any applicable rules and regulations of the Apartment Corporation and all governmental agencies having jurisdiction thereof, and in accordance with the terms of an Alteration Agreement in the form required by the Condominium Board and the Apartment Corporation. The Tenant-Shareholder shall not in any case install any pipes, wires, or appliances which, in the sole discretion of the Condominium Board or the Board of Directors, may overload the existing Building facilities or equipment.

3.5.3 Without written consent from the Apartment Corporation, the Tenant-Shareholder shall not remove any fixtures, appliances, additions or improvements from the Apartment except as hereinafter provided. If the Tenant-Shareholder, or a prior Tenant-Shareholder, shall have heretofore placed, or the Tenant-Shareholder shall hereafter place in the Apartment, at the Tenant-Shareholder'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, woodwork, wall paneling, ceilings, special doors or decorations, special cabinetwork, special stair railings or other built-in ornamental items, which can be removed without alterations to the structure of the Building or permanent damage to the Apartment, then title thereto shall remain in the Tenant-Shareholder and the Tenant-Shareholder shall have the right, prior to the termination of this Agreement, upon 10 days written notice to the Apartment Corporation, to remove the same at the Tenant-Shareholder's own expense, provided: (i) that the Tenant-Shareholder at the time of such removal shall not be in default in the payment of Maintenance Charges or in the performance or observance of any other covenants or conditions of this Agreement; and (ii) that the Tenant-Shareholder shall, at the Tenant-Shareholder's own expense, prior to the termination of this Agreement, repair all damage to the Apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; and (iii) that if the Tenant-Shareholder shall have removed from the Apartment any articles or materials owned by the Apartment Corporation or any fixtures or equipment necessary for the use of the Apartment, the Tenant-Shareholder shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality then customary in comparable buildings and satisfactory to the Apartment Corporation. On the expiration of the term hereby granted, or upon a sooner termination of this Agreement, the Tenant-Shareholder shall surrender to the Apartment Corporation possession of the apartment with all additional improvements and fixtures then included therein except as hereinabove provided.

3.6 The Tenant-Shareholder shall keep in full force and effect throughout the term of this Agreement (a) comprehensive personal liability insurance coverage against claims of bodily injury, property damage (including water damage and personal injury), with a minimum combined single limit of liability of $300,000 per occurrence, and (b) all-risk personal property insurance coverage (including coverage for water damage) for the replacement value of furniture, fixtures, and other contents and improvements and betterment's to the apartment. Upon twenty (20) days' written notice from the Condominium Board or the Apartment Corporation, the Tenant-Shareholder shall deliver to the Condominium Board or the Apartment Corporation either a duplicate original of the aforesaid policies or certificates evidencing such insurance. The insurance required above shall be written in a form reasonably satisfactory to the Condominium Board or the Apartment Corporation by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. The Condominium Board or the Apartment Corporation may, from time to time, increase the amounts of insurance required hereunder to reflect changes in economic conditions.

3.7 The Condominium Board and the Apartment Corporation and its agents, professional advisors, employees and contractors, shall be permitted to visit, examine, or enter the Apartment at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, to inspect the Apartment or to make or facilitate repairs or improvements in

any part of the Apartment or the Building or to cure any default by the Tenant-Shareholder. The Condominium Board or the Apartment Corporation may remove and replace such portions of the windows, walls, floors and ceilings of the Apartment or the Building as may be required for any such purpose. In addition, (i) the Sponsor and any holder of Unsold Shares shall have the right and their agents, professional advisors, employees and contractors, shall be permitted to visit, examine, or enter the Apartment and have access to the Building at any reasonable hour of the day upon notice, or at any time and without notice in case of emergency, in order to enable Sponsor or such holder of Unsold Shares to carry out their responsibilities under the Plan and (ii) the Condominium Board shall have an easement through the Apartment if necessary to access mechanical equipment located on terraces and roof set backs adjacent to the Apartment.

3.8 If a portion of the Apartment which is not the Tenant-Shareholder's obligation to maintain pursuant to Paragraph 3.2 hereof is damaged, the Condominium Board or the Apartment Corporation shall at its expense with reasonable dispatch after receipt of notice of such damage, repair such damage. If any portion of the Apartment which is the Tenant-Shareholder's obligation to maintain is damaged, the Tenant-Shareholder shall be responsible to repair the damage, regardless of who is responsible to cure the cause of the damage.

3.8.1 Any fixtures, appliances, equipment, additions, improvements, or other items of personal property including but not limited to fireplace mantels, lighting fixtures, air conditioners, woodwork, wall paneling, custom floors, ceilings, cabinet work, railings, or other built-in items, carpeting, tile, wallpaper, and paint is the sole responsibility of the Tenant-Shareholder, who shall be responsible for the cost of removal, replacement, or repair in the event any such item is damaged by any cause, or is required to be removed in order for the Condominium Board or the Apartment Corporation to make repairs or improvements to the Building or to the Apartment.

3.8.2 If in the course of any such repair, in the sole discretion of the Condominium Board or the Board of Directors, it is prudent or necessary to remove any item listed in Paragraph 3.8.1 hereof, such removal and replacement will be at the cost of the Tenant-Shareholder. All sole risk of loss or damage to such items shall be that of the Tenant-Shareholder. In no event shall the Condominium Board or the Apartment Corporation be obligated to repaint or replace wallpaper, carpeting, or non-standard tiles, or any other item listed in 3.8.1 above.

3.9 If the Tenant-Shareholder fails for 30 days after notice to make repairs to any part of the Apartment, its fixtures, equipment, appliances, additions or improvements as herein required, or shall fail to remedy a condition which has become objectionable to the Condominium Board or the Apartment Corporation, or if the Tenant-Shareholder or any person dwelling in the Apartment shall request the Condominium Board or the Apartment Corporation to perform any act not hereby required to be performed by the Condominium Board or Apartment Corporation, the Condominium Board or Apartment Corporation may make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, at the sole expense of the Tenant-Shareholder without liability on the part of the Apartment Corporation; provided that, if the condition requires prompt action, notice of less than 30 days may be given or, in case of emergency, no notice need be given. In all such cases the Condominium Board or Apartment Corporation, or their professional advisors,

agents, employees and contractors shall, as between the Condominium Board or Apartment Corporation and Tenant-Shareholder, be conclusively deemed to be acting on behalf of the Tenant-Shareholder, and all contracts therefor made by the Condominium Board or the Apartment Corporation shall be so construed whether or not made in the name of the Tenant-Shareholder. The Tenant-Shareholder shall be responsible for any damages caused by Tenant-Shareholder's negligence or by Tenant-Shareholder's failure to carry out its obligation pursuant to this Agreement. Any sum owed by the Tenant-Shareholder hereunder shall be Additional Rent. The foregoing shall not be a waiver of any default by Tenant-Shareholders under this Agreement.

3.9.1 If the Tenant-Shareholder shall fail to perform or comply with any of the other covenants or provisions of this Agreement within the time required by a notice from the Condominium Board or the Apartment Corporation, which shall be not less than 5 days except in case of emergency, then the Condominium Board or the Apartment Corporation may, but shall not be obligated to, cure such default, and for such purpose may enter the Apartment of Tenant-Shareholder as set forth in Paragraph 3.5 hereof. The Condominium Board or the Apartment Corporation shall be entitled to recover from the Tenant-Shareholder all expenses incurred or for which it has contracted hereunder, such expenses to be payable by the Tenant-Shareholder as Additional Rent.

4 **Management of the Cooperative.**

4.1 The primary purpose for which the Apartment Corporation was established, and for which this Agreement is entered into, is to provide residences for the Tenant-Shareholders, and to operate the Building on a cooperative basis. The Tenant-Shareholder shall always in good faith endeavor to observe and promote the cooperative purposes for which the Apartment Corporation was established.

4.2 Any right, power or privilege given to the Board of Directors by this Agreement, may be exercised only by the Board of Directors, and in no event may any such right, power or privilege be exercised by a creditor, receiver or trustee of the Apartment Corporation. Notwithstanding anything to the contrary set forth herein, in the event that any of the rights, powers and privileges of the Apartment Corporation set forth in this Agreement are rights, powers and privileges of or enforceable by the Condominium Board under the terms of the Condominium Documents, this Agreement shall be construed to be a grant by Tenant-Shareholder to the Condominium Board of such rights, powers and privileges. In the event that this Agreement or the Condominium Documents grant any rights, powers and privileges to the Board of Directors and/or the Condominium Board and there is any inconsistency with respect to the grant of such rights, powers or privileges or in the exercise of such rights, powers and privileges by the Board of Directors and the Condominium Board, the determination of the Condominium Board shall govern.

4.3 The Apartment Corporation shall keep full and correct financial records at its principal office or at such other place as the Board of Directors may from time to time determine. Only the shareholders' list, minutes of shareholders' meetings, and the annual and monthly financial reports of the Apartment Corporation shall be open to inspection by the Tenant-Shareholder or a duly authorized representative during reasonable business hours. The Tenant-Shareholder shall reimburse the Apartment Corporation for any expenses incurred in making records available for inspection. Notwithstanding anything to the contrary set forth above, Sponsor and the holder of Unsold Shares shall have full access to the financial records of the Apartment Corporation. The Board of Directors may allow inspection of other records of the Apartment Corporation in its discretion provided that:

(i) minutes of meeting of the Board of Directors, and files and records (other than financial records) of currently ongoing matters, shall not be open to inspection except as expressly authorized by the Board of Directors;

(ii) personal financial records submitted by Prospective Purchasers or subtenants of Apartments shall be kept confidential and shall not be disclosed to any person except the Board of Directors, members of an admissions committee, the managing agent and professional advisors to the same.

4.3.1 The Apartment Corporation shall deliver to the Tenant-Shareholder 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, prepared by an independent certified public accountant.

4.3.2 The Board of Directors may from time to time determine how much of the maintenance and any other receipts, when received (but not more than such amount as represents payments on account of principal of mortgages on the property, other capital expenditures, and reserves for future capital expenditures), shall be credited on the corporate accounts to "Paid-in Surplus."

4.4 The Apartment Corporation has adopted House Rules which are incorporated herein. The Board of Directors may alter, amend or repeal such House Rules and adopt new House Rules. The House Rules may (i) regulate the use of the Residential Unit, all facilities therein, and the Apartments; (ii) regulate the conduct of all persons occupying, visiting, or working in the Residential Unit; (iii) impose User Charges pursuant to Paragraph 2.3.4 hereof; (iv) impose charges and fees on Tenant-Shareholders for violating this Agreement and/or the House Rules; (v) impose requirements for the Tenant-Shareholders to carry homeowners' insurance; and (vi) include policies and resolutions carrying out the rights, powers and privileges of the Board of Directors authorized by this Agreement and by the By-Laws of the Apartment Corporation.

4.4.1 Notice of any new or modified House Rule shall be given to all Tenant-Shareholders affected thereby.

4.4.2 The Tenant-Shareholder shall comply with all such House Rules and see that they are faithfully observed by all persons entering the Building with the consent of the Tenant-Shareholder including all residents of the Apartment, guests, employees, contractors and subtenants of the Tenant-Shareholder. Breach of the House Rules shall be a default under this Agreement. The Apartment Corporation shall not be responsible to the Tenant-Shareholder for the nonobservance or violation of any other Agreement or the House Rules by any other Tenant-Shareholder or person.

4.4.3 The charges and fees authorized by Paragraph 4.4 (iv) shall be fixed by the Board of Directors on a uniform basis and may include, but shall not be limited to, administrative costs and expenses of the Apartment Corporation, its managing agent, and its professional advisors arising out of or caused by any such breach including, but not limited to, costs of notifying the Tenant-Shareholder of any breach of the House Rules and of remedying the same. Such charges and fees shall be Additional Rent hereunder. Notwithstanding anything to the contrary set forth above, no such fees shall be charged to Sponsor or the holder of Unsold Shares.

4.5 The Tenant-Shareholder shall not create or permit unreasonable cooking or other odors to escape into the Building. The Tenant-Shareholder shall not create or permit or allow any unreasonable noises, vibrations, electrical or magnetic impulses, or vermin infestations, or do or permit or allow anything to be done which will damage the Building or any part thereof, or interfere with the rights of other Tenant-Shareholders, residents, visitors, employees, or building staff, or endanger or unreasonably annoy them. The Tenant-Shareholder will not obstruct the public halls or stairways.

4.5.1 If, in the judgment of the Apartment Corporation or the Condominium Board, any of the Tenant-Shareholder's fixtures, equipment or appliances shall

cause damage to the Building, or interrupt or impair the quality of service to other portions of the Building, or overload, or damage facilities maintained by the Apartment Corporation or the Condominium Board for supplying heat, water, gas, electricity, air conditioning or other services or facilities of the Building, or violate Paragraph 4.5 hereof, or if any such appliances visible from the outside of the Building shall become unsightly, the Tenant-Shareholder shall promptly, on notice from the Apartment Corporation, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

4.5.2 The Tenant-Shareholder will comply with all the requirements of the Board of Fire Underwriters, insurance underwriters and all governmental authorities, and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the Apartment. If any mortgage affecting the land or the Building shall contain any provisions pertaining to the right of the Tenant-Shareholder to make changes or alterations in the apartment or to remove any of the fixtures, appliances, equipment or installations, the Tenant-Shareholder shall comply with the requirements of such mortgage or mortgages. Upon the Tenant-Shareholder's written request, the Apartment Corporation will furnish Tenant-Shareholder with copies of applicable provisions of each such mortgage.

4.5.3 The Tenant-Shareholder shall not do any act or permit or suffer anything to be done in the Apartment or anywhere in the Building which is in violation of law, or is hazardous, or will increase the rate of fire insurance on the Building or the contents thereof. If, by reason of such occupancy or use of the Apartment by the Tenant-Shareholder, the rate of fire insurance on the Building or the Apartment or the contents of either shall be increased, the Tenant-Shareholder shall (if such occupancy or use continues for more than 30 days after written notice from the Apartment Corporation specifying the objectionable occupancy or use) without prejudice to the Apartment Corporation's right to require a cure of the occupancy or use, become liable for the additional insurance premiums incurred by the Apartment Corporation or any other Tenant-Shareholder on all policies so affected, and the Apartment Corporation shall have the right to collect the same for its benefit or the benefit of any such Tenant-Shareholders as Additional Rent for the Apartment due on the first day of the calendar month following written demand therefor by the Apartment Corporation.

4.6 If the Apartment Corporation shall furnish to the Tenant-Shareholder any storage area, service, or facility, the use of the laundry, or any facility outside the Apartment, including but not limited to use of antennas, the same shall be furnished by the Apartment Corporation under a revocable license. The Tenant-Shareholder shall not use such storage space or any area or facility appurtenant to the Apartment for the storage of hazardous or flammable material. Valuable or perishable property is stored at the sole risk of the Tenant-Shareholder. Any such facility shall be kept clean and hazard free by the Tenant-Shareholder.

4.6.1 If washing machines, exercise equipment, or other equipment or facilities are made available to the Tenant-Shareholder by the Apartment Corporation, the Tenant-Shareholder shall use the same on the understanding that such machines, equipment or facilities may or may not be in good order and repair and that the Apartment Corporation is not responsible for such machines, equipment or facilities, nor for any damage caused to the property of the Tenant-Shareholder resulting from the Tenant-Shareholder's use thereof, and that any use

that the Tenant-Shareholder may make of such machines, equipment or facilities shall be at the Tenant-Shareholder's sole cost, risk and expense.

4.7 The Apartment Corporation shall not be responsible for any personal property left with or entrusted to any employee of the Apartment Corporation, or for the loss of or damage to any property within or without the Apartment or in any storage bin by theft or otherwise. The Apartment Corporation may by regulation provide for the temporary storage of packages or deliveries, however all such temporary storage shall be at the sole risk of the Tenant-Shareholder. In no event shall any Tenant-Shareholder leave an automobile or the keys to an automobile in the care or custody of any employee of the Apartment Corporation.

4.8 In order that the Apartment Corporation shall at all times have access to the Apartment or Additional Space for the purposes provided for in Paragraph 3.5 or elsewhere in this Agreement, the Tenant-Shareholder shall provide the Apartment Corporation with a key to each lock providing access to the Apartment or Additional Space and if any lock shall be altered or new lock installed, the Tenant-Shareholder shall provide the Apartment Corporation with a key thereto immediately upon installation.

4.8.1 If the Tenant-Shareholder shall not be personally present to permit entry to the Apartment or any Additional Space at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to the Apartment Corporation as required hereunder, the Apartment Corporation or the Apartment Corporation's agents (but, except in an emergency, only when specifically authorized by an officer of the Apartment Corporation or an officer of the Managing Agent) may forcibly enter the Apartment or Additional Space at the Tenant-Shareholder's cost, and without liability for damages by reason thereof (provided that during such entry the Apartment Corporation shall accord reasonable care to the Tenant-Shareholder's property), and without in any manner affecting the obligations and covenants of this Agreement.

4.8.2 The right and authority hereby reserved do not impose, nor does the Apartment Corporation assume by reason thereof, any responsibility or liability for the care or supervision of the Apartment, including but not limited to any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

5 **Ownership, Occupancy, and Use of the Apartment.**

5.1 The Tenant-Shareholder shall not, without the written consent of the Apartment Corporation on such conditions as the Apartment Corporation 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 in accordance with the following criteria:

5.1.1 The Tenant-Shareholder (other than Sponsor or its designee) must , (ii) agree to occupy the Apartment as Purchaser's primary residence, which occupancy must commence within sixty (60) days after the Apartment Closing Date.

5.1.2 The Apartment may not be used as an investment or a vacation home.

5.1.3 The Board of Directors may, in its reasonable discretion, consent to occupancy of the Apartment by any person not permitted by Paragraph 5.1 or to the use of the premises for other than dwelling purposes, which consent may be withheld for any reason or for no reason, and may be granted on such conditions as the Board of Directors, in their discretion, may impose, including the payment of a fee to be determined by the Board of Directors, provided however, that in all events, such occupancy must be in accordance with the terms of the Condominium Documents, the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages.

5.2 During the period in which the restrictions set forth in the HDC Amended and Restated Regulatory Agreement remain in effect, the Tenant-Shareholder shall comply with the following conditions in connection with the assignment of this Agreement and sale of the Shares appurtenant hereto, to an individual(s) who desire(s)to purchase, and to whom Shareholder desires to sell, the Apartment, and who complete(s) and submits to the Apartment Corporation, the Purchaser Eligibility Documents required in connection with such potential purchase (a "Prospective Purchaser"):

5.2.1 Not more than 14 days prior to execution of a Purchase Agreement for the Shares and this Agreement by a Prospective Purchaser, 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), (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 the Apartment Corporation.

5.2.2 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 and liabilities have been calculated consistently with the Income Determination Procedures required by the HDC Amended and Restated Regulatory Agreement, and (ii) the Prospective Purchaser is eligible to purchase in accordance with the Median Income requirements set forth in the HDC Amended and Restated Regulatory Agreement. In connection with the foregoing, The Apartment Corporation 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 Annual Household Income not exceeding 175% of Median Income, or (ii) an Apartment available to a Prospective Purchaser with a maximum Annual Household Income not exceeding 250% of Median Income. The income classification for each Apartment in the Residential Unit is listed on Exhibit 3 attached to this Agreement. An Apartment limited to purchase by a Prospective Purchaser with a maximum Annual Household Income not exceeding 175% of Median Income (and otherwise in compliance with the HDC Amended and Restated Regulatory Agreement), must always be resold to a Prospective Purchaser within that income category (and otherwise in compliance with the HDC Amended and Restated Regulatory Agreement). However, an Apartment available for purchase by a Prospective Purchaser with a maximum Annual Household Income not exceeding 250% of Median Income (and otherwise in compliance with the HDC Amended and Restated Regulatory Agreement) may be resold to a Prospective Purchaser with a maximum Annual Household Income greater than 175% of Median Income but not exceeding 250% of Median Income (and otherwise in compliance with the HDC Amended and Restated Regulatory Agreement), but is not required to be resold to a Prospective Purchaser at this higher income level.

5.2.3 A Prospective Purchaser whose Annual Household Income exceeds the income limitations included in Section 7 of the HDC Amended and Restated Regulatory Agreement or whose Annual Household Income is insufficient or whose annual household liabilities are excessive, according to the HDC standards in Section 7 of the HDC Amended and Restated Regulatory Agreement, will not be found eligible to purchase.

5.2.4 This Agreement 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 the Apartment Corporation. Accordingly, if the Prospective Purchaser appears to satisfy the eligibility requirements of the HDC Amended and Restated Regulatory Agreement and any additional requirements of the Apartment Corporation, and if the Apartment Corporation itself has approved the Prospective Purchaser, Sponsor (with respect to sales pursuant to the Offering 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.

5.2.5 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.

5.2.6 For purposes of this Agreement "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 Amended and Restated Regulatory Agreement.

5.3 During the period in which the restrictions set forth in the HDC Amended and Restated Regulatory Agreement remain in effect, the Tenant-Shareholder shall comply with the following conditions in connection with the assignment of this Agreement and sale of the Shares appurtenant hereto, to a Prospective Purchaser:

5.3.1 For so long as the HDC Mortgage has an outstanding principal balance of more than $5,000,000, then until the date which is no more than three years after the Cooperative Conversion Date, a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 100% of HDC Resale Profits, if any, received by Shareholder in connection with the sale.

5.3.2 From and after the date which is three years after the Cooperative Conversion Date, a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 50% of HDC Resale Profits, if any, received by Shareholder in connection with the sale.

5.3.3 Any HDC Resale Profits paid to the Apartment Corporation hereunder shall be remitted by the Apartment Corporation to HDC, which shall apply same in reduction of the then outstanding principal balance of the HDC Note.

5.3.4 This Agreement 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 upon payment of all HDC Resale Profits, which approval shall be consent shall be evidenced by HDC's execution of the Share Certificate for the Shares being transferred as more particularly provided in Article VI, Section 8 of the By-Laws of the Apartment Corporation.

5.4 During the period in which the restrictions set forth in the HPD Regulatory Agreement remain in effect, the Tenant-Shareholder shall comply with the following conditions in connection with the assignment of this Agreement and sale of the Shares appurtenant hereto, to a Prospective Purchaser:

5.4.1 Until the date which is no later than three years from the Cooperative Conversion Date, a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 100% of HPD Resale Profits, if any, received by Shareholder in connection with the sale, but no greater than the Unit Debt attributable to the Shareholder's Apartment.

5.4.2 From and after the date which is three years after the Cooperative Conversion Date, a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 50% of HPD Resale Profits, if any, received by Shareholder in connection with the sale, but no greater than the Unit Debt attributable to the Shareholder's Apartment.

5.4.3 If the Unit Debt with respect to a specific Apartment has been paid in full, the Tenant-Shareholder under the Agreement for said Apartment can retain all profits from the assignment of the Agreement and the sale of the Shares appurtenant thereto.

5.4.4 Any HPD Resale Profits paid to the Apartment Corporation hereunder shall be remitted by the Apartment Corporation to HPD, which shall apply same in reduction of the then outstanding principal balance of the HPD Note.

5.4.5 This Agreement 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 HPD upon payment of all HPD Resale Profits, which approval shall be consent shall be evidenced by HPD's execution of the Share Certificate for the Shares being transferred as more particularly provided in Article VI, Section 8 of the By-Laws of the Apartment Corporation.

5.4.6 Notwithstanding anything to the contrary set forth herein, no HPD Resale Profits or HPD Refinancing Profits shall be due and payable hereunder for so long as HDC Resale Profits re being paid in accordance with the provisions of Section 5.3 hereof.

5.5 For purposes of this Article 5, the following terms shall have the meanings ascribed below:

5.5.1 "HPD Resale Profits" or "HDC Resale Profits" refers to the amount by which the Total Consideration that a Shareholder receives upon the transfer of the Shares attributable to Shareholder's Apartment exceeds the original cash purchase price paid by Shareholder in acquiring the Shares (excluding the proportionate share of the Underlying Mortgages allocable to the Shares), minus the following refers to the reasonable costs incurred by Shareholder in acquiring the Shares and the reasonable costs incurred by 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 Cooperative 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 Plan, contributions to the Reserve Fund.

5.5.2 "Income Determination Procedures" refers to calculation of the 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 Amended and Restated Regulatory Agreement.

5.5.3 "Total Consideration" refers to the cash and non-cash consideration which a Shareholder receives in connection with sale of the Shares attributable to Shareholder's Apartment, including cash, real property and personal property, but not including the proportionate share of any Underlying Mortgages allocable to the Shares.

5.5.4 "Unit Debt" refers, as regards each Apartment, initially to the amounts set forth as Exhibit 4 to this Agreement, which shall be deemed reduced by: (i) one-

twenty-fifth of the initial amount of the Unit Debt for each full year during which the Shareholder for the Apartment continuously occupies the Apartment as a primary residence and (ii) payments of HPD Resale Profits and HPD Refinancing Profits in connection with such Apartment.

5.6 The Tenant-Shareholder shall not assign this Agreement or transfer the shares to which it is appurtenant or any interest therein, and no such assignment or transfer shall take effect as against the Apartment Corporation for any purpose until the provisions of Section 5.2 and 5.3 of this Agreement shall have been satisfied to the extent same are still applicable and until:

5.6.1 An instrument of assignment in form and substance approved by the Apartment Corporation executed and acknowledged by the assignor shall be delivered to the Apartment Corporation.

5.6.2 The assignee must be a natural person.

5.6.3 An agreement executed and acknowledged by the assignee in form and substance approved by the Apartment Corporation assuming and agreeing to be bound by all the covenants and conditions of this Agreement to be performed or complied with by the Tenant-Shareholder, and assuming and agreeing to be bound by any alteration agreement entered into by the Tenant-Shareholder or a predecessor owner of this Apartment which covers any alteration, improvement or installation on and after the effective date of said assignment shall have been delivered to the Apartment Corporation. At the request of the Apartment Corporation, the assignee shall surrender the assigned Agreement and enter into a new Agreement in the same form for the remainder of the term, in which case the Tenant-Shareholder's Agreement shall be deemed cancelled as of the effective date of said assignment.

5.6.4 All shares of the Apartment Corporation to which this Agreement is appurtenant shall have been transferred to the assignee, with proper transfer taxes paid and stamps affixed.

5.6.5 All sums due from the Tenant-Shareholder shall have been paid to the Apartment Corporation, together with a sum to be fixed by the Board of Directors to cover legal and other expenses of the Apartment Corporation and its managing agent in connection with such assignment and transfer of shares.

5.6.6 A search or certification from a title or abstract company has been provided to, and is acceptable to, the Board of Directors.

5.6.7 If this Agreement shall be assigned in compliance herewith, the Tenant-Shareholder shall have no further liability on any of the covenants of this Agreement to be thereafter performed.

5.6.8 Regardless of any prior consent, neither the Tenant-Shareholder, nor an executor, nor an administrator or personal representative, nor any trustee or receiver of the property of the Tenant-Shareholder, nor anyone to whom the interests of the Tenant-Shareholder shall pass by law, shall be entitled to occupy the Apartment, or further to assign this Agreement,

or to sublet the Apartment, or any part thereof, except upon compliance with the requirements of this Agreement, as above provided.

5.6.9 No demand or acceptance of Maintenance Charges, User Charges, or fees from any such person shall constitute a waiver of any of the rights of the Apartment Corporation hereunder.

5.6.10 If this Agreement is then in force and effect, the Apartment Corporation will, upon request of the Tenant-Shareholder, deliver to the assignee a written statement that this Agreement remains in force and effect; but no such statement shall be deemed an admission that there is no default under this Agreement.

5.7 The Tenant-Shareholder shall not sublet the whole of any part of the Apartment except in compliance with the provisions of this Section and the requirements of the HDC Amended and Restated Regulatory Agreement and the HPD Regulatory Agreement. Subletting shall include the occupancy of the Apartment by any person not authorized to occupy the apartment by Paragraph 5.1 hereof, whether or not any rent is paid to the Tenant-Shareholder.

5.7.1 A Tenant-Shareholder may not sublease the Apartment while the HDC Amended and Restated Regulatory Agreement and HPD Regulatory Agreement is in effect, for periods not to exceed two (2) years out of every consecutive four (4) years. A Tenant-Shareholder may not sublease the Apartment unless such under-tenant is income qualified pursuant to the HDC Amended and Restated Regulatory Agreement.

5.7.2 Whenever the Tenant-Shareholder intends to sublet the Apartment, the Tenant-Shareholder shall deliver to the Apartment Corporation a copy of the sublease, together with such other information as may be required by the Apartment Corporation (including, without limitation, information required by the Apartment Corporation to confirm compliance with the HDC Amended and Restated Regulatory Agreement and , and an agreement by the under-tenant under such sublease in form satisfactory to the Apartment Corporation that, if the Tenant-Shareholder shall default for a period of one month in the payment of any rent, the Apartment Corporation may, at its option, so long as such default shall continue, after serving notice of the default upon the Tenant-Shareholder and the under-tenant, demand and receive from the under-tenant occupying the Apartment the rent due or becoming due from such under-tenant to the Tenant-Shareholder, up to an amount sufficient to pay all sums due from the Tenant-Shareholder to the Apartment Corporation; that the under-tenant shall pay the rent to the Apartment Corporation within 10 days of receipt of a demand therefor; that any such payment of rent to the Apartment Corporation shall be sufficient payment and discharge of such under-tenant as between such under-tenant and the Tenant-Shareholder, to the extent of the amount so paid; and any such demand or acceptance of rent from any under-tenant shall not be deemed a consent or approval of any under-letting or assignment by the Tenant-Shareholder, or a release or discharge of any of Tenant-Shareholder's obligations hereunder.

5.8 The Board of Directors shall be entitled to fix by resolution and collect, before any sale or lease of an Apartment is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board of Directors in connection with the sale or lease. If such charge is adopted, it shall be added to, and

constitute a portion of Additional Rent payable by Tenant-Shareholder. The aforementioned charge shall not apply to the sale or lease of an Apartment by a holder of Unsold Shares or a Tenant-Shareholder selling Apartments pursuant to an offering plan or to the sale or lease of an Apartment by a lender holding a secured interest in the Shares appurtenant to the Apartment.

5.9 A pledge of this Agreement and the Shares to which it is appurtenant by Tenant-Shareholder to a bank or other recognized lending institution (a "Secured Party"), shall not be a violation of this Agreement, provided, however, that Tenant-Shareholder shall not be in default under this Agreement at the time of such pledge and the lien of the Secured Party shall in all respects be subordinate to the lien of Apartment Corporation for payment of Maintenance Charges, User Charges and Additional Rent due the Apartment Corporation pursuant to this Agreement or otherwise or the lien of the Condominium Board for payment of Common Charges pursuant to the Condominium Documents and shall comply with the foregoing conditions.

5.9.1 For so long as the HPD Regulatory Agreement is in effect:

5.9.1.1 Until _____, 2005 a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 100% of HPD Refinancing Profits, if any, received by Shareholder in connection with the pledge, but no greater than the Unit Debt attributable to the Shareholder's Apartment.

5.9.1.2 From and after _____, 2005, a Tenant-Shareholder shall be obligated to remit to the Apartment Corporation 50% of HPD Refinancing Profits, if any, received by Shareholder in connection with the pledge, but no greater than the Unit Debt attributable to the Shareholder's Apartment.

5.9.1.3 If the Unit Debt with respect to a specific Apartment has been paid in full, the Tenant-Shareholder under the Agreement for said Apartment can retain all profits from the pledge of the Shares and this Agreement.

5.9.1.4 For purposed of this Section 5.7 "HPD Resale Profits" refers to the amount by which increased debt resulting from a new loan obtained by a Shareholder, for which the Shareholder has pledged the Shares and delivered the Stock Certificate appurtenant to the Apartment pursuant to a security agreement, exceeds the amount paid by the Shareholder in purchasing the Apartment, but in no event more than the Unit Debt.

5.9.2 The Secured Party and the Apartment Corporation shall have entered into a recognition agreement in form customarily used in the City of New York. Such agreement shall contain an acknowledgment by the Apartment Corporation of the lien in favor of pledgee, an agreement by Apartment Corporation to notify pledgee of any default by The Apartment Corporation hereunder, the grant to pledgee of a right to cure any such default, and such other terms and conditions as shall be acceptable to the Board of Directors in its sole discretion.

5.9.3 Neither a Secured Party nor any transferee of the Secured Party shall be entitled to have the shares transferred of record on the books of the Apartment Corporation, nor to vote such shares, nor to occupy or permit the occupancy by others of the Apartment, nor to sell such shares or this Agreement, without first complying with all of the

provisions of Paragraphs 5.7 of this Agreement. There shall be no limitation upon the rights of Sponsor or any holder of Unsold Shares to pledge their Unsold Shares.

5.9.4 The acceptance by the Apartment Corporation of payments from any secured party or any transferee of the secured party on account of Maintenance Charges or Additional Rent shall not constitute a waiver of the aforesaid provisions, or be construed as a consent.

5.10 The Tenant-Shareholder, upon paying the Maintenance Charges and other financial obligations required hereunder and performing the covenants and complying with the conditions on the part of the Tenant-Shareholder 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 let, suit, trouble or hindrance from the Apartment Corporation, subject, however, to the rights of present tenants or occupants of the Apartment, and subject to any and all mortgages on Residential Unit.

5.11 No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in the Apartment without the consent of the Board of Directors. In no event will the Tenant-Shareholder be entitled to maintain more than two (2) pets in the Apartment without the consent of the Board of Directors. Each Tenant-Shareholder who keeps any type of pet in such Tenant-Shareholder's Apartment will be required to abide by any and all reasonable Rules and Regulations of the Board of Directors adopted with respect thereto and may be required to enter into an agreement with the Board of Directors governing the maintenance of such pets and indemnifying and holding harmless the Apartment Corporation from all claims and expenses resulting from acts of such pet.

5.12 None of the restrictions contained in this Article 5 shall apply to Sponsor, the owner of the Shares appurtenant to any holder of Unsold Shares, which shall have the right to freely assign the Shares and this Agreement and to utilize or permit the utilization of the Apartment for any purposes permitted by law all as more particularly set forth in Paragraph 9 of this Agreement subject to the limitations set forth in the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages.

6 **Defaults.**

6.1 If upon, or at any time after, the happening of any of the events mentioned in subdivisions (a) to (i) inclusive of this Paragraph 6. 1, the Apartment Corporation shall give to the Tenant-Shareholder a notice stating that the term hereof will expire on a date at least five days thereafter, the term of this Agreement 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 the Tenant-Shareholder to occupy the Apartment hereunder shall thereupon wholly cease and expire, and the Tenant-Shareholder shall thereupon quit and surrender the Apartment to the Apartment Corporation, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Apartment Corporation 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 lawful force or otherwise, and to repossess the Apartment in its former estate as if this Agreement had not been made, and no liability whatsoever shall attach to the Apartment Corporation by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved:

(a) If the Tenant-Shareholder shall cease to be the owner of any of the shares allocated to the Apartment, or if this Agreement shall pass by operation of law or be assigned to anyone who is not then the owner of all of said Shares;

(b) If at any time during the term of this Agreement (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 Agreement 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 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 Agreement is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty days; or (v) this Agreement or any of the shares to which it is appurtenant shall pass by operation of law or otherwise to anyone other than the Tenant-Shareholder herein named or a person to whom such Tenant-Shareholder has assigned this Agreement in the manner herein permitted, but this subsection (v) shall not be applicable if this Agreement shall devolve upon the executors or administrators of the Tenant-Shareholder and provided that within eight (8) months (which period may be extended by the Board of Directors) after the death said Agreement and shares shall have been transferred to any assignee in accordance with Paragraph 5.3 hereof;

(c) If there be an assignment of this Agreement, or any occupancy or subletting of the Apartment without full compliance with the requirements of Paragraphs 5.1, 5.2 or 5.3 hereof, and the Tenant-Shareholder shall fail to cure any such default within ten days after written notice from the Apartment Corporation or the Condominium Board (to the extent provided in the Condominium Documents);

(d) If the Tenant-Shareholder shall be in default for a period of one month in the payment of any Maintenance Charges or Additional Rent or User Charges or of any installment thereof and shall fail to cure such default within ten days after written notice from the

Apartment Corporation or the Condominium Board (to the extent provided in the Condominium Documents);

(e) If the Tenant-Shareholder shall be in default in the performance of any covenants or provision hereof, other than the covenant to make any payments specified in subparagraph (d), and such default shall continue for thirty days after written notice from the Apartment Corporation or the Condominium Board (to the extent provided in the Condominium Documents);

(f) If at any time the Apartment Corporation shall determine, upon the affirmative vote of two-thirds of the Board of Directors, or the affirmative vote of Tenant-Shareholders owing at least 75% in amount of its then issued and outstanding shares, at a Shareholders meeting duly called for their purpose, that because of objectionable conduct on the part of the Tenant-Shareholder, or of a person residing in or visiting the apartment, the tenancy of the Tenant-Shareholder is undesirable. Objectionable conduct shall include (i) conduct on the part of the Tenant-Shareholder, or any person residing in or visiting the Residential Unit with the consent of the Tenant-Shareholder, which (A) repeatedly violates or disregards the terms of this Agreement or the House Rules established in accordance with the provisions hereof, or (B) permits or tolerates a dangerous condition or dangerous or disruptive person to enter or remain in the Building or the Apartment, or (ii) conduct on the part of the Tenant-Shareholder, or any person residing in the Apartment or regularly visiting the Building with the consent of the Tenant-Shareholder, which constitutes a felony or any crime of violence or threatened violence affecting the Building or any person lawfully in the Building;

(g) If at any time the Apartment Corporation shall determine, upon the affirmative vote of two-thirds of the Board of Directors at a meeting of such Board of Directors duly called for that purpose, and the affirmative vote of Tenant-Shareholders owning at least 75% in amount of its then issued and outstanding shares, at a shareholders' meeting duly called for that purpose, to terminate all Agreements;

(h) If at any time the Building or a substantial portion thereof shall be taken by condemnation proceedings.

6.2 Upon the termination of the occupancy rights of the Tenant-Shareholder under this Agreement pursuant to the provisions of subdivisions (a), (b), (c), (d), (e), or (f) of Paragraph 6.1:

(a) The Tenant-Shareholder shall vacate the Apartment and remove therefrom all property of the Tenant-Shareholder which upon such termination does not become the property of the Apartment Corporation and surrender possession of the Apartment to the Apartment Corporation and, upon demand of the Apartment Corporation, shall execute, acknowledge and deliver to the Apartment Corporation any instrument which may reasonably be required for surrendering all estate and interest of the Tenant-Shareholder in the Apartment, or in the Residential Unit or Building of which it is a part.

(b) The Tenant-Shareholder shall surrender to the Apartment Corporation the certificate for the shares of the Apartment Corporation owned by the Tenant-

Shareholder to which this Agreement is appurtenant. Whether or not said certificate is surrendered, the certificate owned or held by the Tenant-Shareholder shall be automatically cancelled and rendered null and void and the shares represented by such certificate shall become treasury shares, and the Tenant-Shareholder shall have no further right to vote or participate in any of the meetings or affairs of the Apartment Corporation, and the Tenant-Shareholder's ownership interest in the shares and Agreement shall cease, except to the extent set forth below.

(c) The Tenant-Shareholder shall be liable for damages, and shall pay as damages a sum equal to the Maintenance Charges and Additional Rent and User Charges which would have become due hereunder after the date of Termination and shall pay the same in installments at the time such amounts would be due hereunder. No suit brought to recover any installment of such amounts shall prejudice the right of the Apartment Corporation to recover any subsequent installment.

(d) The Apartment Corporation may, at its option, either (1) sell the Apartment, or (2) relet the Apartment for the Apartment Corporation's own account or as the agent of or for the account of the Tenant-Shareholder.

6.2.1 The Tenant-Shareholder's continuing obligation to pay Maintenance Charges, Additional Rent, and User Charges under this Agreement pursuant to Paragraph 6.2 (c) shall cease upon the earliest of the following dates: (a) the date as of which a new Agreement covering the Apartment shall become effective; or (b) the date the Apartment Corporation gives written notice to the Tenant-Shareholder that it has relet the apartment for its own account. From and after such date the Tenant-Shareholder shall have no further liability for sums accruing hereunder, but such termination of the Tenant-Shareholder's liability shall not affect any liabilities theretofore accrued.

6.2.2 if the Apartment Corporation relets the Apartment for itself or as the agent of or for the account of the Tenant-Shareholder, it shall, after reimbursing itself for its reasonable expenses in connection therewith, including a reasonable amount for professional fees, decorations, alterations and repairs in and to the Apartment, and reserves for unpaid Maintenance Charges, and all costs it incurred which are the responsibility of Tenant-Shareholder pursuant to the terms of this Agreement, apply the remaining proceeds of such reletting to the payment of any and all sums then due from the Tenant-Shareholder to the Apartment Corporation and all sums which would thereafter have become due from the Tenant-Shareholder under the provisions of this Agreement if the Apartment Corporation had not so resumed possession, accounting to the Tenant-Shareholder at the expiration of each of the several terms of such reletting for the surplus, if any. If at any time or from time to time before the expiration of the term originally demised hereunder, there shall be a deficiency between the proceeds of such reletting and such sums as would have become due hereunder, the Tenant-Shareholder agrees to pay such deficiency upon demand.

6.2.3 The Apartment Corporation may issue a new Agreement for the Apartment and issue a new certificate for the shares of the Apartment Corporation owned by the Tenant-Shareholder and allocated to the Apartment when a purchaser therefor is obtained, provided that the issuance of such shares and such Agreement to such purchaser is authorized by a resolution of the Board of Directors, or by Tenant-Shareholders holding a majority of the

shares then in full force and effect. If the Apartment Corporation issues and sells shares for the Apartment and an appurtenant Agreement, it may do so at public or private sale, upon such terms as are consistent with the restrictions upon occupancy of apartments set forth in Article 5 hereof. If this Agreement and shares are sold at a public auction, the Apartment Corporation may purchase them for its own account. The Apartment Corporation may subject any such sale to the consent of the Board of Directors, which may be withheld for any reason or for no reason, and to such conditions as the Board may choose to impose.

6.2.3.1 The Apartment Corporation shall retain the proceeds received for the issuance of such shares provided that, if the proceeds exceed the Tenant-Shareholder's indebtedness hereunder, which shall include, but not be limited to, all damages, costs of sale, and preparation of the apartment for sale, including interest, attorneys' fees, damages and other expenses incurred by the Apartment Corporation, and all costs it incurred which are the responsibility of the Tenant-Shareholder pursuant to the terms of this Agreement, the Apartment Corporation shall pay over any surplus to the Tenant-Shareholder or to a lender with which there is a recognition in effect, for the benefit of the Tenant-Shareholder, but, if the proceeds are insufficient to cover the Tenant-Shareholder's indebtedness hereunder, the Tenant-Shareholder shall remain liable for the balance of the indebtedness.

6.2.3.2 Upon the issuance of any such new Agreement and certificate, the Tenant-Shareholder's liability hereunder shall cease and the Tenant-Shareholder shall only be liable for Maintenance Charges, Additional Rent, User Charges, damages and expenses accrued to that time. The Apartment Corporation shall not, however, be obligated to sell such shares and appurtenant Agreement or otherwise make any attempt to mitigate damages.

6.3 The Tenant-Shareholder hereby expressly waives any and all right of redemption in case the Tenant-Shareholder shall be dispossessed by judgment or warrant of any court or judge. The words "enter," "re-enter" and "re-entry" as used in this Agreement are not restricted to their technical legal meaning.

6.3.1 Upon the termination of the occupancy rights of the Tenant-Shareholder under this Agreement pursuant to the provisions of subdivisions (g), (h) and (i) of Paragraph 6.1, or upon the expiration of this Agreement, the Tenant-Shareholder shall be and remain liable to pay all Maintenance Charges, Additional Rent and User Charges due or accrued and to perform all covenants and agreements of the Tenant-Shareholder up to the date of such termination, and will retain ownership of the shares of the Apartment Corporation, and the rights and obligations of the parties thereafter shall be as set forth in Paragraph 7.2 below.

7 **Termination Of Occupancy Rights Other Than By Default.**

7.1 Termination of All Agreements.

7.1.1 No later than the termination of all Agreements, for whatever reason, a special meeting of Tenant-Shareholders of the Apartment Corporation shall take place to determine whether (a) to continue to operate the Residential Unit as a cooperative, (b) to operate the Residential Unit as a rental apartment building, (c) to alter, demolish or rebuild the Residential Unit or any part thereof; or (d) to sell the Residential Unit and liquidate the assets of the Apartment Corporation (all in accordance with the terms of the Condominium Documents, HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages). The Board of Directors shall carry out the determination made at said meeting by a majority of Tenant-Shareholders.

7.1.2 The Tenant-Shareholder hereby waives any and all rights under Section 227 of the Real Property Law and in no event shall the Tenant-Shareholder have any individual option or right to terminate this Agreement.

7.2 Rights Upon Termination.

7.2.1 On or before any expiration or termination of this Agreement pursuant to Paragraphs 6.1 (g)(h) or (i),or Paragraphs 7.1.1, the Tenant-Shareholder shall vacate the Apartment and surrender possession thereof to the Apartment Corporation or its assigns, and upon demand of the Apartment Corporation or its assigns, shall execute, acknowledge and deliver to the Apartment Corporation or its assigns any instrument which may reasonably be required to evidence the surrendering of all of the estate and interest of the Tenant-Shareholder in the Apartment, or in the Residential Unit of which it is apart.

7.2.2 The Tenant-Shareholder shall surrender to the Apartment Corporation possession of the Apartment with all additions, improvements, appliances and fixtures then included therein, except as provided in Paragraph 3.3.4 hereof. Any additions, improvements, fixtures or appliances not removed by the Tenant-Shareholder on or before such expiration or termination shall, at the option of the Apartment Corporation, be deemed abandoned and shall become the property of the Apartment Corporation and may be disposed of by the Apartment Corporation without liability or accountability to the Tenant-Shareholder.

7.2.3 The Tenant-Shareholder shall be and remain liable to pay all Maintenance Charges, Additional Rent, User Charges and other charges due or accrued and to perform all covenants and agreements of the Tenant-Shareholder up to the date of such termination.

7.2.4 Thereafter, the Tenant-Shareholder shall continue to be liable for the Proportionate Share of the Cash Requirements, until the affairs of the Apartment Corporation are wound up and liquidated. If the Tenant-Shareholder shall, with or without the consent of the Apartment Corporation, remain in possession of the Apartment, the Tenant-Shareholder shall additionally be liable for the use and occupancy of the Apartment, in an amount to be determined by the Board of Directors.

7.2.5 Upon termination or expiration of all Agreements, the Tenant-Shareholder shall retain ownership of the shares of the Apartment Corporation, which shall continue its corporate existence until its affairs are wound-up and liquidated. All of the holders of the then issued and outstanding shares of the Apartment Corporation shall have such rights as inure to shareholders of corporations having title to real estate.

7.3 Individual Surrender of All Rights

7.3.1 This Agreement may be cancelled by the Tenant-Shareholder on any September 30th after the third anniversary of the consummation of the Plan, upon complying with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by the Tenant-Shareholder to the Apartment Corporation on or before April 1 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 the Apartment Corporation by the Tenant-Shareholder:

(i) the Tenant-Shareholder's counterpart of this Agreement with a written assignment in form required by the Apartment Corporation, in blank, effective as of August 31 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever;

(ii) the Tenant-Shareholder's certificate for the Tenant-Shareholder's shares of the Apartment Corporation, endorsed in blank for transfer and with all necessary transfer tax stamps affixed and with payment of any transfer taxes due thereon;

(iii) a written statement setting forth in detail those additions, improvements, fixtures or equipment which the Tenant-Shareholder has, under the terms of this Agreement, the right and intention to remove.

7.3.2 All additions, improvements, appliances and fixtures which are removable under the terms of this Agreement and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by the Tenant-Shareholder prior to August 31st of the year of cancellation, and on or before said August 31st the Tenant-Shareholder shall deliver possession of the Apartment to the Apartment Corporation 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 and pay to the Apartment Corporation all Maintenance, User Charges, Additional Rent and other charges which shall be payable under this Agreement up to and including the following September 30th.

7.3.3 The Apartment Corporation and its agents may show the Apartment to prospective Tenant-Shareholders, contractors and architects at reasonable times after notice of the Tenant-Shareholder's intention to cancel. After August 31st or the earlier vacating of the Apartment, the Apartment Corporation and its agents, employees and Tenant-Shareholders may enter the Apartment, occupy the same and make such alterations and additions therein as the Apartment Corporation may deem necessary or desirable without diminution or abatement of the Rent due hereunder.

7.3.4 If the Tenant-Shareholder is not otherwise in default hereunder and if the Tenant-Shareholder shall have timely compiled with all of the provisions of 7.3.1 and 7.3.2 hereof, then this Agreement shall be cancelled and all rights, duties and obligations of the parties hereunder shall cease as of the September 30th fixed in said notice, and the shares of the Apartment Corporation shall become the absolute property of the Apartment Corporation, provided, however, that the Tenant-Shareholder shall not be released from any indebtedness owing to the Apartment Corporation on such date.

7.3.5 If the Tenant-Shareholder shall give the notice but fail to comply with any of the other provisions of this Paragraph, the Apartment Corporation shall have the option at any time prior to September 30th (i) of returning to the Tenant-Shareholder this Agreement, the certificate for shares and other documents deposited, and thereupon the Tenant-Shareholder shall be deemed to have withdrawn the notice of intention to cancel this Agreement, or (ii) of treating this Agreement as cancelled as of the September 30th named in the notice of intention to cancel as the date for the cancellation of such Agreement, and bringing such proceeding and actions as it may deem best to enforce the covenants of the Tenant-Shareholder hereinabove contained and to collect from the Tenant-Shareholder the payments which the Tenant-Shareholder is required to make hereunder, together with attorneys' fees and expenses.

7.3.6 If on April 1st in any year the total number of shares owned by Tenant-Shareholders holding Agreements, who have given notice pursuant to Paragraph 7.3.1 of intention to cancel such Agreements on September 30th of said year, shall aggregate ten percent (10%) or more of the Apartment Corporation's outstanding shares, exclusive of treasury shares, then the Apartment Corporation shall, prior to April 30th in such year, give a written notice to the holders of all issued shares of the Apartment Corporation, stating the total number of shares then outstanding and in its treasury and the total number of shares owned by Tenant-Shareholders holding Agreements who have a given notice of intention to cancel In such case the Tenant-Shareholders to whom such notice shall have been given shall have the right to cancel their Agreements in compliance with the provisions of Paragraph 7.1.1 hereof, provided only that written notice of the intention to cancel such Agreements shall be given on or before July 1st instead of April 1st.

7.3.7 If Tenant-Shareholders owning at least 80% of the then issued and outstanding shares of the Apartment Corporation shall exercise the option pursuant to Paragraph 7.3 to cancel their Agreements in one year, then this and all other Agreements shall thereupon terminate on September 30th of the year in which such options shall have been exercised, as though every Tenant-Shareholder had exercised such option. In such event none of the Tenant-Shareholders shall be required to surrender his shares to the Apartment Corporation and all certificates for shares delivered to the Apartment Corporation by those who had, during that year, served notice of intention to cancel their Agreements under the provisions hereof, shall be returned to such Tenant-Shareholders.

8 **General Clauses.**

8.1 Every Agreement shall be in the form of this Agreement, unless a modification of any one or more Agreements is approved by Tenant-Shareholders owning at least two-thirds of the shares of the Apartment Corporation then issued and outstanding, and such modified Agreement is executed by the Apartment Corporation and Tenant-Shareholders affected, except that the description of the Apartment and the list of appurtenances on Schedule A may vary, and except that the use and occupancy of the Apartment pursuant to Paragraph 5.1, and the Tenant-Shareholder's responsibility for up keep and repair of the Apartment, and they change alterations, fixtures and equipment and any other obligation of Tenant-Shareholders pursuant to Paragraphs 3.2 and 3.3 may be increased by written agreement between the Tenant-Shareholder and the Apartment Corporation.

8.1.1 The form and provisions of all the Agreements then in effect and thereafter to be executed may be changed by the approval of Tenant-Shareholders owning at least two-thirds of the shares of the Apartment Corporation then issued and outstanding, and such changes shall be binding on all Tenant-Shareholders even if they did not vote for such changes. Notwithstanding the foregoing, the right of the Tenant-Shareholders to modify the form of Agreement is limited by the rights of Sponsor and the holders of Unsold Shares as more particularly set forth in Paragraph 9 of this Agreement as further limited as follows:

8.1.1.1 A Tenant-Shareholder's right to cancel this Agreement under the conditions set forth in Paragraph 7.3 may not be modified without the Tenant-Shareholder express consent.

8.1.1.2 Any amendment modifying the provisions of Paragraph 5.2, 5.3 or 5.4 of this Agreement shall require the approval of 90% of the Shares allocated by the Apartment Corporation.

8.1.1.3 Approval by Tenant-Shareholders as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose.

8.1.1.4 Notwithstanding the provisions of this Agreement to the contrary, Sponsor and Sponsor's successors and assigns are hereby appointed as the attorney-in-fact of the Apartment Corporation, the Shareholder hereunder, each contract vendee of Shares and this Agreement 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 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 this Agreement or the By-Laws of the Apartment Corporation, which may be required or necessary to carry out the provisions of the 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 Plan. Any such act shall be in conformity with the HDC Amended and Restated Regulatory Agreement, the HPD 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.

8.1.1.5 Notwithstanding anything in this Agreement to the contrary, for so long as the HDC Amended and Restated Regulatory Agreement is in effect, any change in the form or content of this Agreement, shall require the prior written consent of HDC in order to be valid and effective, which consent shall not be unreasonably withheld or delayed.

8.1.2 The failure of the Apartment Corporation to insist, in any one or more instances, upon a strict performance of any of the provisions of this Agreement, 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 provision, option or right, but such provision, option or right shall continue and remain in full force and effect. The receipt by the Apartment Corporation of Maintenance Charges or Additional Rent or User Charges, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach. No waiver by the Apartment Corporation of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Board of Directors and signed by an officer.

8.2 The Apartment Corporation shall not be liable for any failure or insufficiency of any service, facility or utility supplied to Tenant-Shareholders by the Apartment Corporation, or service, facility or utility to be supplied by third parties, or for injury or damage to persons or property caused by the elements or by another Tenant-Shareholder or person in the Building, or resulting from steam, gas, electricity, water, rain or snow which may leak or flow from any part of the Building, or from the pipes, appliances or plumbing works of the same, or from any other place, or for interference with light, air, view or other interest of the Tenant-Shareholder, except to the extent that the Apartment Corporation is required by law to be liable for its negligence.

8.2.1 No abatement of Maintenance Charges or other compensation or claim of eviction shall be made or allowed because of any condition or event specified in Paragraph 8.2, or because of the making or failure to make or delay in making any repairs, alterations or decorations to the Residential Unit or the Building, or any fixtures or appurtenances therein, or for interruption or curtailment of any service agreed to be furnished by the Apartment Corporation, due to accidents, alterations or repairs, or due to difficulty or delay in securing supplies or labor, or causes beyond the Apartment Corporation's control, or for any use of a terrace, balcony or appurtenant roof area by the Apartment Corporation which is authorized by this Agreement, except to the extent that the Apartment Corporation is required by law to be liable for its negligence. In no event whatsoever shall any abatement be made for damage or inconvenience suffered in common by all Tenant-Shareholders, and in no event shall any abatement be made for any portion of the Maintenance Charges or Additional Rent paid to cover Cash Requirements of the Apartment Corporation pursuant to Paragraph 2.3.1 hereof.

8.2.2 The Tenant-Shareholder agrees to save the Apartment Corporation harmless from all liability, loss, damage and expense arising from injury, to person or property occasioned by the failure of the Tenant-Shareholder to comply with any provision hereof, or due wholly or in part to any act, default or omission of the Tenant-Shareholder or of any person dwelling or visiting in the apartment, or by the Apartment Corporation, its agents, employees or contractors when acting as agent for the Tenant-Shareholder as in this Agreement provided.

8.2.3 Paragraph 8.2.2 shall not apply to any loss or damage when the Apartment Corporation is covered by insurance which provides for waiver of subrogation against the Tenant-Shareholder. To the extent that any loss or damage is covered by the Apartment Corporation by any insurance policies which contain such waiver of subrogation, the Apartment Corporation releases the Tenant-Shareholder from any liability with respect to such loss or damage except for damage caused by intentional acts of the Tenant-Shareholder and/or the occupants of the Apartment. In the event that the Tenant-Shareholder suffers loss or damage for which the Apartment Corporation would be liable, and Tenant-Shareholder carries insurance which covers such loss or damage and such insurance policy or policies shall contain or permit a waiver of subrogation against the Apartment Corporation, then in such event Tenant-Shareholder releases Apartment Corporation from any liability with respect to such loss or damage.

8.2.4 In case a notice of mechanic's lien against the Residential Unit shall be filed purporting to be for labor or material furnished or delivered at the Residential Unit or the Apartment to or for the Tenant-Shareholder, or anyone claiming under the Tenant-Shareholder, the Tenant-Shareholder shall forthwith cause such lien to be discharged by payment, bonding or otherwise. If the Tenant-Shareholder shall fail to do so within ten days after notice from the Apartment Corporation or the Condominium Board, then the Apartment Corporation or the Condominium Board, as the case may be, may, in addition to its other rights and remedies hereunder, 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, and 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 attorneys' fees and disbursements, together with interest thereon from the time or times of payment.

8.3 The leasehold interest created by this Agreement is and shall be subject and subordinate to the all in accordance with the terms of the Condominium Documents, HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages and all future ground or underlying leases and to any mortgages now or hereafter liens on the Residential Unit and to any replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination the Tenant-Shareholder shall at any time, and from time to time, on demand, execute any instruments that may be required by any mortgagee, or by the Apartment Corporation, for the purpose of more formally subjecting the leasehold interest created by this Agreement to the lien of any such mortgage or mortgages or ground or underlying leases, and the duly elected officers of the Apartment Corporation are and each of them is hereby irrevocably appointed the attorney-in-fact and agent of the Tenant-Shareholder to execute the same upon such demand, and the Tenant-Shareholder hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

8.3.1 Notwithstanding anything contained in this Agreement, if any action shall be instituted to foreclose any mortgage on Residential Unit, the Tenant-Shareholder shall, on demand, pay to the receiver of the rents appointed in such action rent, if any, 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 Rent for the Apartment as last determined and established by the Board of Directors prior to the commencement of said action, and such Rent shall be paid during the period of such receivership, whether or not the Board of 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 mortgagees of the Residential Unit and may not be modified or annulled without the prior written consent of any such mortgage holder.

8.3.2 Nothing herein shall prevent the Apartment Corporation from assessing Tenant-Shareholders, during the pendency of any receivership, for the costs of continuing operations of the Apartment Corporation.

8.4 Any notice by or demand from either party to the other shall be duly given only if in writing and

(i) sent by certified mail, return receipt requested; or

(ii) sent by overnight courier service; or

(iii) personally delivered.

8.4.1 Notice by the Tenant-Shareholder shall be addressed (i) to the Apartment Corporation at the Building to the attention of the President, and if personally delivered must be delivered to the President or the Secretary, and a copy shall be sent to the Managing Agent and (ii) to the Condominium Board, in accordance with the Condominium Documents. Notice by the Apartment Corporation or the Condominium Board shall be addressed to the Tenant-Shareholder at the . Notice by the Apartment Corporation shall be addressed to the Tenant-Shareholder at the Building, and if personally delivered must be delivered to the Tenant-Shareholder or any adult permitted occupant of the Apartment (see Paragraph 5.1).

8.4.2 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, delivered to the courier service, or personally delivered, whichever is first.

8.4.3 Either party may, by notice served in accordance with Paragraph 8.4, request service of notices by telefax or electronic mail, which notice shall include the telefax or electronic mail address, and any notice may be given thereafter by such means, provided that service of any notice thereafter may be made pursuant to Paragraph 8.4 hereof at the option of the party giving the notice.

8.4.4 If more than one person is named as Tenant-Shareholder hereunder, the Apartment Corporation may require the signatures of all such persons in connection with any notice to be given or action to be taken by the Tenant-Shareholder hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this Agreement, or any request for consent to assignment or subletting.

8.4.5 Any notice by the Apartment Corporation to any person named as Tenant-Shareholder shall be sufficient, and shall have the same force and effect, as though given to all persons named as Tenant-Shareholder

8.5 The references herein to the Apartment Corporation shall be deemed to include its successors and assigns, and the references herein to the Tenant-Shareholder shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of the Tenant-Shareholder. The covenants herein contained shall apply to, bind and inure to the benefit of the Apartment Corporation and its successors and assigns, and the Tenant-Shareholder and the executors, administrators, legal representatives, legatees, distributees and assigns of the Tenant-Shareholder, except as may be expressly otherwise provided in this Agreement. Each person named as Tenant-Shareholder for the Apartment shall be jointly and severally liable for all of the obligations hereunder of all Tenant-Shareholders for the Apartment.

8.5.1 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 Agreement, the Tenant-Shareholder'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 Agreement or the Apartment, not required to be arbitrated pursuant to Paragraph 8.5.3 hereof.

8.5.2 In the event of a breach or threatened breach by Tenant-Shareholder of any provision hereof, the Apartment Corporation shall have the right of injunction and the right to invoke any remedy at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude the Apartment Corporation from any other remedy, including mediation or arbitration as provided in Paragraph 8.5.3 hereof

8.5.3 Any and all disputes arising out of the meaning, intent, or interpretation of any portion of this Agreement, and any claims by the Tenant-Shareholder against the Apartment Corporation or the Condominium Board shall, at the election of the Board of Directors of the Apartment Corporation or the Board of Managers of the Condominium, be submitted to either mediation or arbitration. Any dispute or claim by a Tenant-Shareholder against any other Tenant-Shareholder arising out of the ownership and use of the Apartment, or the breach of a Agreement, or the House Rules, shall be submitted to mediation or arbitration. Nothing herein shall prevent the Apartment Corporation or the Condominium Board from bringing an action in a court having jurisdiction (i) to collect arrears in Maintenance Charges, User Charges or Additional Rent, or (ii) to evict the Tenant-Shareholder and/or to obtain possession of the Apartment.

8.5.4 If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other or provision of this Agreement, or constitute any cause of action in favor of either party as against the other.

8.5.5 The marginal headings of the several Paragraphs of this Agreement shall not be deemed a part of this Agreement. References to the masculine gender shall be deemed to include the feminine gender, and vice versa, and to the singular shall be deemed to include the plural, and vice versa, when the context so requires. The provisions of this Agreement cannot be changed orally.

9 **Unsold Shares and Rights of Sponsor and Holder of Unsold Shares**

9.1 The term "Unsold Shares" means and has exclusive reference to the shares of the Apartment Corporation which were issued to Bradhurst Development Company, LLC and its successors, assigns and designees ("Sponsor") or individuals produced by the Sponsor pursuant to the Plan or Contract of Sale under which the Apartment Corporation acquired the Residential Unit. All shares which are Unsold Shares retain their character as such when held by a transferee who is designated as successor holder, until such shares become the property of a purchaser for bona fide occupancy (by himself or a member of his family) of the Apartment to which such shares are allocated.

9.2 No amendment to the form of this Agreement Lease can be effectuated except in compliance with the foregoing:

9.2.1 No amendment limiting or adversely affecting the rights granted to Sponsor, the holder of Unsold Shares, a Secured Party, the Commercial Unit Owners or any tenant of a Commercial Unit shall be effective without the express written consent of such affected party.

9.2.2 None of the restrictions contained in Article 5 of this Agreement shall apply to Sponsor or any holder of unsold shares, which shall have the right to freely assign the Shares and this Agreement and to utilize or permit the utilization of the Apartment for any purposes permitted by law subject to the limitations set forth in the HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages. No charge or fee may be imposed on Sponsor, the holder of Unsold Shares or a Secured Party with respect to any sale, sublease or pledge of the Shares or the Unsold Apartments.

9.2.3 Anything contained in this Agreement and the House Rules to the contrary notwithstanding, the Apartment Corporation shall not prevent nor impede or interfere with the sale of any block of Unsold Shares or the subletting of an apartment to which a block of Unsold Shares is allocated and agrees that Sponsor or any holder of Unsold Shares shall have the right to display "For Sale" and "For Rent" signs and similar promotional signs and material on or about the exterior of the Building, the lobby and apartments leased by a holder of Unsold Shares. In addition, prospective purchasers of Unsold Shares and sales personnel shall be given access to the public areas of the Property, including (without limitation) the parking areas, lobbies, elevators and hallways, for purposes of ingress and egress, without being subject to any charge or fee therefore. No discriminatory charge or fee may be imposed on any The Apartment Corporation who is a holder of Unsold Shares.

9.2.4 Sponsor or the holder of Unsold Shares are permitted to perform alterations and modifications to the Unsold Apartments without the consent of the Apartment Corporation, provided such work complies with applicable Law and the provisions of the Condominium Documents, HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages. Sponsor is authorized on behalf of the Board of Directors to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Apartments and Building as Sponsor is entitled to perform in accordance with the terms of the Plan, this Agreement and the

By-Laws and to obtain such certificates of completion as may then be required by Law. Sponsor or the holder of Unsold Shares are entitled to amend the certificate of occupancy in furtherance of such work and/or any change in the use of the Unsold Apartments as the case may be and the Board of Directors, if requested by Sponsor or the holder of Unsold Shares is obligated to execute the aforesaid documentation.

9.3 Sponsor and the holders of Unsold Shares may not exercise veto power over expenses set forth in Schedule B of the Plan or over expenses required to comply with applicable laws or regulations or to remedy any notice of violation or to remedy any work order by a mortgagee or an insurer or to remedy a notice of default from a Mortgagee. Until such time as less than twenty-five (25%) percent of the issued shares of the Apartment Corporation constitute Unsold Shares or five (5) years following the consummation of the Plan, whichever is earlier the Apartment Corporation may not, without the consent of Sponsor and the holders of Unsold Shares:

9.3.1 make any addition, alteration or improvement to the Building or to any Apartment or assess Shareholders for the same,

9.3.2 assess any Maintenance Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund,

9.3.3 increase or decrease the number, or change the kind of, employees or services referred to in the Plan,

9.3.4 enter into any service or maintenance contract for work not covered by contracts in existence on the date of the Cooperative Conversion Date or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services,

9.3.5 borrow money on behalf of the Apartment Corporation

9.4 Sponsor's written consent is not necessary to perform any function or take any action described in Section 9.3, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board of Directors to comply with the terms of the Condominium Documents, HDC Amended and Restated Regulatory Agreement, the HPD Regulatory Agreement and the Underlying Mortgages or Laws, to remedy a notice of default of a mortgagee, or to comply with the rules or regulations of any governmental authority having jurisdiction over the Apartment Corporation.

IN WITNESS WHEREOF, the parties have executed this Agreement.

APARTMENT CORPORATION
Bradhurst Court Owners Inc.

By _____
(Vice) President

Tenant-Shareholder

_____

_____

HOUSE RULES

(1) The public halls and stairways of the Building 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.

(2) Children shall not play in the public halls, courts, stairways, fire towers or elevators. Except authorized employees of the Apartment Corporation, no one shall be permitted on the roof unless specifically authorized and for a proper business purpose by the Board of Directors.

(3) No Tenant-Shareholder shall make or permit any disturbing noises in the Building or do or permit anything to be done therein which will interfere with the rights, comfort or convenience of other Tenant-Shareholder. No Tenant-Shareholder shall play upon or suffer to be played upon any musical instrument or permit to be operated a phonograph or a radio or television loud speaker in such Tenant-Shareholder's Apartment between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the Building. No construction or repair work or other installation involving noise shall be conducted in any apartment except oh weekdays (not including legal holidays) and only between the hours of 8:30 a.m. and 5:00 p.m.

(4) 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, terraces or balconies or placed upon the window sills of the Building.

(5) No awnings, window air-conditioning units or ventilators shall be used in or about the Building except such as shall have been expressly approved by the Apartment Corporation and the Condominium Board or the managing agent, nor shall anything be projected out of any window of the Building without similar approval.

(6) No sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building, except such as shall have been approved in writing by the Apartment Corporation or the managing agent, or except as designated by sponsor or its agents while there are still unsold units in the Building.

(7) No velocipedes, bicycles, scooters or similar vehicles shall be allowed in a passenger elevator and baby carriages and the above-mentioned vehicles shall not be allowed to stand in the public halls, passageways, areas or courts of the Building.

(8) Messengers and tradespeople shall use such means of ingress and egress as shall be designated by the Apartment Corporation.

EXHIBIT 1

INCOME CLASSIFICATION

EXHIBIT 2

UNIT DEBT

EXHIBIT "8"

COOPERATIVE BY-LAWS

BY-LAWS

OF

BRADHURST COURT OWNERS INC.

These By-Laws shall govern the operation of the Bradhurst Court Owners Inc. (the "Corporation") which has been formed to take title to the Residential Units and their appurtenant Common Interests of the Bradhurst Court Condominium (the "Condominium") and to provide residences to shareholders who, by virtue of their ownership of such shares, will be entitled to proprietary leases for individual apartments. The Residential Unit and the Residential Common Elements are sometimes referred to herein as the "Residential Section."

ARTICLE I

Meetings of Shareholders

Section 1. Annual Meeting: The annual meeting of the shareholders of the Corporation, for the election of directors and for such other business as may properly come before such meeting, shall be held in the Borough of Manhattan, City of New York, at such hour and place as may be determined by the board of directors and designated in the notice of meeting, on any date prior to June 30th of each year.

Section 2. Special Meetings: Special meetings of shareholders, other than those regulated by statute, may be called at any time by the president or the secretary or by a majority of the board of directors, and it shall also be the duty of the secretary to call such a meeting whenever requested in writing so to do by shareholders of record of at least one-quarter of the outstanding shares of the Corporation. The notice of each special meeting shall include the time, place and purpose of the meeting and the officer or other person or persons by whom the meeting is called.

Section 3. Notice of Meetings: The notice of each meeting of shareholders (be it an annual or special meeting) shall be in writing and signed by the president or a vice-president or the secretary or an assistant secretary. Such notice shall state the purpose or purposes for which

the meeting is called and the time when and the place within the state where it is to be held, and a copy thereof shall be served, either personally or by mail, upon each shareholder of record entitled to vote at such meeting, not fewer than ten or more than forty days before the meeting. Any notice to be served upon a shareholder by mail shall be directed to the shareholder at his or her address as it appears on the share ledger unless the 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. Such further notice shall be given as may be required by law. Except as otherwise expressly provided by statute, no publication of any notice of a meeting of shareholders shall be required. No notice of an adjourned meeting of shareholders need be given unless expressly required by statute. Notwithstanding the foregoing, any shareholders' meeting whatever shall be valid for all purposes if the shareholders of record of all outstanding shares of the Corporation are present thereat in person or by proxy, or if a quorum is present as provided in the next succeeding section and notice of the time, place and purpose of such meeting has been duly waived in writing by all shareholders not so present. The attendance of any shareholder at a meeting, in person or by proxy, without protesting the lack of notice of such meeting prior to the conclusion of the meeting shall constitute a waiver of notice by such shareholder.

Section 4. Quorum: The holders of record of one-third of the issued and outstanding shares of the Corporation entitled to vote at the meeting, present in person or by proxy, shall, except as otherwise provided by law or the certificate of incorporation, constitute a quorum at all meetings of the shareholders; if there is no such quorum, the holders of a majority of such shares so present or so represented may adjourn the meeting from time to time, without further notice. When a meeting of shareholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any shareholders.

Section 5. Conduct of Meetings: Meetings of the shareholders shall be presided over by the president or, if the president is not present, by a vice-president or, if neither the president nor

a vice-president is present, by a chairperson to be chosen at the meeting. The secretary of the Corporation or an assistant secretary shall act as secretary of every meeting, but if neither the secretary nor an assistant secretary is present, those shareholders present at the meeting shall choose any person present to act as secretary of the meeting. When a meeting of shareholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any shareholders.

Section 6. Voting: Each shareholder of record entitled to vote at any meeting may so vote in person or by proxy and shall be entitled (except as otherwise set forth herein for the election of directors) to one vote for each share standing in his or her name on the share ledger at the time of service of notice of such meeting or at such prior date, not fewer than twenty nor more than forty days before such meeting, as may be prescribed by the board of directors for the closing of the share ledger or fixed by the board of directors as the date for determining which shareholders of record are entitled to notice of and to vote at such meeting. All proxies shall be in writing duly signed by the shareholder, but need not be acknowledged or witnessed, and the person named as proxy need not be a shareholder of the Corporation. Proxies shall be filed with the secretary at or previous to the time of the meeting. All voting shall be viva voce, except that any qualified voter may demand a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the shareholder voting and the number of shares owned by such shareholder, and in addition the name of the proxy, if such ballot is cast by a proxy.

Section 7. Inspectors: At any election of directors where more candidates are nominated than there are positions to be filled, and in any other case where inspectors may act, one or more inspectors shall be appointed by the person presiding over the meeting except as otherwise provided by law. No director or candidate for director shall be eligible to appointment as an inspector of election. Before entering upon the discharge of their duties, the inspector(s) appointed to act at any meeting of the shareholders shall be sworn faithfully to execute the duties

of inspector(s) at such meeting with strict impartiality, and according to the best of their ability, and the oath so taken shall be subscribed by them and immediately filed with the secretary or an assistant secretary of the Corporation with a certificate of the result of the vote taken at such meeting. If there are not a sufficient number of inspectors present, ready and willing to act, the required number of temporary inspectors to make up such number shall be appointed by the chairperson of the meeting.

Section 8. Order of Business: The regular order of business for the annual meeting of shareholders, and for each special meeting to the extent such order is applicable, shall be as follows:

a) Roll call.
b) Presentation of notice of the meeting and proof of service, or waiver of notice.
c) Reading of minutes of preceding shareholders' meeting.
d) Reports of officers.
e) Reports of committees.
f) Appointment of inspectors, if required.
g) Election of directors for ensuing year.
h) Miscellaneous business.

Section 9. Consent of Shareholders: Whenever the shareholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken and signed by a majority of the holders of all outstanding shares entitled to vote thereon, except as otherwise provided in the proprietary lease.

ARTICLE II

Directors

Section 1. Election and Term: (a) The number of directors of the Corporation shall be not less than three (3) and no more than nine (9). Until such time as the shares are issued and the first annual meeting of the shareholders occurs, the Board of Directors shall consist of three (3) members. From and after the first annual meeting of the shareholders, the Board of Directors shall consist of five (5) members until such number is changed in accordance with this section. If the certificate of incorporation shall provide that the number of directors shall be not less than a minimum and not more than a stated maximum, the number of directors shall be determined by

vote of a majority of the entire board of directors from time to time at any regular or at any special meeting of directors called for that purpose, and the number so determined shall be the number of directors of the corporation until changed by further action of a majority of the entire board of directors, provided, however, that no decrease shall shorten the term of any incumbent director. As used in these by-laws, the term "entire Board of Directors" shall mean the total number of directors the Corporation would have if there were no vacancies.

(b) The initial directors shall be appointed by the sole incorporator of the Corporation and in the event of a vacancy existing or occurring among said initial directors, by death resignation or otherwise, such vacancy shall be filled in accordance with Article II, Section 4. From and after the first annual shareholders meeting the directors shall be elected at the annual meeting of shareholders or at a special meeting called for that purpose. It shall not be necessary for a director of the Corporation to be a shareholder. Directors shall hold office until the next succeeding annual meeting, or until their successors are duly elected.

Section 2. (a) Nominations by Board of Directors: The Board of Directors may nominate candidates for election as directors by including the names of such directors with the notice of meeting for any meeting at which directors are to be elected. If any of the candidates nominated by the Board of Directors withdraw from candidacy or otherwise become unavailable, the Board of Directors may nominate substitutes therefore at any time prior to (by written notice to shareholders) or at (by announcement) the meeting at which directors are to be elected.

(b) Nominations by Shareholders: The notice of meeting for any meeting at which directors are to be elected shall be accompanied by an invitation for shareholders to submit nominees for election as directors and shall explain the procedure for nominating directors as set forth herein. Nominations for directors (other than those made by the Board of Directors) shall be made only by shareholders of the Corporation and shall be submitted in writing to the secretary of the Corporation at least five (5) days prior to the date of the meeting called for the election of such directors, provided that notice of such meeting was given at least fifteen (15) days prior to the date of such meeting. If less than fifteen (15) days' notice of the meeting is given, then nominations may be submitted until the day before the date of the meeting. All nominations shall include a brief statement of the nominee's qualifications. No

candidates for director may be voted upon or elected unless nominated in accordance with the foregoing. The names of all persons properly nominated by the Board of Directors and/or the shareholders shall be included on the ballot presented to shareholders at the meeting.

(c) Sponsor Control. Notwithstanding anything to the contrary set forth above, Sponsor will have the right to appoint, by designation, a majority of the Board of Directors during the period which continues until the later to occur of: (i) any meeting of shareholders at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the Cooperative Conversion Date. In the event of any vacancy caused by the death, resignation or otherwise of any director designated by Sponsor or a holder of Unsold Shares, such vacancy can only re filled by Sponsor or such holder of Unsold Shares.

Section 3. Quorum: A majority of the entire board of directors, but in no event fewer than four directors, acting at a meeting duly assembled, shall constitute a quorum for the transaction of business. Notwithstanding anything to the contrary herein, if at any meeting of the board of directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

Section 4. Vacancies: When any vacancy exists or occurs among the directors by death, resignation or otherwise, except as otherwise provided in Article II, Section 5 in the case of a vacancy due to removal of a director or directors by shareholders or by HDC or HPD (as hereinafter defined), the same shall be filled, as soon as reasonably practicable, by a majority vote cast at a meeting of the remaining directors duly called for the purpose, although less than a quorum. Any director so appointed by the board of directors shall serve until the next succeeding annual meeting of shareholders, whereat the shareholders shall elect a director to fill

the vacancy for the remainder of the original term. If the number of the directors is increased, the additional directors shall be elected by a plurality of the votes cast at a meeting of shareholders called for the purpose and shall serve for the term above prescribed. If all the directors die or resign, any shareholder may call a special meeting of the shareholders as provided herein, and directors for the unexpired term may be elected at such special meeting in the manner provided for their election at annual meetings.

Section 5. Resignation and Removal of Directors: (a) Any director may resign his or her office by written notice to any officer of the Corporation. At any special meeting of the shareholders, duly called as provided in these by-laws, any director or directors may, by the affirmative vote of the holders of at least two-thirds of all the shares outstanding and entitled to vote for the election of directors, be removed from office, either with or without cause, and such director's successor or directors' successors may be elected at such meeting, or the remaining directors may, to the extent vacancies are not filled by such election, fill any vacancy or vacancies created by such removal. Notwithstanding the foregoing, no director may be removed when the votes cast against his or her removal would be sufficient to elect him or her if voted cumulatively at an election at which the same total number of votes were cast and the entire board, or the entire class of directors of which he or she is a member, were then being elected.

(b) Notwithstanding anything to the contrary set forth herein, upon a default by the Corporation under the terms of (i) a construction loan financed by the New York City Housing Development Corporation ("HDC") secured by one or more mortgages; (ii) a permanent mortgage loan made by HDC in the original principal balance of $10,000,000 secured by a First Mortgage Consolidation, Extension, Modification and Security Agreement; or a (iii) the restated and amended regulatory agreement entered into, inter alia between HDC and the Corporation

dated November 21, 2003 (the "HDC Regulatory Agreement), a copy of which is annexed hereto as Exhibit "A", HDC shall have the right to remove any or all of the existing directors of the Corporation and any or all of the Apartment Corporation's representatives on the board of managers of the Condominium 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 of the Corporation or these By-laws. Directors or representatives so appointed shall not be personally liable for debts, obligations or liabilities of the Corporation and shall be defended, indemnified and held harmless by the Corporation. 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.

(c) Notwithstanding anything to the contrary set forth herein, upon a default by the Corporation under the terms of (i) a construction loan financed by the New York City Development of Housing Preservation and Development ("HPD") secured by one or more mortgages; (ii) a purchase money mortgage by HPD in the remaining principal balance of $1,040,000 secured by a purchase money mortgage; or a (iii) the regulatory agreement entered into between HPD and the NYC Partnership Housing Development Fund Company, Inc. dated as of [June 28, 2002 (the "HPD Regulatory Agreement)], a copy of which is annexed hereto as

Exhibit "B", HPD shall have the right to remove any or all of the existing directors of the Corporation and any or all of the Apartment Corporation's representatives on the board of managers of the Condominium and appoint such person or persons as HPD, in its sole discretion deems advisable including officers or employees of HPD, 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 of the Corporation or these By-laws. Directors or representatives so appointed shall not be personally liable for debts, obligations or liabilities of the Corporation and shall be defended, indemnified and held harmless by the Corporation. Directors or representatives 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 of a similar nature. Officers or employees of HPD 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 HPD with respect to any alleged violation and the respective parties may be represented by counsel.

Section 6. Meetings: Meetings of the board of directors shall be held at such times and places within the City of New York as may from time to time be fixed by resolution of the board of directors or as may be specified in the notice of the meeting. Notice need not be given of regular meetings held at times fixed by resolution of the board of directors. Special meetings shall be held at any time upon the call of any officer of the Corporation upon three days' notice to each director given orally, or in writing and served by facsimile transmission, by personal delivery or by mailing to each director at the last address furnished by him or her to the Corporation. The board of directors may hold its annual meeting immediately after the annual meeting of shareholders, without notice, at the same place the annual meeting of shareholders is held. Any meeting of the board at which all of the directors are present, or of which notice has

been duly waived by all absentees, shall be valid for all purposes, provided a quorum is present. At meetings of the board, each director shall be entitled to one vote.

Section 7. Conference Telephone: Any one or more members of the board of directors 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. Such participation shall constitute presence in person at such meeting.

Section 8. Action in Writing: Any action required or permitted to be taken at any meeting of the board of directors or any committee thereof may be taken without a meeting if all members of the board of directors or the committee, as the case may be, consent in writing to the adoption of a resolution authorizing the action and if the resolution and the written consents thereto are filed with the minutes of the proceedings of the board of directors or the committee.

Section 9. Annual Budget: In furtherance of the definitions and provisions of the proprietary leases entered into by the Corporation with its shareholders, the board of directors shall determine the cash requirements as defined therein, for each particular year of the term of such proprietary leases, by resolution or resolutions adopted during the particular year in question or the preceding year, and shall likewise fix the terms and times of payment of the rent due from shareholders who are lessees under such proprietary leases to meet such cash requirements. Immediately after the adoption of any such resolution as above provided, the secretary shall mail or cause to be mailed, or deliver or cause to be delivered, to each shareholder a statement of the amount of the cash requirements so determined or a copy of the resolution of the board concerning the same. The board of directors shall have discretionary power to prescribe the manner of maintaining and operating the Residential Section, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the aforesaid cash requirements. Every such determination by the board shall be final and conclusive as to all shareholders and any expenditures made by the Corporation's officers or agents under the direction or with the approval of the board shall, as against such shareholders, be deemed necessarily and properly made for such purposes. The operating year of the Corporation shall be the calendar year unless otherwise determined by resolution of the board of directors.

Notwithstanding anything to the contrary set forth herein, the Corporation shall increase the budget if required to do so by HDC pursuant to the terms of the HDC Regulatory Agreement.

Section 10. Dividends: The shareholders shall not be entitled, either conditionally or unconditionally, to receive any distribution, except upon a complete or partial liquidation of the Corporation.

Section 11. House Rules: The board of directors shall have power, at any time, to make, change and repeal the house rules applicable to the Residential Section. All house rules shall be binding upon all tenants and occupants of the Residential Section.

Section 12. Committees: The board of directors may, in its discretion, by resolution of a majority of the entire board of directors, appoint an executive and other committees, each to consist of three or more directors of the Corporation. Such committees shall have and may exercise such powers as shall be conferred or authorized by the resolutions appointing them, so far as may be permitted by law, except that such committees shall not 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. A majority of any committee of the board of directors may determine its action and fix the time and place of its meetings, unless the board of directors shall otherwise provide. The board of directors shall have power at any time to fill vacancies in, to change the membership of, or to discharge any such committee.

ARTICLE III

Officers

Section 1. Election: The board of directors, as soon as practicable after the election thereof each year, shall elect by a majority vote, a president, one or more vice-presidents, a treasurer and a secretary. The board may also at any time appoint one or more assistant secretaries or assistant treasurers and such other officers, agents and employees and accord to such assistant officers such powers as the board deems proper.

Section 2. Terms and Vacancies: Any two or more offices may be held by the same person. Each of the officers shall, unless he or she shall resign such office, serve until the next

annual meeting of the board and until the election or appointment of his or her respective successor; but any officer may be removed from office at any time, and a successor chosen, at the pleasure of the board, upon affirmative vote, taken at any meeting, by a majority of the board. Any officer may resign by giving written notice to the president or secretary or board of directors, and such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office arising for any reason may be filled for the unexpired portion of the term by the board of directors.

Section 3. Duties of President and Vice-President: The president shall preside at meetings of shareholders and of the board of directors, and shall perform such other duties as shall be assigned to the president by the board. The president shall, subject to the control of the board, have general management of the affairs of the Corporation and shall perform all the duties incidental to his or her office or prescribed for him or her by these by-laws or by the board, and shall at all times have power to make and sign in the name of the Corporation all contracts, leases and other instruments which are authorized from time to time by the board. In the absence or inability of the president, the vice president, if there is only one or, if there is more than one, the vice president senior in rank (or, if he or she is absent or unable to act, the vice president next senior in rank) shall have the powers and perform the duties of the president. A vice-president shall at all times have power to make and sign proprietary leases in the name of the Corporation.

Section 4. Duties of Secretary: The secretary shall keep or cause to be kept the minutes of meetings of the board of directors and of the shareholders. The secretary shall record all transfers and cancellations of shares and shall perform all other duties incidental to the office. The secretary shall attend to the giving and serving of notices of the Corporation, shall have custody of the corporate seal and affix the same to certificates of shares and to written instruments as required by law, by these by-laws or by the board. The secretary shall cause to be kept a book to be known as the share ledger containing the names, alphabetically arranged, of all persons who are shareholders of the Corporation, showing their mailing address, the number of shares held by them respectively, the time when they respectively became the owners thereof, the amount paid thereon and the denomination and amount of all state share transfer stamps affixed thereto, and such share ledger shall be open for inspection as provided by law. Persons entitled

to inspect the share ledger may make extracts therefrom. In the absence or inability of the secretary, an assistant secretary shall have all of the powers and perform all of the duties of the secretary. Nothing herein shall preclude the secretary from delegating any of the ministerial functions of the office to any firm engaged by the Corporation to act as the managing agent of the Corporation.

Section 5. Duties of Treasurer: The treasurer shall, subject to the control of the board, have the care and custody of, and be responsible for, all funds and securities of the Corporation and shall keep the same in its name, or in the name of its managing agent for its accounts, in such banks, trust companies or safe deposit companies as the board shall designate, and shall perform all other duties incidental to his or her office, or prescribed for him or her by these by-laws or by the board. Within a reasonable time after the close of each year ending December 31st, the treasurer shall furnish or cause to be furnished to each shareholder who is a lessee under a proprietary lease then in force a statement of the income, expense and paid-in surplus of the Corporation during such year. In the absence or inability of the treasurer, the assistant treasurer shall have all of the powers and perform all of the duties of the treasurer. Nothing herein shall preclude the treasurer from delegating any of the ministerial functions of the office to any firm engaged by the Corporation to act as the managing agent of the Corporation.

ARTICLE IV

Indemnification

Section 1. Directors and Officers. The Corporation shall, to the fullest extent permitted by applicable law as the same exists or may hereafter be in effect, indemnify any person who is or was or has agreed to become a director or officer of the Corporation and who is or was made or threatened to be made a party to or is involved in any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including an action by or in the right of the Corporation to procure a judgment in its favor and an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan, or other enterprise, which such person is serving, has served, or has agreed to serve in any capacity at the request of the Corporation, by reason of the fact that he or she is or was or has agreed to become a director or officer of the Corporation, or is

or was serving or has agreed to serve such other corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise in any capacity, against judgments, fines, amounts paid or to be paid in settlement, taxes or penalties, and costs, charges, and expenses, including attorneys' fees, incurred in connection with such action or proceeding or any appeal therein; provided, however, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The benefits of this Section 1 shall extend to the heirs and legal representatives of any person entitled to indemnification under this Section.

Section 2. Directors and Officers. The Corporation may, to the extent authorized from time to time by the Board of Directors, or by a committee comprised of members of the Board, provide indemnification to employees or agents of the Corporation who are not officers or directors of the Corporation with such scope and effect, within the provisions of the Certificate of Incorporation and these By-laws, as determined by the Board, or such committee.

Section 3. Other Persons. The Corporation may indemnify any person to whom the Corporation is permitted by applicable law to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Business Corporation Law or other rights created by (i) a resolution of shareholders, (ii) a resolution of directors, or (iii) an agreement providing for such indemnification, it being expressly intended that these By-laws authorize the creation of other rights in any such manner.

Section 4. Retroactive Effect. The right to indemnification conferred by Section 1 shall, and any indemnification extended under Section 2 or Section 3 may, be retroactive to events occurring prior to the adoption of this Article IV, to the fullest extent permitted by applicable law.

Section 5. Non-Exclusive Remedies. The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition authorized by this Article IV shall not be exclusive of nor limit any other right

which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, By-laws, agreement, vote of shareholders or disinterested directors, or otherwise.

Section 6. Insurance. The Corporation shall have power to purchase and maintain insurance to indemnify (i) the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of this Article, any indemnification provided in the Certificate of Incorporation, a resolution of shareholders, a resolution of directors or any agreement, (ii) directors and officers in instances in which they may be indemnified by the Corporation under the provisions of this Article, any indemnification provided in the Certificate of Incorporation, a resolution of shareholders, a resolution of directors or any agreement and (iii) directors and officers in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article, to the extent obtainable.

Section 7. Intent. The intent of the foregoing indemnification provisions is both to provide and to expand upon the indemnification provided by the New York Business Corporation Law as from time to time amended so as to maintain and continue to attract persons of high quality to serve the Corporation as officers, directors, or in similar capacities.

ARTICLE V

Proprietary Leases

Section 1. Form of Lease: The board of directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments in the Residential Section of the Condominium to be leased to shareholders under proprietary leases. Such proprietary leases shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby and the sale or transfer of the shares of the Corporation accompanying the same, and such other terms, provisions, conditions and covenants, as the board deems advisable; provided however that the proprietary lease shall comply with the requirements of the HDC Regulatory Agreement. After a proprietary lease in the form so adopted by the board has been executed and delivered by the Corporation, all proprietary leases (as distinct from the house rules) subsequently executed and delivered shall be in the same form, and shall not be changed in form or substance unless such change shall be made pursuant to the affirmative vote, taken at a

meeting called for that purpose, or the written consent, of lessees owning at least two-thirds in amount of the Corporation's shares then owned by lessees under proprietary leases then in force. Notwithstanding anything to the contrary set forth above, no amendment to the proprietary lease shall be permitted without the prior written consent of HDC for so long as the Project is subject to a HDC Regulatory Agreement with HDC.

Section 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 office of the Corporation or with the managing agent of the apartment building.

Section 3. Accompanying Shares: The board of directors shall allocate to each apartment to be leased under a proprietary lease the number of shares of the Corporation which must be owned by the proprietary lessee thereof. If the size of any such apartment is changed from that shown on the typical plan thereof, the number of shares so allocated to such apartment and to any other apartment or extra room affected by such change shall be ratably and correspondingly changed by the board.

Section 4. Allocation of Shares to Additional Space: The board of directors may, with the approval of the holders of a majority of the Corporation's shares, authorize the conversion of space in the building not covered by a proprietary lease into space suitable for the primary purposes of the Corporation, as set forth in the certificate of incorporation, allocate theretofore unissued shares to such space, and authorize the execution of a proprietary lease or leases covering such space.

Section 5. Re-grouping of Space: The board of directors, upon the written request of the owner or owners of one or more proprietary leases covering one or more apartments in the apartment building and of the shares issued to accompany the same, may, in its discretion, at any time, permit such owner or owners at his, her or their own expense and subject to the requirements of the certificate of occupancy of the apartment building and all applicable laws and regulations, to (1) combine all or any portions of any such apartments into one or any desired number of apartments and (2) re-allocate the shares issued to accompany the proprietary leases

so affected, or any two or more other proprietary leases, in such proportions as the said owners request, provided only that (a) the total number of the shares so re-allocated remains the same, and (b) the proprietary leases so affected and the accompanying certificates of shares are surrendered, and that there are executed and delivered in place thereof, respectively, a new proprietary lease for each separate apartment so created and a new certificate for the number of shares so re-allocated to each such new proprietary lease, and (c) the owner(s) undertake(s) to amend, at his, her or their expense, the certificate of occupancy for the building, if required.

Section 6. Fees on Assignment: The board of directors shall have authority to fix by resolution and to collect, before any assignment of a proprietary lease or any re-allocation of shares takes effect as against the Corporation as lessor, reasonable fees to cover the Corporation's expenses and attorneys' fees in connection with such proposed assignment or re-allocation, or both, as the case may be.

Section 7. 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 may, in its discretion, before the issuance of such new proprietary lease, require the owner of the lost, stolen, destroyed or mutilated proprietary lease, 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, to give the Corporation a bond, in such reasonable sum as it directs, to indemnify the Corporation and to pay to the Corporation a reasonable fee for the time and expense incurred in preparing the same.

ARTICLE VI

Shares

Section 1. Shares and Proprietary Leases: Shares of the Corporation shall be issued only in connection with the execution and delivery by the shareholder and the Corporation of a proprietary lease of an apartment in the Residential Section owned or leased by the Corporation, and the ownership of the shares so issued shall entitle the holder thereof to occupy only for dwelling purposes the apartment specified in the proprietary lease so executed and delivered in

connection with the issuance of said shares, subject to the covenants and agreements contained in such proprietary lease and in accordance with the House Rules.

Section 2. Certificates and Issuance: Certificates of shares of the Corporation shall be in the form prepared by the board of directors, and shall be signed by the president or vice-president and the secretary or an assistant secretary or the treasurer or an assistant treasurer, and sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issue. Each certificate exchanged or returned to the Corporation shall be canceled, and the date of cancellation shall be indicated thereon, by the secretary and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

Section 3. Limitations on Transfer: Unless and until all proprietary leases which shall have been executed by the Corporation shall have been terminated, the shares appertaining to each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except as an entirety either to the Corporation or to a person who shall acquire the proprietary lease appertaining thereto simultaneously with such assignment, or a new lease in place thereof, and in compliance with the requirements of such proprietary lease in respect to the assignment thereof.

Section 4. Transfer: Transfers of shares shall be made only in accordance with the provisions of the proprietary lease and only upon the books of the Corporation by the holder in person or by power of attorney, duly executed and witnessed and filed with the secretary, and on the surrender of the certificate of such shares, except that shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of such certificate.

Section 5. Units of Issuance: Shares issued to accompany each proprietary lease shall be issued in the amount allocated by the board of directors to the apartment described in such proprietary lease. Unless and until all proprietary leases which shall have been executed by the Corporation shall have been terminated, the shares which accompany each proprietary lease shall

be represented by a single certificate and shall not be sold or transferred except to the Corporation or as an entirety to a person who has acquired such proprietary lease, or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 6. Fees on Transfer: The board of directors shall have authority to fix by resolution and to collect, before the transfer of any shares, reasonable fees to cover the Corporation's expenses and attorneys' fees in connection with such proposed transfer.

Section 7. Corporation's Lien: The Corporation shall at all times have a first lien upon the shares owned by each shareholder to secure the payment by such shareholder of all rent to become payable by such shareholder under the provisions of any proprietary lease issued by the Corporation and at any time held by such shareholder and for all other indebtedness from such shareholder to the Corporation and to secure the performance by the shareholder of all the covenants and conditions of said proprietary lease to be performed or complied with by the shareholders. Unless and until such shareholder as lessee makes default in the payment of any such rent or other indebtedness or in the performance of any of such covenants or conditions, said shares shall continue to stand in the name of the shareholder upon the books of the Corporation and the shareholder shall be entitled to exercise the right to vote thereon. 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 shareholder, and thereupon the certificate for such shares issued to such defaulting shareholder shall become void and such defaulting shareholder shall surrender the same to the Corporation on demand.

Section 8. Legend on Share Certificates: Certificates representing the shares of the Corporation shall bear a legend stating substantially that:

> The rights of any holder hereof are subject to the provisions of the By-Laws of the Corporation, and to all the terms covenants and conditions of the proprietary lease of the person in whose name the share certificate is issued, which limits and restricts the title and rights of any transferee of the share certificate. The shares represented by the certificate are transferable only as an entirety and only to an approved assignee of such proprietary lease. NO TRANSFER OF THE SHARES REPRESENTED BY THE CERTIFICATE MAY BE MADE WITHOUT THE

CONSENT OF THE NEW YORK CITY HOUSING DEVELOPMENT CORPORATION ("HDC") DURING THE TERM OF THE REGULATORY AGREEMENT OF HDC, A COPY OF WHICH IS ANNEXED TO THE BY-LAWS AS EXHIBIT A. NO AMENDMENT TO THIS CERTIFICATE MAY BE MADE WITHOUT THE CONSENT OF HDC. Copies of the proprietary lease and By-Laws are on file and are available for inspection at the office of the Corporation.

The shareholder acknowledges that upon the (i) transfer of the shares evidenced by this stock certificate the Corporation shall be required to pay to HDC all or a portion of "HDC Resale Profits" realized from such transfer, as more fully described in the Certificate of Incorporation, the Proprietary Lease and the By-Laws of the Corporation. The shareholder shall therefore, immediately upon transfer or refinancing, pay such HDC Resale Profits to the Corporation which must in turn pay HDC.

The shareholder acknowledges that upon the (i) transfer of the shares evidenced by this stock certificate or (ii) the pledge of shares hereunder and delivery of this stock certificate pursuant to a security agreement entered into by the shareholder with a lender (a "refinancing"), the Corporation shall be required to pay to the City of New York, acting by and through its Department of Housing Preservation and Development ("HPD"), all or a portion of "HPD Resale Profits" or "HPD Refinancing Profits" (as the case may be) realized from such transfer, as more fully described in the Certificate of Incorporation and By-Laws of the Corporation. The shareholder shall therefore, immediately upon transfer or refinancing, pay such Resale Profits or Refinancing Profits to HPD directly or pay the Corporation the amount of Resale Profits or Refinancing Profits which the Corporation must in turn pay HPD.

For so long as any portion of the "Unit Debt" for the apartment remains outstanding, no transfer of shares for this apartment may be made or shall be effective and no pledge of shares hereunder or delivery of this stock certificate may be made or shall be effective unless the transfer or pledge and delivery, as the case may be, is consented to by HPD. HPD will provide such consent only upon HPD's receipt of the amount of Resale Profits or Refinancing Profits, as the case may be, which is due HPD. HPD's consent will be indicated by HPD's authorized signature on the line below:

____ The transfer of shares hereunder is consented to this ___ day of _____, _____.

____ The pledge of shares hereunder and delivery of this stock certificate pursuant to a security agreement entered into by shareholder is consented to this ____ day of _____, _____.

The City of New York

By: Department of Housing Preservation and Development

By: _____

The directors of the Corporation may refuse to consent to the transfer of the shares represented by the certificate until any indebtedness of the shareholder to the Corporation is paid. The Corporation by the terms of the By-Laws and proprietary lease, has a first lien on the shares represented by the certificate for all sums due and to become due under said proprietary lease.

Section 9. Lost Certificates: In the event that any certificate of shares 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 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, theft, destruction or mutilation as the board deems necessary, and to give the Corporation a bond, in such reasonable sum as it directs, to indemnify the Corporation and to pay to the Corporation a reasonable fee for the time and expense incurred in preparing the same.

ARTICLE VII

Seal

The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation, the year of its incorporation and the words "Corporate Seal, NY"

ARTICLE VIII

Checks, Notes, Etc.

Section 1. Signatures on Checks: Checks drawn against the Corporation's deposit accounts with banks or trust companies shall be signed by any one or two officers, or any other one or two persons who are employed by the managing agent of the Corporation, who, from time to time, shall be designated by the board of directors for that purpose.

Section 2. Signatures on Notes and Bonds: Promissory notes and bonds of the Corporation shall be signed by any one or two officers who, from time to time, shall be designated by the board of directors for that purpose.

Section 3. Safe Deposit Boxes: Any officer or officers or any other one or two persons who are employed by the managing agent of the Corporation, who, from time to time, shall be designated by the board of directors for that purpose, shall have access to any safe deposit box of the Corporation in the vault of any safe deposit company.

Section 4. Securities: Any officer or officers, or any other two persons who are employed by the managing agent of the Corporation, who, from time to time, shall be designated by the board of directors for that purpose, 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 bank, trust company or other custodian.

ARTICLE IX

Amendments

Section 1. By Shareholders: These by-laws may be amended at any shareholders' meeting by vote of shareholders owning two-thirds of the amount of the outstanding shares of the Corporation, represented in person or by proxy, provided that the proposed amendment or the substance thereof shall have been contained in the notice of such meeting or that all of the shareholders be present in person or by proxy.

Section 2. By Board of Directors: These by-laws may be amended at any directors' meeting by vote of two-thirds of the entire board of directors, provided that the proposed amendment or the substance thereof shall have been contained in the notice of such meeting or that all directors are present in person, and further provided that the directors may not repeal a specific by-law amendment hereafter adopted by the shareholders as provided above.

Section 3. HDC Approval. Notwithstanding anything to the contrary set forth above, no amendment to the By-Laws is permitted without the prior written consent of HDC for so long as the Project is subject to the HDC Regulatory Agreement.

ARTICLE X

Definitions

Any terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan, in the Proprietary Lease or in the Condominium Documents.

EXHIBIT "9

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPALS

New York State Department of Law
Real Estate Financing Bureau
23rd Floor
120 Broadway
New York, New York 10271

Re: Cooperative Offering Plan for the
Residential Unit of Bradhurst Court Condominium
300 West 145th Street
New York, New York 10039

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the cooperative offering plan for the captioned property.

We understand that we have primary responsibilities for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 21 and Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering 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;

(vii) not contain any representation or statement which is false, where I/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 statement made.

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.

BRADHURST DEVELOPMENT COMPANY, LLC
By: Related Bradhurst Associates, LLC, a member

Sworn to before me this 16th
day of July, 2004.

By: _____
Name: Bruce A. Beal, Jr.
Title: Vice President

_____
Notary Public STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 20 05

By: Leewood-Bradhurst, LLC, a member

Sworn to before me this _____
day of _____, 2004.

By: _____
Name: R. Randy Lee
Title: Sole Member

_____
Notary Public

By: Salama Development and Consulting LLC, a member

Sworn to before me this _____
day of _____, 2004.

By: _____
Name: Jerry Salama
Title: Sole Member

_____
Notary Public

(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 statement made.

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.

BRADHURST DEVELOPMENT COMPANY, LLC
By: Related Bradhurst Associates, LLC, a member

Sworn to before me this ____
day of _____, 2004.

By: _____
Name: Bruce A. Beal, Jr.
Title: Vice President

_____
Notary Public

By: Leewood-Bradhurst, LLC, a member

Sworn to before me this 14th
day of July, 2004.

By: _____
Name: R. Randy Lee
Title: Sole Member

Notary Public
DIANE MARKOVICS
Notary Public, State of New York
No. 01MA5057047
Qualified in Richmond County
Commission Expires March 18, 2006

By: Salama Development and Consulting LLC, a member

Sworn to before me this ____
day of _____, 2004.

By: _____
Name: Jerry Salama
Title: Sole Member

_____
Notary Public

(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 statement made.

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.

BRADHURST DEVELOPMENT COMPANY, LLC
By: Related Bradhurst Associates, LLC, a member

Sworn to before me this _____ day of _____, 2004.

By: _____
Name: Bruce A. Beal, Jr.
Title: Vice President

_____
Notary Public

By: Leewood-Bradhurst, LLC, a member

Sworn to before me this _____ day of _____, 2004.

By: _____
Name: R. Randy Lee
Title: Sole Member

_____
Notary Public

By: Salama Development and Consulting LLC, a member

Sworn to before me this 16th day of July, 2004.

By: _____
Name: Jerry Salama
Title: Sole Member

_____
Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

SPONSOR'S PRINCIPALS:

Sworn to before me this
16th day of July, 2004

Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

Jeff Blau

Sworn to before me this
16th day of July, 2004

Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

Bruce A. Beal, Jr.

Sworn to before me this
16th day of July, 2004

Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

David J. Wine

Sworn to before me this
16th day of July, 2004

Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

Bryan Cho

Sworn to before me this
_____ day of _____, 2004

Notary Public

R. Randy Lee

SPONSOR'S PRINCIPALS:

Sworn to before me this
_____ day of _____, 2004

_____
Notary Public

_____
Jeff Blau

Sworn to before me this
_____ day of _____, 2004

_____
Notary Public

_____
Bruce A. Beal, Jr.

Sworn to before me this
_____ day of _____, 2004

_____
Notary Public

_____
David J. Wine

Sworn to before me this
_____ day of _____, 2004

_____
Notary Public

_____
Bryan Cho

Sworn to before me this
14th day of July, 2004

_____
Notary Public

DIANE MARKOVICS
Notary Public, State of New York
No. 01MA5057047
Qualified in Richmond County
Commission Expires March 18, 2006

_____
R. Randy Lee

DIANE MARKOVICS
Notary Public, State of New York
No. 01MA5057047
Qualified in Richmond County
Commission Expires March 18, 2006

Sworn to before me this
16th day of July, 2004

Notary Public

STEVEN HENDERSON
Notary Public, State of New York
No. 01HE6000542
Qualified in Queens County
Commission Expires December 22, 2005

Jerry Salama

EXHIBIT "10

CERTIFICATION OF SPONSOR'S ARCHITECT



Meltzer/Mandl Architects, P.C.

Certification of Developer's Architect Pursuant to
Section 21.4(c) of the Regulations Issued
Pursuant to General Business Law
Article 23-A, as Amended

New York State Department of Law
120 Broadway
23rd Floor
New York, NY 10271

Attn: Investment Protection Bureau

Re: 300 West 145th Street

215 Park Avenue So.
New York, NY 10003
PH: 646.654.2800
FX: 646.654.2801
www.meltzermandl.com

The Developer of the captioned property retained our firm to prepare a report describing the construction of the property (the "Report"). We prepared the architectural plans and outline specifications (excavation and foundation was approved on November 20, 2002 by the Department of Buildings; construction permit was issued on January 29, 2003) and prepared the Report dated April 21, 2004 a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a registered architect in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 and Part 21 insofar as they are applicable to this report.
I 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 offer is made.

I certify the Report:

1) Sets forth in narrative form the physical condition of the entire property as it will exist upon completion of construction provided construction is in accordance with the plans and specifications that I prepared;

2) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment 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 that I prepared;

3) does not omit any material fact;

4) does not contain any untrue statement of material fact;

5) does not contain any fraud, deception, concealment, or suppression;

6) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

7) does not contain any representation or statement which is false, where I: (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 statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Developer and that my compensation for preparing this report is not contingent on the conversion of the property to condominium ownership or the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Meltzer/Mandl Architects, P.C.

JUL 16 2004

By: _____
David Mandl, RA

Sworn to before me this 16th day of July, 2004.

DIANNE THORPE
Notary Public, State of New York
No. 01TH6106819
Qualified in Kings County
Commission Expires 11/5/20 08

_____
(Notary Public)

REGISTERED ARCHITECTS
MELTZER/MANDL ARCHITECTS, P.C.
MARVIN MELTZER #010523
DAVID MANDL #014523
STATE OF NEW YORK

EXHIBIT "11

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COOPERATIVE BUDGET

Rose Associates, Inc.

200 Madison Avenue
New York, NY 10016-3998

September 10, 2004

New York State Department of Law
120 Broadway
New York, NY 10021
Attn: Bureau of Real Estate Financing

RE: Bradhurst Court
300 West 145th Street
New York, NY

Dear Sir or Madam:

The undersigned hereby certifies:

The Sponsor of the Cooperative Offering Plan for the captioned property (the "Plan") retained our firm to review Schedule B containing projections of income and expenses for the first year of cooperative operation ("Schedule B"). Our certification is based on our experience in the management of residential cooperatives, condominiums and rental properties. The approximate number of residential properties is currently over fifty and the time we have managed these properties is approximately forty years. We hold the following licenses related to property management: Licensed Real Estate Brokerage. Our experience in this field includes:

Our relevant experience in the field includes the development and sale of cooperative and condominium apartments for the past fifteen years and management of cooperative, condominium and residential rental apartment buildings over the past forty years.

We understand 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.

We have reviewed Schedule B and investigated the facts set forth in Schedule B and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed use and residential buildings in Manhattan.

We certify that the projections in Schedule B appear reasonable and adequate based on present prices adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated.

With respect to Schedule B-2 we have relied upon the certification of Consentini Associates dated February 23, 2004.

We certify that this certification and all documents prepared by us hereafter that concern the schedule(s) do:

(i) set forth in detail the terms of the transaction as it relates to the schedules and be complete, current and accurate;
(ii) afford potential investors, purchasers, and participants and 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, or suppression;
(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 I/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 the sponsor and have no beneficial interest in the Sponsor and that our compensation for preparing this certification is not contingent on the conversion of the property 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 statement is not intended as a guarantee or warranty of the income and expenses for the projected first year of Cooperative operation.

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.

Rose Associates, Inc.
By: _____
Name: Jerry Morris
Title: Managing Director

Sworn to before me this
13th day of September 2004
Sandra Rodriguez
Notary Public

SANDRA RODRIGUEZ
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01 RO6034070
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES DECEMBER 6, 2005

EXHIBIT "12

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF CONDOMINIUM BUDGET

Rose Associates, Inc.

200 Madison Avenue
New York, NY 10016-3998

September 10, 2004

New York State Department of Law
120 Broadway
New York, NY 10021
Attn: Bureau of Real Estate Financing

RE: Bradhurst Court
300 West 145th Street
New York, NY

Dear Sir or Madam:

The undersigned hereby certifies:

The Sponsor of the Condominium Offering Plan for the captioned property (the "Plan") retained our firm to review Schedule B-1 containing projections of income and expenses for the first year of condominium operation ("Schedule B-1"). Our certification is based on our experience in the management of residential cooperatives, condominiums and rental properties. The approximate number of residential properties is currently over fifty and the time we have managed these properties is approximately forty years. We hold the following licenses related to property management: Licensed Real Estate Brokerage. Our experience in this field includes:

Our relevant experience in the field includes the development and sale of cooperative and condominium apartments for the past fifteen years and management of cooperative, condominium and residential rental apartment buildings over the past forty years.

We understand we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B-1.

We have reviewed Schedule B-1 and investigated the facts set forth in Schedule B-1 and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed use and residential buildings in Manhattan.

We certify that the projections in Schedule B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of Condominium operation.

We certify that Schedule B-1:

(i) sets forth in detail the projection of income and expenses for the projected first year of Condominium operation;
(ii) affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the projected first year of Condominium operation;
(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;
(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.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the projected first year of Condominium operation.

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.

Rose Associates, Inc.
By: _____
Name: Jerry Morris
Title: Managing Director

Sworn to before me this
10th day of September 2004
Sandra Rodriguez
Notary Public

SANDRA RODRIGUEZ
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01 RO6034070
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES DECEMBER 6, 2005

EXHIBIT "13

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERICIAL UNIT OWNERS

Rose Associates, Inc.

200 Madison Avenue
New York, NY 10016-3998

CERTIFICATION BY EXPERT OF THE ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNERS PURSUANT TO SECTION 23.4(e) OF REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

September 10, 2004

New York State Department of Law
120 Broadway
New York, NY 10021
Attn: Bureau of Real Estate Financing

RE: Bradhurst Court
300 West 145th Street
New York, NY

Dear Sir or Madam:

The undersigned hereby certifies:

The Sponsor of the Condominium Offering Plan for the captioned property (the "Plan") retained our firm to review Schedule B-1 containing projections of common charges payable by the owners of the commercial units for the first year of condominium operation ("Schedule B-1"). Our certification is based on our experience in the management of residential cooperatives, condominiums and rental properties. The approximate number of residential properties is currently over fifty and the time we have managed these properties is approximately forty years. We hold the following licenses related to property management: Licensed Real Estate Brokerage. Our experience in this field includes:

Our relevant experience in the field includes the development and sale of cooperative and condominium apartments for the past fifteen years and management of cooperative, condominium and residential rental apartment buildings over the past forty years.

We understand we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the commercial units listed in Schedule B-1.

We have reviewed Schedule B-1 as it impacts upon the commercial unit and investigated the facts set forth in Schedule B-1 and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed use and residential buildings in Manhattan.

We certify that the projections in Schedule B-1 for common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operations and that the allocation of common charges attributable to the commercial units also reflects the special or exclusive use or availability or exclusive control of the particular common area.

We certify that the estimates in Schedule B-1 for the common charges payable by the owners of the commercial units:

(i) sets forth in detail the projected common charges for the commercial units for the first year of Condominium operation;
(ii) affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the common charges payable the owners of the commercial units;
(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;
(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.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for the projected first year of Condominium operation.

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.

Rose Associates, Inc.
By: _____
Name: Jerry Morris
Title: Managing Director

Sworn to before me this

10th day of September 2004

Sandra Rodriguez
Notary Public

SANDRA RODRIGUEZ
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01 RO6034070
QUALIFIED IN BRONX COUNTY
COMMISSION EXPIRES DECEMBER 6, 2005

EXHIBIT "14

ESCROW AGREEMENT FOR PLAN

ESCROW AGREEMENT

AGREEMENT made this 23rd day of April, 2004, between Bradhurst Development Company, LLC, having an address at c/o The Related Companies, L.P., 625 Madison Avenue, New York, New York 10022 ("SPONSOR") as sponsor of the Offering Plan (defined below) and Michael M. Amtzis, having an address at 260 Christopher Lane, Staten Island, New York 10314 ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as 300 West 145th Street, New York, New York (the "Offering Plan"); and

WHEREAS, Michael M. Amtzis is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

A. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at Carver Federal Savings Bank, N.A. at its branch located at 142 Lenox Avenue, New York, New York 10026 entitled Michael Amtzis Esq., Special Bradhurst Court Escrow Account, Escrow Account No. [redacted] (the "Master Escrow Account").

2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. At such time as ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, from a Purchaser, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow savings account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

3. Partners or attorneys employed by ESCROW AGENT are the sole signatories on the Master Escrow Account.

4. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

5. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event Purchaser defaults.

B. DEPOSITS INTO THE ESCROW ACCOUNT.

1. All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Michael Amtzis, Esq., as Escrow Agent." Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale and rescind within ninety (90) days after tender of the Deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C. RELEASE OF FUNDS.

3. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

4. ESCROW AGENT shall continue to hold the Deposit in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

5. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

6. In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

7. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Deposit may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions

contained in the Attorney General's regulations and ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D. RECORDKEEPING.

8. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.

9. Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

10. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

E. GENERAL OBLIGATIONS OF ESCROW AGENT.

11. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

12. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

13. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

14. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

15. ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

16. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F. RESPONSIBILITIES OF SPONSOR.

17. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

18. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

19. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or Form W-8BEN, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

G. TERMINATION OF AGREEMENT.

20. This Agreement shall remain in effect unless and until it is canceled by either

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) all shares or units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

21. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 (a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

H. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

I. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

J. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be

paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

K. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

L. INDEMNIFICATION

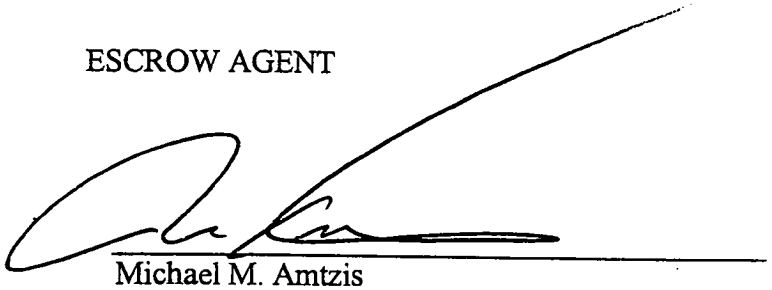
SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

M. ENTIRE AGREEMENT.

This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT



Michael M. Amtzis

SPONSOR

BRADHURST DEVELOPMENT COMPANY, LLC
By: Related Bradhurst Associates, LLC, a member

By: _____
Name: Bruce A. Beal, Jr.
Title: Vice President

EXHIBIT "15"

FORM W-9

Form **W-9**
(Rev. January 2002)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ ..... ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Social security number
___ ___ ___ - ___ ___ - ___ ___ ___ ___

or

Employer identification number
___ ___ - ___ ___ ___ ___ ___ ___ ___

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item **2** above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item **2** does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here | **Signature of U.S. person ▶** **Date ▶**

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Entities.

Note: *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 30% of such payments **after** December 31, 2001 (29% **after** December 31, 2003). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will **not** be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part II instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions on page 2 and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Exempt from backup withholding. If you are exempt, enter your name as described above, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the Instructions for the Requester of Form W-9.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Note: *If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.*

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an LLC that is **disregarded as an entity** separate from its owner (see ***Limited liability company (LLC)*** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: *See the chart on this page for further clarification of name and TIN combinations.*

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5,** Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7,** Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or **Form SS-4,** Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS Web Site at **www.irs.gov**.

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: *Writing "Applied For" means that you have already applied for a TIN* **or** *that you intend to apply for one soon.*

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II—Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see ***Exempt from backup withholding*** above.

Signature requirements. Complete the certification as indicated in **1** through **5** below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item **2** in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item **2** of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA or Archer MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 30% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Sole proprietorship	The owner [3]
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] **You must show your individual name,** but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: *If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.*

EXHIBIT "16"

FORM W-8BEN

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for: — Instead, use Form:

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) . . . . . W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) . . . . . W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

- A person acting as an intermediary W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.

City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income):.....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
- The beneficial owner is not a U.S. person.
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) | ..... Date (MM-DD-YYYY) | ..... Capacity in which acting

EXHIBIT "17"

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

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: _____
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments 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 time share.
[ ] other:

7. Name and Address
Of Sponsor: _____
_____

8. Name and Address
Of Escrow Agent: _____

9. If down payments are 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 payments have been secured by bonds:
   (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 payments have 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 not been declared effective.
   [ ] has been declared effective. Approximate date:
   (c) If effective, the plan
   [ ] has closed or the first Apartment 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: _____

EXHIBIT "18"

GBL §352-1

S 352-l. Cooperative Corporations.

1. For the purposes of this section, "non-occupying owner" shall mean the owner of shares in a cooperative corporation who does not occupy the dwelling units to which his or her shares are allocated.

2. If a non-occupying owner rents any dwelling unit to a tenant and then fails to make payments due for maintenance, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision three of this section, all rental payments from the tenant shall be directly payable to the cooperative corporation.

3. If the maintenance, assessments or late fees due for any unit have not been paid in full within sixty days after the expiration of any grace period of the earliest due date, the Cooperative Board shall provide written notice to the rental tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for maintenance, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the cooperative corporation at the address listed on the notice. Where a majority of the Cooperative Board has been elected by and from among the owners who are in occupancy, the board may elect not to require that rental payments be made payable to the cooperative corporation. At such time as payments for maintenance, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments for such unit shall be made payable to the non-occupying owner or to a designated agent. A non-occupying owner who disputes the cooperative corporation's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Cooperative Board, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

4. Nothing in this section shall limit any rights of shareholders or of the Cooperative Board existing under any other law or agreement.

5. Payment by a rental tenant to the cooperative corporation made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

S 353. Action by attorney general.

1. Whenever the attorney general shall believe from evidence satisfactory to him that any person, partnership, corporation, company, trust or association has engaged in, is engaged or is about to engage in any of the practices or transactions heretofore referred to as and declared to be fraudulent practices, he may bring an action in the name and on behalf of the people of the state of New York against such person, partnership, corporation, company, trust or association, and any other person or persons theretofore concerned in or in any way participating in or about to participate in such fraudulent practices, to enjoin such person, partnership, corporation,

company, trust or association and such other person or persons from continuing such fraudulent practices or engaging therein or doing any act or acts in furtherance thereof or, if the attorney general should believe from such evidence that such person, partnership, corporation, company, trust or association actually has or is engaged in any such fraudulent practice, he may include in such action an application to enjoin permanently such person, partnership, corporation, company, trust or association, and such other person or persons as may have been or may be concerned with or in any way participating in such fraudulent practice, from selling or offering for sale to the public within this state, as principal, broker or agent, or otherwise, any securities issued or to be issued. In said action an order or a judgment may be entered awarding the relief applied for or so much thereof as the court may deem proper. Upon a showing by the attorney general in his application for a permanent injunction hereunder that the defendant named in the action or an officer thereof has refused to be sworn or to be examined or to answer a material question or to produce a book or paper relevant to the inquiry when duly ordered so to do by the officer or judge duly conducting an inquiry into the subject matter forming the basis of the application for such injunction, such refusal shall be prima facie proof that such defendant is or has been engaged in fraudulent practices as set forth in such application and a permanent injunction may issue from the supreme court without any further showing by the attorney-general. In such an action, the court may award to the plaintiff a sum not in excess of two thousand dollars as an additional allowance.

2. Upon a showing by the attorney-general in an application for an injunction that any person engaged in the purchase, sale, offer to purchase or sell, issuance, exchange, promotion, negotiation, advertisement or distribution within this state of any security or securities, either as principal, partner, officer, agent, employee or otherwise, has ever been convicted by a court of competent jurisdiction in any state or country of any felony; or of any other criminal offense by any such court, whether or not constituting a felony, involving securities, the supreme court after a hearing may issue a permanent injunction awarding the relief applied for, or so much thereof as the court may deem proper, against such person shown to have been so convicted, in the form and manner provided for in subdivision one of this section in case of one who actually has or is engaged in any fraudulent practice.

3. Upon a showing by the attorney general that a fraudulent practice as defined by this article has occurred, he may include in an action under this article an application to direct restitution of any moneys or property obtained directly or indirectly by any such fraudulent practice.

EXHIBIT "19"

LIEN LAW §71-A(3)

LIEN LAW §71-a(3)

3. (a) The initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential condominium Apartment or any structure designed solely for residential occupancy of not more than two families living separately, on property to be purchased shall, at the vendee's option, be deposited within five business days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall remain the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depositary where the funds have been placed within ten business days after such deposit has been made.

(b) In lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a) of this subdivision, the recipient may post with the vendee a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in this state, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the recipient shall not be required to deposit such money in an escrow account. Said bond or contract of indemnity shall be delivered to the vendee within ten business days after receipt of the initial advance.

(c) At any time after making the deposit of such moneys in the escrow account, the recipient may post with the vendee a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in this state guaranteeing the return of such moneys, in which case the recipient shall not be required to maintain the deposit of such moneys in such account.

(d) Such advance shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the trust is terminated (i) by the recipient's performance of the terms of the contract of sale, or (ii) by default of the vendee excusing the recipient's performance of the terms of the contract of sale, or (iii) by release or discharge of the recipient's liability to refund such advance to the vendee, or (iv) upon transfer of title of the real property to the vendee.

(e) Every contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of a residential condominium Apartment or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the vendee of the provisions of this subdivision. Such statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows:

> "YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF

INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

EXHIBIT "20"

SPECIMEN TITLE POLICY

First American Title Insurance Company of New York

Schedule A

Title No. 405 NY 9829 Policy No. tbd

Amount of Insurance $ tbd

Date of Policy tbd

1. Name of insured:

   tbd

2. The estate of interest in the land which is covered by this policy is:

   fee simple

3. Title to the estate or interest in the land is vested in:

   tbd by deed made by NYC Partnership Housing Development Fund Company, Inc. dated tbd and to be recorded in the Office of the City Register of the County of New York

4. The land referred to in this policy is described as follows:

SEE ATTACHED-SCHEDULE A

First American Title Insurance Company of New York

Schedule B

Title No. 405 NY 9829- Policy No. tbd

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Rights of tenants or persons in possession, if any.
2. Mortgage made by the Insured to tbd in the amount of tbd
3. Premises is assessed as improved property and is subject to Utility Charges as imposed by The Department of Environmental Protection, Division of Water Resources. Policy excepts any Utility Charges subsequent to the last date of entry as shown herein or not reported by the Division of Water Resources in its search.
4. Survey Reading – see within.
5. Land Disposition Agreement with the City of New York in Reel 3648 page 1943.
6. Regulatory Agreement in reel 3649 page 147.
7. Regulatory Agreement in Reel 3649 page 50.
8. One Dollar Condemnation Clause in deeds from the City of New York, Liber 234 cp 91, Liber 393 cp 494, Liber 314 cp 1213, Liber 383 cp 122, Liber 430 cp 1623 and Liber 234 cp 493.
9. Covenants and Restrictions in Liber 410 cp 1438. Company insures that said Covenant and Restriction has not been violated and that future violations of the same will not result in a forfeiture of reversion of title.

First American Title Insurance Company Of New York

SCHEDULE B (*Continued*)

10. Encroachment Agreements in Liber 120 cp 24, Liber 120cp 240, 242, Liber 123 cp 128 and Liber 164 cp 111.

11. Easement Agreement in Liber 115 cp 230.

12. Company insures that said Agreements has not been violated and that future violations of the same will not result in a forfeiture of reversion of title.

13. Building Loan Agreements on behalf of Citibank N.A. and Carver Federal Savings Bank filed in the Office of the Clerk of New York County..

14. Amended and Restated Replacement Building Loan Agreement between Bradhurst Development Company LLC and NYC Partnership Housing Development Fund Company, Inc., and Citibank NA and Carver Federal Savings Bank filed 1/23/2004.

15. First Building Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to Citibank NA and Carver Federal Savings Bank in the amount of $31,614,915.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2110; and Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to Citibank NA and Carver Federal Savings Bank in the amount of $2,563,046.00 dated 11/21/2003, recorded 4/13/2004 CRFN #2004000222556; as Consolidated to form one lien in the total sum of $34,177,961.00 by Agreement dated 11/21/2003, recorded 4/13/2004 CRFN #2004000222557.

16. First Project Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to Citibank NA and Carver Federal Savings Bank in the amount of $3,952,160.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2156; as Extended in the reduced amount of $3,888,114.00 by Agreement dated 11/21/2003, recorded 4/13/2004 CRFN #2004000222559.

First American Title Insurance Company
Of New York

SCHEDULE B (*Continued*)

17. Subordinate Building Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Housing Development Corporation in the amount of $3,555,526.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2202; and Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Housing Development Corporation in the amount of $2,953,779.00 dated 11/21/2003 and recorded CRFN #_____; AS Consolidated to form one lien in the total sum of $6,509,305.00 by Agreement dated 11/21/2003 and recorded CRFN #_____.

18. Subordinate Project Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Housing Development Corporation in the amount of $444,474.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2258; and Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Housing Development Corporation in the amount of $296,221.00 dated 11/21/2003 and recorded CRFN #_____; as Consolidated to form one lien in the total sum of $740,695.00 by Agreement dated 11/21/2003 and recorded CRFN #_____.

19. Subordinate Article 16 Building Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Department of Housing Preservation and Development in the amount of $1,244,434.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2313;

20. Subordinate Article 16 Project Loan Mortgage made by NYC Partnership Housing Development Fun Company, Inc. to New York City Department of Housing Preservation and Development in the amount of $155,566.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2322.

First American Title Insurance Company
Of New York

SCHEDULE B (*Continued*)

21. Subordinate Article 22 Building Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Department of Housing Preservation and Development in the amount of $924,437.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2429.

22. Subordinate Article 22 Project Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Department of Housing Preservation and Development in the amount of $115,563.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2429.

23. Subordinate Building Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to Civic Capital Corp. in the amount of $2,029,108.00 dated 11/21/2003, recorded 4/22/2004 CRFN #2004000248593.

24. Subordinate Project Loan Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to Civic Capital Corp. in the amount of $230,892.00 dated 11/21/2003, recorded 4/22/2004 CRFN #2004000248594.

25. Purchase Money Mortgage made by NYC Partnership Housing Development Fund Company, Inc. to New York City Department of Housing Preservation and Development in the amount of $1,038,871.00 dated 6/28/2002, recorded 10/30/2002 in Reel 3648, page 2483.

26. Assignment of Rents and Leases on behalf of Citibank NA and Carver Federal Savings Bank in Reel 3649 page 1.

27. Amended and Restated Regulatory Agreement made between Bradhurst Development Company, LLC, Bradhurst Court Owners Inc., NYC Partnership Housing Development Fund Company, Inc. and New York City Housing Development Corp. dated as of 11/21/2003 recorded 4/13/2004 as CRFN #2004000222555.

First American Title Insurance Company
Of New York

SCHEDULE B (*Continued*)

28. UCC-1 Financing Statement made by Citibank, N.A. and Carver Federal Savings Bank against Bradhurst Development Company #01F03897 (Secretary of State)

29. UCC-1 Financing Statement made by Citibank, N.,A. and Carver Federal Savings Bank against NYC Partnership Housing Development Fund Company Inc. #01F03910 (Secretary of State).

30. UCC-1 Financing Statement made by Citibank, N.A. against Bradhurst Development Corp. CRFN#2003000496801 – New York County.

31. UCC-1 Financing Statement made by Carver Federal Savings Bank against Bradhurst Development Company, LLC CRFN #2003000496806 – New York County.

32. UCC-1 Financing Statement made by NYC Housing Development Corp. against Bradhurst Development Company, LLC CRFN#2003000496801 – New York County.

33. UCC-1 Financing Statement made by NYC Housing Development Corp. against NYC Partnership Housing Development Corporation CRFN#2003000496805 – New York County.

34. Subordination/Non-Disturbance and Attornment Agreements made between (1) Citibank, N.A, Carver Federal Savings Bank, Bradhurst Development Company, LLC and Pathmark Stores, Inc.; (2) New York City Housing Development Corporation, Bradhurst Development Company, LLC and Pathmark Stores, Inc.; and (3) Civic Capital Corporation, Bradhurst Development Company, LLC and Pathmark Stores, Inc as CRFN #2004000248595 and #2004000222562.

First American Title Insurance Company
Of New York

SCHEDULE B (*Continued*)

35. Covenants and Restrictions in Liber 410 cp 1438. Company insures that said Covenant and Restriction has not been violated and that future violations of the same will not result in a forfeiture of reversion of title.

36. Assignment of Leases and Rents by Bradhurst Development Company LLC with Citibank NA dated as of 11/21/2003, recorded 4/13/2004 as CRFN #2004000222561.

SCHEDULE A

Title No. 405 R 9829

Policy No.

To be provided