THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP

CONDOMINIUM OFFERING PLAN FOR
THE HERMITAGE CONDOMINIUM
41 WEST 72ND STREET
NEW YORK, NEW YORK 10023

	Price to Tenant Purchasers *	Price to Non-Tenant Purchasers
TOTAL PURCHASE PRICE FOR 127 RESIDENTIAL UNITS:	$58,359,250	$ 61,415,000
Working Capital Fund**	$ 10,000	$ 10,000
Reserve Fund***	$ 1,750,775	$ 1,750,775

* See the Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy their own Residential Units during the first 90 days of this offering.

** The Working Capital Fund may be reduced by the aggregate amount of prepaid expenses for which Sponsor is reimbursed at the First Closing. See the Sections entitled "Working Capital Fund and Apportionment."

*** This is an estimate of the minimum amount of the Reserve Fund required under the terms of a law enacted by the New York City Council without deduction for credits allowed to Sponsor. The actual amount cannot now be determined. See the Section entitled "Reserve Fund."

The Condominium will have 127 Residential Units and 3 Professional Units. Unit 3C will be sold to the Condominium Board for use as the Resident Manager's Unit. The Professional Units are not being offered for sale as of the Filing Date of the Plan. 126 Residential Units are being offered for sale hereby.

SPONSOR

41 WEST 72 LLC
130 EAST 57TH STREET, 5th FLOOR
NEW YORK, NEW YORK 10022
(212) 610-2800

SELLING AGENT

DOUGLAS ELLIMAN
575 MADISON AVENUE
NEW YORK, NEW YORK 10022
(212) 769-9827

The term of the initial offering of this Plan commenced on April 10, 2001 and expires on April 9, 2002 unless the said date is extended in a duly filed amendment.

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. 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 CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

SEE PAGE vi FOR SPECIAL RISKS TO PURCHASERS.

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. The Description of Property, as amended by Addendum thereto, identifies certain conditions at the Property which Sponsor's Engineer believes should be corrected (the "Repair Conditions"). Of these Repair Conditions Sponsor has or intends to replace the boiler's fire box refractory lining and oven, repair the leaky hose and repair oil leak in the oil tank room, install a new John Mansville roof (including all terraces notwithstanding any implications in the Addendum to the Description of Property to the contrary) with a 20-year guaranty including materials and installation and repair certain of the Buildings parapets as determined by the Sponsor's engineer. Sponsor does not intend to correct the following other Repair Conditions (reference is to estimated cost to repair): repair cracks in the brick fireproofing and exposed steel and replace eroded mortar ($10,000), repair bulge in the cellar floor ($20,000), repair cracks in the exterior facade of the Building, lintels and remaining parapets ($275,000); repair damaged concrete window sills ($15,000), repair vertical crack in boiler chimney ($18,000). The total for the above is estimated to be $313,000 (the "Repair Estimate"). The Repair Estimate has been provided to Sponsor by Sponsor's contractor. As noted in the Description of Property in Part II of the Plan, there are cracks in the brick fireproofing and corroded exposed steel on the foundation walls, vertical cracks in the exterior facade of the Building at the southwest and southeast corners of the south court of the Building and the bulges at spandrels (particularly in the north elevation and on most penthouse elevations), cracks propagating from some upper floor, penthouse and cellar extension lintel ends, vertical cracks at most penthouse and bulkhead corners, sagging and corroded lintels particularly on the top two floors and in the cellar extension and bulging bricks at the ends of a lintel at a rear fifth floor window, voids on the bottom ten fifteen feet in the brick wall at the west lot line, cracked stucco on the east lot line elevation on the cellar extension, eroded mortar at the bases of the yard and court elevations and inside the parapets at the southwest terrace, a crack in the parapet over the west court, some open seams between copings and efflorescence in the bulkheads and distressed plaster in the northeast and east stairways. **AS MORE PARTICULARLY SET FORTH IN THE ADDENDUM TO THE DESCRIPTION OF PROPERTY, SET FORTH IN PART II OF THE PLAN, CERTAIN CONDITIONS, WHICH ARE NOT BEING CORRECTED BY SPONSOR, ARE DANGEROUS OR POTENTIALLY DANGEROUS, INCLUDING, CRACKED SILLS, THE CONDITION OF THE VAULTS AND PASSAGES IN THE BUILDING, THE CONDITION OF THE BASES OF THE COLUMNS AND OF THE FOUNDATION WALLS, THE CONDITION OF THE BUILDING FAÇADE AND OTHER ELEVATIONS, THE CONDITIONS OF THE DOORS AND THE LACK OF SMOKE ALARMS IN HALLS AND OPEN PENETRATIONS.** Sponsor has retained Koenigsberg Engineering, P.C. which has inspected these conditions and has preliminarily determined that, assuming no corrective action is taken, most of the referenced conditions will worsen. A copy of a letter from Koenigsberg Engineering, P.C. dated February 6, 2001 (the "Facade Letter") is set forth in Part II of the Plan. Sponsor does not currently intend to perform the work recommended in the Façade Letter except as it relates to the repair of parapets. Assuming the Repair Estimate is correct, insofar as the Repair Estimate plus the amount for which Sponsor intends to take a credit is less than the amount of the Reserve Fund set forth on the cover of the Plan, the Reserve Fund should be sufficient to pay for the cost for the recommended repairs, which include repair of the conditions noted in the Facade Letter. However, the Building was

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constructed in 1928 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a Building's facade and structure and building systems in the future. In addition to the foregoing, the plumbing system, was also initially installed in 1928 and the Building experiences periodic plumbing and steam leaks, not uncommon in a Building of its age. In conjunction with its apartment renovations, Sponsor has discovered corroded gas lines. Sponsor has been replacing portions of certain kitchen and bathroom risers and gas lines, as Units have been vacated and renovated. Building staff has been repairing leaks as they occur in occupied Units and repairing resultant damage to the Unit as part of their normal maintenance functions. From and after the First Closing, the obligation to repair such leaks from the risers (which will constitute General Common Elements of the Condominium) will become the obligation of the Condominium Board. The Condominium Board will have the right, but not the obligation, as a condition to approving a Unit Owner's request to renovate kitchens and bathrooms, to require such Unit Owners to replace the hot and cold risers and gas risers running through or appurtenant to the Unit or contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. At the present time, the cost of such riser replacement is estimated to be approximately $2,000 to $3,000 and the cost of replacing the gas lines is approximately $3,500. Other damage to the walls caused by dampness to the west wall of the Building may be resolved as the result of the roof replacement and other exterior work being undertaken by the Sponsor and/or the Condominium in the future. In addition, several tenants have complained about certain other conditions in their units and in the common areas of the Building including (i) malfunctioning door bells, (ii) inadequate wiring in the apartments, (iii) erratic water pressure and (iv) the operation of the Building's two elevators. Sponsor cannot or does not intend to address these conditions. The door bells often do not work because the existing system is a hard wired electric bell imbedded in the door. A mechanical door bell costing approximately $50.00 can be installed to correct this problem. While the electrical service to the Building is probably adequate for modern usage, tenants have experienced problems because certain Units do not have separate wiring for air conditioning. Sponsor is rewiring certain Units which are being renovated. The cost to rewire a Unit is approximately $5,000 to $10,000 depending upon the scope of work desired. The erratic water pressure is a reoccuring problem for certain Units which may have been exacerbated by the recent installation of new meters. Sponsor is endeavoring to identify and solve the problem but makes no representations or guaranties with respect thereto. As noted in the Description of the Property, the Building's elevators, which have not been replaced in recent years, are in good to fair condition. Sponsor has been performing routine maintenance and repair of the elevators as needed. However, Purchasers can anticipate that new elevators will have to be installed in the near future. At present, the cost to replace the two elevators would be approximately $250,000. Prior to the First Closing, Sponsor will obtain updated inspection certificates and permits as may be required by law for the operation of the Building. Except as may be noted in the Description of Property and Addendum thereto set forth in Part II of the Plan, the Local Law 11 Report and the Facade Letter and as otherwise set forth in the Plan, Sponsor makes no representations regarding the condition of the Property or the cost to perform repairs thereat.

2. A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund. The exact amount of the Reserve Fund can not be ascertained until the Plan is declared effective. Sponsor reserves the right to take a credit against the Reserve Fund for qualifying work performed in the Building. Sponsor anticipates that it will take a credit

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in the amount of approximately 250,000 for the replacement of the roof and parapets above the 17th floor of the Building.

3. See the Section of this Plan entitled "Reserve Fund" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for more details.

4. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least ten (10%) 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 notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the down payment made by the Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction. Notwithstanding the foregoing, Sponsor's right to file an action for specific performance shall not be exercisable against a Tenant Purchaser who purchases the Residential Unit he occupied on the Filing Date of this Plan.

5. Additionally, if a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date 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 Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the purchase price of the Residential Unit for each day that the Closing is adjourned.

6. Purchasers are further advised that (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, 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 a Residential Unit unless otherwise agreed by Sponsor. (See the Section entitled "Procedure to Purchase" for further discussion of the foregoing.)

7. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing Date. (See the Section entitled "Procedure to Purchase" for further details.)

8. Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the

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Unit for sale or lease. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan.

9. Sponsor and its designees may exercise veto power over some actions of the Condominium Board. Until Sponsor and its designees have conveyed title to seventy-five (75%) of all Residential Units, but in no event later than five (5) years after the closing of the first Residential Unit, the Condominium 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 Common 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 First Closing 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 Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) 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 Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium (see the Section entitled "Control By Sponsor" for further details).

10. Each Unit Owner has the right to vote at meetings of Unit Owners and to vote with respect to amendments of the Declaration and By-Laws, as more particularly described in the Section of the Plan entitled " Board of Managers" and in the Declaration and By-Laws set forth in Part II of the Plan. The Professional Unit Owners have no special entitlement to designate any members of the Condominium Board although such Unit Owners will be entitled to cast their votes at annual meetings of the Unit Owners. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way, (a) without the prior written consent of the affected Professional Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Professional Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Professional Unit Owner or (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration 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 Unit, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit, as the case may be. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers.")

11. At or subsequent to the First Closing, Sponsor will sell Residential Unit 3C in the Condominium to the Condominium Board, to be used as the Resident Manager's residence. The Condominium Board shall be responsible for the payment of all mortgage recording and transfer taxes due in connection with the sale of the Unit. All Common Charges, including the costs of utilities and the costs of financing the purchase of the Unit, real estate taxes and the costs of

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repairs, alterations and improvements undertaken by the Condominium Board attributable to the Resident Manager's apartment, shall be borne by all Unit Owners as a Common Expense. The purchase price of Unit 3C is $300,000. At the closing of title to Unit 3C, the Condominium Board, on behalf of all Unit Owners will pay the purchase price by executing and delivering one or more purchase money note(s) in the aggregate amount of $300,000 secured by one or more mortgage(s) on the Unit. The purchase money note will be for a term of ten (10) years from the First Closing with principal and interest due thereunder at the annual rate of 9% payable monthly, based upon a twenty-year self-liquidating amortization schedule. Upon the maturity date of the purchase money note, assuming the Condominium Board is not in default thereunder, all interest and outstanding principal in the approximate amount of $213,078 will be due and payable. Sponsor does not intend to refinance or extend the purchase money note and purchase money mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Condominium Board, in order to repay the purchase money note, may be required to assess all Unit Owners in proportion to their respective Common Interests. At Sponsor's option, the note(s) and mortgage(s) will be held by an institutional lender or by Sponsor. Mortgage recording taxes and transfer taxes due in connection with the transfer and mortgage of the Resident Manager's Unit to the Condominium Board will be paid by the Condominium Board from the Contingency Fund or Working Capital Fund. In the event the Contingency Fund or Working Capital Fund is not sufficient, Sponsor will advance the funds necessary on behalf of the Condominium Board and the Condominium Board will repay Sponsor by executing a promissory note in the amount of the funds so advanced, to be repaid, without interest, in twelve equal monthly installments.

12. In the event the Condominium Board defaults under the note(s) and mortgage(s), including, but not limited to a default as the result of the Condominium Board's failure to pay the balance of the purchase money note due at maturity, the holder may foreclose on the Unit 3C and if the proceeds from the sale of the Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Unit Owners could be liable for the deficiency. In the event of such a foreclosure, the Condominium will be without a Residential Manager's apartment. Accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by law.

13. Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 3C to sell to the Condominium Board as the Resident Manager's apartment; provided, however that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Condominium Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning Unit 3C as set forth in Schedule B, by more than 25%. Sponsor reserves the right to sell a Unit to the Condominium Board for a period of up to two (2) years during which period Sponsor will rent the Unit occupied by the Resident Manager to the Condominium Board. In such event, from the date of the First Closing until the transfer of title of the Unit, the Condominium shall pay to Sponsor, rent in an amount equal to the sum of the following: (a) principal and interest which would have been due on the Purchase Money Note, had same been executed by Condominium Board, (b) Common Charges assessed against the Unit occupied by the Resident Manager and (c) real estate taxes assessed against the Unit occupied by the Resident Manager. Please refer to Schedule B, Budget for First Year of

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Condominium Operation" in Part I of the Plan for further details regarding the costs of housing the Resident Manager.

14. The real estate tax estimates are based upon the opinion of Jerome Mazursky set forth in Part I of the Plan and assume that the real estate taxes payable with respect to the residential portion of the Building for each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's Common Interest as set forth on Schedule A. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's purchase price rather than its Common Interest, and, if so, Units having the same or similar Common Interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A. Please refer to the Section of the Plan entitled "Real Estate Taxes" in Part I of the Plan for further details.

15. Sponsor and any subsequent owner of the Professional Units have the right to subdivide and combine portions of the respective Units, subject to the provisions of the Declaration and By-Laws. The Professional Units may be used for any lawful purposes. The Residential Unit Owners may not have control over the uses of the Professional Units except as restricted by the Zoning Resolution of the City of New York and the Declaration and By-Laws. (See "Professional Units" for further details). The use of the Professional Units may generate noise or other disturbances over which the Residential Unit Owners will have no control. Please refer to the "Introduction" Section of the Plan under the subsection entitled, "Features of Condominium Ownership" and Schedule B for further details regarding the allocation of Common Expenses.

16. Sponsor reserves the right to sell two or more Residential Units as more fully described in the "Introduction" of the Plan and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights and obligations of a "sponsor" as more fully described in the Plan. Pursuant to the Declaration and By-Laws, the Residential Units may be used for residential purposes or other lawful purposes subject to conditions set forth in Section 9.1 of the Declaration. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the Subsection entitled "Use of Units" for further details.

17. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. Sponsor will pay the common charges for the Residential Units and the Professional Units for so long as such Units are owned by Sponsor. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

18. The exterior surface of all windows in the Building if so determined by the Condominium Board shall be washed and cleaned by the Condominium Board and the cost and expense thereof shall be a Common Expense and be specially assessed against each Unit Owner. Otherwise, the exterior of all windows in the Building shall be washed or cleaned at the cost and expense of the Unit Owners. The interior glass surfaces of all windows located in any Units

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shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

19. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of a seller. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. If the purchase price of a Residential Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser. (See the Section entitled "Closing Costs and Adjustments" for further details).

20. If Purchaser obtains a mortgage loan for the purchase of the Residential Unit (the "Purchase Money Mortgage"), the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

21. In accordance with the terms of this Plan, Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more non-occupant purchasers for investment or resale or lease occupied units to others. Accordingly, it is possible that certain Residential Unit Owners will not be residents of the Building. Any such sales are subject to the rights, if any, of Non-Purchasing Tenants, to continued occupancy under applicable rent regulation Laws and to purchase their Residential Units during a subsequent exclusive purchase period which occurs prior to the Effective Date. Sponsor has further reserved the right to rent or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any lease for a Residential Unit entered into with a Purchaser, other than a Tenant Purchaser, will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease in accordance with applicable

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law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided. Individuals who rent vacant Unsold Residential Units from Sponsor are not Tenant Purchasers under the Plan and shall have no rights to purchase thereunder.

22. Purchasers or any other persons entering into a lease or use and occupancy agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. (See the Section entitled "Rights and Obligations of Sponsor").

23. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of $1,000 to reimburse Sponsor for its legal fees, (ii) if the Purchaser requests the Closing to occur other than at the offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate 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, (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $1,000, payable in advance, for preparation of an assignment agreement, (iv) a reschedule fee of $200 if the Purchaser postpones the scheduled Closing (with the consent of Sponsor) less than five (5) business days prior to the date thereof, and (v) if Purchaser obtains title insurance from a title insurance company other than Commonwealth Land Title Insurance Company or Lex Terrae Ltd., as agent for Stewart Title Insurance Company, and Sponsor incurs additional legal fees and expenses as a result of the requirements of such title insurance company, the Purchaser will reimburse Sponsor at closing for the amount of such additional legal fees and expenses so incurred. Please refer to the Section of the Plan entitled "Closing Costs and Adjustments" for further details.

24. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) of the units in a building be sold before the lender will consider making a loan. Thus it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. Purchasers should further note that pursuant to existing law and regulation Sponsor may declare the Plan effective upon selling a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey

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Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

25. The Condominium Board, at the request of Sponsor, will enter into a recognition agreement with any tenant with which Sponsor has entered into a lease for all or any portion of the Professional Units or any portion thereof. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the 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 Professional Unit Owner. Please refer to the Section of the Plan entitled "Professional Units" for further details.

26. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, (c) designate all or part of a Residential Unit or Professional Unit as a newly created Residential Unit or Professional Unit and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. No material change will be made in the size or number of Units or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in Unit layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to sponsor for that Unit and the Purchaser is not in default. No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless Purchasers not in default received a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any deposit or downpayment promptly to purchasers who rescind. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

27. Each Purchaser will be obligated to enter into a power of attorney at the closing of title to the Unit (the "Power of Attorney"). The form of Power of Attorney, set forth in Part II of the Plan, grants broad powers to the Condominium Board to enter into agreements affecting the Common Elements. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Unsold Residential Units and the Professional Units. Please refer to the form of Power of Attorney set forth in its entirety in Part II of the Plan.

28. The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement subject to ordinary wear and tear. Except as described in the "Description of Property," which Sponsor adopts, Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems

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with or needed repairs to the Building. However, the Building was completed in 1928 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with Local Law 11 or the costs of the inspections therefor. A copy of the most recent Local Law 10 Inspection Report and Local Law 11 supplement is set forth in Part II of the Plan. No unsafe conditions, requiring immediate repair or correction, are noted in the Local Law 10 Inspection Report and Local Law 11 supplement. Sponsor does not currently intend to perform any other recommended work described in the Local Law 10 Inspection Report and Local Law 11 supplement.

29. In accordance with the provisions of 13 NYCRR 23.7(cc), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM in the Building (the "Asbestos Report"). The Asbestos Report indicates the presence of ACM in certain areas of the Building. A copy of the Asbestos Report is set forth in Part II of this Plan. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not intend to perform any such remedial work.

30. Terraces appurtenant to certain Residential Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Limited Common Elements available for the exclusive use of the Residential Unit Owners of such Residential Units. A Residential Unit Owner who has a Terrace appurtenant to his Residential Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal maintenance, repairs and replacements thereto. Notwithstanding anything to the contrary set forth above, prior to utilizing the Terrace for walking or placing furniture, plantings or other materials on the Terrace, the Unit Owner having access thereto must install paving stones or other materials over the existing surface of the Terrace, satisfactory to the Condominium Board. Such installation must be in accordance with Law and is subject to the provisions of the Declaration and By-Laws regarding alterations. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace (unless caused by its Residential Unit Owner), shall be charged to all Unit Owners as a Common Expense.

31. Cooling towers and other mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located on the roof. The Condominium Board 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. 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. In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the roof of the Building other than those portions of the roof which comprise Limited Common Element Terraces. That portion of the roof constituting a Common Element roof (other than a Limited Common Element) may be used by Sponsor for any lawful purposes including, but not limited to, the

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purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto, (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 and (c) to construct any shafts or flues, or install any compressors or other rooftop equipment; 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 Professional Units or with the use of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor for its own account or the account of any assignee licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. 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 assignee or licensee shall be the exclusive property of Sponsor, its assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Easements and Name of Condominium" for further details.

32. The Building is located in the Central Park West Historic District and is governed by the provisions of Title 25, Chapter 3, Sections 25-301 *et seq.*, formerly known as Chapter 8-A, of the Administrative Code of the City of New York entitled "Landmarks Preservation and Historic Districts" pursuant to Notice of Designation recorded May 29, 1990 in Reel 1696 page 1872. This designation imposes special restrictions upon the construction, alteration, demolition and reconstruction of the Building. In the event any such construction, alteration, demolition or reconstruction of the Building would affect the exterior of the Building, the Condominium will have to apply to the Landmarks Preservation Commission ("LPC") for permission to perform such work. LPC, before approving the work could impose additional requirements or conditions which could increase the cost and time required to complete the work. In addition, where proposed work in the Building requires a building permit, notwithstanding the fact that such work does not affect the protected exterior of the Building, the LPC requires that a "certificate of no effect on protected architectural features" be issued.

33. It is the responsibility of each Residential Unit Owner 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 Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. In addition, Unit Owners shall be deemed "owners" of their respective Units with the obligation to comply with the requirements of Local Law 38 of 1999 regarding lead-based paint, if and to the extent the validity of such law is upheld by the courts. See "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

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34. While Unsold Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Condominium 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 Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property. Please refer to the Section of the Plan entitled "Description of Property and Improvements" under the subsection entitled "General" for further details.

35. All determinations with respect to the continuance of services provided to the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor during the Sponsor Control Period as described in the Section of the Plan entitled "Control by Sponsor." Please refer to the "Description of Property" set forth in its entirety in Part I of the Plan under the subsection entitled "Services and Facilities" for further details regarding services and facilities at the Property.

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INTRODUCTION

41 West 72 LLC, a New York limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the conversion to condominium ownership of the land (the "Land") together with the building erected thereon known as and having a street address of 41 West 72nd Street, New York, New York 10023, (the "Building") containing 127 residential units (the "Residential Units"), and three (3) professional units (the "Professional Units"). The Land and the Building are collectively referred to herein as the "Property." The condominium will be known as "The Hermitage Condominium" and is herein called the "Condominium" in the Plan.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of 126 Residential Units and the sale by Sponsor of Unit 3C to the Condominium Board to be used as the Resident Manager's apartment. The three (3) Professional Units are being retained by Sponsor and are not being offered for sale at this time. Sponsor reserves the right to further divide or combine the Professional Units without amendment to the Plan. Sponsor may from time to time amend or supplement the Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein and Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge at Sponsor's office and for copying at reasonable copying fees and may be borrowed upon payment of a one hundred ($100) dollar deposit, which amount will be fully refunded upon either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the borrower of a Purchase Agreement subsequently accepted by Sponsor. Copies of the Plan will be served upon all Tenant Purchasers in accordance with the GBL. All of these documents are important and should be carefully read by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions," unless otherwise indicated.

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The Condominium

On or about January 26, 2000, Sponsor acquired fee title to the Land and related structures thereon. The Building contains one (1) one basement level (the "Basement") and seventeen (17) floors above grade. The floors in the Building are named (from bottom to top): Basement, Floors 1 - 12, Floors 14 - 17 and Penthouse.

The Condominium will contain three (3) Professional Units located on the Ground Floor of the Building and one hundred twenty-seven (127) Residential Units, one of which is Unit 3C, which will be conveyed to the Condominium Board for use as the Superintendent's residence. The Professional Units may currently only be used as doctor's offices under existing zoning laws of the City of New York, but in the event such zoning laws are amended, the Declaration provides that they may be used for any purpose permitted by law.

Features of Condominium Ownership

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to such Unit Owner's Unit and is entitled to the exclusive possession thereof and the exclusive use of the Limited Common Elements, if any appurtenant to such Unit Owner's Unit. A Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements.

Certain Residential Unit Owners have exclusive use of Terraces appurtenant to their Residential Units, and such Unit Owners are responsible for all normal maintenance, repairs and replacements thereto. Terraces appurtenant to Residential Units are shown on the Floor Plans included in Part II of the Plan. Notwithstanding anything to the contrary set forth above, prior to utilizing the Terrace for walking or placing furniture, plantings or other materials on the Terrace, the Unit Owner having access thereto must install paving stones or other materials over the existing surface of the Terrace, satisfactory to the Condominium Board. Such installation must be in accordance with Law and is subject to the provisions of the Declaration and By-Laws regarding alterations. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Terrace caused by the need for such structural repairs (unless caused by a Residential Unit Owner) shall be charged to all Residential Unit Owners as a Common Expense. The type, size and quantity of plantings and other installations to be placed on Terraces and the rights of Unit Owners to paint and decorate Terraces shall be subject to the prior written approval of the Condominium Board. Terraces cannot be altered or enclosed without the consent of the Condominium Board.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage such Unit Owner's Residential Unit(s) with such lender and in such amount as the Unit Owner chooses. However, Sponsor makes no representations about the financiability of any Residential Unit. There are no limitations or restrictions upon the rights of the Unit Owners to mortgage the Professional Units. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Unit Owner may decorate the interior of such Unit Owner's Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Rules and

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Regulations and law, and will be solely responsible for the cost of maintenance and interior repairs to such Unit Owner's Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to any lien arising from the non-payment of, real estate taxes on other Units. Please refer to the opinion of Stroock & Stroock & Lavan LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Residential Unit.

With certain exceptions (for example, Sponsor and its designees are not required to give the Condominium Board a right of first refusal with respect to any Unsold Units), any sale or lease of a Residential Unit, will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. The Professional Unit Owners may sell or lease all or any portion of the Professional Units, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Sales and Leases of Units."

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." The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the 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 cost of operating the Building and maintain the Common Elements will be borne by the Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B-"Projected Budget for First Year of Condominium Operation" in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board may make allocations of Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with law.

The Condominium Board will be responsible for deciding all matters affecting the Building. Unit Owners will have the right to vote for members of the Condominium Board. Sponsor will control the Condominium Board during the Initial Control Period. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Board of Managers" in Part I of the Plan for further details.

As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Such charges will be assessed against Unit Owners in

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proportion to their respective Common Interests except as otherwise determined by the Condominium Board or the Condominium Board in accordance with the Condominium Act, Sections 339-i and -m.

The cost of improvements, repairs, replacements, alterations and additions to the Building will be determined by the Condominium Board and assessed against all Unit Owners in proportion to their respective Common Interests. The estimated Common Charges for each Unit for the first year of condominium operation are set forth in Schedule A.

After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property and improvements and betterments situated within such Unit Owner's Unit, as well as liability insurance with respect to occurrences in or about such Unit Owner's Unit. The By-Laws require that each Unit Owner maintain such insurance coverage. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. All Unit Owners must comply with the terms of the Declaration, By-Laws, Rules and Regulations and any other requirement of the Condominium Board. See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" for a more complete discussion of the foregoing.

There are no limitations on who may purchase Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to New York law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Unit Owner, or mortgagee, to refuse to approve and execute a Purchase Agreement for any Unit; provided, however, that, in either event, Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under law.

THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM.

Offering of Units for Sale

Sponsor hereby offers all of the Units in the Building for sale under this Plan. The purchase prices, estimated Common Charges and estimated real estate taxes for each of the Units

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are listed below in the Section entitled "Schedule A-Purchase Prices and Related Information" (hereinafter referred to as "Schedule A"). **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

(a) The Offer to Present Residential Tenants

Tenant Purchasers (defined in the Section entitled "Rights of Existing Tenants"), have the exclusive right to purchase their respective Residential Units within 90 days from the Presentation Date of this Plan to them (the "Exclusive Purchase Period") at the discounted Purchase Prices set forth in Schedule A.

The purchase prices offered to Tenant Purchasers for the Residential Units are 5% below the purchase prices offered to Non-Tenant Purchasers.

In order to qualify for the foregoing benefits during the Exclusive Purchase Period, a Tenant Purchaser must submit to the Selling Agent during the Exclusive Purchase Period, a signed Purchase Agreement and a Down Payment in an amount equal to 10% of the Purchase Price for the Residential Unit to be purchased (the "Down Payment"). See the Section entitled "Procedure to Purchase for more details.

If prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

(b) The Offer to Non-Tenant Purchasers

Sponsor hereby offers for sale those Residential Units in the Building set forth in Schedule A to Non-Tenant Purchasers on the following terms:

(i) They shall have the opportunity to purchase a vacant Residential Unit (if any) at the prevailing "Purchase Price" for Non-Tenant Purchasers as set forth on Schedule A; and

(ii) They shall have the opportunity to purchase an occupied Residential Unit either following the Exclusive Purchase Period afforded Tenant Purchasers or upon receipt of a written waiver by the Tenant Purchaser of his right to purchase during the Exclusive Purchase Period at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A.

In order to qualify for the foregoing benefits, a Non-Tenant Purchaser must submit to the Selling Agent a signed Purchase Agreement and the Down Payment in an amount equal to 10% of the Purchase Price for the Residential Unit to be purchased. See the Section entitled "Procedure to Purchase" for more details.

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(c) General

The prices for each of the Units offered under the Plan are listed in Schedule A entitled "Purchase Prices and Related Information for the Projected First Year of Condominium Operation." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

For further details concerning the closing of title to the Units, the costs and adjustments with respect thereto and the time periods which must elapse before closings may occur, see the Sections entitled "Effective Date," "Closing Costs and Adjustments" and "Terms of Sale."

This offering is restricted to individuals the age of eighteen (18) years or older, corporations, partnerships, limited liability companies, trusts, estates and other business entities that may hold title to real estate pursuant to New York law.

The Residential Units, the Professional Units and their appurtenant Common Elements are being sold "as-is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan. All equipment and furnishings described in the Plan as included in the Unit, are included in the purchase prices set forth on Schedule A.

Additionally, each Purchaser of a Unit will be required to make a contribution to the Working Capital Fund. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to one (1) month's Common Charges in effect at the time of closing for each Unit purchased. (See the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Unit Owner's Unit, interest and amortization payments on the mortgage, if any, which such Purchaser may, at such Purchaser's option, obtain, and charges for electricity consumed in such Unit Owner's Residential Unit and the cost for telephone, cable and similar services.

The charges for electricity consumed by each Unit Owner individually will be separately metered and billed directly to such Unit Owner by Con Edison. Water charges and sewer rents, assessed by The City of New York, will be billed to the Condominium as a Common Expense. The costs and expenses of central heat and gas with respect to the Condominium, will be included in Common Charges; Unit Owners will be required to pay charges for electricity consumed for air conditioning for each Unit. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Unit. See the Notes to Schedule A.

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Applicable Rent Laws

After the Declaration is recorded creating the Condominium, the residential apartments will become Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan.

This Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law (the "GBL") which sets forth the procedure for converting dwelling units to condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Purchase Agreements have been executed for at least fifteen (15%) percent of the Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family will occupy the Residential Unit when it becomes vacant. A Non-Purchasing Tenant of a Residential Unit will not be evicted by reason of conversion of the Property to condominium ownership. Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the New York City Rent Law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder (collectively the "Rent Laws") including sixteen (16) Residential Units which are subject to rent control and 66 Residential Units which are subject to rent stabilization. Residential Unit 3C is occupied by the Resident Manager. The balance of the Residential Units in the Building are either vacant and/or not subject to the Rent Law pursuant to the provisions of the RRRA which deregulated certain high rent housing accommodations. Two (2) Residential Units which are currently rent stabilized are subject to luxury decontrol orders or proceedings and accordingly may not be rent stabilized at the termination of the existing leases for such Units. Sponsor reserves the right to bring further proceedings under the Rent Laws. There are currently no major capital improvement ("MCI") applications pending pursuant to which Sponsor is seeking a rent increase for work performed in the Building from those tenants whose rents are regulated under the Rent Laws. Sponsor reserves the right to seek MCI and other increases to the extent available. The status of each Residential Unit under the Rent Laws is set forth in Schedule A. Please refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" for further details.

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CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms set forth in the Declaration and the By-Laws:

"Adversely affect," or "adverse effect," shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) increase the Common Charges payable by such Unit Owner or Owners, (ii) materially interfere with such Unit Owner's access to its Unit or Units, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of its Unit or Units.

"Building" refers to the structure and improvements including above and below grade segments, known as 41 West 72nd Street, New York, New York 10023 in which the Units of the Condominium are located.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

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

"Closing" refers to the time, place and procedure by which fee title to the Residential Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Common Charges" refers to assessments payable by the Unit Owners to the Condominium Board for the purpose of meeting the cost of the Common Expenses.

"Common Elements" refers to the Land and all portions of the Building other than the Units, and include the Limited Common Elements as more particularly described in Article 8 of the Declaration.

"Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration, improvement, alteration and addition of and to the Common Elements and/or the Limited Common Elements (to the extent such costs and expenses are not the obligation of the Unit Owners owning the Units to which such Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Building and the Unit Owners.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) voting power, and (b) share of any distributions upon termination of the Condominium.

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"Condominium" refers to The Hermitage 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 9-B.

"Condominium Board" refers to the board of managers of the Condominium.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

"Department of Law" refers to the New York State Department of Law.

"First Closing," or words of similar import, refers to the date fee title to a Unit is first conveyed to a Purchaser pursuant to the Plan.

"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 Bureau of The City of New York and filed with the City Register's Office.

"GBL" refers to Section 352-eeee of the New York State General Business Law.

"General Common Elements" refers to the Land and all parts of the Building, including its foundations, roofs and supports, other than the Units and the Limited Common Elements.

"Initial Control Period" refers to the period ending the earlier of (i) the Closing of Title with Purchasers under this Plan to Units having at least 50% of the Common Interests of all Units or (ii) five (5) years after the First Closing.

"Land" refers to the parcel of land described in Exhibit B to the Declaration.

"Limited Common Elements" refers to those Common Elements which serve or benefit exclusively one or more but not all the Units and/or the Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.

"Managing Agent" refers to Property Markets Group, Inc., or the managing agent or manager of the Building at the time in question.

"Non-Purchasing Tenant" has the meaning set forth in the GBL.

"Non-Tenant Purchaser" refers to a Purchaser who is not a Tenant Purchaser.

"Offeree" refers to (a) a Purchaser who has executed and delivered a purchase agreement for a Unit and who is not in default thereunder, (b) a Unit Owner, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Encumbrances" refers to those Unit title encumbrances subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement and the Specimen Title Policy set forth in Part II of the Plan.

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"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Sponsor to acquire or improve the Property.

"Plan" refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

"Presentation Date" refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to the tenants in occupancy of Residential Units in the Building following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

"Professional Unit" refers to any of the three (3) Professional Units located on the First Floor and all such Professional Units are collectively referred to as the "Professional Units."

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

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchase Agreement" refers to the agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"Rent Laws" refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent Control Regulations, (iii) the New York State General Business Law, Section 352-eeee, (iv) the Rent Regulation Reform Act of 1997 and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.

"Residential Unit" refers to any Unit designated as a Residential Unit in the Declaration, and all such Residential Units, are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners."

"Rules and Regulations" refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Schedule A" refers to Schedule A, "Purchase Prices and Related Information for the Projected First Year of Condominium Operation" set forth in Part I of the Plan.

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"Schedule B" refers to Schedule B, "Projected Budget for First Year of Condominium Operation" set forth in Part I of the Plan.

"Selling Agent" refers to any selling agent designated by Sponsor at the time in question.

"Sponsor" refers to 41 West 72 LLC, a New York limited liability company, and its successors and assigns.

"Sponsor and/or its designee(s)," "Sponsor or a designee of Sponsor" or similar terms refers to Sponsor and any designee of Sponsor.

"Tenant Purchaser" shall have the meaning set forth in the Section of the Plan entitled "Rights of Existing Tenants."

"Terrace(s)" refers to terraces and/or balconies and/or gardens and/or deck houses located on any roofs or setbacks, appurtenant to certain Residential Units.

"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 Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, computer program failures due to year 2000 issues, 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 defmition, 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 Residential Unit or a Professional Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Professional space in the Building, together with an appurtenant proportionate undivided interest in the Common Elements or the Limited Common Elements. All of such Units are collectively referred to as "Units."

"Unit Owner" refers to any Residential Unit Owner or Professional Unit Owner, and all of such Residential Unit Owners and Professional Unit Owners are collectively referred to as the "Unit Owners."

"Unsold Unit" refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member, or (b) any Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

All other capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

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DESCRIPTION OF PROPERTY

The Building

The Building currently contains the Basement, Ground Floor and Floors 2-12, Floors 14-17 and Penthouse Level. There is no floor designated as Floor 13 in the Building.

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there will be a total of 127 Residential Units situated on the Ground Floor through Penthouse Level of the Building. Detailed descriptions of the Residential Units are set forth in the Declaration and the "Description of Property" and Addendum thereto in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

The Units and their appurtenant Common Elements are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and leasing offices and model apartments. In the event Sponsor or its designee, thereafter, elects to sell such Unsold Residential Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

A Residential Unit Owner may only use such Unit Owner's Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use such Unit Owner's Residential Unit for a use violative of the By-Laws.

Resident Manager's Apartment

At or subsequent to the First Closing, Sponsor will sell Residential Unit 3C in the Condominium to the Condominium Board, to be used as the Resident Manager's residence. The Condominium Board shall be responsible for the payment of all mortgage recording and transfer taxes due in connection with the sale of the Unit which shall be payable from the Working Capital Fund or Contingency Fund. All Common Charges, including the costs of utilities and the costs of financing the purchase of the Unit, real estate taxes and the costs of repairs, alterations and improvements undertaken by the Condominium Board attributable to the Resident Manager's apartment, shall be borne by the Unit Owners as a Common Expense. The purchase price of Unit 3C is $300,000. At the closing of title to Unit 3C, the Condominium Board, on behalf of all

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Residential Unit Owners will pay the purchase price by executing and delivering one or more purchase money note(s) in the aggregate amount of $300,000 secured by one or more mortgage(s) on the Unit. The purchase money note will be for a term of ten (10) years from the First Closing with principal and interest at the annual rate of 9% per annum due thereunder payable monthly, based upon a twenty-year self-liquidating amortization schedule. Upon the maturity date of the purchase money note and purchase money mortgage, assuming the Condominium Board is not in default thereunder, all interest and outstanding principal in the approximate amount of $213,078 will be due and payable. Sponsor does not intend to refinance or extend the purchase money note and purchase money mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Condominium Board, in order to repay the purchase money note, may be required to assess all Residential Unit Owners in proportion to their respective Common Interests. At Sponsor's option, the note(s) and mortgage(s) will be held by an institutional lender or by Sponsor, provided, however that if Sponsor procures institutional financing for the purchase of Unit 3C, Sponsor will amend the Plan to disclose same and any additional fees to be paid to the institutional lender by the Condominium Board. Mortgage recording taxes and transfer taxes due in connection with the transfer and mortgage of the Residential Manager's Unit in the approximate amount of $10,260, will be paid from the Working Capital Fund or Contingency Fund. In the event that the Working Capital Fund or Contingency Fund is not sufficient to pay these costs, Sponsor will advance the funds necessary on behalf of the Condominium Board and the Condominium Board will repay Sponsor by executing a promissory note in the amount of the funds so advanced, to be repaid, without interest, in twelve equal monthly installments. Please refer to the Schedule B for further details.

In the event the Condominium Board defaults under the note(s) and mortgage(s), the holder may foreclose on the Unit 3C and if the proceeds from sale of the Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Residential Unit Owners could be liable for the deficiency. In the event of a foreclosure the Condominium will be without a Residential Manager's apartment. Accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by law.

(See the Section entitled "Schedule B-Projected Budget for First Year of Condominium Operation" for a further discussion of the costs involved in maintaining the Resident Manager's Residential Unit.)

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 3C to sell as the Resident Manager's apartment; provided, however that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Condominium Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning the Resident Manager's apartment, as set forth in Schedule B, by more than 25%. Sponsor reserves the right to sell a Unit to the Condominium Board for a period of up to two (2) years during which period Sponsor will rent the Unit occupied by the Resident Manager to the Condominium Board. In such event, from the date of the First Closing until the transfer of title of the Unit, the Condominium shall pay to Sponsor, rent in an amount equal to the sum of the following: (a) principal and interest which would have been due on the Purchase Money Note, had same been executed by Condominium Board, (b) Common Charges assessed against the Unit occupied by the Resident Manager and (c) real estate taxes assessed against the Unit occupied

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by the Resident Manager. Please refer to Schedule B, Budget for First Year of Condominium Operation" in Part I of the Plan for further details regarding the costs of housing the Resident Manager.

Professional Units

As more particularly described in the Section of the Plan entitled "Professional Units," in the Declaration and the "Description of Property," there are three (3) Professional Units located on the First Floor of the Building: Professional Units as follows: 1AB, 1C and 1D. The Professional Units and their appurtenant Common Interests are being sold "as-is" in the condition they exist on the Filing Date of the Plan.

The Condominium Board will have no right to restrict or limit the method of operation, any uses or appearance of the Professional Units which are permitted by law applicable zoning ordinances. All or any part of the Professional Units may be leased or subleased by the Professional Unit Owners, all as more fully set forth in the Declaration. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Professional Units may each be sold without prior notice. The Professional Units may be divided by the Professional Unit Owners. Any such sale or division by Sponsor shall be disclosed in a duly filed amendment to the Plan. (See the Section entitled "Changes in Prices and Units"). The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Professional Units.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Professional Units or as to who the tenants or occupants of any portion of the Professional Units may be at any time or as to the uses to which any portion of the Professional Units may be put at any time (except that the Professional Units may be used for any lawful purpose or as otherwise limited by the Plan). The use of the Professional Units may generate noise, traffic fumes or other disturbances over which the Residential Unit Owners will have no control.

General Common Elements

Generally, the General Common Elements consist of all portions of the Building other than the Units, and include, among other things, the following: (a) the Land (including all yards and courtyards appurtenant to the Building; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings, beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed concrete structural members of those walls, (c) corridors and all fire staircases, landings and stairs, (d) the two passenger elevators servicing the Basement to the Penthouse and the service elevator servicing the Basement to the roof (including their shafts, pits, machinery and appurtenant facilities); (e) the lobby and mailroom on the Ground floor of the Building; (f) the boiler room, oil tank enclosure, motor pump room, laundry room, meter rooms, locker room, storage spaces, porter room and workshop in the Basement; (g) the exterior doors and windows in the Building, (h) general illumination fixtures and security systems; (i) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building, which are not part of any Unit; (j) the roofs over the Building; (k) the water tower; (l) the East Court and the West Court and (l) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines)

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which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the Building and the Unit Owners. A detailed description of the General Common Elements is set forth in the Declaration.

Limited Common Elements

The Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners. At the present time the Limited Common Elements consist of the Terraces appurtenant to certain Residential Units, as more particularly described in Schedule A, which Terraces are included in the purchase prices for the Residential Units. A Residential Unit Owner who has a Terrace appurtenant to such Unit Owner's Residential Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal maintenance, repairs and replacements thereto. Notwithstanding anything to the contrary set forth above, prior to utilizing the Terrace for walking or placing furniture, plantings or other materials on the Terrace, the Unit Owner having access thereto must install paving stones or other materials over the existing surface of the Terrace, satisfactory to the Condominium Board. Such installation must be in accordance with Law and is subject to the provisions of the Declaration and By-Laws regarding alterations. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace (unless caused by its Residential Unit Owner) shall be charged to all Unit Owners as a Common Expense.

The Condominium Board shall have the right to require a Unit Owner to remove plantings and other installations which have been placed on the Terraces if the Condominium Board determines, in its reasonable discretion, that such plantings or other installations adversely affect the integrity of the roof. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

Services and Facilities

The Building will be maintained, operated and staffed in a manner to be determined by the Condominium Board. Prospective purchasers are urged to carefully review Schedule B in Part I of this Plan and the Description of Property set forth in Part II of this Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Condominium Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable Laws and any rights of Non-Purchasing Tenants under the GBL. Except as otherwise consented to in writing by Sponsor, the Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the Rent Laws, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or the Plan. In the event services must be provided to Non-Purchasing Tenants under the Rent Laws, the Condominium Board shall not impose any charge or fee against the tenants or occupants of the Units owned by Sponsor or its designee or against Sponsor on account of any services provided to such tenants and occupants unless Sponsor or its designee is permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increased

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by the Condominium Board, but only to the extent Sponsor or the owner of the occupied Units would be allowed to charge its tenants such increased charges or fees under the Rent Laws. If, as the result of the aforesaid limitations on the Condominium Board, the amount of such charges or fees collected by Board is insufficient to cover the cost of providing such service(s), then such additional cost will be included in Common Charges and borne by all Unit Owner's in proportion to their respective Common Interests.

Except as otherwise noted above, and except as otherwise required under the Rent Laws, all determinations with respect to the continuance of services and facilities for the Building will be made by the Condominium Board, which, until the expiration of the Initial Control Period, will be controlled by Sponsor (see the Section "Control by Sponsor").

Neither Sponsor, the Selling Agent, the Managing Agent nor the Condominium Board will in any event be liable for the interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents.

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RIGHTS OF EXISTING TENANTS

Each Tenant Purchaser (defined below) shall have the exclusive right for a period of ninety (90) days from the Presentation Date of this Plan (the "Exclusive Purchase Period") within which to purchase the Residential Unit such purchaser occupied on the Filing Date of this Plan at the Purchase Price set forth in Schedule A, during which time the Tenant Purchaser's Residential Unit shall not be shown to a third party unless the Tenant Purchaser has, in writing, waived his or her right to purchase. In order to exercise this exclusive right to purchase, the Tenant Purchaser must deliver a signed Purchase Agreement and the required Down Payment to the Selling Agent during the Exclusive Period. Sponsor has agreed that during the Exclusive Purchase Period, the purchase prices to be paid by Tenant Purchasers will not be increased nor will the Selling Agent accept Purchase Agreements from non-occupant purchasers for occupied Residential Units.

The term "Tenant Purchaser" shall include: (a) a bona fide tenant in occupancy on the Filing Date; (b) a bona fide tenant with the right to renew a lease on the Filing Date; (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Residential Unit or the Residential Unit is not the tenant's primary residence; (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase the Residential Unit from the bona fide tenant of record; and (f) a residential occupant on the Filing Date entitled to protection under Article 7C of the Multiple Dwelling Law.

The term "Tenant Purchaser" shall not include the estate or legal representative of a bona fide tenant who was in occupancy of a Unit on the Filing Date who died on or after the Filing Date.

THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

The following summary of rights of existing tenants is set forth in accordance with Section 352-eeee of New York State General Business Law (the "GBL"), a copy of which is set forth in Part II of this Plan. Bona fide tenants in occupancy derive substantial protections under the GBL.

The term "Non-Purchasing Tenant" means a person who has not purchased a Residential Unit pursuant to this Plan and who is a tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date of the Plan. A person who sublets a Residential Unit from "a purchaser under the Plan" (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the effective date against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium

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or its Managing Agent or a breach by the Non-Purchasing Tenant of his obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that he seeks the Residential Unit for the use and occupancy of himself or his family.

(B) Non-Purchasing Tenants who reside in Residential Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to condominium ownership shall continue to be subject thereto. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such tenant would have had if the Building had not been converted to condominium ownership, except as otherwise provided in subparagraph (C) below.

(C) The rentals of Non-Purchasing Tenants who reside in Residential Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan shall not be subject to unconscionable increases beyond ordinary rentals for comparable Residential Units during the period of their occupancy. In determining comparability, consideration will be given to such factors as building services, level of maintenance and operating expenses.

Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 120 Broadway, 23rd floor, New York, New York 10271.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Condominium Board or purchasers of Residential Units occupied by such Non-Purchasing Tenants. Under current law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. Please refer to the Section of the Plan entitled "Reserve Fund" for further details.

(D) This Plan may not be amended at any time to provide that it shall be an eviction plan.

(E) The rights granted under this Plan to "purchasers under the Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL.

(F) All Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board.

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(G) It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his Residential Unit or the facilities related thereto. The Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if the Attorney General deems it appropriate, an order restraining the owner from selling the Residential Unit or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

(H) Any provision of a lease or other rental agreement which purports to waive a tenant's rights under the GBL or rules and regulations promulgated pursuant to the GBL shall be void as contrary to public policy.

(I) Tenants or their representatives may physically inspect the Property at any time subsequent to the submission of this Plan to the Department of Law, during normal business hours, upon written request made by them to Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

The By-Laws provide that subsequent to the First Closing under this Plan, and for each sale or resale of a Residential Unit occupied by a Non-Purchasing Tenant, a Non-Purchasing Tenant will be promptly notified in writing by the purchaser thereof, of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Residential Unit and the Condominium Board is obligated to make such information available.

If prior to the expiration of any exclusive purchase period, which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions. A Purchase Agreement from a Tenant Purchaser executed and submitted to Sponsor during any exclusive purchase period shall have priority over and pre-empt any Purchase Agreement from a Non-Tenant Purchaser.

In the event a Purchaser purchases a Residential Unit not occupied by such Purchaser, such purchase shall be subject to the terms and conditions of the existing lease or tenancy of the Residential Unit and subject to the rights and obligations set forth in the GBL and the purchaser and his or her successors shall continue to be bound as long as such lease or tenancy continues.

If a Tenant Purchaser purchases a Residential Unit, then from and after the closing of title to such Residential Unit, such Tenant Purchaser would no longer be subject to, or have any rights afforded tenants in occupancy under, the GBL. Tenant Purchasers shall not have the right to assign their Purchase Agreements. Please refer to the Section of the Plan entitled "Assignment of Purchase Agreements."

There is currently a conflict in the judicial districts of the State of New York regarding the rights of tenants who rent vacant condominium units from an original Sponsor

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after the Effective Date of the Plan. The First Department, which has jurisdiction over proceedings in Manhattan and the Bronx recently held in a case entitled "Park West Village Associates v. Nishoika, NYLJ, Nov. 3, 2000 at 26, col. 2 (App. Term 1st Dep't.) ("Park West"), that such a tenant does not have any right to a renewal lease at market rent. This ruling conflicts with the decision in Paikoff v. Harris, 713 N.Y.S. 2d 109 (App. T. 2nd Dept. 199, ("Paikoff) where the appeals panel in the Second Department, covering Brooklyn, Queens and Staten Island, found that such tenants did have a right to remain in their apartments indefinitely, provided they entered into market rent leases. Sponsor makes no representations regarding whether the conflicting decisions of the appeals court will be reconciled or whether the ruling in either Park West or Paikoff will be overturned or modified. Nothing contained herein shall be deemed to grant any tenants renting vacant Residential Units after the Effective Date, any additional rights of occupancy.

Tenant Purchasers are not being offered the right to purchase any Unit other than the Unit occupied by such Tenant Purchaser on the Filing Date of the Plan. Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may specifically set forth above and in the GBL. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

Certain Non-Purchasing Tenants reside in apartments subject to the provisions of either (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent Control Regulations, (iii) the New York State General Business Law, Section 352-eeee, (iv) the Rent Regulation Reform Act of 1997 and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property, as more particularly described in Schedule A in Part I of the Plan.

See the Section entitled "Effective Date" for a discussion of Sponsor's obligation to periodically post the percentage of Purchase Agreements received by the Selling Agent.

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OBLIGATIONS OF PURCHASERS OF RESIDENTIAL UNITS OCCUPIED BY NON-PURCHASING TENANTS

A person purchasing a Residential Unit occupied by another does so subject to: (a) the existing lease for the Residential Unit, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the purchaser's Purchase Agreement is accepted), (b) the existing occupancy of the Residential Unit, and (c) rights of the tenant thereof, if any, under the Rent Laws, and under the GBL, including the right to stay in possession of the Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." A purchaser purchasing a Residential Unit subject to the Rent Laws must register such Unit with the New York State Department of Housing and Community Renewal.

No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan, and a prospective purchaser interested in purchasing an occupied Residential Unit in which he does not reside, or lease, is advised to consult with his attorney regarding the application and effect of the foregoing Laws and regulations in order to become fully apprised of his rights as a purchaser and his obligations to any existing tenant or occupant.

After consummation of the sale of a Residential Unit to a non-occupant purchaser, such non-occupant purchaser will own the Residential Unit, subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any other reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by a Non-Purchasing Tenant of his obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by law. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the non-occupant purchaser seeks the Residential Unit for the use and occupancy of himself or his family.

If a non-occupant purchaser acquires a Residential Unit occupied by another, then on the Closing Date of such Residential Unit, the non-occupant purchaser will become the landlord of such tenant and the latter will become the non-occupant purchaser's tenant. Such non-occupant purchaser will be required under the Purchase Agreement executed by him to pay the Common Charges, taxes, or other assessments charged against the Residential Unit by the Condominium Board, regardless of whether such Common Charges, taxes or other assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether the rent is received. In addition, such non-occupant purchaser will be responsible for the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to maintain, repair, and replace plumbing fixtures, doors, hardware, flooring, refrigerator, range, dishwasher, lighting fixtures, and other equipment, if any, which are included in the Residential Unit or are the obligation of the Unit Owner to maintain repair or replace, and which not owned by the tenant or occupant and to paint the Residential Unit, as provided in the Purchase Agreement or applicable Law.

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The Purchase Agreement contains a provision whereby each non-occupant purchaser of a Residential Unit irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Condominium Board) as his agent, coupled with an interest, to provide, for the account and at the expense of the non-occupant purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the Residential Unit such non-occupant purchaser is purchasing until such time as said right to occupy terminates. In addition, each non-occupant purchaser agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Condominium Board. Each non-occupant purchaser of a Residential Unit will be required to indemnify Sponsor for all costs expended by Sponsor on such non-occupant purchaser's behalf. The foregoing obligations of a non-occupant purchaser do not apply to Sponsor.

Upon each resale of a Residential Unit occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within ten (10) days following the change in ownership of the name and address of the new non-occupant purchaser.

No representation is made or warranty given as to whether the GBL or the Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments thereto. Nothing contained herein shall be deemed to prevent Sponsor or the purchaser of a Residential Unit occupied by Non-Purchasing Tenants from enjoying the benefits from any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

A person interested in purchasing a Residential Unit in which he does not reside is advised to examine the lease for such Residential Unit to ascertain the rental thereof, expiration date and obligations imposed on the landlord thereof. These leases are on file at the office of the Managing Agent or Sponsor. It is further recommended that such person consult with his own attorney in order to become fully apprised of the effect of the GBL and the Rent Laws, as well as the lease for the Residential Unit, on his rights as a non-occupant purchaser and his obligations to the existing tenant or occupant.

A non-occupant purchaser of a Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by Sponsor under the terms of such lease. Such security must be held by the non-occupant purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit, the non-occupant purchaser will be required to acknowledge, in writing, receipt thereof and agree to indemnify Sponsor against all claims or liability in connection therewith.

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LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located in fashionable Upper West Side of Manhattan in the City of New York, with frontage on the north side of West 72nd Street, about 100 feet east of Columbus Avenue.

New York City is the largest city in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants.

New York City is the nation's principal financial center. It is the home of the New York Stock Exchange, the American Stock Exchange and the National Over-the-Counter Stock Market. Manhattan is the corporate headquarters for a number of the largest banks in the United States. Many of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan as do major law firms and accounting firms. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries. In the last several years, there has been substantial growth in the number of foreign banks and corporations that have established offices in Manhattan.

The Condominium is served by a variety of transportation facilities. Taxi and limousine service is readily available throughout the city. Municipal bus service for the Condominium area is conveniently available on West 72nd Street, Columbus Avenue and Central Park West. Entrances to subway service in the vicinity of the Condominium are located on 66th and 72nd Streets, respectively. The 1, 2, 3 and 9 subway lines can be accessed at various points on Broadway in close proximity to the Condominium. By automobile, the West Side Highway is connected to Interstate 95 and the Henry Hudson Parkway, both of which are major regional arteries. New York City is serviced by three major airports located within fifteen miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

Numerous museums are located within easy access to the Condominium. Among them are the world famous Museum of Natural History, the Metropolitan Museum of Art, the Guggenheim Museum, the Whitney Museum of American Art, the Museum of Modern Art, and the New York Historical Society.

Cultural facilities within a short distance of the Condominium add to the vitality and excitement of the Upper West Side. Lincoln Center for the Performing Arts, to the south, is a major entertainment facility featuring year-round music, drama, dance and libraries. Lincoln Center is home to the Metropolitan Opera Company, the New York City Opera, several ballet companies, the New York Philharmonic and the Vivian Beaumont Theater. Carnegie Hall and the Broadway theater district are easily accessible by bus, train and taxi from the Condominium.

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The Condominium is approximately one block from Central Park. Central Park, located in the center of Manhattan, is an 840-acre tract of land which combines beautifully landscaped areas with a large variety of recreational facilities, such as tennis courts, running paths, bicycle routes, an ice skating rink, theatrical performances, musical concerts, and a zoo.

Excellent educational facilities are within close proximity to the Condominium. Private schools in the area for the grade and high school levels include Trinity, Collegiate, Ethical Culture, Columbia Grammar, Dalton, St. Bernard's, Spence Girls' School, and the Stevenson School. The Juilliard School is at Lincoln Center. Columbia University, located at 116th Street and Broadway, is a member of the Ivy League and one of the outstanding educational facilities in this country, featuring Columbia College, Barnard College for Women and the Columbia University Schools of Law, Business and International Affairs.

The Condominium is also within easy access of a number of medical facilities in the New York area, including St. Luke's/Roosevelt Hospital (located at Columbus Avenue and 59th Street) St. Luke's Hospital (located at West 114th Street and Amsterdam), Mount Sinai Medical Center (located at 100th Street and Fifth Avenue), Lenox Hill Hospital (located at East 77th Street and Park Avenue), the New York Hospital-Cornell Medical Center (located at 68th Street and York Avenue). One of the largest hospitals in the New York Metropolitan area, the Columbia Presbyterian Hospital, is within a short drive on the West Side Highway.

Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is in the 20th Police Precinct with headquarters located at 120 West 82nd Street, New York, New York and primary fire protection is provided by the N.Y.F.D. Engine Co. 74, located at 120 West 83rd Street, New York, New York.

Zoning and Use

The Property is located in a R10A zone which permits residential and medical offices or group medical centers, including the practice of dentistry or osteopathy or for any other community facility which does not create a significant objectionable influence.

SCHEDULE A - PRICES OF UNITS AND RELATED INFORMATION

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New York, New York

UNIT NUMBER	RENT REG. STATUS (1)	SQUARE FOOTAGE (1)	NUMBER OF ROOMS, BEDROOMS AND BATHROOMS (1)	90 DAY PRICE TO TENANT PURCHASERS (2)	INITIAL OFFERING PRICE TO NON-TENANT PURCHASERS (2)	PERCENTAGE OF COMMON INTEREST (3)	PROJECTED ANNUAL COMMON CHARGES (4)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES (5)	PROJECTED MONTLY REAL ESTATE TAXES (5)	PROJECTED TOTAL MONTHLY CARRYING CHARGES (6)
1 AB	Prof.	1,259	n/a	n/a	n/a	1.18550%	$ 8,428.90	$ 702.41	$ 5,095.96	$ 424.66	$ 1,127.07
1 C	Prof.	759	n/a	n/a	n/a	0.71469%	5,081.44	423.45	3,072.15	256.01	679.47
1 D	Prof.	467	n/a	n/a	n/a	0.43974%	3,126.53	260.54	1,890.24	157.52	418.06
1 E	S	768	3/1/1	$ 318,250	$ 335,000	0.72316%	5,141.69	428.47	3,108.58	259.05	687.52
1 F	D	623	3/1/1	327,750	345,000	0.56663%	4,170.93	347.58	2,521.67	210.14	557.72
1 G	V	666	3/1/1	323,000	340,000	0.62712%	4,458.81	371.57	2,695.72	224.64	596.21
1 H	D	768	3/1/1	332,500	350,000	0.72316%	5,141.69	428.47	3,108.58	259.05	687.52
2 A	V	1,000	4/2/1.5	608,000	640,000	0.86872%	6,176.60	514.72	3,734.26	311.19	825.90
2 B	S	638	3/1/1	313,500	330,000	0.55424%	3,940.67	328.39	2,382.46	198.54	526.93
2 C	S	638	3/1/1	313,500	330,000	0.55424%	3,940.67	328.39	2,382.46	198.54	526.93
2 D	V	1,000	4/2/1.5	608,000	640,000	0.86872%	6,176.60	514.72	3,734.26	311.19	825.90
2 E	S	768	3/1/1	356,250	375,000	0.66718%	4,743.63	395.30	2,867.91	238.99	634.29
2 F	S	692	3/1/1	323,000	340,000	0.60115%	4,274.20	356.18	2,584.11	215.34	571.53
2 G	S	666	3/1/1	318,250	335,000	0.57857%	4,113.61	342.80	2,487.02	207.25	550.05
2 H	S	768	3/1/1	356,250	375,000	0.66718%	4,743.63	395.30	2,667.91	238.99	634.29
3 A	C	1,000	4/2/1.5	598,500	630,000	0.88493%	6,291.83	524.32	3,803.93	316.99	841.31
3 B	S	638	3/1/1	323,000	340,000	0.56458%	4,014.19	334.52	2,426.91	202.24	536.76
3 C	Res. Mgr.	638	3/1/1	300,000	300,000	0.56458%	4,014.19	334.52	2,426.91	202.24	536.76
3 D	S	1,000	4/2/1.5	608,000	640,000	0.88493%	6,291.83	524.32	3,803.93	316.99	841.31
3/4 E	S	1,537	5/2/3	798,000	840,000	1.37170%	9,752.75	812.73	5,896.34	491.36	1,304.09
3 F	D	692	3/1/1	346,750	365,000	0.61237%	4,353.95	362.83	2,632.32	219.36	582.19
3 G	V	666	3/1/1	342,000	360,000	0.58936%	4,190.36	349.20	2,533.42	211.12	560.31
3 H	D	768	3/1/1	380,000	400,000	0.87962%	4,832.13	402.68	2,921.42	243.45	646.13
4 A	C	1,000	4/2/1.5	617,500	650,000	0.90113%	6,407.07	533.92	3,873.60	322.80	856.72
4 B	D	638	3/1/1	346,750	365,000	0.57492%	4,087.71	340.64	2,471.36	205.95	546.59
4 C	S	638	3/1/1	342,000	360,000	0.57492%	4,087.71	340.64	2,471.36	205.95	546.59
4 D	C	1,000	4/2/1.5	608,000	640,000	0.90113%	6,407.07	533.92	3,873.60	322.80	856.72
4 F	S	692	3/1/1	342,000	360,000	0.62359%	4,433.69	369.47	2,680.53	223.38	592.85
4 G	S	666	3/1/1	337,250	355,000	0.60016%	4,267.11	355.59	2,579.82	214.98	570.58
4 H	S	768	3/1/1	384,750	405,000	0.69207%	4,920.63	410.05	2,974.92	247.91	657.96
5 A	S	1,000	4/2/1.5	636,500	670,000	0.91734%	6,522.30	543.53	3,943.27	328.61	872.13
5 B	C	638	3/1/1	342,000	360,000	0.58526%	4,161.23	346.77	2,515.80	209.65	556.42
5 C	S	638	3/1/1	342,000	360,000	0.58526%	4,161.23	346.77	2,515.80	209.65	556.42
5 D	S	1,000	4/2/1.5	627,000	660,000	0.91734%	6,522.30	543.53	3,943.27	328.61	872.13
5 E	S	768	3/1/1	384,750	405,000	0.70452%	5,009.13	417.43	3,028.43	252.37	669.80
5 F	S	692	3/1/1	351,500	370,000	0.63480%	4,513.43	376.12	2,728.74	227.40	603.51
5 G	S	666	3/1/1	346,750	365,000	0.61095%	4,343.85	361.99	2,626.22	218.85	580.84

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5 H	S	768	3/1/1	384,750	405,000	0.70452%	5,009.13	417.43	3,028.43	252.37	669.80
6 A	S	1,000	4/2/1.5	627,000	660,000	0.93355%	6,637.54	553.13	4,012.94	334.41	887.54
6 B	S	638	3/1/1	351,500	370,000	0.59560%	4,234.75	352.90	2,560.25	213.35	566.25
6 C	S	638	3/1/1	351,500	370,000	0.59560%	4,234.75	352.90	2,560.25	213.35	566.25
6 D	C	1,000	4/2/1.5	627,000	660,000	0.93355%	6,637.54	553.13	4,012.94	334.41	887.54
6 E	S	768	3/1/1	408,500	430,000	0.71697%	5,097.63	424.80	3,081.94	256.83	681.63
6 F	V	692	3/1/1	375,250	395,000	0.64602%	4,593.18	382.76	2,776.95	231.41	614.18
6 G	S	666	3/1/1	356,250	375,000	0.62174%	4,420.60	368.38	2,672.62	222.72	591.10
6 H	D	768	3/1/1	408,500	430,000	0.71697%	5,097.63	424.80	3,081.94	256.83	681.63
7 A	S	1,000	4/2/1.5	636,500	670,000	0.94976%	6,752.77	562.73	4,082.61	340.22	902.95
7 B	S	638	3/1/1	356,250	375,000	0.60594%	4,308.27	359.02	2,604.70	217.06	576.08
7 C	D	638	3/1/1	370,500	390,000	0.60594%	4,308.27	359.02	2,604.70	217.06	576.08
7 D	S	1,000	4/2/1.5	636,500	670,000	0.94976%	6,752.77	562.73	4,082.61	340.22	902.95
7 E	D	768	3/1/1	413,250	435,000	0.72941%	5,186.13	432.18	3,135.44	261.29	693.46
7 F	S	692	3/1/1	365,750	385,000	0.65723%	4,672.92	389.41	2,825.16	235.43	624.84
7 G	D	666	3/1/1	375,250	395,000	0.63254%	4,497.35	374.78	2,719.02	226.58	601.36
7 H	S	768	3/1/1	399,000	420,000	0.72941%	5,186.13	432.18	3,135.44	261.29	693.46
8 A	C	1,000	4/2/1.5	646,000	680,000	0.96596%	6,868.01	572.33	4,152.28	346.02	918.36
8 B	D	638	3/1/1	375,250	395,000	0.61629%	4,381.79	365.15	2,649.15	220.76	585.91
8 C	S	638	3/1/1	361,000	380,000	0.61629%	4,381.79	365.15	2,649.15	220.76	585.91
8 D	D	1,000	4/2/1.5	665,000	700,000	0.96596%	6,868.01	572.33	4,152.28	346.02	918.36
8 E	D	768	3/1/1	418,000	440,000	0.74186%	5,274.63	439.55	3,188.95	265.75	705.30
8 F	D	692	3/1/1	384,750	405,000	0.66845%	4,752.66	396.06	2,873.37	239.45	635.50
8 G	S	666	3/1/1	365,750	385,000	0.64333%	4,574.09	381.17	2,765.42	230.45	611.63
8 H	S	768	3/1/1	403,750	425,000	0.74186%	5,274.63	439.55	3,188.95	265.75	705.30
9 A	S	1,000	4/2/1.5	655,500	690,000	0.98217%	6,983.24	581.94	4,221.94	351.83	933.77
9 B	S	638	3/1/1	365,750	385,000	0.62663%	4,455.31	371.28	2,693.60	224.47	595.74
9 C	S	638	3/1/1	380,000	400,000	0.62663%	4,455.31	371.28	2,693.60	224.47	595.74
9 D	S	1,000	4/2/1.5	655,500	690,000	0.98217%	6,983.24	581.94	4,221.94	351.83	933.77
9 E	S	768	3/1/1	408,500	430,000	0.75431%	5,363.13	446.93	3,242.45	270.20	717.13
9 F	S	692	3/1/1	375,250	395,000	0.67968%	4,832.40	402.70	2,921.59	243.47	646.17
9 G	C	666	3/1/1	370,500	390,000	0.65413%	4,650.84	387.57	2,811.81	234.32	621.89
9 H	S	768	3/1/1	408,500	430,000	0.75431%	5,363.13	446.93	3,242.45	270.20	717.13
10 A	S	1,000	4/2/1.5	665,000	700,000	0.99838%	7,098.48	591.54	4,291.61	357.63	949.17
10 B	S	638	3/1/1	370,500	390,000	0.63697%	4,528.83	377.40	2,738.05	228.17	605.57
10 C	C	638	3/1/1	370,500	390,000	0.63697%	4,528.83	377.40	2,738.05	228.17	605.57
10 D	V	1,000	4/2/1.5	684,000	720,000	0.99838%	7,098.48	591.54	4,291.61	357.63	949.17

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10 E	V	768	3/1/1	427,500	450,000	0.76676%	5,451.63	454.30	3,295.96	274.66	728.97
10 F	S	692	3/1/1	380,000	400,000	0.69088%	4,912.15	409.35	2,969.80	247.48	656.83
10 G	C	666	3/1/1	375,250	395,000	0.68492%	4,727.59	393.97	2,858.21	238.18	632.15
10 H	S	768	3/1/1	413,250	435,000	0.76676%	5,451.63	454.30	3,295.96	274.66	728.97
11 A	D	1,000	4/2/1.5	688,750	725,000	1.01459%	7,213.71	601.14	4,361.28	363.44	964.58
11 B	S	638	3/1/1	375,250	395,000	0.64731%	4,602.35	383.53	2,782.50	231.87	615.40
11 C	S	638	3/1/1	375,250	395,000	0.64731%	4,602.35	383.53	2,782.50	231.87	615.40
11 D	S	1,000	4/2/1.5	669,750	705,000	1.01459%	7,213.71	601.14	4,361.28	363.44	964.58
11 E	S	768	3/1/1	418,000	440,000	0.77920%	5,540.13	461.68	3,349.46	279.12	740.80
11 F	S	692	3/1/1	384,750	405,000	0.70209%	4,991.89	415.99	3,018.01	251.50	667.49
11 G	S	666	3/1/1	380,000	400,000	0.67571%	4,804.33	400.36	2,904.61	242.05	642.41
11 H	C	768	3/1/1	418,000	440,000	0.77920%	5,540.13	461.68	3,349.46	279.12	740.80
12 A	S	1,000	4/2/1.5	674,500	710,000	1.03079%	7,328.95	610.75	4,430.95	369.25	979.99
12 B	C	638	3/1/1	380,000	400,000	0.65765%	4,675.87	389.66	2,826.95	235.58	625.23
12 C	S	638	3/1/1	380,000	400,000	0.65765%	4,675.87	389.66	2,826.95	235.58	625.23
12 D	C	1,000	4/2/1.5	674,500	710,000	1.03079%	7,328.95	610.75	4,430.95	369.25	979.99
12 E	V	768	3/1/1	437,000	460,000	0.79165%	5,628.63	469.05	3,402.97	283.58	752.63
12 F	C	692	3/1/1	389,500	410,000	0.71331%	5,071.63	422.64	3,066.22	255.52	678.15
12 G	D	666	3/1/1	399,000	420,000	0.68651%	4,881.08	406.76	2,951.01	245.92	652.67
12 H	S	768	3/1/1	422,750	445,000	0.79165%	5,628.63	469.05	3,402.97	283.58	752.63
14 A	D	1,000	4/2/1.5	698,250	735,000	1.04700%	7,444.18	620.35	4,500.62	375.05	995.40
14 B	D	638	3/1/1	399,000	420,000	0.66799%	4,749.39	395.78	2,871.40	239.28	635.07
14 C	S	638	3/1/1	384,750	405,000	0.66799%	4,749.39	395.78	2,871.40	239.28	635.07
14 D	S	1,000	4/2/1.5	679,250	715,000	1.04700%	7,444.18	620.35	4,500.62	375.05	995.40
14 E	D	768	3/1/1	441,750	465,000	0.80410%	5,717.13	476.43	3,456.48	288.04	764.47
14 F	V	692	3/1/1	408,500	430,000	0.72453%	5,151.37	429.28	3,114.43	259.54	688.82
14 G	S	666	3/1/1	389,500	410,000	0.69730%	4,957.82	413.15	2,997.41	249.78	662.94
14 H	D	768	3/1/1	441,750	465,000	0.80410%	5,717.13	476.43	3,456.48	288.04	764.47
15 A	V	1,000	4/2/1.5	703,000	740,000	1.06321%	7,559.42	629.95	4,570.29	380.86	1,010.81
15 B	D	638	3/1/1	403,750	425,000	0.67833%	4,822.91	401.91	2,915.84	242.99	644.90
15 C	S	638	3/1/1	399,000	420,000	0.67833%	4,822.91	401.91	2,915.84	242.99	644.90
15 D	C	1,000	4/2/1.5	684,000	720,000	1.06321%	7,559.42	629.95	4,570.29	380.86	1,010.81
15 E	S	768	3/1/1	432,250	455,000	0.81654%	5,805.63	483.80	3,509.98	292.50	776.30
15 F	C	692	3/1/1	399,000	420,000	0.73574%	5,231.12	435.93	3,162.64	263.55	699.48
15 G	V	666	3/1/1	408,500	430,000	0.70810%	5,034.57	419.55	3,043.81	253.65	673.20
15 H	S	768	3/1/1	432,250	455,000	0.81654%	5,805.63	483.80	3,509.98	292.50	776.30
16 A	V	1,000	4/2/1.5	707,750	745,000	1.07942%	7,674.65	639.55	4,639.96	386.66	1,026.22

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UNIT NUMBER	RENT REG. STATUS (1)	SQUARE FOOTAGE (1)	NUMBER OF ROOMS, BEDROOMS AND BATHROOMS (1)	90 DAY PRICE TO TENANT PURCHASERS (2)	INITIAL OFFERING PRICE TO NON-TENANT PURCHASERS (2)	PERCENTAGE OF COMMON INTEREST (3)	PROJECTED ANNUAL COMMON CHARGES (4)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES (5)	PROJECTED MONTLY REAL ESTATE TAXES (5)	PROJECTED TOTAL MONTHLY CARRYING CHARGES (6)
16 B	D	638	3/1/1	408,500	430,000	0.68867%	4,896.43	408.04	2,960.29	246.69	654.73
16 C	D	638	3/1/1	408,500	430,000	0.68867%	4,896.43	408.04	2,960.29	246.69	654.73
16 D	D	1,000	4/2/1.5	707,750	745,000	1.07942%	7,674.65	639.55	4,639.96	386.66	1,026.22
16 E	D	768	3/1/1	451,250	475,000	0.82899%	5,894.13	491.18	3,563.49	296.96	788.14
16 F	D	692	3/1/1	418,000	440,000	0.74696%	5,310.86	442.57	3,210.85	267.57	710.14
16 G	D	666	3/1/1	413,250	435,000	0.71889%	5,111.32	425.94	3,090.21	257.52	683.46
16 H	D	768	3/1/1	451,250	475,000	0.82899%	5,894.13	491.18	3,563.49	296.96	788.14
17 A	D	1,000	4/2/1.5	712,500	750,000	1.09562%	7,789.89	649.16	4,709.63	392.47	1,041.63
17 B	S	638	3/1/1	399,000	420,000	0.69901%	4,969.95	414.16	3,004.74	250.40	664.56
17 C	S	638	3/1/1	399,000	420,000	0.69901%	4,969.95	414.16	3,004.74	250.40	664.56
17 D	S	1,000	4/2/1.5	693,500	730,000	1.09562%	7,789.89	649.16	4,709.63	392.47	1,041.63
17 E	D	768	3/1/1	456,000	480,000	0.84144%	5,982.63	498.55	3,616.99	301.42	799.97
17 F	C	692	3/1/1	408,500	430,000	0.75817%	5,390.60	449.22	3,259.06	271.59	720.81
17 G	V	666	3/1/1	418,000	440,000	0.72969%	5,188.06	432.34	3,136.61	261.38	693.72
17 H	V	768	3/1/1	456,000	480,000	0.84144%	5,982.63	498.55	3,616.99	301.42	799.97
PH A	S	646	3/1/1	686,750	725,000	1.03826%	7,382.03	615.17	4,463.04	371.92	987.09
PH B	D	646	3/1/1	686,750	725,000	1.03826%	7,382.03	615.17	4,463.04	371.92	987.09
PH C	S	629	3/1/1	660,250	695,000	1.01094%	7,187.76	598.98	4,345.59	362.13	961.11
PH D	S	630	3/1/1	669,750	705,000	1.01254%	7,199.19	599.93	4,352.50	362.71	962.64
		100,412		$ 58,359,250	$ 61,415,000	100.0000%	$ 711,000.00	$ 59,250.00	$ 429,358.00	$ 35,821.50	$ 95,071.50

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Notes to Schedule A

1 Any floor plan or sketch shown to a prospective purchaser including those set forth in the Plan, is only an approximation of the dimensions and layout of each Unit. The actual layout of a Unit may have been altered by the tenants thereof or by others. Each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate and may change due upon remeasurement. 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 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 to the exterior side of the opposite exterior walls. Each Unit will be measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials to the underside of the ceiling. However, any Common Elements located within a Unit (including any structural slabs separating floors of a Unit located on more than one floor) shall not be considered a part of such Unit As is customary in New York, these square foot areas exceed the usable floor area of each Unit. Each prospective purchaser should carefully inspect the Units prior to entering into a Purchase Agreement therefor to determine its actual dimensions, layout, ceiling heights and physical condition. Purchasers are further advised that Sponsor has reserved the right to negotiate with individual purchasers to perform special work which may require a modification in floor plans for certain Residential Units and accordingly the layout of the Units and Common Elements may vary.

Reference should be made to the Sections entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants." Certain of the Units are subject to the Rent Laws as noted in Schedule A.

2 Each Tenant Purchaser has the exclusive right to purchase his Residential Unit for a period of 90 days from the Presentation Date of this Plan at the prices set forth on Schedule A for Tenant Purchasers. These purchase prices are 5% less than the prices offered to Non-Tenant Purchasers. See the Section entitled "Changes in Prices and Units" for details concerning price changes. In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute one month's common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units. Residential Unit 3C is currently occupied by the Resident Manager for the Building and will be conveyed to the Condominium Board on behalf of all of the Residential Unit Owners for the future use as the Resident Manager's residence.

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THESE PRICES HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. No change will be made in the purchase prices other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale is not a general offering or an advertised price but is rather the result of an individually negotiated transaction and provided further that no individually negotiated transactions shall occur with Tenant Purchasers if same would constitute a discriminatory inducement.

3 The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the 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 particular Unit. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Units and such changes involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Units, the Common Interest of all of the Units may change slightly. Any such change in the Common Interest allocated to a Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

4 The estimates contained in this schedule were computed on the assumption that the first year of Condominium operation will be the year from July 1, 2001 through June 30, 2002, and are based upon an estimate of the receipts and expenses of the Condominium for the projected year. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

The estimated monthly Common Charges for each Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation. The estimated monthly Common Charges include the cost of central heating and hot water for the Units. In addition to these estimated payments, each Unit Owner will be responsible for individually metered electrical charges for the Unit (including, without limitation, electricity for air conditioning units, if any, in the Unit), real estate taxes for such Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable directly to the utility company, the insurance which must be carried by each Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Unit. The

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aggregate monthly rents received by Sponsor for the Units as of June 1, 2000 is approximately $150,903.

After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws.

The New York City real estate taxes for the first year of condominium operation following the First Closing for the Property are estimated to be $429,858 which is based upon the opinion of Jerome Mazursky dated January 24, 2001, which estimated that (i) the transitional assessed valuation for the 2001/2002 tax year would be $3,907,800 and (ii) an estimated a tax rate for the 2001/2002 tax year of $11.00 per $100 of assessed valuation.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Bureau of the City of New York. Under current New York State law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value reflecting the phased in increases or decreases is called the "transitional assessed valuation." Taxes are paid on the lower of the Transitional Assessed Valuation or the Actual Assessed Valuation." The tax rate and assessed valuations for the 1999/00 and subsequent Tax Years are as follows:

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Tax Year	Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation
1999/00	$10.851	$3,256,200	$4,113,000
2000/01	$10.851	$3,518,100	$3,951,000
2001/02	$11.000*	$3,907,800**	$4,590,000**

* Estimated
** Tentative

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same or similar purchase prices may pay different real estate taxes and taxes may differ from those set forth on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of the Plan entitled "Real Estate Taxes" for further discussion.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Residential Unit assessments; (ii) of the

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assessed values during the first year of Condominium operation, and (iii) of the tax rates for the first year of Condominium operation.

(See Attorney's Income Tax Opinion prepared by Stroock & Stroock & Lavan LLP, set forth in Part I of this Plan regarding the deductibility of real estate taxes paid or accrued with respect to a Residential Unit.)

(6) These figures represent the aggregate total monthly estimated carrying charges which include estimated Common Charges and estimated real estate taxes. Reference should be made to note (4) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

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SCHEDULE B – PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

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SCHEDULE B

THE HERMITAGE CONDOMINIUM
41 West 72nd Street
New York, New York 10023

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

July 1, 2001 -- June 30, 2002

Projected Income	
Common Charges from the Unit Owners (Note 1)	$711,000
Income from Laundry Machines (Note 2)	24,000
Total Projected Income (Note 3)	$735,000
Projected Expenses	
Salaries, Wages, Payroll Taxes, and Benefits (Note 4)	$341,015
Fuel Oil (Note 5)	55,242
Electricity (Note 6)	31,825
Gas (Note 7)	1,713
Water Charges and Sewer Rents (Note 8)	47,129
Repairs and Maintenance (Note 9)	30,000
Service Contracts (Note 10)	12,146
Insurance (Note 11)	25,000
Management Fees (Note 12)	100,000
Legal and Audit Fees (Note 13)	15,000
Resident Manager's Unit—Common Charges and Real Estate Taxes (Note 14)	6,392
Resident Manager's Unit—Mortgage Debt Service (Note 15)	32,390
Other Expenses (Note 16)	5,000
Contingency (Note 17)	32,148
Total Projected Expenses	$735,000

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NOTES TO SCHEDULE B-1

THE HERMITAGE CONDOMINIUM
41 West 72nd Street
New York, New York 10023

(1) Common Charges from the Unit Owners (Budget--$711,000)

The estimate of the Common Charges to be collected from the Unit Owners during the First Year of Condominium Operation is based upon the budget and is intended to assume that projected expenses are recovered on a current basis

(2) Income from Laundry Machines (Budget--$24,000)

This budgeted amount is based on a contract with Gordon & Thomas Companies Inc.(with an address of 2 New Main Street, East Orange, NJ 07018), which permits their installation of their coin-operated laundry machine in the cellar. The term of the contract expires on or about May 19, 2006 and provides for payment of $24,000 annually in equal monthly installments. The laundry equipment is owned and maintained by Gordon & Thomas Companies Inc. The Condominium provides to Gordon & Thomas Companies Inc. the necessary water and utilities, without charge, for the operation of the equipment.

(3) Total Projected Income--(Budget--$735,000)

This budgeted amount does not include any interest income that may be received by the Condominium Board from its investment of the Reserve Fund to be retained at the closing of title, and the reserve fund for contingencies to be contributed by the Unit Owners in the common charges. All or part of these funds may be expensed during the first or subsequent years of operation. The interest income cannot be determined exactly and may be inconsequential. Therefore, interest income is not included in the budget for the First Year of Condominium Operation.

(4) Salaries, Wages, Payroll Taxes and Benefits (Budget--$341,015)

This budgeted amount is based upon the cost of seven employees as follows: one full-time Resident Manager, two porters and four lobby attendants/elevator operators.

The Sponsor represents that all employees of the building are employed pursuant to the collective bargaining agreement with Local 32-B/32-J of the Building Service Employees International Union. For purposes of these budgeted amounts we have used the higher wage scales provided for in this most recent union contract The terms of this union contract with local 32-B/32-J of the Building Service Employees International Union expires on April 20, 2003. The wage rates below reflect these wages. Furthermore, an additional 3% is added to this amount for the period thereafter. The projected labor expense for the First Year of Condominium Operation follows:

Projected Salaries:	
1 Resident Manager	$41,600
2 Porters	62,400
4 Handypersons	141,440
Total Salaries	$245,440

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Projected Payroll Taxes and Insurance:	
Social Security (7.65% of taxable payroll)	$ 18,776
NY Unemployment Insurance (2.6% to $8,500 per employee)	1,547
Federal Unemployment Insurance (.8% to $7,000 per employee)	392
New York Disability Insurance	150
Worker's Compensation Insurance	8,000
Total Payroll Taxes and Insurance	$28,865
Projected Union Benefits:	
Health fund	$ 40,600
Pension and Annuity fund	16,177
Total Union Benefits	$ 56,777
Total Projected Salaries, Payroll Taxes, Insurance and Benefits	
Total Salaries, Payroll Taxes, Insurance and Benefits	$331,082
Add 3% increase	9,933
Total Projected Salaries, Payroll Taxes, Insurance and Benefits	$341,015

(5) Fuel Oil (Budget--$55,242)

Number 6 Fuel Oil consumption for the production of heat and hot water is projected at 53,633 gallons for the First Year of Condominium Operation based on the average number of gallons used over the past three years. The estimated price per gallon used for the First Year of Condominium Operation is $1.03 including sales tax. The projected price per gallon is based on the Fuel Price Guideline for fuel oil issued September 12,2000 by the New York State Office of the Attorney General.

The usage and cost of oil for the past three years is as follows:

Year	Gallons	Total Cost	Average Cost Per Gallon
1998	49,812	$22,290	.4475
1999	56,232	$28,050	.4988
2000	54,856	$49,067	.8945

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will reflect the actual cost to be incurred during the First Year of Condominium Operation. Costs vary depending upon the level of consumption and the cost of fuel. Consumption will also be affected by the severity of the weather and conservation measures that may be taken by the Board of Managers. It is possible that fluctuating fuel prices and other unforeseen factors may raise the cost of this item substantially higher than projected.

(1) Electricity (Budget--$31,825)

This item includes the cost of electricity for the common areas of the building and the Resident Manager's apartment. Electricity to Units is separately metered and Unit Owners will pay these

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charges directly to the utility company. The budgeted cost for electricity has been computed by multiplying the average use of the past three years by a projected rate of $0.24 per kilowatt hour (kWh). The projected price per kilowatt hour is based on an average price increase of the past three years plus 10%.

Electricity

Year	kWh	Cost	Cost/KWH
1998	129,294	$19,311	.1494
1999	133,820	$20,918	.1563
2000	134,695	$27,923	.2073

Average Electric Usage 132,603 kWh

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will reflect the actual cost to be incurred during the First Year of Condominium Operation. The actual charges may exceed the budgeted amount if utility rates are increased. Utility rates are affected by increases in the fuel rates paid by the utility, as well as other factors.

(1) Gas (Budget--$1,713)

This item includes the cost of gas for the common areas of the building and the Resident Manager's apartment. Gas to most Units are separately metered and Unit Owners will pay these charges directly to the utility company. The budgeted cost for gas has been computed by multiplying the average use of the past three years by a projected rate of 1.1 per thermal unit (Therm). The projected price per Therm is based on an average price increase of the past three years plus 10%.

Gas

Year	Therms	Cost	Cost/Therm
1998	1,566	$1,479	0.9500
1999	1,613	$1,424	0.9427
2000	1,501	1,572	1.0470

Average Gas Usage 1,557 Therms

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure will reflect the actual cost to be incurred during the First Year of Condominium Operation. The actual charges may exceed the budgeted amount if utility rates are increased. Utility rates are affected by increases in the fuel rates paid by the utility, as well as other factors.

(1) Water Charges and Sewer Rents (Budget--$47,129)

This budgeted amount is predicated on continuation of the present method of calculating water charges and sewer rents, which is based on frontage and the number of fixtures. It is the current policy of NYC to directly meter water and sewer usage. If this method is implemented, these charges might increase, perhaps significantly. For the First Year of Condominium Operation, however, we project that estimating water and sewer charges will increase 5% over current charges. The water charges and sewer rents for the three prior periods were as following:

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Year	Cost
1998/99	$42,729
1999/2000	$44,441
2000/2001	$44,885

(2) Repairs and Maintenance (Budget--$30,000)

This includes building and janitorial supplies, uniform expenses and the various repair and maintenance items involved in the operation of this type of property. It is also intended to include the cost of curing violations that are not the Sponsor's obligation to cure. However, this item does not include repairs and painting of or the curing of violations within the interiors of apartments, which would become the obligations of the respective purchasers following the purchase of their Units.

(3) Service Contracts ($12.146)

Service	Contractor	Annual Cost	Expiration
Elevator maintenance	Precision Elevator Corp. 346 Lorimer Street Brooklyn, NY 11206	9,743	Month-to-Month
Exterminator	Interstate Pest Control Corp. 335 East 10th Street New York, NY 10009	1,299	Month-to-Month
	Total	11,042	

The annual cost projected in this budget includes a provision for a 10% increase above current charges.

(1) Insurance (Budget--$25,000)

Includes the following annual insurance premiums and reserves as proposed for the subject Condominium as proposed by the Sponsor's broker Unilite Insurance Agency Inc., in its letter dated December 6, 2000:

Coverage Description	Amount
Property Coverage	
Building–all risk agreed amount–replacement cost	$20,000,000
Personal Property – all risk	25,000
Maintenance Fees – all risk	Actual Loss Sustained
Building Ordinance/Demolition/Increase Cost of Construction	1,000,000
Property deductible	3,000
Backup of Sewers & Drains	1,000,000
Flood & Earthquake	2,500,000
Flood, Earthquake, Backup of Sewers & Drains deductible	25,000
Comprehensive General Liability	
General aggregate	$2,000,000
Each occurrence	1,000,000

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Personal & advertisement	1,000,000
Products/Completed operations aggregate	1,000,000
Fire damage legal liability	100,000
Medical payments each person	10,000
Water damage legal liability	Included
Hired & Nonowned auto liability	1,000,000
Directors & Officers Liability	
Each occurrence	$1,000,000
Aggregate	1,000,000
Commercial Umbrella	
Each occurrence/aggregate	$100,000,000
Boiler & Machinery	
Comprehensive form	
Combined limit – Property damage/Business interruption	$20,000,000
Deductible	2,500
Fidelity Bond	
Limit	200,000

Total Annual Premium: $25,000

The projected cost of NYS Disability Insurance Coverage and Worker's Compensation Insurance are included in cost projections for labor.

The above captioned Property Coverage waives co-insurance (Agreed Amount Clause) and is written on a Replacement Cost Basis. The Replacement Cost Valuation is based on $150 per square foot. The Property Policy also provides coverage for Elevator Collision. The following types of insurance are not included in the anticipated policy, but may be obtained at an extra cost: Fidelity Bond.

The annual premium for the indicated coverage is $25,000. However, prospective owners should note that insurance premiums could increase depending on market conditions. The projection is believed to be reasonable.

Each unit owner should consider the desirability of obtaining additional insurance coverage, at his or her own cost, against the following risks (which will not be included in the insurance coverage obtained by Sponsor on behalf of the Condominium Board):

(a) fire or casualty losses to the contents of his or her unit and any appurtenant limited common elements, replacements, additions, upgraded fixtures and improvements therein; and

(b) liability for personal injury or property damage as a result of occurrences in his or her unit and any appurtenant limited common elements.

(1) Management Fees (Budget--$100,000)

This item is based upon a management agreement to be entered into with Property Markets Group, Inc. at the first unit closing. This management fee may be in excess of the prevailing cost for

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similar services. The managing agent is affiliated with principals of the Sponsor. For a full discussion of the terms and conditions of the Management Agreement see the section of this plan entitled "Management Agreement, Contracts and Leases."

All expenses and fees incurred by managing agent in the performance of its duties will be reimbursed by the condominium board and charged to all unit holders as a common expense. In addition, the condominium board will indemnify the managing agent against any claims or liabilities in connection with acts properly performed by the managing agent pursuant to instructions of the condominium board or for personal injury or property damage not resulting from the managing agent's gross negligence or willful failure to comply with its obligations under the management agreement.

(2) Professional Fees (Budget--$15,000)

A portion of the budgeted amount will be used to pay the fees for preparation of the condominium's income tax return and an audited income statement. The balance is intended to provide for miscellaneous legal services or other professional services that the condominium board may wish to employ.

(3) Resident Manager's Unit—Common Charges and Real Estate Taxes (Budget—$6,392)

This item consists of common charges and real estate taxes attributable to residential unit 3C, which will be acquired by the condominium board and occupied by the Resident Manager. All residential unit owners, as Residential Common Charges, pay the expenses attributable to residential unit 3C.

(4) Resident Manager's Unit – Mortgage Debt Service (Budget--$32,390)

On or subsequent to the first closing, the Condominium Board will purchase residential unit 3C on behalf of the unit owners for a purchase price of $300,000 Pursuant to provisions of the plan, the Condominium Board will issue to the Sponsor a note in payment of the total purchase price of the unit and a purchase money first mortgage on the unit to secure repayment of the note.

The note will provide for consecutive equal monthly payments of $2,699.18 on the first day of each month. The regular monthly payments at 9% interest per annum are applied first to interest with balance reducing principal based on a twenty year amortization schedule, although the loan will be due in ten years. As a result, a balloon payment of approximately $213,078 will be due at maturity.

It is anticipated that, at the maturity date of the mortgage documents, the Condominium Board will refinance the payment of approximately $213,078 that will then be due with a lender other than Sponsor. However, Sponsor makes no representation that the Condominium Board will be able to refinance such payment, or, if refinancing is available, as to terms or other costs of the same. Sponsor has not agreed to itself refinance, or arrange the refinancing of, the principal payment that will be due on the maturity date of the mortgage. All residential unit owners, as Residential Common Charges, pay the expenses attributable to residential unit 3C. The Sponsor, in its sole discretion, may elect not to sell the Resident Manager's Unit for up to two years after the first closing. During this time, the Sponsor reserves the right to change the Resident Manager's Unit to any other unit owned or otherwise controlled by the Sponsor. From the date of the first closing until the acquisition of the Resident Manager's Unit that shall be designated by Sponsor, the Condominium shall pay rent equal to the sum of the following: (a) the debt service on the purchase

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money mortgage as if same had been in effect; (b) common charges on the Resident Manager's Unit and (c) taxes allocable to the Resident Manager's Unit.

(5) Other Expenses (Budget--$5,000)

This estimate includes license fees, inspection fees, municipal permits, Resident Manager's telephone charges and miscellaneous expenses. No taxable income is contemplated for the First Year of Condominium Operation. However, certain minimum taxes will be payable, which minimum taxes are included in this budget item.

(6) Reserve for Contingencies (Budget--$32,148)

The Board of Managers may apply this reserve toward increases in the projected expenses, unforeseen expenses or other appropriate expenses. The purpose of the contingency is to provide for unanticipated expenses or unanticipated increases in the projected expenses. The reserve for contingencies is separate and distinct from the Reserve Fund.

* * * * *

IN THE OPINION OF INSIGNIA RESIDENTIAL GROUP, INC., THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR BE THE FISCAL YEAR COMMENCING ON JULY 1, 2001. THE FORGOING SCHEDULES, HOWEVER, ARE NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE COMMON CHARGES, OTHER INCOME OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULES, AND IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNT SHOWN IN THE SCHEDULE.

THE SPONSOR HAS RESERVED THE RIGHT TO MODIFY, RENEW AND REPLACE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES THAT WILL BE BINDING ON THE CONDOMINIUM ON THE CLOSING DATE. HOWEVER, NO SERVICE OR MAINTENANCE CONTRACT WILL BE MADE WHICH WOULD MATERIALLY INCREASE THE FIRST YEAR'S ESTIMATED MAINTENANCE CHARGES, UNLESS THE PLAN IS AMENDED.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT IS TO BE DELAYED FROM THE BUDGET YEAR PROJECTED IN THE PLAN BY MORE THAN (6) MONTHS, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT. WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION, SPONSOR WILL RETURN ANY DOWN PAYMENT OR DEPOSIT PROMPTLY TO SUBSCRIBERS WHO RESCIND.

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COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

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Douglas Elliman

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COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 i

June 22, 2000

Real Estate Financing Bureau
Department of Law, State of New York
120 Broadway-23rd Floor
New York, NY 10271

Re: 41 West 72nd Street
New York, NY

Ladies and Gentlemen:

This letter is with respect to the Plan of Condominium Conversion of the premises at the above address and the allocation of the Percentage of Common Elements to the respective Units therein.

Douglas Elliman has had over twenty years of experience as broker in connection with sales of cooperative and condominiums, and have provided opinions in numerous Offering Plans relating to cooperatives and condominiums.

It is our opinion that the allocation of the Percentages of Common Elements allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with regulations issued pursuant to Real Property Law Article 9-B, Section 339-i.

The Sponsor has used method (iv) contained in Section 339-i (1) of the New York Condominium Act, that is based upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the units, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Douglas Elliman will be acting as the selling agent for the property.

Very truly yours,

Andrew Gerringer
Senior Vice President
Douglas Elliman LLC

AN INSIGNIA FINANCIAL GROUP COMPANY

All information furnished regarding property for sale, rental or financing is from sources deemed reliable. No representation is made as to the accuracy thereof and it is submitted subject to errors, omissions, change of price, rental, commission or other conditions, prior sale, lease or financing, or withdrawal without notice.

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ACCOUNTANT'S CERTIFIED STATEMENT OF OPERATIONS

41 WEST 72ND STREET, LLC
COMPARATIVE STATEMENT OF PROPERTY OPERATIONS
FOR THE PROPERTY LOCATED AT 41 WEST 72ND STREET
NEW YORK, NEW YORK
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997
WITH INDEPENDENT AUDITORS' REPORT

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CYWIAK & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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FAX (718) 259-7225

INDEPENDENT AUDITORS' REPORT

To the Members of 41 West 72nd Street, LLC.

We have audited the accompanying Comparative Statement of Property Operations of 41 West 72nd Street, New York, New York for the years ended December 31, 1998 and 1997. In defining the income and expenses of the building, the following income and expenses have been excluded: depreciation, amortization, mortgage interest, vacancy advertising, rental commissions, painting and repair costs which could be determined to be attributable to individual apartments and elements of income and expense which related to the company but not to property operations. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Comparative Statement of Property Operations referred to above presents fairly, in all material respects, the income and expenses of the building located at 41 West 72nd Street, New York, New York for the years ended December 31, 1998 and 1997, in conformity with generally accepted accounting principles.

You have advised us of your intention to reproduce this letter and said statement in a proposed plan to convert the building to condominium ownership of the premises known as 41 West 72nd Street, New York, New York and we hereby consent thereto.

Cywiak & Company
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
December 9, 1999

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41 WEST 72ND STREET, LLC
COMPARATIVE STATEMENT OF PROPERTY OPERATIONS
FOR THE PROPERTY LOCATED AT 41 WEST 72ND STREET
NEW YORK, NEW YORK
FOR THE YEARS ENDED DECEMBER 31, 1997 & 1998

	1998	1997
Revenues:		
Rental income	$ 1,861,760	$ 1,586,100
Laundry income	22,200	18,600
	$ 1,883,960	$ 1,604,700
Expenses:		
Building service payroll and related payroll taxes and benefits	276,172	290,439
Fuel	22,387	35,072
Utilities	21,662	18,735
Water & sewer	42,729	36,342
Supplies	17,880	11,722
Repairs, maintenance & service contract	37,104	51,689
Insurance	18,408	19,347
Management fees	92,224	80,073
Professional fees	42,382	15,522
Real estate taxes	318,078	306,340
Office expense and miscellaneous	12,490	13,557
Total expenses	901,516	878,838
Net income from property operations	$ 982,444	$ 725,862

The accompanying notes to the financial statement are an integral part of this statement.

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41 WEST 72ND STREET, LLC
FOR THE PROPERTY LOCATED AT 41 WEST 72ND STREET
NEW YORK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1997 & 1998

NOTE 1 - Operations

The building located at 41 West 72ND Street, New York, New York consists of 126 residential apartments and 4 professional offices.

NOTE 2 - Significant Accounting Policy

The significant accounting principles followed by 41 West 72ND Street, LLC (the "Company") as summarized below, are in conformity with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Management Fees:

Management fees are based on 5.0% of gross revenues collected for the building manager.

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PROFESSIONAL UNITS

The Condominium will contain three (3) Professional Units located on the Ground Floor. The Professional Units are being offered for sale hereunder by Sponsor. Current tenants of the Professional Units are not Tenant Purchasers under the Plan and have no particular rights to purchase the Professional Units.

The Professional Units may be used for any lawful purpose. The Condominium Board will have no right to restrict or limit the method of operation, hours of operation or any uses or appearance of the Professional Units which are permitted by law and applicable zoning ordinances. No rules adversely affecting the operation of the Professional Units may be adopted or modified by the Condominium Board without the consent of the Professional Unit Owners. All or any part of the Professional Units may be leased or subleased by the Professional Unit Owners, all as more fully set forth in the Declaration subject to the restrictions set forth in the preceding paragraphs. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Professional Unit or Units may be sold without prior notice. The Residential Unit Owners other than Sponsor will have no interest in the rents, profits or revenues from the rental or use of any space in the Professional Units.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Professional Units or as to who the tenants or occupants of any portion of the Professional Units may be at any time or as to the uses to which any portion of the Professional Units may be put at any time (except that the Professional Units may be used for any lawful purpose or as otherwise limited by the Plan), and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

The basis for projecting the share of expenses attributable to the Professional Units is the Common Interest of such Units. As set forth in the opinion of Insignia Residential Group, Inc., the Common Charges projected to be payable by the owners of the Professional Units are sufficient to cover the Common Expenses fairly attributable to those Units.

The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-Laws.

The Professional Unit Owners have the right to freely sell their respective Units, or to freely lease all or part of the Professional Units, as the case may be, without having to first offer the same for sale or lease to the Condominium Board.

Sponsor has 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 second floor of the Building, provided that such penetration does not materially weaken the structural soundness of the Building.

The Condominium Board, at the request of Sponsor, will enter into a recognition agreement with any tenant with which Sponsor or its designee has entered into a lease for all or

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any part of any Professional Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Condominium Board will agree that so long as there is no event of default under said lease, as would entitle Sponsor or any successor 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 Condominium Board lien on a Professional Unit for Common Charges or any other sums of any sort, and the Condominium Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Professional Unit in question 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 Condominium Board, or, in case the Condominium Board takes possession of the a Professional Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Condominium Board or any other party succeeds to the interests of Sponsor under the lease the tenant will agree to be bound to the Condominium Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Condominium Board or party as its landlord.

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CHANGES IN PRICES AND UNITS

Unless it would constitute a discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the purchaser is not in default may be made without the consent of the purchaser. If any price change is made, a purchaser of a Unit affected thereby may pay more or less than other purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units not the subject of such change. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of such Units. Sponsor has agreed that it will neither increase prices to be paid by Tenant Purchasers nor accept Purchase Agreements from non-occupant purchasers for occupied Residential Units, during any applicable exclusive purchase period. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across the board increase or decrease affecting one or more lines of Residential Units, or is to be advertised, or is a price increase for an individual purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Purchase Agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan. The offering price to be paid by Tenant Purchasers will not increase during any applicable exclusive purchase period.

Unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under Purchase Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements

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(such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, (c) designate any portion of any Unit as part of a newly created Residential Unit or Professional Unit, and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) - (d) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, common interest, dimension, floor space or layout of such Unsold Unit. The Common Interest of a Unit may change if there is a change in the floor space or the 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 particular Unit. No material change will be made in the size or number of Units or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in Unit layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to sponsor for that Unit and the Purchaser is not in default. No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless Purchasers not in default received a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any deposit or downpayment promptly to purchasers who rescind.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and this Plan are amended with the consent of each Unit Owner whose Unit is so changed. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

It should be noted that as long as the layout and dimensions of a Unit conform substantially to the Unit Plans, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change or discrepancy.

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INTERIM LEASES

In the event Sponsor agrees, in its sole discretion, to enter into an Interim Lease for a Unit, Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms. A default under the Interim Lease will constitute a default under the Purchase Agreement. Notwithstanding the foregoing, before Sponsor may utilize the default under the Interim Lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the tenant unless the tenant has vacated the Unit. A Purchaser will have thirty (30) days to vacate a Unit after a default under the Purchase Agreement or the exercise of a right of rescission.

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PROCEDURE TO PURCHASE

A person desiring to purchase a Residential Unit will be required to execute a Purchase Agreement in quintuplicate (i.e., five (5) original copies), which will be in the form set forth in Part II of the Plan.

Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. Sponsor must accept a Purchase Agreement from a Tenant Purchaser who submits a signed Purchase Agreement and check for the Down Payment to the Sponsor during the time within which the Tenant Purchaser has the exclusive right to purchase his Residential Unit under this Plan. Such Tenant Purchaser will receive a fully executed counterpart of his Purchase Agreement from the Sponsor.

Non-Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If a Non-Tenant Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7-day period or mail the notice of rescission to the Selling Agent and have the mailing post-marked within the 7-day period.

If the Purchase Agreement does not pertain to the Tenant Purchaser's Residential Unit or is submitted after the expiration of a Tenant Purchaser's exclusive right to purchase, or a Non-Tenant Purchaser submits a signed Purchase Agreement and check for the Down Payment to the Selling Agent or Sponsor, such Tenant Purchaser or Non-Tenant Purchaser, as the case may be, will be notified within thirty (30) days after such submission whether the Purchase Agreement has been accepted or rejected. Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser. Sponsor reserves the right to request thorough identification and financial information concerning any prospective purchaser, subject to any limitations and requirements imposed by law. If the Purchase Agreement is accepted, a fully executed counterpart will be returned to the purchaser by the Selling Agent. If such purchaser receives no response within the 30-day period, his Purchase Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within fifteen (15) days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Condominium Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity. Sponsor shall have the right to reject such Purchase Agreement without cause or explanation to purchaser, provided

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such rejection is not based on sex, race, creed, color, national origin or ancestry or other ground proscribed by Law.

The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective purchaser. Prospective purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control except where such provisions were requested by Purchaser other than a Tenant Purchaser and agreed to by Sponsor.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to at least the sum of ten percent (10%) of the purchase price (the "Down Payment"). All Down Payment checks must be made payable to the direct order of "STROOCK & STROOCK & LAVAN LLP, ESCROW AGENT." All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Residential Unit 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 deed 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. At Closing, each Purchaser is obligated to execute and deliver the Power of Attorney substantially in the form set forth in Part II of the Plan. It shall be a default under the Purchase Agreement if Purchaser fails to deliver the Power of Attorney, which default shall entitle Sponsor to all of its remedies in the event of such default.

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 A RESIDENTIAL UNIT.

After an amendment declaring the Plan effective has been accepted for filing Sponsor will serve Purchasers with notice of the originally scheduled Closing Date at least thirty (30) days prior to the originally scheduled 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, time being

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of the essence, such default, following which Sponsor shall have the remedies set forth above. A Purchaser may waive notice of such Purchaser's 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 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. Notwithstanding the foregoing, no action for specific performance will be brought against a Tenant Purchaser purchasing the Residential Unit in which such Tenant Purchaser resides on the Filing Date of this Plan. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for closing title to all Unsold Residential Units for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled 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 Unit 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 0.03% of the purchase price of the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

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 Unit, Purchaser will become obligated for the payment of Common Charges, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to such Unit Owner's Unit, whether or not the Unit Owner has taken possession of such Unit Owner's Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to the Unit or the Building has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time such

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risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit 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 Unit, 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 Unit. 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 Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit 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 Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Board of Managers"), 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.

The Purchase Agreement to be used by Tenant Purchasers who purchase during any Exclusive Purchase Period will not be modified except by a duly filed amendment to this Plan.

If prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

Escrow and Trust Fund Requirements

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.

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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 a fully executed Purchase Agreement by Purchaser to Sponsor or Selling Agent, in a segregated special escrow account of Stroock & Stroock & Lavan LLP, the escrow agent (the "Escrow Agent"), whose address is 180 Maiden Lane, New York, New York 10038 and whose telephone number is (212) 806-5400. The attorneys who are signatories on this account authorized to withdraw funds are: Brian Diamond, Esq., Melvin Epstein, Esq., Laurence Greenwald, Esq., Lawrence Handelsman, Esq., Thomas E. Heftler, Esq., Lewis Kruger, Esq. and Peter Miller, Esq. Escrow Agent has established a master escrow account at The Chase Manhattan Bank, N.A. at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted] (the "Master Escrow 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. The Chase Manhattan Bank, N.A. 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.

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, ovemight 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.

Acceptance of the Down Payment by Sponsor or Selling Agent and the Down Payment thereof by Escrow Agent into escrow 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.

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

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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 was 1.4% for Down Payments of less than $50,000 and 1.6% for Down Payments of $50,000 or more. Interest will begin to accrue within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) three (3) business days, if the Down Payment is other than cash or cash equivalent, of the transfer of the Down Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Stroock & Stroock & Lavan LLP, 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 and a fully executed Purchase Agreement, 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 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 such Purchaser 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 Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations.

Escrow Agent will hold the Down Payment in escrow until otherwise directed in:

(i) a writing signed by both Sponsor and Purchaser; or

(ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or

(iii) a judgment or order of a court of competent jurisdiction.

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 or rescission contained in the Plan or in an amendment to the Plan or

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(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.

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 escrow accounts to determine compliance with statute and regulation.

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ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable.

EFFECTIVE DATE

The offering of the Units for sale under this Plan by Sponsor is contingent upon this Plan being declared effective. The following provisions will determine whether, and when, this Plan will be declared effective:

1. This Plan may not be declared effective until Purchase Agreements have been executed and delivered for at least fifteen (15%) percent of all Residential Units in the Building, by bona fide tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the Filing Date of this Plan, the Purchase Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

2. After the conditions in the preceding paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.

3. When Purchase Agreements have been executed and delivered for the sale of eighty (80%) percent of all Residential Units in the Building, and all the conditions referred to in the foregoing paragraph 1 have been met, Sponsor must declare this Plan effective.

This Plan will not be declared effective based on Purchase Agreements: (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) assigned or transferred unless all of the procedures in the Section entitled "Procedure to Purchase" have been complied with; or (iii) signed by purchasers who have not been afforded at least three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement or at least seven (7) days to rescind; or (iv) signed by any purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is either a bona fide tenant in occupancy or a bona fide purchaser).

When calculating the fifteen (15%) percent requirement: (i) no more than one Purchase Agreement by the tenant or tenants of a particular Residential Unit will be counted; and (ii) only one Purchase Agreement from any tenant who leases or occupies more than one Residential Unit will be counted.

This Plan will be declared effective either by: (a) written notice to all purchasers and tenants of the Building and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers and tenants; or (b) by duly filed amendment to this Plan. The closing

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of title with respect to any Residential Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

This Plan may not be amended at any time to provide that it shall be an eviction plan.

If this Plan has not become effective within fifteen (15) months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to purchasers not in default under their respective Purchase Agreements, in full, within thirty (30) days thereafter, and all monies forfeited by defaulting purchasers will (in such case) be retained by Sponsor in accordance with the Purchase Agreement (but in no event to exceed 10% of the Purchase Price). In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. Upon the return or retention of the Down Payment, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such purchaser under this Plan or the Purchase Agreement. In the event of abandonment, no new condominium offering plan relating to the Building shall be submitted to the Attorney General for at least twelve (12) months after such abandonment.

Prior to conveying title to the first Residential Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective or the eighty (80%) percent quota and other conditions referred to in the foregoing paragraph 3 are reached and satisfied, respectively. Once this Plan has been declared effective, it may not be abandoned except in the event of: (i) the existence of a defect in title (unknown to Sponsor on the Filing Date of this Plan) which cannot be cured without litigation or cannot be cured for less than 0.5% of the total offering amount; or (ii) the existence of work orders of a mortgagee or violations of record which cannot be removed, performed, cured or complied with for less than 0.5% of the total offering amount; or (iii) a substantial damage to or destruction of the Building or any portion thereof by fire or other casualty which cannot be repaired for less than 0.5% of total offering amount; or (iv) the taking of any material portion of the Property by condemnation, or eminent domain or by other means. There will be no obligation on the part of Sponsor to incur expenses (except to the extent of up to 0.5% of the total offering amount in case of defects in title, casualty losses and violations as aforesaid) or engage in litigation to cure the same. Excluded from the dollar amounts set forth in (i), (ii), or (iii) above are title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Filing Date and either are known to Sponsor or are a matter of public record. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i), (ii), or (iii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. Whether or not this Plan will be abandoned or the expenses incurred will be in the sole discretion of Sponsor.

Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every thirty (30) days until this Plan is declared effective or abandoned, as the case may be, and on the 2nd day before the expiration of any exclusive purchase period provided in an amendment to this Plan, (i) file with the Attorney General, Real Estate Financing Bureau, 23rd Floor, 120 Broadway, New York, New York 10271, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Purchase Agreements executed by bona fide tenants in occupancy or bona fide purchasers who represent

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that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Attorney General shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment, the last day of any exclusive purchase period, the number of bona fide tenants in occupancy and bona fide purchasers who have executed Purchase Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of the Selling Agent and the Attorney General. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for the Closing of Title to all Residential Units as to which Purchase Agreements are outstanding, in accordance with the provisions of the respective Purchase Agreements. See the Section of this Plan entitled "Terms of Sale" for a discussion of the mechanics of Closing of Title to a Residential Unit.

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TERMS OF SALE

The term "Closing" as used herein refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Unit. The Closing to each Unit shall be held at the offices of Sponsor's attorneys, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038 or at such other place as Sponsor may designate on not less than two (2) business days' prior notice. The Closing to each Unit shall take place only after or concurrently with the following events:

a. the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;

b. the recording or filing of the Declaration, By-Laws, Floor Plans in the City Register's Office after approval of same by the Real Property Assessment Bureau of the New York City Department of Finance as required by Section 339-p of the New York Condominium Act or other applicable law and such other documents as may be required by law;

c. either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

d. the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

e. the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

f. if the purchaser of the Unit so requests, the issuance of a title insurance policy or certificate committing to insure fee title to the Unit in the purchaser subject only to the encumbrances set forth in Exhibit A annexed to the form of Purchase Agreement, set forth in Part II of this Plan, which policy or certificate will also insure that a valid condominium has been created pursuant to the Condominium Act. A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of this Plan. For an estimate of the cost to the purchaser of obtaining such title insurance, see the Section entitled "Closing Costs and Adjustments," and

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g. the execution and delivery by Purchaser of the Unit Power of Attorney, the form of which is set forth in Part II of the Plan.

The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. All personal property located within a Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed that is owned by Sponsor is included in the conveyance unless specifically excepted in the Plan. Sponsor will maintain the Building and the Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Unit shall cease upon the Closing of Title of such Unit, except for repairs which Sponsor was obligated to make prior to the closing of title. Each purchaser will be given a reasonable opportunity to examine the Unit prior to closing, subject to the rights of any tenant or occupant of such Unit, and is urged to make a careful inspection thereof.

If prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted a Purchase Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

If the Purchaser is or becomes the tenant or occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

In the event of the existence of any lien or encumbrance other than Permitted Encumbrances, the sole remedy of Purchasers under the Plan will be to rescind their respective Purchase Agreements within fifteen (15) days after receipt of notice or an amendment disclosing such lien or encumbrance. A Purchaser electing to proceed with the purchase of a Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects, except as set forth in the Section of the Plan entitled "Effective Date."

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The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (ii) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL §352-e to survive delivery of the deed.

Upon the Closing of Title to a Unit a Purchaser will thereupon become obligated for the payment of Common Charges, taxes or other assessments charged against the Unit to the Condominium Board (whether or not such Purchaser taken possession of the Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

The existing lease of a tenant who has purchased a Residential Unit will be terminated as of the Closing of Title to such tenant's Residential Unit, and such tenant will not have any rights afforded by nor be subject to, the Rent Laws or the GBL.

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CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Units. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

(a) Purchaser will pay a contribution to the working capital fund of the Condominium in an amount equal to one (1) month's Common Charges then applicable to each Unit being purchased.

(b) If Purchaser elects to obtain fee title insurance from Commonwealth Land Title Insurance Company, having an office at 655 Third Avenue, New York, New York 10017, Tel: (212)949-0100, Fax: (212)983-8430 or Lex Terrae Ltd., as agent for Stewart Title Insurance Company, having an address at 331 Madison Avenue, New York, New York 10017 (tel: (212)599-1300; Fax (212) 983-2791), Purchaser will pay the premium therefor, which will vary depending upon the purchase price of the Unit. If ordered from Commonwealth Land Title Insurance Company, the premiums as of the date of this Plan will be discounted by reason of the initial sale of the Unit by Sponsor. The discounted premium for owner's title insurance is seventy percent of the sum of $371 for the first $35,000 of fee insurance plus from $6.16 to $2.55 for each $1,000 of additional fee insurance or fraction thereof depending on the amount of insurance. Mortgage title insurance rates are similarly discounted and are seventy percent of the sum of $318 for the first $35,000 of coverage plus from $5.13 to $2.13 for each $1,000 of additional mortgage title insurance or fraction thereof depending on the amount of insurance. Commonwealth Land Title Insurance Company will insure lenders at additionally discounted simultaneous rates if a fee policy and mortgage policy are both obtained by Purchaser.

(c) If a Purchaser obtains title insurance from a title insurance company other than Commonwealth Land Title Insurance Company and Sponsor incurs additional legal fees and expenses as a result of the requirements of such title insurance company, the Purchaser will reimburse Sponsor at closing for the amount of such additional legal fees and expenses so incurred.

(d) Purchaser will pay a fee for recording the Unit Deed and Unit Power of Attorney, being $42.00 for each deed and $17 for each additional instrument plus $5.00 per page as collected by Commonwealth Land Title Insurance Company (each title company establishes its own additional service and surcharges in this regard).

(e) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s); alternatively, Sponsor may require, in sole discretion, that a Purchaser, who is financing the purchase of said Unit with a purchase money loan secured by a mortgage (the "Purchase Money Mortgage"), must cause the lender making such loan to accept

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from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, the Purchase Money Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

(f) Purchaser will pay the New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Residential Unit is one (1%) percent of the purchase price of a Unit $500,000 or less (1.425% of the purchase price if over $500,000) and for the purchase of a Professional Unit, the RPT Tax is 1.425% of the purchase price of a Unit $500,000 or less (2.625% of the purchase price if over $500,000), and the New York State Real Estate Transfer Tax ("NYS Tax"), presently $2.00 for each $500.00 (or part thereof) of the purchase price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

(i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.

(ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.

(iii) Add the tentative taxes to the purchase price.

(iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.

(v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = $510,000

(1)	$510,000.00 x 1.425%	=	$ 7,267.50
(2)	$510,000.00 x .4%	=	$ 2,040.00
(3)	$510,000.00 + $9,307.50	=	$519,307.50
(4)	$519,307.50 x 1.425%	=	$ 7,400.13
(5)	$519,307.50 x .4% (rounded up)	=	$ 2,078.00

Where a purchaser purchases two or more Residential Units, the NYC RPT Tax rate where the consideration is $500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of $500,000 will be 2.625%. The City of New York Department

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of Finance has recently taken the position that the consideration for the transfer of each Unit is not aggregated for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the purchase of multiple Units by the same purchaser.

(g) If the purchase price of the Residential Unit is $1,000,000 or more, Purchaser will pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," which is currently one (1%) percent of the purchase price.

(h) The legal fees of Sponsor's attorneys in the amount of $1,000 will be payable by a purchaser to Stroock & Stroock & Lavan LLP. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Unit: If the Purchaser requests the Closing to occur other than at the offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate 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. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $1,000, payable in advance, for preparation of an assignment agreement. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit. In addition to an attendance fee in connection with a completed Unit transfer, Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser's failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor's attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

(i) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages secured by Residential Units which are under $500,000 is $2.00 for each $100 of principal and such tax for mortgages in the amount of $500,000 or greater is $2.125 for each $100 of principal. This tax is reduced for Residential Units in both instances by $25.00 if the mortgage principal exceeds $10,000. The mortgage recording tax for mortgages secured by the Profession Units which are under $500,000 is $2.00 for each $100 of principal and such tax for mortgages in the amount of $500,000 or greater is $2.75 for each $100 of principal. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the

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extent of any mortgage tax credit allowed. In addition, where a Purchaser obtains a mortgage loan, the Purchaser will be responsible for all costs associated therewith, including, without limitation, costs incurred in connection with the mortgage application, bank's attorney, survey, appraisal, credit report and points.

In addition to the above-specified costs and expenses, a mortgage on a Unit may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Unit Owner will pay a pro rata share (in the proportion that such Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges. (please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Condominium Board will pay such taxes either to the Finance Administration of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay such Unit Owner's pro rata share as set forth above, the Condominium Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection "Common Charges: Collection and Lien for Non-Payment, Attachment of Rent" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled 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 Unit 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 0.03% of the purchase price of the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Units, including, but not limited to, all selling expenses and

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commissions payable to Selling Agent for the initial sale of Units pursuant to this Plan, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor (see the Section entitled "Rights and Obligations of Sponsor.")

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RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of the Condominium

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Purchase Agreement as Exhibit A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, by the First Closing or within a reasonable time thereafter, except that Sponsor shall have no obligation to cure, remedy, or remove any such encumbrances if the same cannot be accomplished at an aggregate cost and expense of up to 0.5% of the total offering amount (including attorneys fees and disbursements). The existence of any such encumbrances will not constitute an objection to title or excuse any purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to the Title Company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by the Title Company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect. If the aggregate cost and expense of curing, remedying and removing all such encumbrances exceeds 0.5% of the total offering amount and Sponsor elects not to accomplish the same, Sponsor shall abandon and withdraw this Plan in accordance with the terms of the Section entitled "Effective Date."

Immediately following the recording of the Declaration, all assignable service and maintenance contracts and agreements relating to the Units and/or the Common Elements will be assigned to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

Sponsor's Obligations with Respect to Asbestos

In accordance with the provisions of 13 NYCRR 23.7(cc), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM in the Building (the "Asbestos Report"). A copy of the Asbestos Report is set forth in Part II of this Plan. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not intend to perform any such remedial work.

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Real Property Law §339-kk

A new subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant unit owner of a residential unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's units.

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a Condominium owned by a sponsor or by any other non-occupant unit owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such unit may become directly payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant unit owner. Where a majority of the Condominium Board has been elected by unit owners who are in occupancy of their respective units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the common charges, assessments and late fees of the non-occupant unit owner have been brought current, the Condominium Board must notify the non-occupant unit owner and tenant within three (3) business days and thereafter the tenant will be payable to the non-occupant unit owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying unit owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant unit owner who disputes a Condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the Condominium Board, which must be held within thirty (30) days after receipt of notice that the unit owner seeks to dispute the Condominium's claim.

Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk 's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the unit, or whether RPL §339-kk 's enactment or compliance therewith by a tenant constitutes a default by the unit owner under said loan, (ii) RPL §339-kk 's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after

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notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant (i.e., does failure constitute a waiver of the Condominium's rights?), or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant unit owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective purchasers should review RPL §339-kk to determine its effect on their own situation.

Easements

Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building 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 on the roofs and facade of the Building and elsewhere on the Common Elements and 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 Professional Units or with the use of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor, its assignee or licensee for its own account or the account of any licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof, the facade of the Building or any other portion of the Common Elements by Sponsor, its assignee or licensee shall be the exclusive property of Sponsor, its assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

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General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of purchasers under their respective Purchase Agreements. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations respect to the Unsold Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Units and rental income from Non-Purchasing Tenants. Sponsor makes no representations or warranties other than as set forth in this Plan. The obligations of Sponsor under this Plan and Article 23-A of the General Business Law shall survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan.

Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan.

Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B. Please refer to the Section of the Plan entitled "Terms of Sale" for a discussion of Sponsor's obligations to repair damage from a casualty or other causes prior to the closing of title to a Unit.

Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions or to indemnify the Condominium Board or Unit Owner(s) in any such action or proceeding as is required by law.

Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of ten (10) or more Units or twenty percent (20%) of the Units in the Condominium, which ever is less, in connection with Sponsor's liquidation of its interest in the Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable law or regulations and in the event of dissolution or liquidation, the principals of Sponsor shall guarantee the performance of such obligations.

Sponsor will cause the Condominium Board to maintain the Property in substantially the same condition and manner as on the date of presentation until Sponsor no longer controls the Condominium Board.

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All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit will survive delivery of the deed.

Leasing and Use of Unsold Units

Sponsor reserves the right, prior to the date of closing title thereto, to rent or lease any Unit for such rent and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Down Payment required by the Purchase Agreement, provided that no occupancy may commence until a temporary Certificate of Occupancy has been obtained for such Unit. Any such lease or use and occupancy agreement will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease or use and occupancy agreement will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease or use and occupancy agreement in accordance with applicable law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a lease or use and occupancy agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. Sponsor anticipates that the lease or use and occupancy agreement for a Residential Unit will not be subject to governmental regulation as it is expected that such Residential Units will be deregulated as high rent housing accommodations pursuant to the provisions of the RRRA or the Rent Regulation Reform Act of 1997.

Sponsor or its designee further reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Unit not yet conveyed or to withdraw Units from the market and residents of the Condominium may be comprised of both Unit Owners and tenants. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy other than interim leases with such Purchaser or other leases or rights of occupancy of such Unit which Sponsor agreed to enter into at the request of the Purchaser of such Unit.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and rental offices and model apartments for the Building and any other building in which principals of Sponsor have an interest. In the event Sponsor or its designee thereafter elects to sell any such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings,

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equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit.

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CONTROL BY SPONSOR

Sponsor shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor. At all elections held during the period ending on the earlier of: (i) the Closing of Title with purchasers under this Plan to Units having more than fifty (50%) percent of the aggregate Common Interests appertaining to all Units, or (ii) five years after the First Closing (the "Initial Control Period"), Sponsor may control the Condominium Board.

After the Initial Control Period, Sponsor as owner of Unsold Units, shall not designate and cast its votes for more than two (2) members of the Condominium Board; provided, however, that after the Initial Control Period, Sponsor shall have the right to designate the following minimum number of members of the Condominium Board representing the Unit Owners: (a) two members, for so long as the Common Interests attributable to the Unsold Units equal, in the aggregate, less than 50% but more than 15% of the Common Interests of all Units; (b) one member, for so long as Sponsor owns at least one Unsold Unit.

Notwithstanding anything to the contrary set forth above, Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses as more fully described below. The Condominium Board may not, without the consent of Sponsor, reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as may be otherwise required by law.

Within thirty (30) days after the Initial Control Period, the applicable number of members of the Condominium Board which were designated by Sponsor shall resign and their replacement shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners (excluding members designated by Sponsor) at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for members of the Condominium Board who are not nominated or designated by Sponsor. The number of members of the Condominium Board representing the Unit Owners may not be increased without the consent of Sponsor as owner of the Unsold Units for so long as there remain two Unsold Units.

Until Sponsor no longer designates a majority of the members of the Condominium Board, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

The Condominium Board shall initially consist of the three (3) members. The Condominium Board will call for a special meeting of the Unit Owners to elect a new Condominium Board (the "First Annual Meeting") no later than one hundred and eighty (180) days after the First Closing, unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of

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the Units.. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after the sending of the notice. Commencing with the First Annual Meeting, the Condominium Board shall consist of five (5) persons. The number of Condominium Board members and the number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

Until Sponsor or its designee has conveyed title to seventy-five (75%) of all the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing 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, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) 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 Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

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BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially be comprised of three (3) members. Initially, the Condominium Board members shall be designated by Sponsor. On or before the date which is one hundred and eighty (180) days after the First Closing, the Condominium Board will call for the First Annual Meeting of Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date, unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of the Units. At the First Annual Meeting, the incumbent Condominium Board shall resign and the Unit Owners (including the Professional Unit Owners) shall elect a new Condominium Board consisting of five (5) members. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Condominium Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. The number of Condominium Board members and the number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

Except for Board members designated by Sponsor or its designee, all members of the Condominium Board must be either Residential Unit Owners or Professional Unit Owners or certain parties (e.g. directors, shareholders of Unit Owners) as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such Unit Owner's term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation.

Until Sponsor or its designee has conveyed title to all the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing 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, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) 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 Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. All other determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

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As more fully set forth in the By-Laws all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Unit Owners shall elect the five member Condominium Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting of the Condominium to all Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than thirty (30%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to such Unit Owner's Unit or Units.

The principal officers of the Condominium Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The initial members of the Condominium Board shall be Ziel Feldman, Kevin Maloney and Elliott P. Joseph who shall serve as President, Vice President and Treasurer and Vice President and Secretary of the Condominium Board respectively. Each of these individuals is a principal of or is affiliated with Sponsor or its principals. The Condominium Board may appoint additional officers. Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium Board are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board.

The term of office of the members of the Condominium Board shall be for one year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Condominium Board designated or elected by the Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Condominium Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such Unit Owner's term of office, said

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member shall cease to be a Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Unit ownership and Condominium Board membership shall not apply to members of the Condominium Board designated by Sponsor or its designee.

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

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 (except in their capacities as Unit Owners). Condominium Board members shall have no liability to Unit Owners except that a Condominium Board member shall be liable for such Unit Owner's own bad faith or willful misconduct. All 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, Sponsor, Sponsor's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

All officers, Board members and employees of the Condominium will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium. The amount and cost of the bonds has been provided for in the projected budget for the first year of Condominium operation contained in Schedule B.

Generally, subject to certain exceptions concerning, among other things, Sponsor, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Professional Unit Owner(s), with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Professional Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Professional Unit Owner, (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration 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 Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any

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Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit.

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RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease such Unit Owner's Residential Unit provided such Unit Owner (the "Transferor") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within twenty days after receipt of the offering Residential Unit Owner's notice, the Transferor will have an additional sixty days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of Residential Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Residential Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease approved by the Condominium Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Condominium Board.

A Residential Unit Owner may lease, sell or convey the Residential Unit to a spouse, adult child or grandchild, parent, grandparent or adult sibling, may convey such Unit Owner's Residential Unit by gift, may devise such Unit Owner's Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall be subject

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to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board. Such restrictions shall also be inapplicable to the Professional Units, whether owned by Sponsor or its designee or by any subsequent owner or by any mortgagee, and, subject to compliance with applicable laws and governmental regulations, if any, the Professional Unit Owners shall be free to sell, lease, mortgage or otherwise transfer or hypothecate all or any part of the Professional Units.

A Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, (a) such Unit Owner's undivided interest in the Common Elements, (b) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Residential Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing such Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

Use of Units

Residential Units shall be used only as a residence (except as described below). The Condominium Board, may in its sole discretion, permit a Residential Unit to be used for other purposes provided such use is permitted by law, does not violate the then existing Certificate of Occupancy and complies with all applicable governmental regulations.

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Condominium Board (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest.

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Each Unit Owner shall 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 Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent.

The current zoning law permits a person who resides in a Residential Unit to use up to 25% of the floor area of such Unit Owner's Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Residential Unit, except in Unsold Units, as permitted by law.

The Professional Units may be used for any lawful purpose. At the present time such use is confined to doctors offices. Sponsor makes no representations regarding whether any other intended use will be in accordance with law and any purchaser of a Professional Unit is urged to consult with counsel regarding the proposed usage of such Professional Unit. No income derived from any use of the Professional Units will constitute income to the Condominium Board or Residential Unit Owners.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Condominium or 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 sole expense of the respective Unit Owners or Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units. The Professional Unit Owners shall be permitted to place signs on a portion of the interior of the windows of the Professional Unit advertising the operation of the business or occupation performed in such Professional Unit; provided, however, that such signs may not entail the use of flashing, blinking, neon or animated signs or lights.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Condominium Board. No radio or television aerial, satellites or other similar device shall be erected by Unit Owners on the roof or exterior walls, windows or terraces of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

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 a Residential Unit without the consent of the Condominium Board or the Managing Agent. In no event will a Residential Unit Owner be entitled to maintain more than two (2) pets in any Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit will be required to abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board governing the maintenance of such pets and indemnifying and holding harmless the

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Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.

Each Unit Owner shall keep such Unit Owner's Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair such Unit Owner's own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board in accordance with the By-Laws provided that copies thereof are furnished to Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Professional Units or Unsold Units may be made unless agreed to by the Professional Unit Owners or Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

Each Residential Unit Owner may mortgage such Unit Owner's Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, or such other form customarily used by lenders making loans secured by individual residential units, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against such Unit Owner's Unit, other than Permitted Mortgages. The Professional Unit Owners shall have the right to mortgage any Professional Unit without any restriction or limitation.

In certain instances the consent of the Residential Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners are included in their Common Charges, and are allocated among Unit Owners in proportion to their respective Common Interests. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon floor space, subject to the location of such space and the 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 particular Unit. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and Limited Common Elements. Common Expenses may include amounts for certain other items as the Condominium Board may deem proper, such as

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amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees will be determined by the Condominium Board.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Unit Owner(s) in proportion to the amount of time Sponsor and each Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Unit Owners. See the Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Residential Units by individual Unit Owners.

At least annually (a) the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet such Common Expenses.

The Condominium Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board to which they are payable, Common Charges will be payable monthly in advance on the first day of each month.

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Common Charges: Collection and Lien for Non-Payment; Payment of Rent to Condominium Board

Under the provisions of the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on any Unit, for Common Charges unpaid to it by the Unit Owner thereof, All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien.

No Unit Owner may exempt himself from liability for such Unit Owner's Common Charges by waiving use of any of Common Elements or by abandonment of such Unit Owner's Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying such Unit Owner's Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, exempt himself from Common Charges thereafter accruing.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to such Unit Owner's acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement (an "Estoppel Letter") from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser 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 such statement. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration) acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

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A new subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant unit owner of a residential unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's units. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" under the subsection entitled "Real Property Law §339-kk" for further details.

RPL §339-jj-Borrowing by Board of Managers

A new subsection jj to Section 339 of the Real Property Law ("RPL"), was enacted into law on August 26, 1997 and authorizes the Condominium Board to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, in or to any Unit (other than to the Common Elements included therein), including the individual cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense and in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Unit Owners as Common Expense.

Notwithstanding the above, all normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to same, at such Unit Owner's own cost and expense, but any structural repairs to such Terrace (including any structural repairs giving rise to leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Any Residential Unit Owner having access to a Terrace shall keep it free of snow, ice and accumulation of water, to the extent same would cause damage to the Building. In accordance with the By-Laws, the Condominium Board may require a Residential Unit Owner to remove plantings, roof surfaces and other installations on such Unit Owner's Terrace, if the Condominium Board, in its reasonable discretion determines that such plantings and other installments adversely affects the integrity of the roof.

The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. The exterior glass surfaces of all windows in the Building may, at the option of the Condominium Board, be washed and cleaned by the Condominium Board and the cost thereof shall be a Common Expense; otherwise Unit Owners shall be obligated to clean such windows at their own cost and expense. Any replacement of glass windows in any Unit because of breakage or

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otherwise shall be made by the Condominium Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Condominium Board.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof 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 or Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep such Unit Owner's Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section entitled "Rights of Access.") A Unit Owner shall not permit excessive noise or vibrations to emanate from the Unit.

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or Board.

In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Residential Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement or repair in or to such Unit Owner's Unit without the prior written approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Condominium Board. The Condominium Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Condominium Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

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No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board or, if required, by the Condominium Board. The Condominium Board (or the Condominium Board) will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board, the Condominium Board and the Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Condominium Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Professional Units and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the Condominium Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Unit Owner upon acquisition of the Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Generally all alterations or improvements in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

The Professional Unit Owners, with the consent of the Condominium Board, not to be unreasonably withheld or delayed, may make any alteration, addition, improvement or repair in or to any Professional Unit provided that the work is performed by the Professional Unit Owners in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. Sponsor, without the consent of the Condominium Board, may make any alteration, addition, improvement or repair in or to any Unsold Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Unit or Professional Unit or operation of any

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business of a tenant or occupant of the Professional Units including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Local Law 38

Local Law 38 of 1999 ("Local Law 38") affects apartments built before 1960 in New York City. Under Local Law 38, where an owner has notice that a child under the age of six resides in the apartment, the owner must conduct annual inspections for peeling paint and deteriorated surfaces. An owner must abate and repair peeling paint, smooth all bare floors and repair deteriorated sub-surfaces and binding doors and windows, whenever the foregoing inspection reveals such conditions or an apartment becomes vacant. The existence of a lead paint hazard is a Class C immediately hazardous violation. For purposes of compliance with Local Law 38, Unit Owners are each deemed the "owner" of their respective Units. The foregoing requirements would apply whenever a Unit Owner rents such Unit Owner's Unit or sells the Unit to a party other than the party residing in such Unit. Local Law 38 was recently overturned by a state Supreme Court judge who found that the City Council did not follow proper environmental review procedures before passing the statute. The City of New York may appeal the decision. Sponsor makes no representation whether Local Law 38 will be upheld upon appeal, whether the City of New York will adopt another local law dealing with lead based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 38 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agents, managers, superintendents and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Building.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to

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comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board, will, except as set forth below, arrange for the prompt repair and restoration thereof.

If the Building is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds 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 reduce unpaid liens on such Unit Owner's Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

Unless the Unit Owners have elected not to restore the Building as provided below, damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements for which the repair or reconstruction is the obligation of the Condominium Board. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment.

If three-fourths or more of the Building is destroyed or substantially damaged and if 75% 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, 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 all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to $1,000,000 or less. In the event that

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such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

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) fire 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, the Condominium Board 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); (b) rent insurance in an amount equal to 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 the Condominium Board and all officers, directors and employees of the Condominium; (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 fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium, (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, exclusive to such Unit Owner's Unit. The Condominium Board shall review such limits not less

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than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines. The premiums for all insurance referred to above shall be a Common Expense.

The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. Pursuant to the By-Laws, each Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the apartment or any part thereof, with minimum combined single limits of liability of $300,000 for bodily injury or death arising out of any one occurrence including $300,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time.

Liability of Board of Managers and Unit Owners

Every contract made by the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners or Unit Owners, as the case may be, and (ii) to the extent permitted by law, unless otherwise determined by the Condominium Board in its sole and absolute discretion, such Unit Owner's interest in such Unit Owner's Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Condominium Board member, as the case may be, 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, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within four months after the end of each fiscal year.

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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 provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Residential Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Units Acquired by Condominium Board

All Units acquired or leased by the Condominium Board or its designees shall be held by the Condominium Board, or its designee, on behalf of all Unit Owners, and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Unit Owners. No Units held by the Condominium Board shall carry any voting rights.

The purchase of any Unit by the Condominium Board or its designees, on behalf of the Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner, as the case may be, in proportion to such Unit Owner's respective Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

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Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of such Unit Owner's Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The Professional Unit Owners will have the right to commence certiorari proceedings on their own at their sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the Common Elements.

Easements and Name of Condominium

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use the Common Elements provided that such easements 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 Professional Units or with the use of the Residential Units for their permitted purposes. Sponsor, shall have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Property and elsewhere on the Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

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As set forth in the Declaration, the Condominium and the Building shall be designated and known as "The Hermitage Condominium." Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of the Condominium Board or Unit Owner.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

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REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay his pro rata share (in the proportion that his Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Bureau of the City of New York. Under current New York State law, increases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase in the assessed value during such 5 year period resulting from a still higher market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of such assessed value on which taxes are computed each year is called the "transitional assessed valuation." The tax rate and assessed valuations for the 1999/00 and subsequent Tax Years are as follows:

Tax Year	Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation
1999/00	$10.851	$3,256,200	$4,113,000
2000/01	$10.851	$3,518,100	$3,951,000
2001/02	$11.000*	$3,907,800**	$4,590,000**

* Estimated
** Tentative

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate, or (iii) an increase in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of

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the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

The estimated real estate taxes for each Unit for the first year of condominium operation following the First Closing assumes that the amount of real estate taxes payable with respect to each Unit will be levied in the proportion that its Common Interest bears to the Common Interests of all Units as set forth on Schedule A. There is no assurance that the New York City taxing authority will allocate taxes among Units in proportion to their respective Common Interests. Accordingly, owners of Units having the same or similar purchase prices may pay different amounts of real estate taxes. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest.

The New York City real estate taxes for the first year of condominium operation following the First Closing for the Property are estimated to be $429,858 which is based upon the opinion of Jerome Mazursky dated January 24, 2001, which estimated that (i) the transitional assessed valuation for the 2001/2002 tax year would be $3,907,800 and (ii) an estimated a tax rate for the 2001/2002 tax year of $11.00 per $100 of assessed valuation.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE WILL NOT BE CHANGED.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the residential portion of the Property during the first year of Condominium Operation, or (iii) of the tax rates in effect during the first year of Condominium operation.

The By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

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INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Stroock & Stroock & Lavan LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

STROOCK & STROOCK & LAVAN LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT SUCH UNIT OWNER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes.

Each Residential Unit Owner will own such Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Unit Owner's Residential Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Stroock & Stroock & Lavan LLP that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and to the overall allowance of itemized deductions.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Professional Unit Owners or in connection with the provision of laundry facilities, and interest earned on any reserve funds (less expenses directly connected with the production of such income). Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly

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does not budget any amounts for taxes for nonmembership or membership income but does budget for certain minimum taxes that might be due.

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Stroock & Stroock & Lavan LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Stroock & Stroock & Lavan LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

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ATTORNEYS INCOME TAX OPINION OF STROOCK & STROOCK & LAVAN LLP

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STROOCK & STROOCK & LAVAN LLP

180 MAIDEN LANE
NEW YORK, NY 10038-4982

PHONE 212-806-5400
FAX 212-806-6006

June 26, 2000

41 West 72 LLC
c/o Property Markets Group
130 East 57th Street, 5th Floor
New York, New York 10022

Re: Condominium Offering Plan
The Hermitage Condominium (41 West 72nd Street)
(the "Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the Residential Units for their own residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences (i) of ownership of any Unsold Residential Units, any Residential Unit that is used for commercial or mixed residential/commercial purposes, or any Units other than the Residential Units (such as the Professional Units), (ii) of any rebates or other payments that may be made, or benefits provided, to owners of Residential Units, or (iii) of ownership of the Unit purchased for use by the Resident Manager. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State

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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 Residential Units will acquire their Residential Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Residential Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal residence will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and/or various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return), or (ii) is any

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indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed $100,000 ($50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers 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 Residential Units.

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the

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election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds or income from the provision of laundry facilities (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Plan and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2001 (the "2001 Taxable Year"), (ii) the actual gross income and expenditures of the Condominium for the 2001 Taxable Year are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium's first year of operations, as set forth in Schedule B to the Plan, (iii) the Common Charges provided for in Schedule B to the Plan are properly allocated to the owners of the Professional Units and the Residential Units in the same manner in which the projected annual common charges are apportioned among such units in Schedule A to the Plan, (iv) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (v) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2001 Taxable Year.

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Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners, the Condominium Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Condominium Board collecting such charges. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

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We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Stroock & Stroock & Lavan LLP, the Condominium Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Residential Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Stroock & Stroock & Lavan LLP

STROOCK & STROOCK & LAVAN LLP

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OPINION REGARDING REAL ESTATE TAXES

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

January 24, 2001

41 West 72 LLC
c/o Property Markets Group
130 East 57th Street
New York, N.Y. 10022

Attention: Elliot Joseph, Esq.

Re: The Hermitage Condominium
41 West 72nd Street, Manhattan

Gentlemen:

The purpose of this letter is to update our May 19, 2000 Real Estate Tax Estimate for the above-captioned property. The newly released tentative assessed valuations, which will affect the real estate taxes beginning July 1, 2001, are as follows:

2001/02	Land	Total
Actual:	$2,340,000	$ 4,590,000
Transitional	$1,962,000	$ 3,907,800

Assuming the 2001/02 tentative values are finalized, our estimate of the first year's tax liability of the condominium, as stated in paragraph 6 of our May 19, 2000 report will change. The estimated tax liability for the year beginning July 1, 2001 is $429 858.

7/1/01- 6/30/02
$ 3,907,800 x .11 = $429,858

Please call me if you have any questions regarding this letter.

Very truly yours,

Jerome Mazursky, MAI, CAE

Real Estate Tax Estimate

for the

The Hermitage Condominium

41 West 72nd Street

New York, New York

Prepared for:
41 West 72 LLC
c/o Property Markets Group
130 East 57th Street
New York, N.Y. 10022

May 19, 2000

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The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

May 19, 2000

41 West 72 LLC
c/o Property Markets Group
130 East 57th Street
New York, N.Y. 10022

Re: The Hermitage Condominium
41 West 72nd Street, Manhattan

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by 41 West 72 LLC to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after conversion to condominium status;

THAT in estimating the assessed valuation of the Hermitage Condominium, I am aware of current rental income and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly converted condominium buildings. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

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I have discovered the following:

1) The subject is a sixteen-story and penthouse, fireproof, residential rental building (D3) located at 41-47 West 72nd Street in the Borough of Manhattan. The building contains 130 units. It is currently identified on the city's tax records as Block 1125 Lot 5.

The site has 100' frontage on the northerly side of West 72nd Street and extends 102' 2" in depth. It is rectangularly shaped and contains 10,217 square feet of ground area.

2) The sponsor has no plans to make any substantial change to the property. The building contains the following approximate square foot areas and uses:

FLOOR	AREA	USE
Cellar	7,500	Boiler, Storage, Mechanical Rooms and Laundry Rm.
Ground	5,956	Lobby, 7 Apartments [1]
2	6,264	8 Apartments
3	6,264	7 ½ Apartments
4	6,264	7 ½ Apartments
5	6,264	8 Apartments
6	6,264	8 Apartments
7	6,264	8 Apartments
8	6,264	8 Apartments
9	6,264	8 Apartments
10	6,264	8 Apartments
11	6,264	8 Apartments
12	6,264	8 Apartments
13	6,264	8 Apartments
14	6,264	8 Apartments
15	6,264	8 Apartments
16	6,264	8 Apartments
PH	4,000	4 Apartments

1. Of which, three are occupied as professional offices.

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3) The property is currently assessed in Tax Class 2. After establishment of condominium status, the professional office units will be assessed in Tax Class 4, whereas the residential units will continue to be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 2 is comprised of residential rental, cooperatives or condominiums with 11 or more units. Tax Class 4 includes most properties other than residential. The City's assessment ratio policy for Tax Classes 2 and 4 properties is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but, except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The Class 2 tax rate for 1999/2000 is $10.851 per $100. Future tax rates will be determined by the City Council. Based upon present factors and past trends, I estimate the Class 2 tax rates for 2000/01 and 2001/02 at $11 per $100.

4) The recent history of assessed valuation of 41 West 72nd Street is as follows:

1999/00	Land	Total
Actual:	$ 1,890,000	$ 4,113,000
Transitional:	$ 1,764,000	$ 3,256,200

2000/01	Land	Total
Actual:	$ 1,890,000	$ 3,951,000
Transitional:	$ 1,818,000	$ 3,518,100

5) It is my judgment that after conversion to condominium status, the assessed valuation of the property will be as follows:

2001/02	Land	Total
Actual:	$ 1,890,000	$ 4,200,000
Transitional:	$ 1,872,000	$ 3,829,300

6) The tax liability during the first year of operation beginning July 1, 2001, is estimated at at $ 421,223.

7/1/01- 6/30/02		
$ 3,829,300[2] x .11[3]	=	$ 421,223

2. Estimated taxable assessed valuation.
3. Estimated tax rate

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Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in proportion to the relative value of their space as indicated by the Offering Plan prices.

7) The co-op/condominium real estate tax abatement law, that over the past three years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, was recently renewed by the state legislature for the 1999/2000 and 2000/2001 tax years. The legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If the abatement is granted, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2000. For the purposes of this letter, we are assuming that the law will be renewed for tax year 2001/02 and beyond, although there can be no guarantee that such renewal will take place.

8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that predicted above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky, MAI, CAE

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The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

JEROME MAZURSKY, MAI, CAE
President

NYS Certified General R.E. Appraisers
46000001594

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.
Real Estate Courses

Appraising I, II	CUNY
Advanced Assessing	Cornell University
Appraising Problems	University of Connecticut
Computerized Mass Assessing	I.A.A.O.
Various Appraisal Courses	Appraisal Institute

PROFESSIONAL DESIGNATIONS

MAI	(Member of the Appraisal Institute)
CAE	(Certified Assessment Evaluator, IAAO)
IAO	(Institute of Assessing Officers, NYSAA)

EMPLOYMENT

1973-1980	Assessor - Manhattan
1978	Interim Acting Tax Commissioner for Staten Island
1981-1982	Assistant Commissioner (in charge of the Real Property Assessment Division of the Department of Finance)
1982-Present	Fee Appraiser / Real Estate Tax Consultant

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers
N.Y.S. Association of Assessors
Appraisal Institute
Rho Epsilon - Real Estate Fraternity
American Arbitration Association
Lambda Alpha

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"
Assessment Digest, July 1979
The Valuer's Line, May 1980

Book Review of "You Can Get Your Real Estate Reduced"
Real Estate Review, Spring 1980

"Reflections of an Acting Tax Commissioner"
Real Values, September 1978

"Real Estate Taxes and the Review Process"
C.P.A. Journal, July 1981

"The New Real Estate Tax in New York City"
C.P.A. Journal, July 1982

"Battling Taxes From a Different Vantage Point"
Real Estate Weekly, December 28, 1988

"Forecast of Real Estate Taxes in NYC"
Real Estate Weekly, January 1990

"Real Estate Tax Burden Shifting in New York"
REW - Review & Forecast, July 25, 1990

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties include:

Citicorp Building
The Apthorp Apartments
Hotel Pierre
General Motors Building
Proctor & Gamble Industrial Plant
Seagram Building
800 Fifth Avenue
Delmonico Apartments
Union Carbide Building
Mobil Building

The Appraisal Institute conducts a voluntary program of continuing education for its designated members. MAI's and SRA's who meet the minimum standards of this program are awarded periodic educational certification. I am currently certified under this program.

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339-i OPINION OF STROOCK & STROOCK & LAVAN LLP

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STROOCK & STROOCK & LAVAN LLP

180 MAIDEN LANE
NEW YORK, NY 10038-4982

PHONE 212-806-5400
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June 27, 2000

41 West 72 LLC
130 East 57th Street, 5th Floor
New York, New York 10022

Re: The Hermitage Condominium
41 West 72nd Street
New York, New York 10024 (the "Condominium")

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by NYCRR Section 23.3(aa)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Douglas Elliman as set forth in its opinion contained in the Plan as required by NYCRR Section 23.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Douglas Elliman.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the 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 particular Unit.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Stroock & Stroock & Lavan LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

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We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

STROOCK & STROOCK & LAVAN LLP

Stroock & Stroock & Lavan LLP

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RESERVE FUND

The New York City Council enacted Local Law No. 70 which amends Chapter 51 of the Administrative Code of the City of New York (the "Reserve Fund Law"), the full text of which is set forth in Part II of this Plan. The Reserve Fund Law requires the sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund (the "Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. The Reserve Fund shall be in addition to the Working Capital Fund to be provided by Sponsor.

Sponsor shall, within thirty (30) days after the First Closing, establish and transfer to the Condominium Board, a Reserve Fund in an amount equal to either:

(i) three (3%) percent of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the Effective Date of this Plan regardless of the number of sales made (the "Total Price"), or

(ii) (A) three (3%) percent of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the Effective Date of this Plan, provided, however, that if such amount is less than one (1%) percent of the Total Price, then the Reserve Fund shall be established as a minimum of one (1%) percent of the Total Price; plus

(B) supplemental contributions to be made by Sponsor at a rate of three (3%) percent of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the Effective Date of this Plan and within five (5) years of the First Closing notwithstanding that the total amount contributed may exceed three (3%) percent of the Total Price; and provided, further, that if five (5) years from thirty (30) days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than three (3%) percent of the Total Price, Sponsor shall pay the difference between the amount contributed and three (3%) percent of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within thirty (30) days of each sale of a Residential Unit under this Plan.

The Reserve Fund may not be reduced by closing adjustments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of capital replacements begun after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Such credit may not exceed the lesser of the actual cost of the capital replacements or one (1%) percent of the Total Price.

The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than two (2%) percent of the Total Price. No purchaser will be entitled to rescind his Purchase Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

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The Reserve Fund Law also requires Sponsor not later than the 30th day following the Filing Date of this Plan and until the +First Closing to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance. Sponsor hereby designates the management office at the Building where such listing will be made available for inspection by the tenants. Based upon estimates received by Sponsor, Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the Description of Property and Addendum thereto set forth in Part II of the Plan.

In the event that at any time prior to the First Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all purchasers will be given fifteen (15) days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Purchase Agreements and be refunded all monies paid thereunder. In the event that on or after the First Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Unit Owners. Based upon estimates received by Sponsor, Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the Description of Property and Addendum thereto set forth in Part II of the Plan. The Reserve Fund may not be used to reduce Common Charges. No representation can be made, however, that after Sponsor relinquishes control, the Condominium Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR OR THE SELLING AGENT WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

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WORKING CAPITAL FUND AND APPORTIONMENTS

The Purchaser of each Residential Unit shall be required to make a contribution at the Closing of such Unit Owner's Unit(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to one (1) month's Common Charges in effect for such Unit(s).

At the First Closing, Sponsor will apportion with the Condominium Board the following items as of midnight of the date preceding said Closing:

(1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relative to the employees of the Building;

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

(3) charges for electricity and other utilities for the General and Limited Common Elements;

(4) cost of fuel on hand (plus sales tax), if any;

(5) charges and receipts in connection with service, maintenance and concession contracts;

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(7) cost of Building supplies on hand at Sponsor's cost (including sales tax);

(8) premiums for transferable insurance policies, if any;

(9) management fees; and

(10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, for closing costs and adjustments in connection with the Resident Manager's Unit, or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Condominium

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Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Condominium Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

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MANAGEMENT AGREEMENT

The Condominium Board will enter into a management agreement with Property Markets Group, Inc., having an address at 130 East 57th Street, New York, New York 10022 (the "Managing Agent") with respect to the Building at or prior to the First Closing. The principals of the Managing Agent are affiliated with Sponsor or its principals.

The management agreement provides for a term of three years commencing on the First Closing. If the Managing Agent shall fail to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations herein, 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 shall have the right to terminate the 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 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 this agreement at any time on ten (10) days' prior notice in writing to the Condominium. The Managing Agent may otherwise terminate this Agreement on thirty (30) days' prior written notice to the Condominium.

The Managing Agent will receive an annual fee of $100,000 during the first year of condominium operation, $105,000 for the second year and $110,000 for the third year of the three year term, payable in equal monthly installments. In addition, for services rendered to Residential Unit Owners (other than Sponsor or its designee) in connection with processing applications to sell or otherwise transfer Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, the Managing Agent shall receive the following fees from Residential Unit Owners (i) $550 upon the sale, lease or other transfer of a Unit for reviewing the waiver of the Condominium's right of first refusal and other required documents, (ii) $350 in connection with the processing of a lease renewal application for a Residential Unit Owner, (iii) $350 in connection with a Residential Unit Owner's application for an appraisal or mortgage refinancing an (iv) $300 in connection with the alteration or renovation of a Residential Unit 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 $300 or 2% of the cost of the alterations whichever is greater. In addition, refundable fees for move-in may be required of each purchaser. Such fees may be retained by the Condominium in the event a Purchaser, a tenant or their agents damages the Common Elements 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 duties and services to be rendered by the Managing Agent include, among others:

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

(2) causing the Common Elements to be maintained, replaced, repaired and altered in the manner deemed advisable by the Condominium Board. The approval of the Condominium 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);

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(3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its 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 requires the consent of the Condominium, 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 Common Elements 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 Building;

(6) rendering monthly statements of receipts and disbursements to the Condominium 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 Condominium Board;

(9) 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;

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

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

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the 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.

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IDENTITY OF PARTIES

Sponsor

Sponsor is 41 West 72 LLC, a New York limited liability company with an office at 130 East 57th Street, 5th Floor, New York, New York, 10022 formed on June 8, 1999. The managing members of Sponsor are Ziel Feldman and Kevin Maloney.

The principals of Sponsor are Mr. Feldman, Mr. Maloney and Elliott Joseph who 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 total units or shares in any building except for the following buildings:

Property	File No.	Date of First Closing
190 Riverside Drive New York, New York	CD98-0136	April 27, 2000
The Briarcliffe 171 West 57th Street New York, New York	CD99-0013	August 3, 2000
5 East 17th Street New York, New York	CD99-0035	September 6, 2000

In addition, Mr. Feldman, Mr. Maloney and Mr. Joseph are principals under a "red herring" for the property located at 500 West End Avenue, New York, New York.

Mr. Feldman is an attorney who began his legal career in 1984. In the late 1980s Mr. Feldman began investing in multifamily properties in New York City. Mr. Feldman and Mr. Joseph were law partners in the firm of Feldman & Joseph. He also has experience in the acquisition, renovation, financing, operation and marketing of commercial real estate. In 1990 Mr. Feldman co-founded Property Markets Group, Inc. ("PMG"), a full service real estate firm. With an extensive network of real estate professionals, he has been directly responsible for most of PMG's over seventy real property acquisitions. As a principal of PMG, his duties include managing all aspects of the company's operations, reviewing all contracts, negotiating with clients, sellers, vendors, identifying new investment projects and obtaining new capital sources.

Mr. Maloney is the other co-founder of PMG. He began his real estate career while still at the State University of New York as a property manager overseeing several multifamily properties in the Buffalo area. Upon graduation, Mr. Maloney joined Chemical Bank. In 1983 he left Chemical Bank to join MIC, a real estate appraisal company, as an appraiser and consultant. In 1986, he went to Ensign Bank where he became head of commercial real estate, responsible for a real estate portfolio in excess of $800 million. Since co-founding PMG, Mr. Maloney has been involved in all aspects of the company's operations.

Mr. Joseph is a managing director of PMG. He began his legal career in 1980 at the law firm of Curtis, Mallet-Prevost, Colt & Mosle and later became a partner, with Mr. Feldman at the

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law firm of Feldman & Joseph. Mr. Joseph was subsequently in-house counsel at Kimco Realty Corporation, where he worked to convert a substantial portion of the company's assets into one of the first real estate investment trusts to go public in the 1990s. He later became Director of Development at Kimco. Mr. Joseph has substantial experience in condominium conversions and multifamily management in New York City.

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 fifteen (15) years prior to the submission of this Plan.

Selling Agent

The Selling Agent for the sale of Residential Units is Douglas Elliman, having an address at 575 Madison Avenue, New York, New York 10022. The Selling Agent has been involved in the sale of coops and condominiums in Manhattan for a number of years.

Managing Agent

Property Markets Group, Inc., having an office at 130 East 57th Street, New York, New York will be the managing agent for the Building. (See the Section entitled "Management Agreement" in Part I of the Plan). The Principals of the Managing Agent are also principals of Sponsor. The Managing Agent has been engaged in the development ownership, operation and management of New York City residential properties for a number of years.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

A representative list of properties which have been managed by the Managing Agent include:

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Property	Managed Since
The Briarcliffe 171 West 57th Street New York, New York 10024	October 1998
500 West End Avenue New York, New York 10023	March 1994
The Belnord 201-225 West 86th Street New York, NY 10024	November 1994
190 Riverside Drive New York, New York 10024	March 1996

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 Declaration, the By-Laws and the forms of Purchase Agreement, Residential Unit Deed and Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339-i of the Real Property Law. Michel Evanusa, Esq. had principal responsibility for the preparation of the Plan. Stroock & Stroock & Lavan LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor's Architects/Engineers

The engineer who has examined the physical condition of the Building and has rendered its report thereof and a certification which are set forth in Part II of this Plan is E.S. Barrekette, P.E., Ph. D., having an office at 90 Riverside Drive, New York, New York 10024 ("Sponsor's Engineer"). Sponsor's Engineer has been providing engineering services for many years. All statements and representations made in this Plan with respect to the "Description of Property" and the Addendum thereto have been made in reliance upon Sponsor's Engineer and its authority as an expert. Sponsor's Engineer 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.

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Sponsor's Condominium Expert

Insignia Residential Group, Inc., having an address at 675 Third Avenue New York, New York 10017, estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation," in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget and the adequacy of the Common Charges payable by the Professional Unit Owners.

Douglas Elliman, having an address at 575 Madison Avenue, New York, New York 10022, provided the opinion regarding Sponsor's compliance with Section 339-i of the Real Property Law.

Service of Process

The Secretary of State of the State of New York has been designated to receive service for Ziel Feldman who is not a resident of New York State.

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SPONSOR'S PROFIT

Sponsor acquired the Property on January 26, 2000 from Hermitage 72nd LLC. Sponsor expects to sell Residential Units at full market value. Occupied Residential Units which have not been sold to Tenant Purchasers, will be sold from time to time as they become vacant. Assuming Sponsor sells all of the Residential Units at the purchase price to Non-Tenant Purchasers, as set forth in Schedule A, Sponsor's profit would be approximately $31,359,250. The exact profit to be realized by Sponsor cannot now be determined and may increase or decrease substantially depending upon variable factors such as the uncertainty of future market conditions including the availability and cost of money, the length of time required to sell the Residential Units, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies.

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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 a Unit 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 First Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed with the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the City Register's Office. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

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REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give Unit Owners annually:

(1) a financial statement of the Condominium prepared by a certified public accountant within four months after the end of each fiscal year, which statement shall be certified while the Sponsor is in control of the Condominium Board;

(2) prior notice of the Annual Unit Owner's meeting; and

(3) a copy of the annual budget of the Condominium which shall be provided to Unit Owners at least ten (10) days prior to the adoption thereof by the Condominium Board.

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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 of Declaration, form of By-Laws, form of Purchase Agreement, form of Residential Unit Deed, form of Power of Attorney 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.

Under applicable Federal and local law, leaded paint can no longer be used in the construction of the Building.

Under applicable Federal and local law, leaded paint can no longer be used in the construction of the Building. Local Law 38 of 1999 ("Local Law 38") affects apartments built before 1960 in New York City. Under Local Law 38, where an owner has notice that a child under the age of six resides in the apartment, the "owner" must conduct annual inspections for peeling paint and deteriorated surfaces. An owner must abate and repair peeling paint, smooth all bare floors and repair deteriorated sub-surfaces and binding doors and windows, whenever the foregoing inspection reveals such conditions or an apartment becomes vacant. The existence of a lead paint hazard is a Class C immediately hazardous violation. The foregoing requirements would apply whenever a Unit Owner rents such Unit Owner's Unit or sells the Unit to a party other than the party residing in such Unit. For purposes of compliance with Local Law 38, Unit Owners are each deemed the "owner" of their respective Units. Local Law 38 was recently overturned by a state Supreme Court judge who found that the City Council did not follow proper environmental review procedures before passing the statute. The City of New York may appeal the decision. Sponsor makes no representation whether Local Law 38 will be upheld upon appeal, whether the City of New York will adopt another local law dealing with lead based paint or what the provisions of such law may be. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead based paint. In accordance with the terms of the rider annexed to the Purchase Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint. Please refer to the Purchase Agreement set forth in Part II of the Plan for further details. While Sponsor has, to the best of its knowledge, received no specific reports regarding the presence of lead based paint in the Property, given the age of the Building and the wide spread routine use of lead based paint in preceding decades, it can be assumed that there is some lead based paint present in the Building.

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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 Units, the Property, 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 prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units 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 substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially adversely affects Purchasers, except as otherwise provided herein, 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 Units offered by the Plan or in the leasing of any such Units 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.

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SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor has exercised due diligence to obtain a detailed technical report on the condition of the Property as at a date contemporary with this Plan. Sponsor is not an architect or engineer, but believes and hereby represents that the "Description of Property" and the Addendum thereto with additional information by Sponsor if any as indicated, set forth in Part II of the Plan, represents accurately the present Building condition. The firm preparing the "Description of Property" and the Addendum thereto has no financial interest in the Property, Sponsor, the Condominium, the Selling Agent, any affiliates thereof, or any other party interested in this transaction, except for the fee for services rendered. Sponsor knows of no facts or information inconsistent with the Description of Property and the Addendum thereto except that Sponsor has in its possession reports prepared by or on behalf of certain lenders having or considering making a loan to Sponsor (collectively the "Lenders' Reports"). The Lenders' Reports were prepared prior to the completion of the Description of Property. Copies of the Lenders' Reports are available for inspection and copying in the office of Sponsor's Selling Agent.

Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the "Description of Property" the Addendum thereto, the Façade Letter, the Local Law 10 Report and the Local Law 11 supplement and the violations search set forth in Part II of the Plan. The New York City Department of Buildings has issued Certificate of Occupancy No. 14771 for the Building dated December 27, 1928. Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the "Description of Property" and the violations search annexed to said Report. The Certificate of Occupancy may not permit the current use of the Professional Units and the Certificate of Occupancy may have to be amended to conform to the offered uses of such Units.

The Units are being sold "as is" in the condition in which they exist at the time a purchaser signs a Purchase Agreement subject to ordinary wear and tear. Except as described in the Plan, Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was completed in 1928 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Set forth in Part II of the Plan is copy of the most recent Local Law 10 Inspection Report for the Property as well as the supplemental report thereto prepared pursuant to Local Law 11. Except as otherwise expressly provided in this Plan, Sponsor's obligation to make repairs in any Residential Unit shall cease upon the Closing of Title to such Residential Unit. Sponsor will, however, maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing Date of this Plan (subject to ordinary wear and tear) except to the extent that Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons

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set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so maintaining the Building and the Common Elements (or causing the same to be maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Closing that it was obligated to make prior to the First Closing.

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PART II

THE HERMITAGE CONDOMINIUM

41 WEST 72ND STREET

NEW YORK, NEW YORK 10023

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EXHIBIT "1"

PURCHASE AGREEMENT

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PURCHASE AGREEMENT

41 West 72 LLC

Sponsor-Seller

TO

_____

Purchaser

UNIT NUMBER _____

THE HERMITAGE CONDOMINIUM
41 WEST 72ND STREET
NEW YORK, NEW YORK 10023

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UNIT NUMBER(S) _____

THE HERMITAGE CONDOMINIUM
41 WEST 72ND STREET
New York, New York 10023

(to be executed in quintuplicate)

AGREEMENT, made as of the date on the signature page of the Agreement, between 41 West 72 LLC, a New York limited liability company, having an office at 130 East 57th Street, 5th Floor, New York, New York 10022 ("Sponsor"), and

_____, having an address at

_____ ("Purchaser").

WITNESSETH:

1. THE PLAN. Purchaser acknowledges having received and read the Offering Plan for The Hermitage Condominium 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") Plan at least three (3) business days prior to Purchaser's signing this Agreement. If Purchaser is not a Tenant Purchaser, Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Plan and all filed amendments, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Sponsor or the Selling Agent within the seven (7) day period or mailing the notice of rescission to Sponsor or the Selling Agent and having the mailing postmarked within the seven (7) day period. 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. THE UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated as Unit in the Declaration, together with the ____ percentage undivided interest in the Common Elements of the Condominium appurtenant thereto.

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4. PURCHASE PRICE.

4.1 The purchase price for the Unit ("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 deed 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 "Stroock & Stroock & Lavan LLP, Escrow Agent." Checks for the balance of the Purchase Price shall be made payable to the direct order of "41 West 72 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 thirty (30) days' prior to the scheduled date for closing. 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, 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.

5.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

5.3 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be

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prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge the Power of Attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan.

6.3 The deed and Power of Attorney to the Condominium Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

6.4 Sponsor shall deliver to Purchaser a certification stating that Sponsor 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. FEE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Commonwealth Land Title Insurance Company, having an address at 655 Third Avenue, New York, New York 10017 (Tel (212) 949-0100, Fax (212) 986-3049) or Lex Terrae Ltd., as agent for Stewart Title Insurance Company, having an address at 331 Madison Avenue, New York, New York 10017 (tel: (212)599-1300; Fax (212) 983-2791) (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8. CLOSING ADJUSTMENTS.

8.1 Subject to Paragraph 15 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges for the month in which title closes; and

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(c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

8.2 If a Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the General Common Elements appurtenant to the Unit.

8.3 Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

8.4 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.

8.5 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.

9. MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

10. 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 "Closing Costs and Adjustments."

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11. 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 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 Sponsor and Purchaser close title under this Agreement. Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest.

12. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

13. 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, Purchaser agrees that 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 made 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. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) undivided interest in the Common Elements, 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, provided that any such mortgage(s) is subordinated to the Declaration.

14. RENT SECURITY DEPOSIT. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security

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deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

15. DEFAULT BY PURCHASER.

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

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

(ii) Purchaser's failure to duly complete and sign before a notary public and deliver at closing the Power of Attorney or the New York State and City transfer tax returns; or

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

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

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

(vi) 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

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

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

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

15.2 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. Notwithstanding the foregoing, Sponsor shall not exercise its right to file an action for specific performance against a Tenant Purchaser who purchases the Unit he occupied on the Filing Date of the Plan. 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 Unit), together with interest earned thereon, as liquidated

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damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit 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).

15.3 If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 8.1(a) and (b) of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, (b) the closing adjustment described in Section 8.1(c) of this Agreement will be made as of the actual closing of title and (c) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit 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 originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

16. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE

16.1. The respective obligations of Purchaser and Sponsor 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). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

16.2. If the Plan is abandoned or does not become effective within fifteen (15) months from the Filing Date (as such period may have been tolled pursuant to the Plan), or if after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, shall be disbursed in accordance with the provisions of the Section entitled "Procedure to Purchase." After the monies are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

17. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its 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 shall be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price,

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or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall 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 shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

18. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit are not included in this sale. However, if the Unit is presently occupied by other than Purchaser and the existing tenant removes a stove, dishwasher and/or refrigerator belonging to him, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves, dishwashers and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the Filing Date of the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit is for display purposes only and is not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

19. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the Common Elements, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property and the Addendum thereto, which sets forth a description of the physical condition of the Building set forth in Part II of the Plan and having been given the opportunity to review the Lender's Reports set forth in the Section of the Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Plan. Sponsor has agreed in the Plan to maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. If Purchaser fails to examine the Unit within said period(s), Purchaser shall be deemed to have accepted the Unit in good condition and in accordance

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with the terms of the Plan or Sponsor reserves the right to postpone the scheduled Closing, in its sole discretion. PURCHASER ACKNOWLEDGES THAT NO DISCUSSION OF INCOMPLETE ITEMS WILL TAKE PLACE AT THE CLOSING.

Purchaser must make arrangements to move into the Unit following the Closing. Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

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

20.1 If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its Installations. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

20.2 If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

20.3 Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

20.4 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Condominium Board does not do so and Purchaser declines to accept the Unit without such repairs, this Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, whereupon the

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parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Down Payment pursuant to the Paragraph Down Payment."

21. 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, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, 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 Unit, 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 Unit. 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 Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

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

23. BROKER. Purchaser represents to Sponsor that Sponsor and [_____] 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 said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned 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 23 shall survive the closing of title.

24. 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.

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25. SALE SUBJECT TO EXISTING TENANCY.

25.1 The following is applicable to Purchasers of Units occupied by others:

Complete the following only if Purchaser is not the tenant of the Unit:

Unit is Vacant: Yes ( ) No ( )

If Unit is Occupied: Monthly Rent:..... $_____

Current Lease Term Expires: _____
or month-to-month ( )
Rent Security $_____

Unit is Occupied by a Non-Purchasing Tenant:

Yes ( ) No ( )

25.2 Purchaser understands and agrees that the Unit is being sold hereunder is subject to the lease or tenancy of the present tenant and Section 352-eeee of the New York State General Business Lays (the "GBL") as explained more fully in the Plan under the Section entitled "Rights of Existing Tenants" and Purchaser and Purchaser's successors and assigns shall continue to be bound by such Laws and regulations so long as such occupancy continues.

25.3 Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Condominium Board) and the obligation to repair, maintain and paint the Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit).

25.4 Purchaser understands that if the tenant of the Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or GBL or other applicable law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and, within thirty (30) days after the occurrence of such event, all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, and the Selling Agent, and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

25.5 Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Condominium Board) as his agent, coupled with an interest, to provide for the account and at the expense of Purchaser,

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all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has the right to occupy the Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser further understands that Sponsor will guarantee the obligation of the then managing agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf. The provisions of this paragraph shall survive the closing.

26. TENANT PURCHASER'S RIGHT TO BENEFIT FROM IMPROVED TERMS. If prior to the expiration of any exclusive purchase period, which begins prior to the First Closing, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Down Payment before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

27. PURCHASER'S REPRESENTATIONS.

27.1 If Purchaser was a Tenant Purchaser in the Building on the Filing Date of the Plan, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

27.2 If the Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Statement of Purchase set forth as Schedule B hereto and deliver same to the Selling Agent together with this Agreement.

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28. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Down Payment, during the time within which Purchaser has the exclusive right to purchase the Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, and signs and returns this Agreement, together with the requisite Down Payment, after the period during which Purchaser has the exclusive right to purchase the Unit, or if Purchaser is not the tenant of record of the Unit, or any other Unit in the Building, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by law.

29. 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) shall be in writing and delivered by regular mail as well as hand delivered or sent, postage prepaid, by registered or certified mail, 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 Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn.: Michel Evanusa, 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.

30. 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.

31. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 23 (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.

32. 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

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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.

33. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance Purchaser's purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement.

34. 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.

35. 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.

36. 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.

37. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal 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.

38. 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, this Agreement or the relationship created hereby.

39. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

40. 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

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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.

41. 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.

42. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

43. 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.

44. NO ORAL CHANGES. This Agreement cannot be changed or terminated 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.

45. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

46. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule C, is the "Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation.

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

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

SPONSOR:

41 West 72 LLC

By: _____
Name:
Title:

PURCHASER:

(Social Security or Federal I.D. Number)

(Social Security or Federal I.D. Number)

Telephone No. _____

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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 Unit would show, provided such state of facts would not make title to the Unit 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 and the Rules and Regulations, the Power of Attorney, 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, Basement 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 Units 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 Condominium 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 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 demolition, construction, alteration, repair or restoration of the Building.

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12. Any encumbrance as to which Commonwealth Land Title Insurance Company or Lex Terrae (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) 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 Unit if it is a lien or (2) will not be enforced against the Unit 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 Unit for residential purposes.

14. Any lease covering the Unit made from the Sponsor to the Purchaser, or if applicable, any lease covering, or tenancy or occupancy of, the Unit and the rights of such tenant(s) and occupant(s), if any, under the Rent Laws, GBL or other applicable law.

15. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

16. Any other liens, encumbrances, and title conditions set forth in the Unit Owner's Specimen Title Policy set forth in Part II of the Plan.

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SCHEDULE B

BONA FIDE PURCHASER STATEMENT OF PURCHASE

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

Re: Unit_____
THE HERMITAGE CONDOMINIUM

The undersigned Purchaser(s) represent that Purchaser(s) intend that Purchaser(s) or one or more specified members of Purchasers(s) immediate family intend to occupy the above-referenced Unit when it becomes vacant.

PURCHASER(S):

_____
Signature

_____
Signature

Subscribed and sworn to
before me this ____ day of
_____ 200_.

_____
Notary Public

INTENDED OCCUPANT(S):

_____
Print Name

_____
Print Name

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SCHEDULE C

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards SALES

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below):*

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing *(explain).*

(ii) ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller *(Check (i) or (ii) below)*:

(i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing *(list documents below)*.

(ii) ☐ Seller has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c)___ Purchaser has received copies of all information listed above.

(d)___ Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home.**

(e)___ Purchaser has (check (i) or (ii) below):

(i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) ___ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

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The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

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EXHIBIT "2"

POWER OF ATTORNEY

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POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 41 West 72 LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Hermitage Condominium and by the street number 41 West 72nd Street, New York, New York 10023 under Article 9-B of the Real Property Law of the State of New York, dated _____, 20_, and recorded in the New York County Office of the Register of The City of New York on _____, ___, in Reel _____, page _____, or (b) in the by-laws of The Hermitage Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Unit") in The Hermitage Condominium which is (are) designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ___, in Block 1125 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) upon determination by the Condominium Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements which the Condominium Board deems necessary or appropriate to comply with any 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 Common Elements (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements which the Condominium Board deems necessary or appropriate.

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

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units, Professional Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20_.

_____

_____

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(ACKNOWLEDGMENT)

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EXHIBIT "3"

RESIDENTIAL UNIT DEED

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RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20__, between 41 West 72 LLC, a New York limited liability company, having an office at 130 East 57th Street, 5th Floor, New York, New York 10022 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as THE HERMITAGE CONDOMINIUM and by the street number 41 WEST 72ND STREET, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Residential Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, _____ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, in Reel _____, page ____, and also designated as Tax Lot(s) ____ in Block 1125 of Section 4 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____, _, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____, _, as Condominium Map No. ____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the by-laws of The Hermitage Condominium. (Said by-laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with an undivided _____ percentage interest in the General Common Elements (as such term is defined in the Declaration):

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

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Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Residential Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

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IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

41 WEST 72 LLC

By: _____
Name:
Title:

_____
Grantee

_____
Grantee

(ACKNOWLEDGMENT)

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EXHIBIT A

DESCRIPTION OF THE LAND

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

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

BEGINNING at a point on the northerly side of 72nd Street, distant 100 feet easterly from the corner formed by the intersection of the northerly side of 72nd Street with the easterly side of Columbus Avenue;

RUNNING THENCE northerly at right angles to the northerly side of 72nd Street, 102 feet 2 inches to the center of the block;

THENCE easterly along the said center line of the block, 100 feet;

THENCE southerly at a right angles to the northerly side of 72nd Street, 102 feet 2 inches to the northerly side of 72nd Street;

THENCE westerly along the said northerly side of 72nd Street, 100 feet to the point or place of BEGINNING.

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SCHEDULE B

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO PURCHASE AGREEMENT AND SPECIMEN TITLE POLICY

TO BE INSERTED PRIOR TO CLOSING

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EXHIBIT "4"

DESCRIPTION OF PROPERTY, ADDENDUM THERETO AND FACADE LETTER

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REPORT

on the

PHYSICAL

CONDITION

of the

PROPERTY

at

41 West 72nd STREET

April 3, 4, 5, & 6, 2000

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41 West 72nd Street

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41 West 72nd Street

INTRODUCTION

This Report was prepared for the Sponsor for inclusion in an offering plan for conversion of the Property to condominium ownership. The Report is based on a) a visual inspection of thirteen apartments and of a sufficiently large representative sampling of the spaces and mechanical equipment as deemed necessary in my professional opinion, but not, unless otherwise stated herein, any tests or penetration into walls, ceilings, floors, etc. or removal of any structural or mechanical elements; it is understood that not all aspects of the physical condition of the Property can be ascertained from a visual inspection alone, b) an inspection of copies of available records relating to the Property in the files of the Manhattan Building Department and c) information provided by the Sponsor and/or his representatives. However the inspection and Report do not include a survey of asbestos containing materials (ACM). Information on ACM observed during this survey may be included in this Report, but this Report is not to be considered as fulfilling the requirements for an inspection and report of asbestos containing materials. A separate report on ACM is to be provided by the Sponsor.

The visual inspections were conducted on 4/3, 4, 5 & 6/2000.

This Report fairly describes the condition of the building and improvements on the Property as of the date of inspection with respect to those facts which could be ascertained from a visual inspection at that time, except as noted herein. This Report provides a general description of the Property, interior spaces and mechanical equipment and a fair summary of their general condition, but is not intended to be a comprehensive detailed list of every space and piece of equipment or of their condition. Emphasis is on the condition of the Property at the time of the inspection including deficiencies probably unknown to occupants, rather than description of material make-up usually obvious to residents.

The scope of this Report does not include estimates of costs of repairs which would be required to correct the defects brought to light by this Report. In order to obtain such estimates it would be necessary to engage an engineer and/or architect for preparation of detailed plans and specifications for each trade and to secure competitive bids from contractors in that trade.

The contents of this Report are correct to the best of my knowledge and belief. This Report and the conclusions stated herein are, however, limited to actual knowledge

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based upon visual inspection, undertaken with due diligence, of visible portions of the Property, the records voluntarily supplied by the Sponsor and records supplied by the Building Department. No representation is made, however, as to the truth, completeness or accuracy of those records.

This report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the Property or as an opinion as to the advisability or inadvisability to purchase the Property or acquire any of the units being offered pursuant to the Sponsor's Offering Plan.

DESCRIPTION

The property is a Class A Multiple Dwelling of fireproof construction located at 41-47 West 72nd Street, which is on the north side of West 72nd Street about 100 feet east of Columbus Avenue. The building occupies a rectangular plot with a frontage of 100 feet and a depth of 100 feet 2 inches. The plot area is about 10,016 square feet or somewhat under a 1/4 of an acre. The property is in Block No. 1125, Lot No. 5, zoned Residential R10A. It has a Department of Housing Registration, No. 117103. It is landmarked.

The building was erected under New Building Application No. 225 of 1928 and was issued a Certificate of Occupancy, No. 14771, dated 12/27/28, which is still in effect. According to the New Building Application the building is 150 feet high. The building has sixteen stories, a penthouse and a cellar. The floors are designated basement, one to twelve, fourteen to seventeen and penthouse. There are four apartments on the first floor, seven apartments and half of a duplex apartment each on the third and fourth floors, four penthouse apartments and eight apartments each on the other floors. The apartments range in size from three to six rooms with one to two baths. Thus the building is subdivided into one hundred and twenty seven apartments. This count includes apartment 3C, a one bedroom apartment occupied by the superintendent. In addition there are two doctor's offices and a day care center on the first floor. There are no stores, offices or single room occupancy.

The building is served by three elevators and four interior stairways. There are no exterior fire escapes. There are no drives or garages.

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CONSTRUCTION

The building is of steel and reinforced concrete fireproof construction with a brick and stone exterior.

Foundation walls are brick on hard rock. There are serious cracks in the brick fireproofing on the bases of most columns at the building perimeter and at some free standing columns in the boiler room and oil tank enclosure. This condition is usually due to corrosion-induced expansion of interior steel. A few bricks have fallen off one of the columns in the oil tank enclosure. The exposed steel is badly corroded. These conditions should be investigated further. There were no visible cracks in the foundation walls at the time of these inspections.

There is deeply eroded mortar on the foundation walls and on some of the brick fireproofing on columns in the oil tank enclosure and main electric switch room. This condition is probably due to capillary action and/or percolation of rainwater through the sidewalk. There were no other signs of groundwater infiltration at the time of these inspections.

According to the New Building Application upper exterior walls are brick and terra cotta, interior partitions are 3" fireproof block, stair hall partitions and elevator shaft enclosures are 4" terra cotta blocks.

Floor slabs are reinforced concrete with plastered ceilings and hardwood flooring.

According to the New Building Application fireproofing consists of 2" plaster blocks for interior columns, 4" and 8" brick for exterior columns and metal lath with 2" concrete for girders and beams.

SIDEWALK, SERVICE ENTRANCE, YARD, COURTS AND VAULTS

The street is a public street paved with asphalt and the curb is granite. Sections of the curb are somewhat misaligned or differentially settled.

Municipal parking regulations prohibit parking at the curb from 8 a.m. to 11 a.m. on Mondays and Friday. There is one-hour metered parking at the curb from the main

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entrance to the west lot line. Charges are 25¢ for 15 minutes of metered parking from 9 a.m. to 7 p.m. except Sundays.

There are catch basins for storm drainage at intersections in the neighborhood. They lead to the New York City combined storm and sanitary sewer system.

Street lighting is by high intensity lamps on aluminum stanchions and is provided by New York City. There is a street lamp on the north side of West 72nd Street somewhat east of the prperty and another on the south side of the street across from and somewhat west of the property.

The sidewalk is paved with concrete and is in good condition.

The siamese standpipe sidewalk hose connection is in the sidewalk east of the main entrance.

The oil tank inlet and vent are west of the main entrance.

There are two trees in two sidewalk tree plots at the curb. They are protected by low croquet-type steel railings as well as somewhat higher railings consisting of window guards.

The are two United States Postal Service storage boxes at the curb.

There are two vaults in the sidewalk at the base of the facade. One, near the east end of the frontage, is appurtenant to the boiler room. It has a concrete floor and brick retaining walls. It is covered by a checked steel plate. It contains a mechanical hoist which was probably used for the removal of slag and ashes when coal was the primary fuel. The hoist has been abandoned in place. There is deep erosion and possibly loose bricks in the walls at the scuttle supporting the cover.

The second vault is a shallow vault between the main and service entrances. It serves to ventilate the oil tank enclosure. It is covered by a checked steel plate and an adjoining steel grill. Its base is covered with litter and its drain if any is not visible.

The service entrance is near the western end of the frontage. It is enclosed by a hollow metal door. Beyond the door is a stairway which leads down to a passage to the west court. The stairway has concrete steps with a wall-mounted pipe handrail. Originally

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there were steel nosing on the steps but most have been removed and consequently the steps are not level. Although not hazardous/dangerous they may cause tripping.

The walls of the passage and at the stairway are brick. The floors at the landing and passage are concrete. The ceilings are plastered but patches of plaster have spalled off. Illumination at the stairway and passage is by wall-mounted high intensity lamps.

The entrance into the main electric switch room in the cellar is from this passageway. It has a hollow metal door. The service entrance into the cellar is from the west court. It has a pair of hollow metal doors.

There are passages connecting the west court with the rear yard and the rear yard with the east court. They have concrete floors, brick walls and plastered concrete ceilings. The western passage is one concrete riser below the rear yard. The passages are illuminated by wall-mounted high intensity lamps. Patches of plaster have spalled off the ceilings in both passages. There are stored items in the passages. They should be removed. There is a cable TV cable suspended across the east passage. It should be properly mounted.

The yard and courts are paved with concrete. There is one area drain in each for site drainage. The pavings are in fair to poor condition. Patches are cracked and buckled. Although the condition of the pavings is not dangerous/hazardous, they may pose tripping hazards.

There are raised garden plots in the yard. They are enclosed by low wood retaining walls. They are landscaped with shrubs and weed trees but they appear to be neglected.

There is an exit from the cellar into the east court. It has a hollow metal door.

There are open riser stairways in both courts. They lead down from exits from the lobby and east and west stairways. The exits have hollow metal doors which are equipped with panic bars.

The stairways are of steel construction with checked steel treads, checked steel landings at the first floor exits and steel angle railings. The bases of both stairways are corroded, particularly that in the east court. Although their condition was not dange-

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rous/hazardous at the time of the inspection, they will require repairs in due course. Both stairways need scraping and paint.

The yard and courts are illuminated by wall-mounted high intensity lamps, three in the yard and one each in the courts. In addition there is an incandescent fixture in the east court.

At the lot line in the west court is the wall of an adjoining building. North of the wall is a rubble stone retaining wall topped by a wrought iron picket fence which appears to belong to the neighboring property. Part of the retaining wall has been encased in concrete. There is erosion between the exposed rubble stone blocks.

At the lot line in the east court is a wrought iron picket fence topped by a razor ribbon. It appears to belong to the adjoining property.

At the west property line in the rear yard is a stuccoed wall which appears to belong to the neighboring property. At the east lot line is a brick wall which has concrete copings over which is set a wrought iron picket fence. This wall appears to belong to the adjoining property. There is deep erosion of mortar between bricks in this wall and a few bricks may be loose. At the north lot line in the yard is a rubble stone retaining wall topped by razor ribbons. Over part of the wall is a cinder block wall. These walls also appear to belong to the adjoining properties. There are several hairline cracks in this retaining wall.

Refuse is stored in the west court and service passage pending its being put out for collection by the City of New York Department of Sanitation.

Other than as described in the foregoing the sidewalk, service entrance, courts and yard are in good to fair condition.

EXTERIOR

The facade is faced with good grade tan face bricks and extensively decorated with stone and terra cotta. There is a granite base above which there is stone ashlar which reaches up to a water table at the second floor window sills. Windows on the second and third floors and on the fifteenth and sixteenth (designated sixteenth and seventeenth) floors are framed with terra cotta. Those on the third and sixteenth

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(designated seventeenth) floors are arched. There are ornamental terra cotta arcatures at the fourth and fourteenth (designated fifteenth) floors window sills. There are ornamental cantilevered terra cotta balconies on the ninth and fifteenth (designated sixteenth) floors. There is a terra cotta water table at the fourteenth designated (fifteenth) floor window sills and a terra cotta comice near the top of the facade. The parapet consists of wrought iron railings between terra cotta piers.

The facade is in generally good to fair condition. However, there are vertical cracks from the fifth to the fifteenth (designated sixteenth) floors and from the fourteenth to fifteenth (designated fifteenth to sixteenth floors) at the southwest and southeast corners of the south court, respectively. There are several cracked terra cotta blocks in the facade. Many of the seams between the terra cotta blocks are open. There are cracked terra cotta blocks under two of the balconies, i.e. under the west one on the fifteenth (designated sixteenth) floor and under the east one on the ninth floor. The former may be loose. The latter has been patched.

The exposed west lot line elevation is faced with common red bricks. The other elevations are faced with good grade yellow bricks. The east lot line elevation of the cellar extension housing the boiler room in the east court is stuccoed. Parts of the exterior faces of a few of the parapets have been parged with a cementitious coating.

The penthouse elevations have been almost entirely parged and painted.

The bulkhead elevations are faced with good grade tan bricks.

The parapets are of brick construction. Those over the cellar extension and over the rear elevations have concrete copings. Those over the facades have terra cotta copings and those over the penthouse have aluminum copings. Most of the inner surfaces on the parapets have been parged and painted. The parapets over the cellar extension are one and a half to two feet in height. The parapets over the facade are three and a half to eight feet in height. There are wrought iron railings over the lower sections raising their height to about six feet. Those over the yard and court elevations are about two feet in height. They have wood picket fences or pipe railings which are from somewhat over three to six feet in height. The parapets over the penthouse are two to three and a half feet in height.

These yard, court, lot line, penthouse and bulkhead elevations are in fair to poor condition. Most parapets are pushed out and there are bulges at a spandrels

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particularly in the north elevation and on most penthouse elevations. There are cracks propagating from some upper floor, penthouse and cellar extension lintel ends. There are vertical cracks at most penthouse and bulkhead corners. There are sagging and corroded lintels particularly on the top two floors and in the cellar extension. There are bulging bricks at the ends of a lintel at a rear fifth floor window. These conditions are usually due to corrosion-induced expansion of interior steel. There are many voids on the bottom ten to fifteen feet in the brick wall at the west lot line. The stucco is cracked on the east lot line elevation on the cellar extension. There is deeply eroded mortar at the bases of the yard and court elevations due to capillary action. There is deeply eroded mortar inside the parapets at the southwest terrace. There is a crack in the parapet over the west court. Some seams between copings are open. There is efflorescence in the bulkheads and distressed plaster in the northeast and east stairways

CHIMNEY AND VENTS

The boiler chimney rises along the southeast corner of the east court. It is of tan brick construction.

The chimney is in good condition except for a vertical crack above the roof line at its northwest corner.

There are two vents above the penthouse roof over the ventilation shafts serving the public halls. They are of yellow brick construction with concrete caps. They are in fair condition.

LOCAL LAW 10/80 & 11/98 REPORTS

A Report of the Periodic Inspection of Exterior Walls and Appurtenances for the Fourth Examination Cycle was filed with the City of New York Department of Buildings on 9/15/1995 by Alan S. Epstein, P.E. His report states that all observed conditions conform to Code Requirements and applicable Rules Regulations, and Directives except for precautionary work described as preventative maintenance needed on the underside of one balcony and at some fine cracks near the southwest corner of the south court. A Supplemental Technical Report on the Periodic Inspection of Exterior Walls and Appurtenances Pursuant to Local Law 11/98 of the Administrative Code of the City of New York was filed with City of New York Department of

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Buildings on 3/02/2000 by Richard C. Koenigsberg, P.E. His report states that no unsafe conditions were observed, that no items deemed safe with a repair and maintenance program were observed and that no leaks were reported by management.

WINDOWS

Apartment windows including penthouse windows have relatively new double-glazed aluminum sashes which are double-hung on springs. There are no screens. The stairway windows have kalamein sashes with wire glass. They are double-hung on chains with counterweights. The cellar windows have old single-glazed wood sashes which are double-hung on chains with counterweights. One cellar window is boarded up. Exterior sills are terra cotta and stone in the facade and concrete in the other elevations. Interior sills are wood except that most bathrooms have ceramic tiled sills. Lintels are steel. There are grills on a few cellar and first floor windows in the courts and on most penthouse windows. There are no storm sashes.

The aluminum windows are in generally good condition. The stairway windows are in fair condition. There is cracked glass in a few. The wood cellar windows are in fair condition.

The concrete sills are in fair to poor condition. Several are cracked longitudinally and there are at least nine which are broken and from which large sections have fallen off. Some sills are cracked laterally. Most cross joints need pointing.

The condition of the lintels was described in the foregoing.

There are no lot line windows.

EXTERIOR DOORS

The exits from the stairways to the penthouse terraces and the entrances into the elevator bulkheads have hollow metal doors. Most exit doors are alarmed.

The doors are in fair condition. However they are not self-closing. The door at the exit from the east stairway to the southeast terrace has a panic bar. The door at the exit from the west stairway to the north terrace has no handle and is latched as is the door

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at the exit from the northeast stairway to the north terrace. The latches should be removed and the doors should be equipped with panic bars. The doors at the exits from the southwest stairway to the north terrace and from the west stairway to the southwest terrace are tied back in the closed position. This condition should be corrected. The base of the door at the exit to the north penthouse terrace from the west stairway is corroded.

The exits from the penthouse apartments to the terraces have a variety of doors including kalamein doors with wire glass lights, or aluminum and kalamein doors with clear glass lights and fixed transoms. They are in fair condition.

The doors at the entrances into the cellar in the courts and service passage were described in the foregoing. The doors at the main and maisonette entrances are described in a following section.

ROOFS AND TERRACES

The penthouse terraces and the roofs over the penthouse and cellar extension are covered with tar and paper. The elevator bulkhead roofs consist of a skylights.

There are two drains in the north penthouse terrace and one each in the other two terraces and in the cellar extension roof. There are four scuppers and leaders serving the penthouse roof. The leaders discharge onto the penthouse terraces. There are gutters and leaders on the bulkheads. They discharge onto the penthouse roof. There is carpeting and some portable wood decking on the western half of the north terrace.

The roof and terraces are in generally fair to poor condition. According to the superintendent there are roof and terrace leaks during severe storms. There are many small puddles on the roofs and terraces after rains. There are no pitch pockets at roof penetrations.

The terraces are not covered by walkable surfaces. Consequently they should not be used until such a protective surface, e.g. quarry tiles, concrete pavers or at least portable wood decking, is installed.

There are many potted plants and planters on the terraces. Some are set directly on the roofing or carpeting. They should be raised on wooden blocks above the roof decks.

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Flashings are copper, except that there are aluminum flashings on the parapets over the penthouse roof. However, there are no flashings at the vents.

Leaders, gutters and scuppers are aluminum or galvanized sheet metal. They are in good to fair condition. There are no splash plates.

There are three steel ladders on the penthouse terraces and on the penthouse roof. Two lead to the roof over the penthouse from the southeast and southwest terraces. The third leads from the penthouse roof to the top of the roof tank. In addition there is a ladder leading up from the east court to the roof over the cellar extension. They need scraping and paint.

There are four open riser stairways on the north terrace and the penthouse roof. They are of steel construction with steel slat treads and steel angle railings. One leads from the terrace to the roof over the penthouse. Three lead up from the penthouse roof to the entrances into the elevator bulkheads. The stairways need scraping and paint.

There are two short flights of concrete steps with steel angle railings. They lead down to the north terrace from the exits from the north stairways.

There are ten copper skylights. Eight are vented. Two are over the elevator bulkheads. They are vented and have ribbed glass and exterior heavy gauge coarse mesh protective screens. Five are over the four stairways, and the penthouse public hall. They are vented and have ribbed glass and interior and exterior heavy gauge coarse mesh protective screens. Two unvented and one vented skylight are over three penthouse apartments. They have wire glass. The skylights are in good to fair condition.

ENTRANCES, VESTIBULE AND LOBBY

The main entrance is at the center of the frontage. It has a canvas canopy on brass pipe supports. There is a fluorescent fixture inside the canopy. The legend "forty one" is displayed on its sides and "41" is displayed on its curb end.

There is a granite saddle and there are two wall-mounted bronze lanterns at the entrance. Some of the glass lights are missing from the lanterns.

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The main entrance has glass doors and a fixed arched transom in metal frames with attractive wrought iron grills. There are brass kick plates on the doors. The lobby entrance has aluminum doors with glass panes and fixed sidelights.

The lobby and vestibule have terrazzo floors with marble bases.

There are pairs of marble steps at the rear corners of the lobby at entrances to first floor apartments and to the east and west stairways. There are no handrails at these steps.

The vestibule and the lobby have plastered walls and ceilings. Illumination is by wall-mounted fixtures.

There is an ornamental marble fireplace and two free standing plastered columns in the lobby.

The entrance vestibule and lobby are in good condition. However, there are minor cracks in the terrazzo.

The intercom is in the vestibule. It incorporates a buzzer actuator for remote unlocking of the lobby doors.

There is a public hall accessible from the rear of the lobby. Its entrance has a kalamein door which is kept propped open. The tenant mailboxes and the cabinet housing fire hoses are in this hall. The hall has a terrazzo floor and bases. There are two marble steps leading up to the hall. The walls and ceiling are plastered. The hall is illuminated by an ceiling fixture.

The maisonette entrances have granite saddles. The western entrance, at the child care center, has a wood french door with beveled edge lights. It bears the legend "41 1A". The eastern entrance, at two doctors' offices, has a non-self-closing hollow metal door with three glass lights. It bears the brass numerals 41. There are two private intercoms outside this door. Inside both entrances are vestibules with terrazzo floors, marble bases and plastered walls and ceilings. Illumination is by ceiling fixtures.

The maisonette entrances are in good condition.

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PUBLIC HALLS AND STAIRWAYS

There are two public halls on each floor from the second to the sixteenth (designated seventeenth), and there is one public hall on the penthouse level. The penthouse hall serves all the penthouse apartments. On the other floors the eastern halls serve the C-, D-, E- and F-line apartments and the western halls serve the A-, B-, G- and H-line apartments.

The halls have terrazzo floors and bases. Their walls and ceilings are painted plaster. They are illuminated by fluorescent ceiling fixtures.

The public halls are interior. The penthouse hall is ventilated through a skylight and the others are ventilated through registers on common ducts to the vents over the penthouse roof. The skylight and vents were described in the foregoing.

There are service halls accessible from the public halls on all floors. They serve the rear entrances of the B-, C- and F-line apartments.

The service halls have concrete floors and painted plaster walls and ceilings. They are illuminated by fluorescent ceiling fixtures. They incorporate the service elevator landings and the northeast stairway. The standpipe connections are in the service halls.

There are four stairways. They serve all floors from the lobby to the penthouse terraces. The eastern and western stairways continue down to exits into east and west courts. The doors at the exits to the terraces and courts were described in the foregoing.

The east and west stairways are accessible from the public halls on all floor except the penthouse. The northwest stairway is accessible from the service halls which contain the northeast stairway.

The east stairway serves the rear entrances of the D- and E-line apartments. The west stairway serves the rear entrances of the A- and H-line apartments. The northwest stairway serves the rear entrances of the G-line apartments.

There are self-closing kalamein doors at the exits from the public halls into the east and west stairways and into the service halls. There are similar doors at the exits from the service halls into the northwest stairway. Some of the doors are not self-latching.

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The stairs are of steel construction with metal risers and nosings and with treads and intermediate landings which are filled with concrete. Handrails are wood and newels and balusters are metal. Floor landings are painted concrete, walls and ceilings are painted plaster, and overheads are painted metal. The windows and skylights in the stairways were described in the foregoing. Illumination is by fluorescent ceiling fixtures.

There are gas meters in the stairways and service halls on all floors.

Apartment entrances, off the public halls, and exits into the stairways and service halls, have kalamein doors with steel bucks and marble saddles. The entrances and exits have electric doorbells. However, at least one has been replaced by a mechanical doorbell. The entrances also have viewers. Most doorbells are out of order. The exits to the penthouse terraces were described in the foregoing.

Other than as described in the foregoing, the halls and stairways are in generally good condition. However, there are no smoke alarms in most. There is distressed plaster, particularly at the penthouse level in the stairways. There are several penetrations into the walls where pluming or electric repairs were made in the past. They should be closed. There is cracked and peeling paint on some of the walls and ceilings in the stairways. The stairways need paint.

There is an open riser spiral stairway in the duplex apartment. It has wood treads on a steel frame. It is good condition.

APARTMENTS

Apartments have hardwood floors and bases. A few apartments have linoleum or vinyl tiled flooring in some rooms. Walls and ceilings are plastered. There are wood molding on the walls of some rooms in some of the apartments. A few apartments have problems with water damaged plaster. Such water damage is usually due to terrace, roof or plumbing leaks.

Kitchen floors are generally linoleum or vinyl tile on wood. A few have ceramic tiled floors. Cabinets are primarily wood but some are metal. Sinks are primarily double-basin in metal cabinets. There are also some single-basin enameled or stainless sinks

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in wood cabinets. At least one original wall-mounted single-basin enameled sink is still in use.

Kitchen appliances are of a variety of brands. They consist of refrigerators and four-burner gas ranges and stoves. Some apartments also have dishwashers. Washers and dryers are tenant-owned as are some basic appliances in at least one apartment.

Bathrooms have ceramic tiled floors. Walls are ceramic tiled to a height of about four feet, except around tubs with shower heads where they are tiled to a height of about six and a half feet. Al least one bathroom is tiled to the ceiling around its tub. Some tiled walls need grouting.

Bathroom fixtures include built-in tubs with shower heads, tank water closets, and pedestal lavatories. Vanities are also in use. Half baths contain tank water closets and pedestal lavatories or vanities.

One of the bathrooms in the duplex apartment is interior and is ventilated by means of a switch-controlled exhaust fan on a duct to the exterior. The other kitchens and all bathrooms are ventilated through windows.

Interior apartment doors are wood with steel bucks and saddles. However, a few bathrooms have marble saddles. Apartment entrance and exit doors and the exits to the penthouse terraces were described in the foregoing.

Apartment lighting is by standard ceiling fixtures. However bathrooms have wall brackets.

Battery-operated smoke detectors were installed in the apartments. Some have been removed by the tenants. They should be replaced.

CELLAR

The cellar contains the boiler room, the oil tank enclosure, a pump room which also contains the east passenger elevator machinery, an elevator machinery room serving the machinery for the other elevators, the main electric switch room which also contains gas meters, a locker room with an adjoining bathroom, a laundry, storage spaces and a workshop. The bathroom contains a flushometer water closet, wall-

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mounted lavatory and a stall shower. There is a padlocked closet off the laundry. The electric meters and a slop sink are in the cellar hall.

The boiler room is at a lower level than the cellar and is accessed down an open riser stairway with steel slat treads and steel angle railings.

The cellar has concrete floors. However the laundry, bathroom and two closets (which may have been toilets in the past) have ceramic tiled floors. There are two floor drains in the laundry. The cellar walls are brick. Those in the workshop and closets are plastered. Ceilings are concrete. However there is a dropped ceiling in the workshop. Doors are primarily kalamein, but some are either hollow metal or wood. There is a hollow metal door with a wire glass viewing panel at the entrance to the locker room. Windows were described in the foregoing. Illumination is primarily by fluorescent ceiling fixtures.

The cellar is in good to fair condition, but there is distressed plaster on some of the ceilings and there is a bulge in the floor of the main storeroom The condition of the brick fireproofing at the bases of columns was described in the foregoing. The main electric switch room also serves as paint storage room. It is cluttered. It should be cleared out and paint should be stored elsewhere.

The laundry contains a stainless steel wash tub, five Maytag coin-operated washers, one Continental heavy load coin-operated washer, two pairs of stacked Maytag coin-operated gas dryers and a stacked pair of Gordon & Thomas heavy load coin-operated gas dryers. Charges are $1.50 and 1.75 per wash except for $3.00 per wash in the Continental washer. Charges are $1.50 for about 45 minutes of drying. The laundry is maintained by Coinmach. The laundry is ventilated through windows and the dryers are vented through a window.

The boiler room and adjacent spaces contain the boiler and related heating equipment and three sump pumps. The boiler room is ventilated through a louvered window facing the east court. Fresh air intake into the boiler room is by means if an Acorn Air fan at a second window facing the east court.

There is no secondary means of egress from the boiler room. It could be provided by means of a steel ladder which could be installed in the vault which was described in the foregoing. The boiler room floor is not properly pitched to the sump. Consequently there is a standing puddle on the floor after it is hosed down.

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41 West 72nd Street

HEATING, AIR CONDITIONING AND VENTILATION

The steam heating system is a two pipe vacuum return system employing cast iron radiators with traps. The Skidmore vacuum pump is in the boiler room. It also handles condensate return. In addition there is an old vacuum pump in the pump room. It has been abandoned in place.

The building is heated by a Federal, Model FST-250, boiler with a Hev-E-Duty, Model DEG-105P, forced draft burner. The boiler has 1,250 square feet of heating surface and 27,074 square feet of steam. It is rated at 250 HP and 10,461, 8,369 and 6,498 gross, input and net MBH, respectively. It is rated at 75 gallons per hour of No. 6 oil. The boiler was installed in 1982.

No. 6 oil is circulated from the oil tank to the boiler by a Viking oil pump located in the boiler room. The oil is preheated in an Alstrom hot water heat exchanger and further preheated in a Warren electric heater at the burner. The boiler has a McDonnell & Miller automatic feed and a McDonnell & Miller low water cut-off. It is protected by three blowoff safety valves, and a Honeywell flameout switch. There is a Heat Time Corp. smoke alarm. The boiler is controlled by an Optimum Applied Systems Inc. Heat Computer with sensors in apartments 2A, 2E, 2G, 15B, 15C, 15G, 17F, 17H, PHA and PHB. The boiler has a barometric draft regulator.

The boiler, burner and controls are in good to fair condition. The fire box and tube manifold are sealed and thus no representation can be made as to their condition. According to the superintendent there are no plugged tubes, but the fire box is in poor condition requiring replacement of its refractory lining. There is a hose discharging water from a leaky fixture on the boiler into the boiler room sump.

Hot water is generated in submerged coils in the boiler and reduced to consumption temperature in a Holby mixing valve. It is not circulated.

The boiler and burner are adequately sized for heating the building and for generating an adequate supply of hot water.

The 7,500 gallon oil tank in the former coal bin adjacent to the boiler room. There is an oil leak from the feed line in the oil tank room. This condition should be corrected.

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There is a Titusville boiler in the boiler room. It has been disconnected and abandoned in place.

There are two 1,000 gallon steel hot water tanks suspended from the boiler room ceiling. They have been disconnected and abandoned in place.

There is no City of New York Department of Environmental Protection Division of Air Resources Certificate of Operation on display. The City of New York Fire Department Fuel Oil Permit expired in 11/95. There is no New York State Department of Environmental Conservation Petroleum Bulk Storage Certificate on display. There is no City of New York Department of Housing Preservation and Development Heating Plant Self-Inspection Certificate on display. Annual self-inspections are required.

There is no central air conditioning. Individual window units are tenant-owned.

There is no mechanical ventilation except for the boiler room and one of the bathrooms in the duplex apartment, as described in the foregoing.

PLUMBING AND ROOF TANK

The building is supplied with water by New York City. Water enters the main electric switch room from West 72nd Street through two 3-inch mains. Electric service is grounded to both mains. Charges for water are on a frontage basis. Meters must be installed by June 2000.

Water is untreated. Pressure is generally fair to good.

Domestic water plumbing is primarily brass for hot water and galvanized for cold. However, according to the superintendent, during repairs of leaks in cold water branch lines, new brass or copper piping is installed. All floors are supplied with hot water through a series of down-feed risers and there is a series of down-feed risers supplying the upper floors with cold water under pressure from a house pump fed roof tank. The lower five floors are supplied with cold water through a series of up-feed risers under main pressure. Soil, waste and vent lines, inside leaders and area drains are cast iron. They lead to a house sewer and drain which empty into the New York City combined storm and sanitary sewer system. Most piping is concealed. There were no active

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plumbing leaks during these inspections, however, according to the superintendent plumbing leaks develop frequently.

There is a 12,000 gallon Rosenwach wood roof tank with a 3,500 gallon standpipe reserve. It was installed in 1979 and is in fair condition. Its conical top is covered with tar paper, parts of which have come off. Lagging on its risers is encased in corrugated aluminum which is in good condition. The tank supports are steel. They need scraping and paint. Their bases are encased in concrete.

The tank has one regulator float which controls the house pumps. There is no low or high water alarm.

The Sta-Rite and the Ve-Kit house pumps are in the pump room in the cellar. Each is driven by a 15 HP motor. The latter pump is new and the former is in good condition. The pumps are rotated on line monthly with one maintained as a stand-by.

There is a large sump with two pumps in the boiler room and another sump pump in the pit of the abandoned boiler. They are operational.

GAS, ELECTRICITY, TELEVISION AND INTERCOM

All apartments are provided with individually metered gas and electricity by Consolidated Edison.

The electric meters are in the cellar hall. The gas meters are in the stairways, service halls and main electric switch room.

The gas enters the main electric switch room from East 72nd Street through a 4-inch main. Gas piping is primarily black iron. It is concealed. Exposed lines appear to be in acceptable condition.

Electricity enters the main switch room through four General Electric, 240 volt 4SN master switches. One is rated at 600 amps and contains three 450 amp cartridge fuses. The others are rated at 400 amps and each contains three 350 amp cartridge fuses. DC service enters the main switch room through a 240 volt two pole switch with two 400 amp cartridge fuses.

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The building had been rewired in the past to take the loads of modern households at that time. New service was brought in from the street and new risers were installed to all apartments. New duplex heavy duty outlets were installed in the kitchens. The apartment risers are protected by dual 40 amp circuit breakers. Apartment circuits are protected by four to eighteen 15-30 amp circuit breakers in the apartments.

The building is served by Time Warner Cable TV. Subscription is optional and users are billed individually.

The intercom is located in the vestibule. It is a cross talk system for communication between the apartments and the vestibule at the main entrance. It incorporates a buzzer actuator for remote unlocking of the lobby doors. It is operational.

ELEVATORS

The building is served by three Gurney elevators. They serve all floors from the cellar to the penthouse. Each of the two passenger elevators has a capacity of nine persons or 1,400 pounds. The service elevator has a capacity of thirteen persons or 2,000 pounds.

The service elevator is manually operated. Its cab has a wood slat floor and painted metal walls and ceiling. It is illuminated by an incandescent ceiling fixture. Its cab has a manually-operated collapsible gate and the shaftway has manually-operated single slide doors.

The west passenger cab has a rubber tiled floor and the east passenger cab has a worn vinyl tiled floor. Both have formica-paneled walls and translucent glass-paneled ceilings. They are illuminated by fluorescent fixtures over the glass panels. The passenger elevators provide automatic collective service. The cabs and shaftways have automatic single slide doors.

The elevators are driven by the original Gurney 230 volt 73 amp DC motors housed in the cellar. The machinery for the east passenger elevator is in the pump room. The machinery for the others is in the motor room. The O. Thompson controllers on the east and west passenger elevators are dated 9/8/66 and 5/28/68, respectively.

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The elevator machinery is in good to fair condition. However, there is an oil leak from the worm gear on the west passenger elevator. The cables on the east passenger elevator are relatively new. The crowns are somewhat worn on the cables on the west passenger elevator.

The east passenger elevator and the service elevator were last inspected by the City of New York Department of Buildings on 12/31/1999 and the west passenger was last inspected on 4/12/1999. The last five year tests on all elevators were conducted in 2/99. Currently there is no service contract on the elevators.

REFUSE DISPOSAL AND PEST CONTROL

Refuse is left by the tenants in the service halls and collected several times daily by the building staff. It is stored in the west court. It is put out three times weekly for collection free of charge, by the City of New York Department of Sanitation.

Pest control is provided monthly to tenants requesting.

GENERAL

The repairs suggested in this report are consistent with the standards applicable to cooperatively-owned buildings. Additional repairs and replacements may nevertheless be required in the future. Some of the original equipment cannot be expected to last for the full life of the structure proper. Unless the repairs suggested herein are performed and an adequate maintenance program is in place, the building cannot be expected to remain in the condition as described herein which is current only as of the date of inspection.



Euval S. Barrekette, P.E., Ph.D.

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January 10, 2001

Elliott P. Joseph
Property Markets Group
130 East 57 Street
New York, NY 10022

re: 41 West 72 Street

Dear Mr. Joseph:

The following are my comments with regard to the Attorney General's Reviewing Engineer's Memorandum dated 1/03/01

II. A. Masonry

parapets

At the time of my inspections in April 2000 the parapets were potentially dangerous/hazardous. According to the Sponsor the parapets are being replaced where necessary.

other: sills (p.10)

At the time of my inspections in April 2000 some sills which were cracked longitudinally were potentially dangerous/hazardous. They should be repaired before they deteriorate further.

C. roof & terraces leaks (p.11)

At the time of my inspections in April 2000, according to the superintendent, there were active roof and terrace leaks during severe storms. At that time the

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condition was not dangerous/hazardous. According to the Sponsor the roof over the penthouse has been replaced and he intends to replace the terraces where necessary.

G. Heating system

The condition of the heating and hot water system is described in the section of my report entitled HEATING, AIR CONDITIONING AND VENTILATION as follows:

> "The boiler, burner and controls are in good to fair condition. The fire box and tube manifold are sealed and thus no representation can be made as to their condition. According to the superintendent there are no plugged tubes, but the fire box is in poor condition requiring replacement of its refractory lining. There is a hose discharging water from a leaky fixture on the boiler into the boiler room sump."
>
> "There is an oil leak from the feed line in the oil tank room. This condition should be corrected.

According to the superintendent the fire box and oil leak have been repaired. The leaky fixture was not dangerous/hazardous.

I. Other

vault conditions (p.5 para9); passage conditions (p.6 para.4)

At the time of my inspections in April 2000 the conditions of the vaults and passages were potentially dangerous/hazardous. They should be repaired before they deteriorate further.

conditions noted page 4 para. 1 & 2

At the time of my inspections in April 2000 the conditions of the bases of the columns and of the foundation walls were potentially dangerous/hazardous. They should be investigated and if necessary repaired before they deteriorate further.

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facade conditions (p.8 para 2)

At the time of my inspections in April 2000 the conditions of the facade were potentially dangerous/hazardous. They should be repaired before they deteriorate further.

conditions noted (p. 8 last para.)

At the time of my inspections in April 2000 the conditions of the other elevations were potentially dangerous/hazardous. As described in the foregoing, according to the Sponsor the parapets are being replaced where necessary. The other conditions should be repaired before they deteriorate further.

door conditions (p.11 para 1)

At the time of my inspections in April 2000 the conditions of the doors were potentially dangerous/hazardous. They should be repaired before they deteriorate further.

lack of smoke alarms in halls & open penetrations (p. 15 para. 4)

These conditions are dangerous/hazardous and should be corrected.

storage in meter room, no second means of egress in boiler room (p.17)

The Sponsor has indicated that he will correct these conditions.

V. **State whether the following conditions have stabilized and state the basis for the statement made.**

cracks noted on page 4 paragraph1

Although the cracks appeared stable at the time of my inspections it is impossible to determine whether they are actually stable without a long term monitoring program.

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conditions noted page 8 paragraph 2 and page 9 paragraph 1

These conditions are probably not stable and should be corrected before they deteriorate further.

chimney crack p. 9 para 4

The crack is probably not stable and should be repaired.

Please call if you have any questions.

Yours truly,



E. S. Barrekette

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Elliot Joseph
Property Management Group
130 East 57th Street, 5th Floor
New York, N.Y. 10022

February 6, 2001

Re: 41 West 72nd Street

Elliot:

To date, I have provided the following services for 41 West 72nd Street.

1. 4th Cycle Supplemental Local Law #10 Inspection & Report. This report only included a visual inspection of areas which were not inspected during the initial 4th Cycle Local Law #10 Inspection.
2. Repair Specifications and Construction support for work relating to rebuilding north wall parapet, north wall of west courtyard parapet and north section of west wall parapet. Additional support will be provided for new roof as part of this Contract.
3. Repair specifications for façade repairs required on remainder of façade will be provided shortly. A 5th Cycle Local Law #11 Report will be filed at the conclusion of monitoring such repair work. At this point, preliminary visual inspections have been performed on the entire façade in order to project the types of repairs which need to be specified and included in the bid package. All specific decisions regarding exactly what repairs are needed and at what specific locations they are needed will be done on an ongoing basis during scaffold inspections as part of the Repair Contract.

I have been asked to respond to certain observations contained in Mr. E. S. Barrekette's Report dated April 12, 2000 (the "Report"):

The question I am responding to, is whether several specific conditions noted have stabilized.

I would consider a condition to be *stable* if the condition would not be expected to worsen, even if no corrective actions were taken. By this definition, stability does not have anything to do with the potential hazard of a condition.

Cracks noted on page 4 paragraph 1:

I briefly examined foundation walls, especially those in the boiler room. As reported, there are many cracked, damaged and loosened brick on the perimeter columns. On one exposed column that I examined there did not appear to be any rusting or corrosion of the steel. Some of the cracking appeared to be relatively new indicating that the deterioration is ongoing, i.e. not stabilized. However, this brick is not structural and should be very easy and inexpensive to repair. It is possible that cracking at other columns was due to rusting steel, but even so, I would expect this condition to be easily corrected. Since brick replacement from scaffolds costs approximately $30/SF, I would expect the replacement of all damaged brick in the basement to be no more than $25/SF.

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Conditions noted on page 8 paragraph 2:

I also observed cracks in the southwest and southeast corners of the south courtyard at the 14th to 15th floors. These cracks cannot be considered to have stabilisied since they will certainly worsen if no corrective measures are taken. Openings in terra cotta can lead to water infiltration which will rust steel ties. Openings can also introduce water which can expand while freezing causing increased damage. Nevertheless, I do not expect these cracks to worsen significantly over the next few months. Repairing these cracks will certainly be included in the upcoming project.

Any additional cracking I observed in terra cotta block seemed relatively minor and are probably stable. A scaffold inspection is necessary to reach a definite conclusion, but I expect that repairs will be implemented during the upcoming project.

There are eight (8) Juliet terra cotta balconies on the building's front (south) façade. I observed a few (less than 5) cracks in the bottom sections of the balconies that received some attention in the past. These types of cracks can worsen rapidly and lead to sections of terra cotta breaking off, so I would not consider such cracks stable and it is advisable to implement repairs as soon as possible.

Conditions noted on page 9 paragraph1:

This paragraph notes several conditions, the most prevalent is deterioration to the penthouse bulkhead parapets and lintels. This condition is very noticeable and was noted in the 4th Cycle Local Law #10 Report which I filed. Since this damage is caused by water leaking into the roof and parapets, I believe that it should remain more stable after a new roof is installed. But, since the deterioration is severe, repairs should be implemented as soon as possible. The remaining conditions noted may also stabilize after new roofs are installed, but this does not diminish from the need to take corrective measures.

Conditions noted on page 9 paragraph 4:

Any crack in masonry will tend to worsen over time if no corrective measures are taken. So, any cracks in the chimney, regardless of their severity, cannot be considered stable.

Conclusion:

The stability of a condition only has significance when considering the magnitude of the condition and the consequences of not taking corrective action. My comments in this letter are in response to the question of stability and do not reflect my concerns for the urgency of required repairs.

Sincerely,

Richard Koenigsberg

Richard C. Koenigsberg, P.E.

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EXHIBIT "5"

ASBESTOS REPORT

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ASBESTOS RE-INSPECTION ADDENDUM

- for -

41 West 72nd Street
New York, NY

Prepared For

Property Markets Group
130 East 57th Street
New York, NY 10022

BY

DALTON ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
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Date: November 22, 2000
DEL # 001122-243-887

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RE-INSPECTION ADDENDUM

SUMMARY

Property Location: 41 West 72nd Street, New York, NY
Site Re-Inspection Visit(s): November 20, 2000
Inspection Supervisor: **DALTON ENVIRONMENTAL Ltd.**, by D. Truglia, J.D., M.S., C.A.I.
Owner's Representative: Superintendent Sal Ramirez

Scope: This asbestos re-inspection was limited to compliance with the requirements of the New York State Attorney General for the disclosure of asbestos containing material under Part 23 of Title 13 NYCRR.

Re-Inspection: Due to the fact that the previous site inspection report indicated the presence of suspected asbestos containing material in at least one residential unit in the subject premises, we informed the building's managing agent and/or sponsor of that fact and that pursuant to the NYS Attorney General's interpretation of the asbestos disclosure regulations for conversion offerings, a subsequent re-inspection, partly during non-working hours, would be necessary to attempt to inspect all other units, after informing the residents. We have further directed the managing agent and/or sponsor to inform the building's residents that on the re-inspection date, they will have one additional opportunity to have their individual units checked for asbestos, if desired.

This addendum to the original report is a compilation of our findings and observations during said re-inspection and makes reference to the information and treatment protocol for suspected asbestos containing material (SACM) included with the original report. A sample of the re-inspection notice is attached hereto.

1.0 Re-Inspection Notes - Apartments

During the re-inspection conducted on November 20, 2000, the following apartment occupants responded via the posted notices for access as follows:

18A - refused inspection
18D - refused inspection
17A - no suspected ACM
17D - no suspected ACM
17H - no suspected ACM

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16H - no suspected ACM

16A - no suspected ACM

15E - refused inspection

12H - no suspected ACM

12A - old-style wooden radiator cover in LR, estimated < 4 sf SACM, friable; (see Conclusion and Recommendation sections below)

12C - old-style wooden radiator cover in LR and BR estimated < 4 sf SACM @, friable; steam riser in kitchen contained 6 lf pipe insulation, damage observed, friable (see Conclusion and Recommendation sections below)

12D - no suspected ACM

11C - old-style wooden radiator cover in LR, estimated < 4 sf SACM, friable; (see Conclusion and Recommendation sections below)

11D - no suspected ACM

11F - refused inspection

11E - refused inspection

10C - no suspected ACM

9C - old-style wooden radiator cover in LR and BR estimated < 1 sf SACM @, friable; evidence of prior incomplete removal (see Conclusion and Recommendation sections below)

9H - no suspected ACM

8D - no suspected ACM

7B - no suspected ACM

6B - no suspected ACM

5C - no suspected ACM

4H - old-style wooden radiator cover in LR, estimated < 4 sf SACM, friable; (see Conclusion and Recommendation sections below)

3B - refused inspection

3D - no suspected ACM

3C - refused inspection

2H - refused inspection

2E - no suspected ACM

2.0 CONCLUSION and RECOMMENDATION

4.1 Conclusion

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SACM was found in several apartments inside old-style wooden radiator covers. These covers contained a flat layer of SACM insulation attached to the sides or underside of the wooden frame. Invariably, this insulation was friable and in some instances showed evidence of an incomplete prior removal attempt. In most instances, where the covers were accessible for removal, the insulation was observed to have significant contact damage exhibiting friable material. Metal radiator covers did not contain any SACM.

Some SACM pipe insulation was also present on a kitchen riser (12C) which appeared to have moderate contact damage with some friable material observed in damaged portions.

4.2 Recommendation

In general, we recommend removal of confirmed ACM pipe insulation in apartment units since this is the most effective way to prevent future disturbance and potential fiber release in the living space. The old-style wooden radiator covers should be discarded in a hygienic manner in order to prevent periodic disturbance of friable SACM in a living space.

3.0 LIMITED WARRANTY

Dalton Environmental, Ltd., warrants that it uses reasonable and ordinary care in the site inspection, compilation and transcription of data which it obtains from a variety of government and non-government sources. This limited warranty is in lieu of all other express warranties which might otherwise arise with respect to this report. No one is authorized to change or add to this limited warranty. This limited warranty is extended by Dalton Environmental, Ltd., only to the original purchaser of the accompanying asbestos report and it may not be assigned to any other person. The period of warranty coverage is six months from the date of the report and said warranty will automatically expire after that period.

DALTON ENVIRONMENTAL, Ltd.

by: _____

Dunewood Truglia, President

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ASBESTOS REPORT

- for -

41 West 72nd Street
New York, NY 10024

Prepared For

Property Markets Group
130 East 57th Street
New York, NY 10022

by

DALTON ENVIRONMENTAL, Ltd.

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Date: June 15, 2000
DEL # 000214-243-877

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Environmental Consultant

DALTON

ENVIRONMENTAL, LTD. DEL # 000214-243-877 Site: 41 West 72nd Street

ASBESTOS REPORT

41 West 72nd Street
New York, NY

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DALTON
ENVIRONMENTAL, LTD.

DEL # 000214-243-877

Site: 41 West 72nd Street

EXECUTIVE SUMMARY

Property Location: 41 West 72nd Street, New York, NY
Site Inspection Visit(s): March 2, 2000 and March 16, 2000
Inspection Supervisor: **DALTON ENVIRONMENTAL Ltd.**, by D. Truglia, J.D., M.S., C.A.I.
Owner's Representative Present: Superintendent Sal Ramirez

Scope: This asbestos investigation was limited to compliance with the requirements of the New York State Attorney General for the disclosure of asbestos containing material under Part 23 of Title 13 NYCRR.

Inspection Opinion: Confirmed asbestos containing material (ACM) found in basement boiler room and suspected asbestos containing material (SACM) present in other basement utility areas; ACM also found in two of the apartments accessed, in the form of pipe covering insulation on some exposed risers. See detailed summary of findings Section 3.0.

Exposure Risk Factor: Low, two apartments contained ACM pipe insulation on unboxed risers in maid's bathrooms. See apartment inspection notes, Sections 3.1 and 3.2.

Recommendation: Remove or repair damaged insulation in apartment units; remove or repair SACM and confirmed ACM in basement utility areas prior to destructive renovation or repair of systems, particularly the old boiler unit present in basement boiler room. Most encapsulated SACM pipe insulation found in good condition, such as in basement hallways and laundry room, may be managed in place without disturbance until removed during repair or renovation as part of a comprehensive abatement operations and maintenance plan for the building.

Addendum

Lead-Based Paint Disclosure: Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, available for inspection at its office, during business hours via appointment. Sponsor will distribute to each tenant, a copy of EPA 747-K-94-001 detailing lead-based paint information and sponsor will comply with all laws and applicable regulations pursuant to the requirements of the New York State Attorney General in Part 23 of Title 13 NYCRR. See Section 4.4 for detailed summary.

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DALTON

ENVIRONMENTAL, LTD.

DEL # 000214-243-877

Site: 41 West 72nd Street

1.0 GENERAL INFORMATION

DALTON ENVIRONMENTAL Ltd., has performed an asbestos survey to investigate the presence of asbestos containing material (ACM) in the subject premises and to render an opinion for further study, treatment, or such operations and maintenance program, as is deemed advisable. The scope of the report is limited to compliance with the requirements of the New York State Attorney General, regarding disclosure of the presence of ACM in offering plans for buildings undergoing conversion to residential cooperative or condominium status. The required information must include an evaluation of the ACM in the building, recommended methods of removal and/or treatment, and a protocol for the future management of ACM via an operations and maintenance (O&M) program, which will remain in the building.

"Asbestos" is the name of a class of magnesium-silicate minerals that occur in fibrous form. The most common minerals that are included in this group are chrysotile, amosite, and crocidolite. Whenever any of these materials is subjected to physical disturbance, vibration, or an airstream of significant velocity and duration, there is a likelihood of the release of respirable (breathable) airborne asbestos fibers. The exact relationship between exposure level to asbestos and health risk is a matter of debate although some epidemiological studies have established a correlation between exposure to respirable particles and some forms of fibrogenic disease. The US Environmental Protection Agency's efforts to regulate and control ACM in buildings is based upon its finding that airborne asbestos constitutes a hazardous emission, 40 CFR 61, Subpart M, (National Emission Standards for Hazardous Air Pollutants).

Asbestos containing material has been used in a wide variety of manufactured goods and building materials including various types of pipe, tank and boiler insulation such as is commonly found in older buildings in New York City.

The potential for an asbestos-containing product to release breathable fibers depends on its degree of friability. "Friable" means that the material can be crumbled with hand pressure and is therefore likely to emit fibers upon minimal physical disturbance. Pipe and tank insulation may be friable whenever they are damaged or deteriorated. Conversely, asbestos containing materials which are not friable may be managed in-place indefinitely until ultimately replaced during renovation.

1.1 Site Assessment Methods

The site assessment and review were conducted under the direct supervision of Dunewood Truglia, (M.S. Environmental Science,) a NYC Certified Asbestos Investigator qualified by experience, education and training in the investigation of asbestos containing building materials and approved bulk sampling techniques for suspected asbestos containing materials.

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An inspection of all accessible space in the subject areas was made in the presence of a representative of the owner or managing party. In order to determine whether or not a suspected material should be classified as asbestos it is necessary to collect a sufficient number of samples to insure a statistically significant result based on a reasonable amount of analytical data. It is our opinion that an acceptable minimum number of critical areas were inspected and sampled in keeping with the homogeneous nature of much of the material that was observed.

Bulk samples collected at the site were analyzed by standard petrographic polarized light microscopy (Dispersion Staining) which was performed by an independent laboratory (Airtek Environmental Corp.) qualified for asbestos analysis and certified in NIST/NVLAP and NYS ELAP programs. Analysis protocol was EPA's "Interim Method for the Determination of Asbestos Bulk Insulation Samples," 600/M-4-83-020 (PLM/DS). Asbestos containing materials as defined by federal, state and local law are those materials which contain more than 1% asbestos.

Site inspection methods, document review and analytical protocol employed here were appropriate to and commensurate with experience, knowledge, observation, and familiarity with similarly situated property in this locale and although our opinion is rendered with a reasonable degree of environmental inspection certainty, no warranties of any nature may be inferred and no representation to the contrary is intended.

Photographs were taken during the site visits, which fairly and accurately depicts the conditions observed at the time of the inspection and the locations from which the bulk samples were collected. No site plan or as-built drawings were available.

2.0 SITE DESCRIPTION and CHARACTERISTICS

2.1 Physical Site Inspection

The subject property is a sixteen story rental building with approximately 130 apartments, located on the north side of West 72nd Street in Manhattan, see photo P-1. The building's construction is brick and concrete and appears to be circa 1928. There is full basement located below grade level. Three elevators and four enclosed stairwells provide access from basement to roof.

DALTON ENVIRONMENTAL, Ltd., conducted physical site inspections of the common areas and the residential portion of the building on March 2, 2000 and March 16, 2000. Following standard operating procedure, all apartment doors were knocked on in the presence of the superintendent, to afford an opportunity to all of the building residents to have their respective units checked if they so desired. Responses were obtained from 26 apartments (20%) with full inspections performed in 22 apartments (17% of the total) accessed during the second site visit.

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Two representative bulk samples, both in the form of pipe riser insulation located in maid's bathrooms (Samples 41-01 and 41-02) were collected from apartments 10A and 9A respectively. Both contained asbestos and both exhibited surface contact damage, see photos P-3 and P-4.

3.0 FINDINGS

Asbestos containing materials were confirmed in boiler room and suspected asbestos containing materials (SACM) were observed in several of the basement utility rooms and common areas. The material found in basement spaces consisted of boiler and flue duct insulation as well as suspected asbestos pipe covering on many of the pipe runs present in various basement spaces. The presence of ACM was also confirmed in at least two apartments (10A and 9A). See apartment inspection notes below.

3.1 Inspection Notes - Common and Utility Areas

All basement utility rooms and common areas were accessed during the inspection visits. It appears that some asbestos pipe insulation had been removed from some of the utility rooms during a previous asbestos abatement effort. The remaining thermal system insulation (pipe covering) appeared to be a mixture of old, encapsulated SACM and newer fiberglass, mineral wool and other non-ACM products, as noted below.

Basement hallways - Contained approximately 350 linear feet of pipe insulation covering various overhead pipe runs. The hallways contained a mixture of well encapsulated SACM together with retrofitted mineral wool or fiberglass insulation. All of the insulation appeared to be in good, non-friable condition and not especially susceptible to contact damage. Therefore it may be managed in place utilizing proper operations and maintenance procedures, see Appendix C.

Pump Room and East Elevator motor room - Contained new fiberglass or mineral wool pipe insulation, no SACM present.

Laundry room - Contained approximately 125 linear feet of SACM in good well encapsulated condition with no friable material observed. Also present was a small amount of newer non-ACM mineral wool pipe covering. Material may be managed in place as is.

Porter's Room - This room contained 15 linear feet of SACM some of which had extensive damage. Some friable material was observed on damaged sections overhead. Remove damaged sections, see photo P-12.

West Elevator Room - No SACM present.

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Appliance Storage Room - This space may have undergone previous asbestos abatement due to the presence of bare pipes with encapsulant observed, no SACM present.

Electrical and Gas Meter Room (for "C"& "B" line) - Contained only bare piping, no SACM.

Superintendent's Shop - No SACM present.

Garbage Supply Room - No SACM present.

Boiler Room - Contained an out of service "Titusville" Boiler unit along with a newer "Federal" Boiler, the unit presently in use. Federal unit, metal jacketed, no SACM, see Sample 41-05.

The Titusville unit is insulated with asbestos and was covered (encapsulated) with a canvas wrap over most of its surface area, approximately 700 square feet of SACM. However, damaged and friable material was present in several spots which should be repaired pending complete removal of all of the asbestos, see photos P-7 and P-9 and P-11.

Also present was a flue duct, approximately 800 square feet SACM which was in fairly good, well wrapped condition. Also present was an overhead hot water tank (approximately 350 square feet of SACM). All of this material may be repaired and managed in place pending ultimate removal, provided it is not subjected to periodic disturbance in the interim. Maintenance and repair work should follow applicable operations and maintenance protocol for in place asbestos management in order to limit potential exposure through disturbance of ACM.

Oil Tank Room - located off of boiler room and contains a 7,500 gallon bare steel tank. The piping inside of the oil tank room may have been the subject of a prior asbestos abatement effort due to the encapsulant observed on several of the pipe runs present there.

3.2 Inspection Notes - Apartments

Typically apartments were observed to have hardwood, parquet or tile flooring (synthetic or ceramic) with plaster/sheetrock walls with 9' ceilings. Several styles of uninsulated radiator covers were present. Most risers were boxed or uninsulated. No suspected asbestos containing materials were present except in the "A" line. Two apartments (10A and 9A) were found to contain a small maid's bathroom which contained asbestos insulation on unboxed risers. There is also a likelihood that asbestos insulation will be present on pipe runs behind walls therefore plumbing repairs involving open walls should be performed with due precaution to minimize disturbance of any ACM pipe insulation which may be present.

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During the two site inspections, the apartment occupants responded to our inspection access attempts as follows:

18B - no suspected ACM

17F - no suspected ACM (Note that master bedroom closet had opening in wall which should be repaired and sealed due to the likelihood of ACM insulated pipe runs behind walls, see photo P-2.

15F - refused inspection

14G - refused inspection

14D - no suspected ACM

14E - no suspected ACM

12B - no suspected ACM

11B - no suspected ACM

11G - no suspected ACM

11A - no suspected ACM

11F - refused inspection

10E - no suspected ACM

10A - maid's bathroom contained 16 linear feet of ACM pipe insulation, some contact damage, friable where damaged, see Sample 41-01, photo P-3.

9G - no suspected ACM

9A - maid's bathroom contained 16 linear feet of ACM pipe insulation, some contact damage, friable where damaged, see Sample 41-02, photo P-4.

8C - no suspected ACM

8H - no suspected ACM

6E - no suspected ACM

6D - no suspected ACM

5G - no suspected ACM

5B - no suspected ACM

5F - refused inspection

4A - no suspected ACM

3G - no suspected ACM

2B - no suspected ACM

2A - no suspected ACM

Some utility hallways on some floors contained peeling paint, see photo P-6, 11th floor service corridor, see Section 4.4 below.

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4.0 CONCLUSIONS and RECOMMENDATIONS

4.1 Conclusion

ACM was found in two apartments in the form of pipe covering insulation on hot water risers located in maid's bathrooms. In both instances the insulation showed contact damaged which had exposed friable material. This material should be encapsulated or removed to avoid periodic disturbance in a living space.

Pipe insulation found in basement common areas and utility rooms was generally well-encapsulated and may be maintained indefinitely if not disturbed or subject to contact damage. An operations and maintenance protocol is included herein for the management of asbestos containing material in place until it is ultimately removed prior to future repair or renovation of the affected thermal systems. Boiler and flue insulation, should likewise remain undisturbed prior to full removal of the ACM material present.

4.2 Remediation, Recommendations

In general, we recommend removal of confirmed ACM pipe insulation in apartment units since this is the most effective way to prevent future disturbance and potential fiber release in the living space. Suitable enclosure or encapsulation is an acceptable alternative where applicable and feasible. However, the suspected ACM pipe insulation observed in apartments 10A and 9A had contact damage and exposed friable material over a proportionately large area, therefore we recommend removal as the most practical remediation option.

Maintenance personnel should be made aware of the presence of ACM in sealed areas behind walls and should be alert to avoid contact or disturbance when attempting repairs. The use of respiratory protection is also recommended for any repair or maintenance work which involves removal or disturbance of any of the old style radiator covers which contain asbestos insulation.

Applicable Asbestos Standards

Federal -

29 CFR 1910.1001;51 CFR 1926.58; 29 CFR 1910.134
29 CFR 1910.145; 30 CFR 230 & 231; 40 CFR 61 Subpart M
40 CFR 763 (as applicable)

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State of New York -

New York State Environmental Conservation Laws
Article 27 Title 3 Part 364
Article 27 Title 6 & 7 Part 360
Chapter 775 of the Laws of the State of New York
Labor Law, Article 30, Industrial Code Rule 56
Title 12 NYCRR as applicable

Title 13 NYCRR, Parts 18, 20 and 21

City of New York -

Local Laws 70 and 76 of 1985 City of New York (where applicable),
Local Law 21 of 1987 City of New York (where applicable), each as codified in Title 15 of the Rules of the City of New York

4.3 Operations and Maintenance Protocol

Asbestos containing material that is in good, non-friable condition, may be managed in place indefinitely until removed during a planned future renovation. An O&M plan should incorporate the use of a HEPA equipped vacuum device designed to trap minute particles and the institution of wet-mopping clean-up techniques for areas where ACM has been dislodged.

Implementation of the plan, see Appendix C, consists in educating the maintenance personnel and residents to avoid disturbance and to follow recommended protocol in dealing with minor incidents of dust or dislodgment of suspected material to minimize the dispersement of airborne asbestos fibers. If in doubt, a licensed abatement contractor should be used for thorough cleaning, as well as actual removal and encapsulation of abated surfaces.

4.4 Lead-based Paint Regulation Disclosure

Due to age and construction configuration of the subject premises, it is possible that lead-based paint may be present in a variety of areas throughout the building. Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, sponsor will distribute to each tenant's apartment, a copy of EPA 747-K-94-001 detailing important lead-based paint information. Under subdivision (6) of Section

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23.3(kk), the regulation requires disclosing the existence of applicable federal, state or local laws concerning lead-based paint, see regulatory advice below. Under subdivision (dd) of Section 23.7 of Title 13 NYCRR, a sponsor must disclose any records, reports, violation and any other information know or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards. Therefore the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, available for inspection at its office, during regular business hours via appointment. Finally, the sponsor will comply with all laws and applicable regulations concerning lead-based paint pursuant to the requirements of the New York State Attorney General in Part 23 of Title 13 NYCRR.

Applicable Lead-based Paint Regulations

Federal -

42 USC 485 2d, 24 CFR Part 35, EPA HUD final Rule, 40 CFR Part 745

State -

Part 23 of Title 13 NYCRR (subdivision(6) of Section 23.3(kk) and subdivision (dd) of Section 23.7) of the regulations of the New York State Attorney General

Local -

NYC Local Law 1 codified at NYC Housing Maintenance Code § 27-2013(h) and *cf.*, Title 28 RCNY 11

5.0 LIMITED WARRANTY

Dalton Environmental, Ltd., warrants that it uses reasonable and ordinary care in the site inspection, compilation and transcription of data which it obtains from a variety of government and non-government sources. This limited warranty is in lieu of all other express warranties which might otherwise arise with respect to this report. No one is authorized to change or add to this limited warranty. This limited warranty is extended by Dalton Environmental, Ltd., only to the original purchaser of the accompanying asbestos report and it may not be assigned to any other person. The period of warranty coverage is six months from the date of the report and said warranty will automatically expire after that period.

4.1 Disclaimer of Liability

Dalton Environmental, Ltd., has not and can not verify the accuracy, correctness or completion of the information contained in the report except where it has specifically undertaken to do so by physical observation of factors or conditions which are patent and reasonably susceptible to

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observation and interpretation during a normal site inspection. Information is included which is obtained from a variety of sources (government, owner, manager, laboratory, etc.,) and errors are common in such information. Dalton Environmental, Ltd., cannot control the accuracy or completeness of the information contained in the report or the uses which may be made of the information contained therein, THEREFORE ALL LIABILITY TO ANYONE FOR ANY EVENT ARISING OUT OF THE USE OF THE INFORMATION CONTAINED HEREIN IS DISCLAIMED. DALTON ENVIRONMENTAL, LTD., SHALL INCUR NO LIABILITY FOR ANY DAMAGE, CAUSED DIRECTLY OR INDIRECTLY, THROUGH THE USE OF THE INFORMATION CONTAINED IN THE REPORT, WHETHER OR NOT DALTON ENVIRONMENTAL, LTD., HAS BEEN ADVISED OR HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGE AND IN ADDITION THERETO, DALTON ENVIRONMENTAL, LTD., DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

DALTON ENVIRONMENTAL, Ltd.

by: /s/

Dunewood Truglia, President

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APPENDIX A

Bulk Sample Analyses

Samples 41-01 - 41-05

Subject Property

41 West 72nd Street
New York, NY

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AIRTEK ENVIRONMENTAL CORP.
39 WEST 38TH STREET
12TH FLOOR
NEW YORK, NY 10018

DATTON ENVIRONMENTAL
41 WEST 72ND ST

DATE: 3/16/00

POLARIZED LIGHT MICROSCOPY (PLM)

PROJECT:00-0468

Sample/ Lab ID	LOCATION	APPEARANCE	SAMPLE TREATMENT	ASBESTOS TYPE %	FIBROUS TYPE %	NON-FIBROUS TYPE %
41-01 82275	PIPE INSULATION FROM MAIDS BATHROOM	GREY FIBROUS HOMOGENEOUS	TEASED	CHRYSOTILE 36%	CELLULOSE 24%	BINDER/FILLER 40%
41-02 82276	PIPE INSULATION FROM MAIDS BATHROOM	GREY FIBROUS HOMOGENEOUS	TEASED	CHRYSOTILE 44%	CELLULOSE 20%	BINDER/FILLER 36%
41-03 82277	"TITUSVILLE" BASE & ELLE INSULATION	GREY FIBROUS HOMOGENEOUS	TEASED	CHRYSOTILE 57%		BINDER/FILLER 43%
41-04 82278	"TITUSVILLE" BOILER SHELL INSULATION	GREY FIBROUS HOMOGENEOUS	TEASED	CHRYSOTILE 57%		BINDER/FILLER 43%
41-05 82279	"FEDERAL" BOILER INSULATION BETWEEN OUTER METAL SHEATHING	GREY FIBROUS HOMOGENEOUS	TEASED	NONE DETECTED	FIBERGLASS 81%	BINDER/FILLER 19%

Approved Signatory: _____ Analyst: E.MARTINEZ Date Analyzed: 3/21/00

Microscope: Nikon Labophot POL Method: PLM With DS EPA 600/R-93/116 and ELAP 198.1

Methods of stratified point-counting or negative staining are used on 4 mounts. Polarized light microscopy is not consistently reliable in detecting asbestos in floor covering/non-friable organically bound materials (NOB's). NOB's should be analyzed by quantitative TEM. The above test report relates only to item tested. Layered samples are analyzed by layer. Any positive layer will be reported separately. This report should not be used to claim product endorsement by NVLAP and may not be reproduced, except in full, without written approval by Airtek.

ELAP # 11046 NVLAP # 102011

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APPENDIX B

PHOTOGRAPHS

(March 16, 2000)

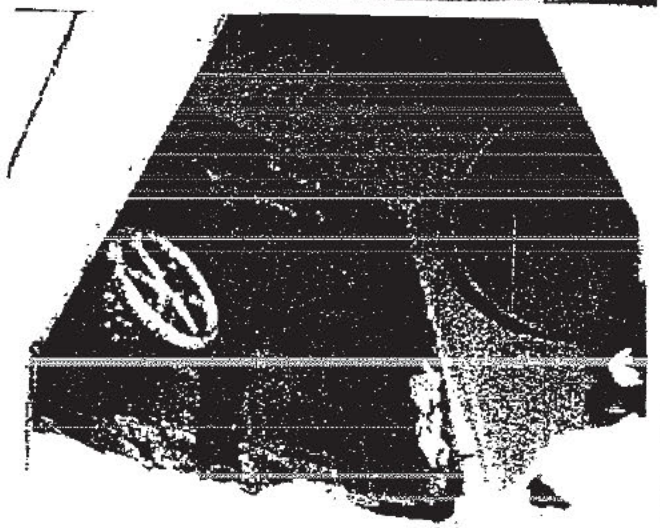
Subject Property and Immediate Vicinity of:
41 West 72nd Street
New York, NY

P-1 Exterior south elevation
P-2 Wall opened in closed in master bedroom of apartment 17F
P-3 ACM pipe insulation, Sample 41-01, maid's bathroom apartment 10A
P-4 ACM pipe insulation, Sample 41-02, maid's bathroom apartment 9A
P-5 basement laundry room
P-6 Typical service hallway, 11th floor
P-7 "Titusville" Boiler, flue duct, Sample 41-03
P-8 "Federal" Boiler, Sample 41-05
P-9 Boiler room configuration
P-10 Flue duct, boiler room
P-11 "Titusville" boiler wrap, Sample 41-04
P-12 Porter's room

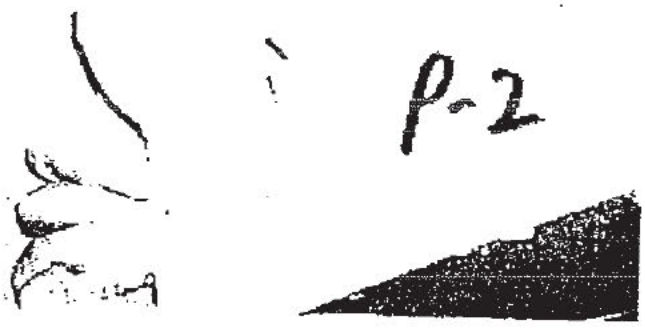
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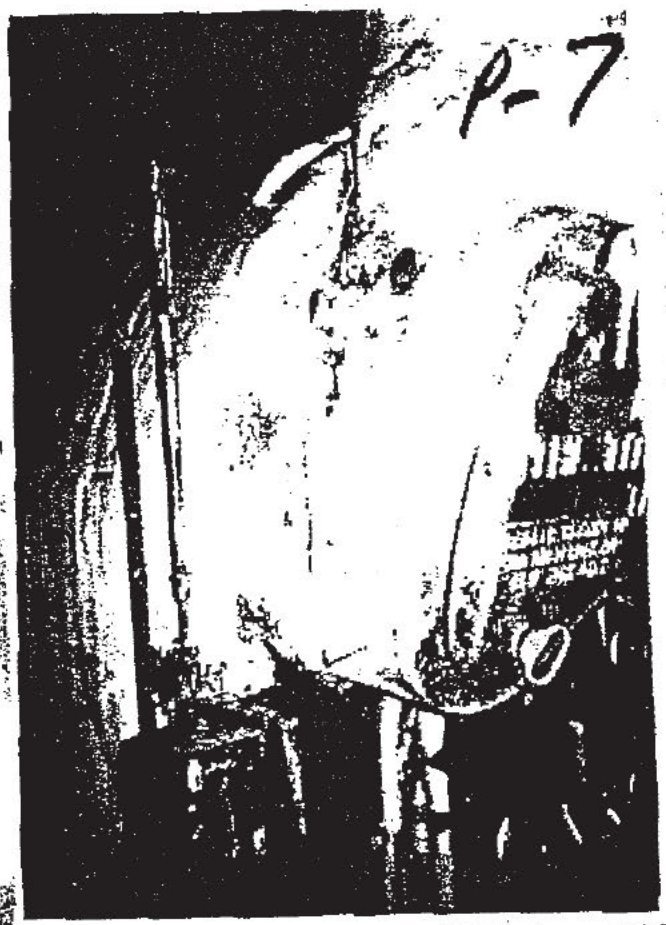




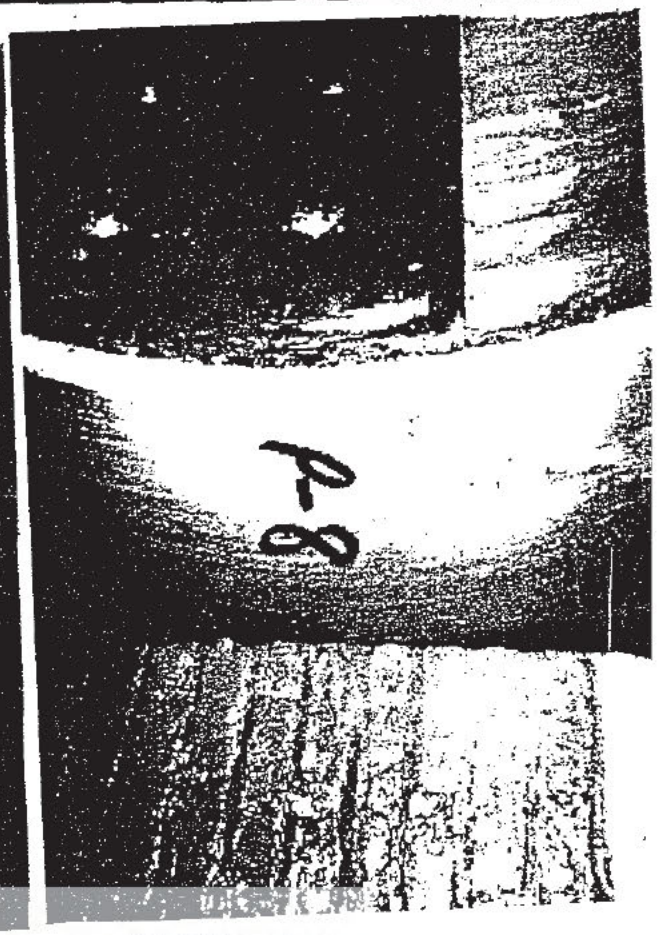


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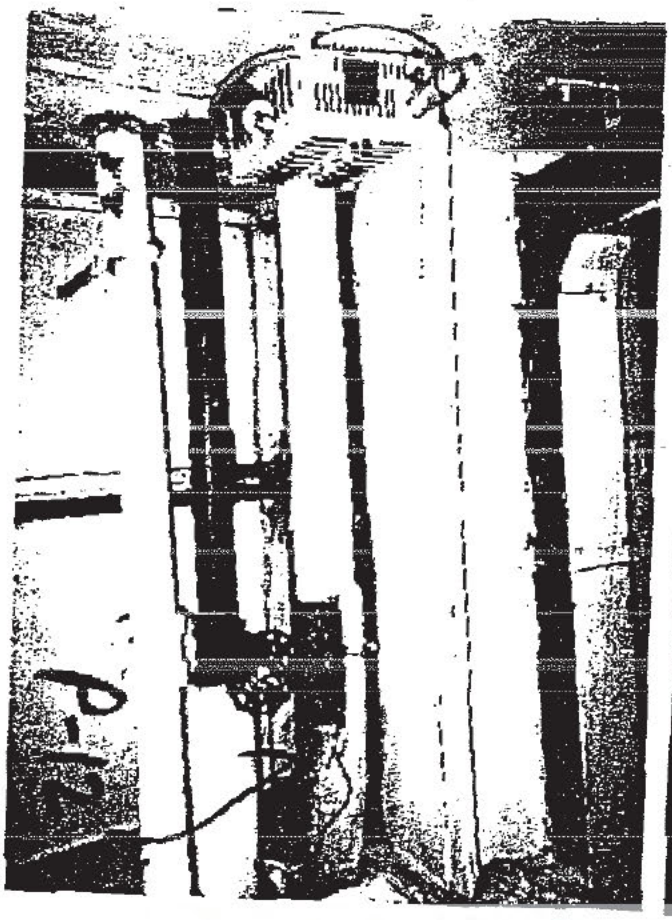




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APPENDIX C

OPERATIONS & MAINTENANCE PROGRAM

The presence of undamaged and non-friable asbestos in this building does not mean that the health of building occupants is necessarily endangered. As long as the SACM remains in good condition and is not disturbed, the risk of hazardous exposure is minimized. The potential for fiber release from SACM determines the need for and scheduling of future treatment. The nature and location of the material will determine the abatement method. All personnel with work responsibility in the any areas in which friable asbestos containing material is present should be properly supervised and supplied with appropriate personal protective equipment. Also, this suggested protocol will only be effective to manage ACM which is not damaged or friable to begin with.

PROGRAM ESTABLISHMENT

The building owner/manager should implement an operations and maintenance program pursuant to the guidelines set forth in EPA 560/5-85-024 (Guidance for Controlling Asbestos- Containing Materials in Buildings, as amended,) in order to safely manage suspected asbestos containing material which is not scheduled to be removed via abatement. The purpose of this program is to provide periodic monitoring and inspection of the SACM remaining in the building to ensure that its presence does not become hazardous due to damage or disturbance which might cause asbestos fibers to become airborne.

The program consists of appointing an asbestos (O&M) manager, who may be an independent consultant, with qualifications commensurate with the scope of the task who will develop and implement a schedule for documenting and monitoring all SACM in basement areas in which removal has not been completed.

The manager will inform building occupants and custodial staff with access to affected areas, of the location of SACM and caution them about disturbing it. The manager will train workers to clean and handle SACM properly; will supervise the cleaning of areas which may be contaminated; will notify the proper governmental bodies pursuant to applicable regulations before any removal work or demolition is done; and will document all periodic inspections for damage and deterioration, with appropriate tests as necessary.

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IMPLEMENTATION

An assessment of the condition of SACM should first evaluate: the quality of the installation, the adhesion of the friable material to the underlying substrate, deterioration, and the presence of damage from vandalism or any other cause. Generally, evidence of debris on horizontal surfaces, hanging material, dislodged chunks, scrapings, indentations, or cracking are indicators of poor material condition and should be carefully managed to prevent building wide fiber dispersement.

Accidental or deliberate physical contact with any friable material can result in damage. The asbestos manager should look for any evidence that the SACM has been disturbed: finger marks in the material, graffiti, pieces dislodged or missing, scrape marks in the ACM pipe insulation.

SACM may deteriorate as a result of either the quality of the installation or environmental factors which affect the cohesive strength of the SACM itself or the strength of its adhesion to the substrate. Deterioration can result in the accumulation of dust on the surface of the SACM, delamination of the material, or an adhesive failure of the material where it pulls away from the substrate.

Water from leaks or high humidity areas can dislodge, delaminate, or disturb friable SACM that is in otherwise good condition and can increase the potential for fiber release by dissolving and washing out the binders in the material. Materials which were not considered friable may become friable after water has dissolved and leached out the associated binders. Water can also act as a conduit to carry fibers to other areas where evaporation will leave a collection of fibers that can become airborne. Several specific areas of leak damage were identified in the subject premises.

Also note that moving air may erode any SACM present and over time will result in a low grade release of fibers on a continuing basis. This should be considered in any long term O&M program.

If friable SACM can be reached by building users or maintenance people, either directly or by impact from objects used in the area, it is accessible and subject to accidental or intentional contact and damage. Maintenance around the boiler in this building should be done without unnecessary contact with or disturbance of any flue duct insulation which contains a high percentage of asbestos.

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In general, for a site to show a high potential for disturbance of friable SACM, it must be exposed, accessible and be located near movement corridors or subject to vibration. The amount of SACM exposed to occupied areas will contribute to the potential for disturbance. SACM that can be seen is exposed and for a material to be considered unexposed a physical barrier must be present which is complete, undamaged, and unlikely to be removed or dislodged.

No vacuuming should be done by building maintenance personnel of suspected asbestos debris without special vacuums (HEPA filter equipped) as ordinary shop vacuums cannot trap respirable asbestos dust particles and usually succeed only in exhausting these into the air through the discharge end.

OPERATIONS and MAINTENANCE RECOMMENDATION

An asbestos maintenance (O&M) program should be initiated in any building which does not intend to undergo complete abatement of all asbestos containing materials. Such a program should include, (as applicable):

- Development of an inventory of all asbestos containing materials in the facility; (See various inspection notes which catalog the type and amount present herein)
- Periodic examination of all asbestos containing materials to detect deterioration and record change of conditions;
- Procedures for handling asbestos materials during the performance of small scale, short duration maintenance and renovation activities;
- Procedures for minimizing the disturbance of ACM;
- Procedures for asbestos disposal; and
- Procedures for dealing with asbestos related emergencies including small scale fiber release.

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The O&M program should continue until all friable asbestos containing material is ultimately removed from the building's basement space.

Note that persons who handle asbestos containing materials as defined by New York State Law (Title 12, NYCRR, Industrial Code Rule 56) and/or New York City Law (NYC LL 76/85) as codified in Title 15 of the Rules of the City of New York, are required to be certified as handlers and/or supervisors and may not engage in any abatement activity other than small scale emergency repairs unless duly certified pursuant to said laws.

The O&M program should provide for:

1. Alerting workers and building occupants to the location of ACM.
2. Training custodial and maintenance personnel in proper cleaning and maintenance.
3. Implementing initial and periodic cleaning using special methods.
4. Establishing a process that assures ACM is not disturbed during routine building repairs and renovations.
5. Periodically re-inspecting areas with ACM to document changes.

The O&M manager should:

1. Record the exact location of asbestos-containing insulation on building documents (plans or drawings if available) or by photographic record which has been done in this instance.
2. Inform maintenance and custodial workers about the location of asbestos containing insulation, and caution them about disturbing it.

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3. Post signs reading, "Caution-Asbestos", on all pipe runs containing asbestos insulation.

4. Require all maintenance and custodial personnel to wear at least a half-face respirator with disposable HEPA cartridge filters during initial cleaning and whenever they come in contact with asbestos containing materials.

5. Train custodial workers to clean properly and maintenance workers to handle ACM safely. Provide respirators and other personal protective equipment.

TRAINING

Members of the building's maintenance staff including (electricians, heating/air conditioning engineers, plumbers, etc.) who may be required to handle asbestos containing materials should be trained in a safe procedures. Such training should include as needed:

- Information regarding types of asbestos and its various uses and forms;

- Information on health effects associated with asbestos exposure; The synergistic effects of smoking;

- Descriptions of the proper methods of handling asbestos containing materials; and

- Information on the use of HEPA-equipped dual cartridge respiratory and other personal protection during maintenance activities.

GENERAL MAINTENANCE STAFF OPERATION

The Maintenance staff should:

1. Clear all construction, renovation, maintenance, or equipment repair work with the O&M manager in advance.

2. Avoid patching and repair work on insulation until the ACM has been assessed by the O&M manager.

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3. Inform the O&M manager when damage to the insulation is observed or when debris is cleaned up.

The procedures described below should be utilized to protect building occupants during all operations and maintenance activities involving the disturbance of friable ACM:

1. Restrict entry into the area by persons other than those necessary to perform the maintenance project either by physically isolating the area or by scheduling.

2. Post signs to prevent entry by unauthorized persons.

3. Shut off or temporarily modify area air handling system and restrict other sources of air movement in the work area.

4. Use work practices or other controls, such as wet methods, protective clothing, HEPA vacuums, mini-enclosures, glove bags, as necessary to inhibit the spread of any released fibers.

5. Clean all fixtures or other components in the immediate work area via wet methods.

6. Place the asbestos debris and other cleaning materials in a sealed, leaktight container for proper disposal in accordance with applicable regulation.

PROHIBITED ACTIVITIES

The training program for the maintenance staff should describe activities that are prohibited when asbestos containing materials are involved. For example, maintenance staff employees should be instructed:

- Not to drill holes in asbestos-containing materials;
- Not to hang wires or structures on pipe runs covered with asbestos containing materials.
- Not to sand or abrade asbestos containing materials.
- Not to damage asbestos containing materials while moving objects or conducting repairs.
- Not to install dividers in such a way that they damage asbestos containing materials.
- Not to dust floors, ceilings, moldings or other surfaces in asbestos contaminated environments with a dry brush or sweep with a dry broom.
- Not to use an ordinary vacuum to clean up asbestos containing debris.

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- Not to remove ventilation system filters dry; and
- Not to shake ventilation system filters.

PERIODIC INSPECTION

Periodically, a New York City Certified Asbestos Investigator should:

1. Inspect all insulation for damage or deterioration at least once per year and report findings to the O&M manager.

2. Investigate the source of debris found by the custodial staff and authorize air sampling if necessary.

The foregoing comments are not to be construed as exhaustive but merely serve to serve as recommendations concerning the issues which must necessarily be considered in dealing with the potential hazard of SACM remaining in the building.

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DALTON

ENVIRONMENTAL, LTD.

DEL # 000214-243-877

Site: 41 West 72nd Street

APPENDIX D

DUNEWOOD TRUGLIA

PRESIDENT

Education

J.D., Widener College, The Delaware Law School, 1976; Admitted in NY and Washington, DC; also M.S., Environmental Science, Hunter College, CUNY, Honors.

Environmental Project Experience

Since 1986, director and coordinator for more than eight hundred environmental inspections, remediation and quality assurance monitoring projects. Author of numerous legal and trade publication articles on the science of environmental management, regulated medical waste and OSHA regulatory compliance matters.

Formerly principal, **THE COURDITH-ROBERTS GROUP**, an environmental science and engineering firm specializing in the management of environmental projects, compliance audits, the production of technical specifications, air monitoring and forensic support services. Current principal, **DALTON ENVIRONMENTAL, Ltd.**, a Long Island based environmental consultant specializing in environmental/ legal matters.

US EPA AHERA Training; Director, CRG Continuing Education Program; Courses at The McCrone Institute in Polarized and Phase Contrast Light Microscopy; Robert Wood Johnson University, Mid-Atlantic Asbestos Training Center, NIOSH 582, Phase Contrast Microscopy and Polarized Light Microscopy; NYC Certified CAI, (NYC DEP); NJ Certified AST (SNJ DCA); former CRG Lab QA/QC Director; former NYS Certified RH-II and RH-III; OSHA 40 Hr.

Teaching Experience

Part-time lecturer, St. George's University, School of Medicine, Granada, WI, 1981 to 1989; (Regulatory Update Seminars,) New York University, The Real Estate Institute, 1987 to 1989; Instructor in US EPA AHERA regulatory compliance for National Asbestos Training Institute; Guest lecturer, various organizations. 1991 through present, Chief Consultant, Dalton Environmental, Ltd.

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EXHIBIT "6"

LOCAL LAW 10 REPORT AND LOCAL 11 SUPPLEMENTAL REPORT AND MUNICIPAL SEARCHES

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THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

Technical Report
Periodic Inspection of
Exterior Walls and Appurtenances

February 21, 1999 - February 21, 2002

Please File 3 Copies

This Form Must Be Typewritten and Microfilmed with the Report

Control # for location
From DOB LL 11/98 Master printout

Date MAR 02 2000

Pending

Approved

Cycle Number: 4

1 Filing Status

Initial Filing		Amended Filing	Indicate initial filing date: ___/___/___	X	Supplemental Cycle 4 Local Law 11/98 Filing
Was filing made for any previous cycles (yes) no) ? If yes, indicate filing date:					Indicate filing date:

2 Location

Borough	Manhattan	Block	1125	Lot(s)	5
House No(s).	41	Street Name	West 72nd Street	BIN	
A.K.A. address(es)					

3 Applicant

Last Name	Koenigsberg	First Name	Richard	M.I.	C.
Business Name	Richard C. Koenigsberg, P.E.			Business Phone	(212) 721-0188
Address	250 West 94th Street	City	New York	State	N.Y. ZIP 10025
X P.E.	R.A.			Lic. No.	067415

4 Owner

Last Name	c/o Joseph	First Name	Elliot	M.I.	
Business Name	41 West 72nd, LLC c/o Property Markets Group			Business Phone	212-610-2800
Address	130 East 57th Street, 5th floor	City	New York	State	N.Y. ZIP 10022

5 Building Characteristics

Number of Stories	16 + Penthouse	Exterior Wall Type	Brick

6 Prior Status - Last Cycle Local Law 10/80 - *Not Applicable - this is supplemental report, only for walls not previously inspected.*

Ongoing Maintenance Program	Precautionary Conditions	Unsafe Conditions
Conformed with Code Requirements	Current Completion of Work Estimated to be	Current Completion of Work Estimated to be

7 Current Field Report - Critical Examination

X SAFE All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives.

SAFE WITH A REPAIR AND MAINTENANCE PROGRAM All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the recommended Repair and maintenance work described in the report and below:

UNSAFE All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the unsafe conditions described in the report and below.

8 Statements and Signatures

Falsification of any statement is a misdemeanor under Section 26-124 of the Administrative code and is punishable by a fine or imprisonment, or both.
It is unlawful to give to a city employee or for a city employee to accept any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration. Violation is punishable by a fine or imprisonment or both.

P.E. R.A. Seal

Applicant's name (print): Richard Koenigsberg

I hereby state that the owner has authorized me to make this application. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

STATE OF NEW YORK RICHARD C. KOENIGSBERG LICENSED PROFESSIONAL ENGINEER No. 067415

Applicant's Signature

Date 2/24/00

Owner's name (print):

I, hereby state that I am the owner of the premises referenced in the attached report. Furthermore, I hereby state that I have received a copy of the attached report and that I am aware of the required repairs and/or maintenance, if any, and the recommended time frame for the same.

Owner's Signature

Date

SEE INSTRUCTIONS ON REVERSE SIDE

TR-6 Revised 09-98

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PERIODIC INSPECTION OF EXTERIOR WALLS AND APPURTENANCES OF BUILDINGS, PURSUANT TO LOCAL LAW #11 OF 98 THE BUILDING CODE OF THE CITY OF NEW YORK:

Visual Performed January 24, 2000

SCOPE: This is a Supplemental Report for the 4th Cycle of Local Law #10. The initial 4th Cycle filing was approximately four years ago. Only areas not included in the initial inspection were inspected for this report. Specifically, the south wall along 72nd Street (including 25' of east and west return walls) were not inspected.

1. Address of critical examination: 41 West 72nd Street
New York, NY 10023

2. Location from the nearest cross street: Located on the north side of West 72nd Street, between Columbus Avenue and Central Park West, NYC.

3. Block Number: 1125

4. Lot Number: 5

5. Name of Owner: 41 West 72nd, LLC

6. Address of Owner: c/o Property Markets Group
130 East 57th Street
New York, N.Y. 10022

7. Agent or person in charge: Elliot Joseph

8. Number of Stories: 16

9. Height of building: Approximately 160 feet

10. Plan dimensions: Approximately 80 feet x 90 feet.

11. Certificate of Occupancy:

12. Usage: Residential.

13. Age: Approximately 80 years.

14. Exterior wall construction: Brick.

15. Exterior appurtenances

Parapet: Masonry.
Coping: Atop parapet.
Windows: Metal.
Sills: Observed.
Awning: At entrance.

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15. Exterior appurtenances (cont.)

Ledges, Decorative stone, Balconies: Attached to building.
Air Conditioning: The management should set proper guidelines to be certain window air conditioning units are properly supported at all times. Several window a/c units were observed. Several recessed a/c unit was observed.

16. Method of Critical Examination:

a) Visual: The inspection consisted of thorough visual examination of the exterior facades and appurtenances aided by the use of binoculars. In addition, entry was made onto the roof to further examine parapet and window conditions.

b) Platform: No platform inspection was performed because this is a supplemental report and does not include the front walls of the building.

c) Telescopic: Binoculars were used at all sighting locations.

d) Interview: Conducted with building management to obtain information pertinent to the facade examination.

17. History of exterior revisions and repairs:

No repairs have been performed since the initial report was filed.

18. Unsafe Conditions:
These conditions are potentially unsafe and must be addressed immediately. While it is recommended to perform permanent repairs in a professional manner, temporary repairs may be performed so that the condition will not be considered to be unsafe.

No *Unsafe Conditions* were observed.

19. Safe with a Repair and Water Tightness:

Water Tightness:
No leaks were reported by the management.

Safe with a Repair Conditions:
The following conditions were noted as requiring preventive maintenance. They do not represent unsafe conditions, but rather conditions which may become unsafe if not repaired. These conditions should be corrected as soon as possible to reduce the possibility of further deterioration. All conditions must be addressed prior to the next Local Law Inspection Cycle.

No "safe with a repair" conditions were observed.

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20. Safe Conditions:
The following conditions were noted as requiring preventive maintenance. They do not represent conditions that may become unsafe, but rather conditions that may contribute to deterioration.

a) Deteriorating lintels with associated damage to brick at many windows at the penthouse level were observed.

22. Comparison with previous examinations:
The 4th Cycle Local Law # 10 Report for this building only considered the walls facing the street and 25' of the return walls. The scope of this report was all remaining locations that hadn't been inspected.

23. Recommendation for repairs and maintenance:

Conditions in the need of repair are indicated in Item 20 of this report and general recommendations appear on the follow pages. The exterior facade and appurtenances, should be regularly monitored, inspected periodically and repaired as necessary.

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General Recommendations:

It is recommended that the building facade and appurtenances be inspected regularly by a licensed Professional Engineer to monitor building conditions so that they do not progress to unsafe condition status. These conditions, including such items as awnings, railings, signs, widow glass, sills etc., should also be monitored regularly by building maintenance personnel to minimize potential problems. Particular attention should be devoted to areas where deterioration has already occurred. As described in this report, these conditions should be corrected as soon as possible. The owner or property manager should also advise window washers, and other contractors working on the building, to inform him of deterioration or other problems observed during the course of his work. The management should be certain that all window guards required by law are properly installed, maintained and secured. Window screens should also be monitored. All building components should conform to building code.

The owner or property manager should be certain that no loose items or objects (such as potted plants) are placed on sills, ledges, fire escapes or other areas where they could fall. He should also be certain that window sills are kept free of debris. Similarly, the building owner or manager must be sure that window air conditioning units are properly installed, maintained and supported at all times. The building manager should continually examine the premises and monitor conditions of this nature and require the removal or correction of potentially unsafe items of this kind. It is advisable to require window air conditioning units be installed by competent professionals in accordance with the manufacturers recommendations and good safety practices. Building management should be certain that unsafe conditions do not result from items of this nature (potted plants on ledges, window air conditioners etc.). Items of this nature are frequently installed on a temporary basis and cannot be the responsibility of the engineer.

It is recommended that the owner and property manager keep records of all exterior building repairs and of all problems related to the building exterior. These records should be made available to the Engineer performing the Local Law #11 inspection or providing services relative to exterior facade conditions.

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Inspection Notes

The sole purpose of this report is to provide a written examination of the building exterior as defined by Local Law 11. Section C26-105.3 of the Administration Code of New York. The undersigned engineer has been retained solely to perform the visual examination and file a written report of the examination and has been retained for no other purpose. The engineer has not been retained to determine causes for the conditions noted in the report nor has he been retained to prepare construction or repair specifications, to file follow-up reports, to supervise or observe any repairs or provide any other services. This report renders an opinion as to the condition of the exterior walls only as of the dates on which the examination was conducted. This report has been prepared for no other purposes. The owner is advised to have follow-up inspection reports filed after repairwork is performed.

The engineer assumes no responsibility for the adequacy of the design or construction of the original building; nor for the adequacy of installations, alterations, maintenance or repairwork either performed in the past, present or future by contractors or maintenance personnel ; nor for any construction details (or defective conditions) which are not visible. Nothing in this report should be construed as indicating a warranty of any nature by the engineer relative to any of these items. The engineer also assumes no responsibility for the condition or safety of glass items. In particular, nothing shall be interpreted from this report as indicating that the engineer has offered an opinion regarding the adequacy of the building's construction or appurtenances or their suitability or availability to furnish support for scaffolds, washing equipment or other devices. No such opinions are within the framework of this report.

All dimensions of building height, location and size are approximate within the accuracy requirements of this report and are not to be used for other purposes. In addition, the accuracy of items such as building owner, principal officer; date of construction, usage, etc. cannot be guaranteed by the engineer. As described in the report, this inspection was a visual inspection utilizing methods and techniques approved for Local Law 11 Inspections. Scaffold or platform inspections were employed at a single location on the facade. Even though this location was representative of the remaining facade, conclusions may not be drawn regarding the remaining portions of the facade. Localized conditions of deterioration and damage that were not apparent during the visual inspection would not have been observed during the platform inspection, since it was performed at only a single location. Scaffold inspections of a buildings entire facade should be performed regularly if there are any indications that serious conditions are present. Should this inspection report cover any portions of the building not required by Local Law 11, the information is furnished to the owner for his use. As noted elsewhere in this report, this report is not to be used for any purpose other than to comply with the inspection and filing requirements required by Local Law #11. If this report appears as part of a Co-op or Condominium conversion plan or is incorporated into any other documents, reports, etc. it should be at no time be relied upon as providing information relative to current condition of the exterior facade and appurtenances of this building. No one should rely on this report to decide whether or not to purchase a Co-op or Condominium unit or a building. The conditions noted in this report represent only the conditions which were observed on the specific date(s) of the inspection. The readers of

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this report are expressly advised that buildings deteriorate with the passage of time. Those considering purchasing Co-op Units, Condominium Units or Buildings should retain an engineer to advise them of the condition of the premises at the time they are making the purchase. As noted above, this report renders an opinion relative to the building facade condition only as of the dates the inspection was performed. It is noted that buildings of this nature and their appurtenances will change and undergo deterioration with the passage of time and climatic changes. As such, the previously made recommendation in this report of periodic reinspection of the building facade is an important one.

A copy of this report has been provided to the owner prior to filing with the Department of Buildings. A copy of this report should be kept with the owner for future use. This Local Law 11 Inspection and report was performed by and under the supervision of the undersigned.



Richard C. Koenigsberg, P.E.

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

Tele: (212) 288-7970
Fax: (212) 535-1975

Licensed Professional Engineer

ALAN S. EPSTEIN, P.E.

Consulting Engineer

Building Inspections • Local Law 10 Services
Construction Claims Consultant

60 E. 86th STREET
New York, New York 10028

41 West 72nd Street

New York, New York

JAN-28-00 15:11 FROM:R A COHEN + ASSOC. TO: PAGE 2/15

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THE CITY OF NEW YORK
DEPARTMENT OF BUILDINGS

Technical Report: Periodic Inspection of Exterior Walls and Appurtenances

February 21, 1995 - February 21, 1997
Please File 3 Copies
This Form Must Be Typewritten and Microfilmed with the Report

Internal Use
Cycle Number

1 Filing Status
[X] Initial Filing | [ ] Amended filing (indicate initial filing date: / /)
Was filing made for any previous cycles (yes/no) XX If yes, indicate last filing date: FEB 18 1992

2 Location
Borough: Manhattan | Block: 1125 | Lot(s): 5 | BIN:
House No(s): 41 | Street Name: West 72nd Street
AKA address(es):

3 Applicant
Last Name: Epstein | First Name: Alan | M.I.: S.
Business Name: Alan S. Epsteon, P.E. | City: New York | Business Phone: (212) 427-6949
Address: 124 East 91st Street | State: NY | ZIP: 10128
[X] P.E. [ ] R.A. | Lic. No.: 058291

4 Owner
Last Name: Goldman | First Name: Allan | M.I.: | Title:
Business Name: Solil Management | City: New York | Business Phone: (212) 265-2280
Address: 640 Fifth Avenue | State: NY | ZIP: 10019

5 Building Characteristics
Number of Stories: 16 + PH | Exterior Wall Type: Brick

6 Prior Status
[ ] Ongoing Maintenance Program
[ ] Conformed with Code Requirements
[X] Precautionary Conditions — Current Completion of Work Estimated to be: 10 %
[ ] Unsafe Conditions — Current Completion of Work Estimated to be: %

7 Current Field Report

Critical Examination
[ ] All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives.
[ ] All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except:
[X] The precautionary work described in the report.
[ ] The unsafe conditions described in the report and below:

Ongoing Maintenance Program
[ ] All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives.
[ ] All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for ongoing remedial work described below:

8 Statements and Signatures

I hereby state that the owner has authorized me to make this application. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

Falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code and is punishable by a fine or imprisonment, or both.

It is unlawful to give to a city employee, or for a city employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or as an exchange for special consideration. Violation is punishable by imprisonment or fine or both.

Seal (P.E. or R.A.)

STATE OF NEW YORK * ALAN S. EPSTEIN * LICENSED PROFESSIONAL ENGINEER

Applicant Name: Alan S. Epstein, P.E. | Date: 7/30/95

SEE INSTRUCTIONS ON REVERSE SIDE

TR4 (Revised 1-95)

JAN-28-00 16:12 FROM:R A COHEN + ASSOC.

ID:

PAGE 3/15

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CRITICAL EXAMINATION OF EXTERIOR WALLS AND EXTERIOR APPURTENANCES PURSUANT TO LOCAL LAW #10 SECTION C26-105.3 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK: ~~Performed~~ May 24 and 26, 1995

1. Address of critical examination: 41 West 72nd Street
   New York, NY
2. Location from nearest cross street: Located approximately 100 feet West of Columbus Avenue
3. Block Number: 1125
4. Lot Number: 5
5. Name of Owner: c/o Solil Management
6. Address of Owner: 640 Fifth Avenue
   New York, NY 10019
7. Agent or person in charge: Mr. John Amisano
8. Number of stories: 16 + PH
9. Height of building: Approximately 160 feet
10. Plan dimensions: Approximately 80 feet x 90 feet
11. Usage: Residential
12. Age: Approximately 75 years
13. Exterior Wall Construction: Brick
14. Exterior appurtenances:

    Parapet: Masonry
    Coping: Atop parapet
    Ledges, Decorative Stone, Balconies: Attached to building
    Cornice/Ledge: At top floor
    Windows: Metal
    Sills: Observed
    Awning: At entrance
    Air Conditioning: The management should set proper guidelines to be certain window air conditioning units are properly supported at all times. Several window air conditioning units were observed.

JAN-28-00 16:12 FROM:R A COHEN + ASSOC. ID:
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(Inspection Notes continued)

the inspection and filing requirements required by Local Law 10. If this report appears as part of a Co-op or Condominium conversion plan or is incorporated into any other documents, reports, etc. it should at no time be relied upon as providing information relative to the current condition of the exterior facade and appurtenances of this building. No one should rely upon this report to decide whether or not be purchase a Co-op or Condominium unit or a building. The conditions noted in this report represent only the conditions which were observed on the specific date(s) of the inspection. Buildings deteriorate with the passage of time and we are expressly advising the readers of this report of these factors. Those considering purchasing Co-op Units, Condominium Units or Buildings should retain an engineer to advise them of the condition of the premesis at the time they are making the purchase. As noted above, this report renders an opinion relative to the building facade condition only as of the dates the inspection was performed. It is noted that buildings of this nature and their appurtenances will change and undergo deterioration with the passage of time. As such, the previously made recommendation in this report of periodic reinspection of the building facade is an important one.

A copy of this report has been provided to the owner prior to filing with the Department of Buildings. A copy of this report should be kept by the owner for future use.



Alan S. Epstein, P.E.

JAN-28-00 16:12 FROM:R A COHEN + ASSOC. ID: PAGE 5/15

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15. Method of Critical Examination:

a) Visual: The inspection consisted of a thorough visual examination of the exterior facades and appurtenances aided by the use of binoculars and a camera equipped with a telephoto lens. In addition, entry was made onto the roof and into building interior to further examine parapet and related conditions and window conditions. These inspection techniques combined to provide a good view of the facade, masonry, window conditions, and exterior appurtenances.

b) Telescopic: Binoculars were used at all sighting locations.

c) Photography: Photographs were taken with a 35mm camera equipped with a telephoto lens.

d) Sketch: A sketch was prepared during the examination to show the location of observed conditions.

e) Interview: Conducted with building management to obtain information pertinent to the facade examination.

16. History of exterior revisions and repairs:

Exterior repairwork such as pointing and repair of joints and masonry has been performed. Metal windows were installed.

17. Report of all significant deterioration, unsafe conditions, movement and apparent water-tightness:

No unsafe conditions were observed.

No leaks were reported by the management and none were apparent during the inspection.

18. The following conditions were noted as requiring preventive maintenance. They do not represent unsafe conditions, but rather conditions which should be corrected to reduce the possibility of further deterioration.

	SKETCH LOCATION	FLOOR
a) Joint deterioration and cracking was observed in the underside of the balcony:	11	8

PAGE 8/15

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Local Law #10 Inspection -
41 West 72nd Street

	SKETCH LOCATION	FLOOR
b) Joint deterioration was observed in the brickwork under the balconies at the 8th floor. Fine cracks were observed in the brick near the corner:	5	4 - 10

19. Status of exterior maintenance:

This building is generally being maintained in satisfactory condition. As indicated in item 16 some exterior repairwork has been performed.

20. Comparison with previous examinations:

The previously filed Local Law 10 Report was reviewed. It indicated there were no unsafe conditions and the present inspection notes no unsafe conditions. Precautionary conditions previously noted in that report still require attention.

21. Recommendations for repairs and maintenance:

Conditions in need of corrective measures are indicated in item 18 of this report and general recommendations appear on the following page. Exterior masonry, window air conditioning units, balconies and their undersides, appurtenances and loose objects and furnishings at the roof/terrace area should be inspected periodically, closely monitored and repaired/resecured as necessary.

JAN-28-00 16:13 FROM:R A COHEN + ASSOC. TO: PAGE 7/15
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General Recommendations

It is recommended that the building facade and appurtenances be inspected regularly by a licensed Professional Engineer to monitor building conditions so that they do not progress to unsafe condition status. These conditions, including such items as awnings, railings, signs, window glass, sills etc., should also be monitored regularly by building maintenance personnel to minimize potential problems. Particular attention should be devoted to areas where deterioration has already occurred. As described in the report, these conditions should be corrected as soon as possible. The owner or property manager should also advise window washers or other contractors working on the building to inform him of any deterioration or other problems observed during the course of his work. The management should be certain that all window guards required by law are properly installed, maintained and secured. Window screens should also be monitored. All building components should conform to code requirements.

The owner or property manager should be certain that no loose items or objects (such as potted plants) are placed on sills, ledges, fire escapes or other areas where they could fall. He should also be certain that window sills are kept free of debris. Similarly, the building owner or manager must be sure that window air conditioning units are properly installed, maintained and supported at all times. The building manager should continually examine the premises and monitor conditions of this nature and require the removal or correction of any potentially unsafe items of this kind. It is advisable to require that window air conditioning units be properly installed by competent professionals in accordance with manufacturers recommendations and good safety practice. Building management should be certain that unsafe conditions do not result from items of this nature (potted plants on ledges, window air conditioners etc.). Items of this nature are frequently installed on a temporary basis and cannot be the responsibility of the engineer.

It is also recommended that the owner or property manager keep records of all exterior building repairs and of all problems related to the building's exterior. These records should be made available to the Engineer performing the Local Law 10 inspection or providing services relative to exterior facade conditions.

JAN-28-00 16:13 FROM:R A COHEN + ASSOC. ID: PAGE 8/15

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Inspection Notes

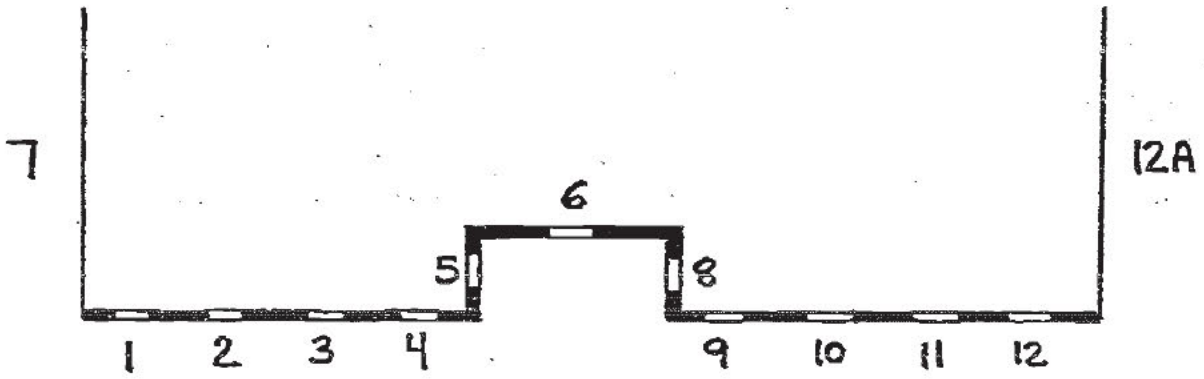
The sole purpose of this report is to provide a critical examination of the building exterior as defined by Local Law 10. Section C26-105.3 of the Administrative Code of the City of New York. The undersigned engineer has been retained solely to perform the critical examination and file a written report of the examination and has been retained for no other purpose. The engineer has not been retained to determine causes for the conditions noted in the report nor has he been retained to prepare construction or repair specifications, to file follow-up reports, to supervise or observe any repairs or provide any other services. This report renders an opinion as to the condition of the exterior walls only as of the dates on which the examination was conducted. This report has been prepared for no other purpose. The owner is advised to have follow-up inspection reports filed after repairwork is performed.

The engineer assumes no responsibility for the adequacy of the design or construction of the original building; nor for the adequacy of installations, alteration, maintenance or repairwork either performed in the past, present or future by contractors or maintenance personnel; nor for any construction details which are not visible. Nothing in this report should be construed as indicating a warranty of any nature by the engineer relative to any of these items. The engineer also assumes no responsibility for the condition or safety of glass items. In particular, nothing shall be interpreted from this report as indicating that the engineer has offered an opinion regarding the adequacy of the building's construction or appurtenances or their suitability or availability to furnish support for scaffolds, washing equipment or other devices. No such opinion has been offered.

All dimensions of building height, location and size are approximate within the accuracy requirements of this report and are not to be used for other purposes. In addition, the accuracy of items such as the building owner, principal officer; date of construction, usage, etc. cannot be guaranteed by the engineer. As described in the report, this inspection was a visual inspection utilizing methods and techniques approved for Local Law 10 inspections. Scaffold or platform inspection was not employed. Should this inspection report cover any portions of the building not required by Local Law 10, the information is furnished to the owner for his use. As noted elsewhere in this report, this report is not to be used for any purpose other than to comply with

JAN-28-00 18:13 FROM:R A COHEN + ASSOC. TO: PAGE 9/15
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41 WEST 72ND ST.



NOT DRAWN TO SCALE

JAN-28-00 16:14 FROM:R A COHEN + ASSOC. ID: PAGE 10/15

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① ENTRANCE AREA



② FRONT FACADE
UPPER FLOORS
Loc. 1-4

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③ FRONT FACADE UPPER FLOORS
Loc. 9-12



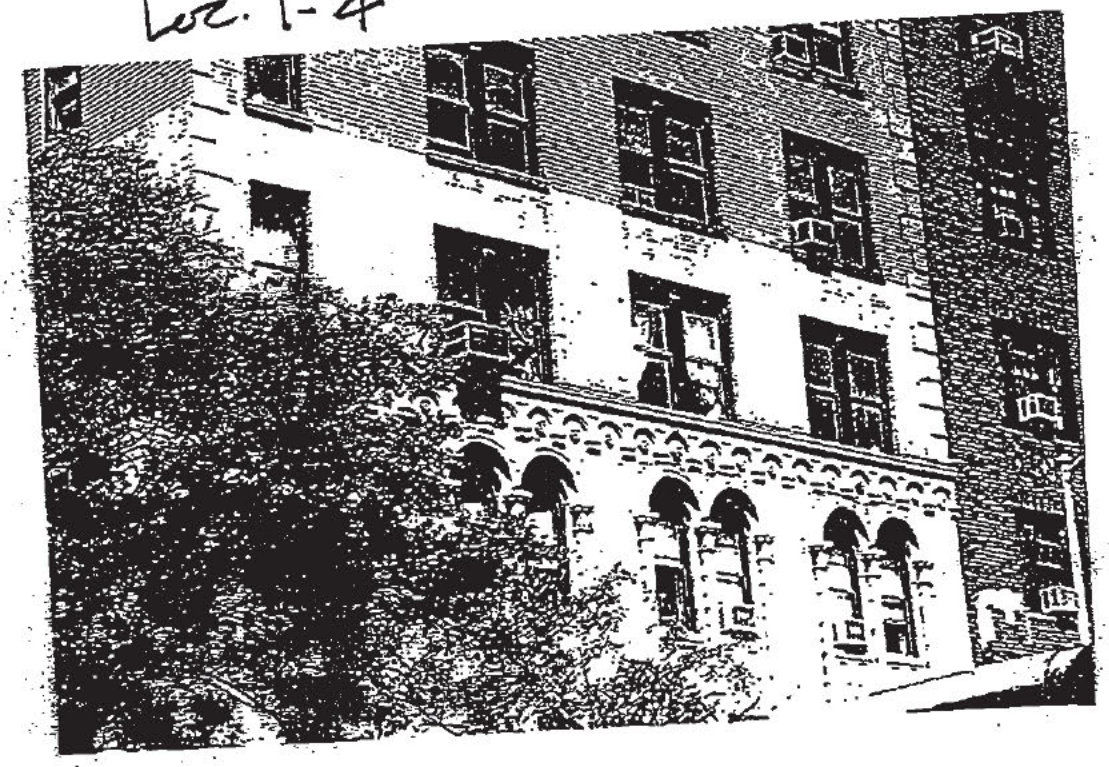
④ FRONT FACADE MIDDLE FLOORS
Loc. 9-12

41 W 72 ST

JAN-28-00 15:14 FROM R.A.COHEN + ASSOC. TO PAGE 12/15
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⑤ FRONT FACADE MIDDLE FLOORS
Lot. 1-4



⑥ FRONT FACADE LOWER FLOORS

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(7) JOINT DETERIORATION IN BRICKWORK UNDER BALCONY
LOC. 2 FL. 8



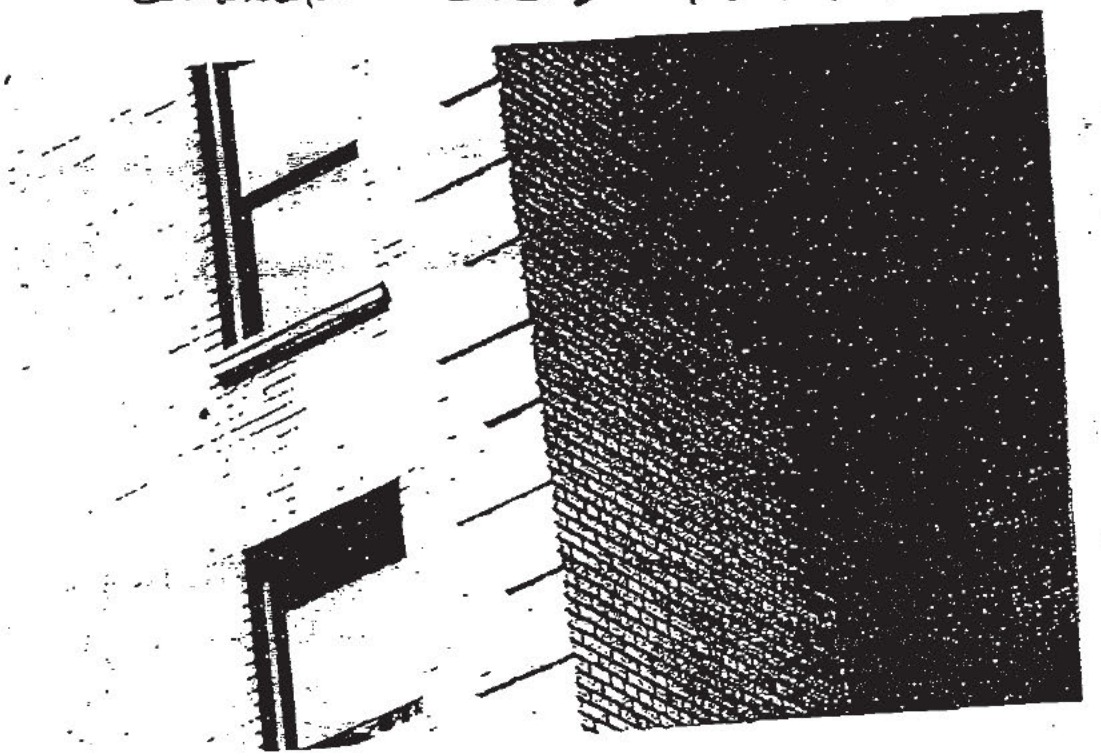
(8) DETERIORATION & CRACKING IN THE UNDERSIDE OF THE BALCONY
LOC. 11 FL. 8

(4)

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(9) FINE CRACKS IN BRICK NEAR CORNER LOC 5 FL. 4-5



(10) FINE CRACKS IN BRICK NEAR CORNER LOC. 5 FL. 5-6

(5)

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TITLE NO. 0160-NY2K0171 CO

ABSTRACTERS' INFORMATION SERVICE, INC.
138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

41/47 WEST 72 STREET
MANHATTAN
BLOCK 01125 LOT 00005

02/16/00

CERTIFICATE OF OCCUPANCY REPORT

THE FOLLOWING INFORMATION IS ON FILE:

MANHATTAN BLOCK 01125 LOT 00005

CO 14771
ISSUED 12/27/28
NB 225/1928
16 STORY, CELLAR AND PENTHOUSE, FIREPROOF
TENEMENT
COMPLETED

REGISTERED IN THE DEPARTMENT OF HOUSING AS A NEW LAW TENEMENT CONSISTING OF 128 CLASS A APARTMENTS.

The purpose of this report is to provide the legal occupancy as per latest c/o on file. The above report may not include the reporting of minor applications which may be indexed against the above block and lot but do not require a new C/O or applications of any kind that are incomplete. A complete history of all filings and copies of same for the above parcel is available upon request for an additional fee. This search is prepared exclusively for COMMONWEALTH LAND TITLE on 02/16/00. 0160-NY2K0171

A.I.S.

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Form—346-1927 Certificate of Occupancy. SA-3047-27-I.

BUREAU OF BUILDINGS

BOROUGH OF MANHATTAN, CITY OF NEW YORK

EVC CERTIFICATE OF OCCUPANCY No. 14771 192 8

Supersedes Certificate of Occupancy No.

To the owner or owners of the building: New York Dec. 27, 1928.

THIS CERTIFIES that the building located on Block 1125, Lot 5-6-7-8

known as 41-47 West 72nd Street

100' front

under a permit, Application No. 225 N.B. of 1928 conforms to the approved plans and specifications accompanying said permit and any approved amendments thereto, and to the requirements of the building code and all other laws and ordinances and to the rules and regulations of the board of standards and appeals, applicable to a building of its class and kind, except that in the case of a building heretofore existing and for which no previous certificate of occupancy has been issued and which has not been altered or converted since March 14, 1916, to a use that changed its classification as defined in the building code, this certificate confirms and continues the existing uses to which the building has been put; and

CERTIFIES FURTHER that the building is of fireproof construction within the meaning of the building code and may be used and occupied as a residence building as hereinafter qualified, in a residence district under the building zone resolution, subject to all the privileges, requirements, limitations, and conditions prescribed by law or as hereinafter specified.

STORY	LIVE LOADS Lbs. per Sq. Ft.	PERSONS ACCOMMODATED			USE
		MALE	FEMALE	TOTAL	
Cellar					Tenement House
1st to 16th Story	40 on each				
Pent House	40				

This certificate is issued to 47 West 72nd Street Corp., 475 Fifth Avenue, City.

Owner

(Page 1)

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TITLE NO. 0160-NY2K0171 ST

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138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

41/47 WEST 72 STREET
MANHATTAN
BLOCK 01125 LOT 00005

02/16/00

STREET REPORT

MANHATTAN BLOCK 01125 LOT 00005

WEST 72 STREET

MAPPED AT 100 FEET ON FINAL CITY PLAN
LEGALLY OPENED TO THE FULL WIDTH 02/04/1867

CENTRAL PARK WEST

MAPPED AT 100 FEET ON FINAL CITY PLAN
LEGALLY OPENED TO THE FULL WIDTH 1811

COLUMBUS AVENUE

MAPPED AT 100 FEET ON FINAL CITY PLAN
LEGALLY OPENED TO THE FULL WIDTH 12/23/1854

The above report is for information purposes only. Liability is limited to errors and omissions of information properly indexed, filed and recorded with the Topographical Bureau for the county. This search is prepared exclusively for COMMONWEALTH LAND TITLE on 02/16/00. 0160-NY2K0171

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TITLE NO. 0160-NY2K0171 HB

ABSTRACTERS' INFORMATION SERVICE, INC.
138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

VIOLATION SEARCH

DATE: 02/17/00

PREMISES: 41/47 WEST 72 STREET

COUNTY: MANHATTAN

BUILDING DEPT.: A Search of the Building Department Records indicate the following violations. copies and/or an abstract of the violations, if any, are attached.

SEE ATTACHED FOR PENDING VIOLATIONS AS PER SEARCH DATED: 02/16/00

OFFICE OF RENT AND HOUSING MAINTENANCE: A Search of the Housing Department Records indicate the following violations. Copies and/or an abstract of the violations, if any, are attached.

SEE ATTACHED FOR PENDING VIOLATIONS AS PER SEARCH DATED: 02/16/00

CLASSIFICATION:

___ PRIVATE DWELLING

_X_ MULTIPLE DWELLING-NO. OF APTS. 128

CLASSIFIED AS NEW LAW TENEMENT - CLASS A

___ COMMERCIAL PROPERTY

___ NOT A MULTIPLE DWELLING

REGISTRATION NUMBER: 117103
SC NUMBER: 35210 SC-B NUMBER:

LAST INSPECTION DATED: 06/09/99

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

ABSTRACTERS INFORMATION SERVICE INC. DOES HEREBY CERTIFY THAT THE RECORDS OF THE ABOVE GOVERNMENTAL AGENCIES WERE EXAMINED AND THAT THE INFORMATION RECORDED ABOVE IS A TRUE AND ACCURATE ABSTRACTION OF THE INFORMATION CONTAINED THEREIN. THIS REPORT IS SUBMITTED FOR INFORMATION PURPOSES ONLY. LIABILITY IS LIMITED TO ERRORS AND OMISSIONS OF INFORMATION PROPERLY INDEXED, FILED AND RECORDED WITH THE ABOVE GOVERNMENTAL AGENCIES. NON-COMPLIANCE OF LOCAL LAW 10/81 WHICH INVOLVES PERIODIC ELEVATOR INSPECTIONS PERFORMED BY PRIVATE FIRMS EMPLOYED BY THE OWNER OR HIS AGENT, ARE NOT INCLUDED IN THE ABOVE SEARCH. THIS SEARCH DOES NOT INCLUDE OTHER AGENCIES VIOLATIONS. THIS SEARCH IS PREPARED EXCLUSIVELY FOR COMMONWEALTH LAND TITLE on 02/17/00.
0160-NY2K0171

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ABSTRACTERS' INFORMATION SERVICE, INC.
MULTIPLE DWELLING FILE

PREMISES	BORO	AREA	BLOCK	LOT	CLASS	REG. NO
0000041 WEST 72 STREET	MANH	311	01125	0005	NL	117103

LAST INSPECTED : 06/09/1999
NO. OF STORIES : 1
NO. OF APTS : 128
CLASS B ROOMS : 0000
CNS : 7
PRINC. HOUSE NO. : 0000041
LAST HOUSE NO. : 0000047
NO. OF VIOLS. : 4
CPD : 07

LAND LORD:
DELLA CAVA
RALPH
60 EAST 42ND ST

STREET CODE: 35210

DATE REPORTED	ITEM	ORDER	VIOLATION DESCRIPTION
04/13/1999	0348	502 B	O27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE BRICKS & MORTAR JOINT AT EXTERIOR WALL AT WEST SECTION 17 STY TO WEST PARAPET WALL. ISSUED 04/27/1999 PRV RPT 04/13/1999
04/13/1999	0350	510 B	O27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF EVIDENCE OF WATER LEAK CEILING BATHROOM WEST SECTION 16 STY NORTHWEST APT 16H. ISSUED 04/27/1999 PRV RPT 04/13/1999
04/13/1999	0351	510 B	O27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF EVIDENCE OF WATER LEAK CEILING PRIVATE HALL WEST SECTION 16 STY NORTHWEST APT 16H. ISSUED 04/27/1999 PRV RPT 04/13/1999
04/13/1999	0352	510 B	O27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF EVIDENCE OF WATER LEAK CEILING NORTHWEST ROOM WEST SECTION 16 STY NORTHWEST APT 16H. ISSUED 04/27/1999 PRV RPT 04/13/1999

LAST ITEM NUMBER 0352

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ABSTRACTERS' INFORMATION SERVICE, INC.

138-72 QUEENS BOULEVARD BRIARWOOD NY. 11435

(718) 291-5900 (516)742-2290 (914) 761-4451 FAX (718) 291-6681

TITLE #: 0160-W42K0171

PREMISES: 41/47 West 72 Street

BOROUGH: Manhattan

DEAR SIR,

THE FOLLOWING VIOLATION(S) HAVE BEEN INDEXED AGAINST THE ABOVE PREMISES. HOWEVER, WE ARE UNABLE TO OBTAIN A COPY OF THE SAID VIOLATION(S) SINCE THE RECORDS ARE MISSING FROM THE DEPARTMENT OF BUILDINGS FILES.

VIOLATION(S):

- 0311866041
-
-
-
-
-
-
-
-
-
-
-

L5

HEATING PLANT INSPECTIONS
NEW REQUIREMENTS FOR LOCAL LAW 62/91

DEAR BUILDING OWNER:

In accordance with Local Law 62/91 owners of commercial buildings or buildings with six or more units (apartments) are required to have their boilers inspected annually and submit an inspection report to the Department of Buildings with a filing fee of $30.00 per boiler. The reports must be filed on forms supplied by the Department of Buildings within 30 days of the inspection date and prior to December 31 of each calendar year starting with 1992. Failure to file may subject the owner to a civil penalty of $1,500.00 in accordance with Section 26-125 of the Administrative Code.

The following NYC licensees are qualified to perform the inspection regardless of the fuel type:

1 - HIGH PRESSURE BOILER OPERATORS
2 - OIL BURNER EQUIPMENT INSTALLERS
3 - NYC AUTHORIZED INSURANCE COMPANIES
4 - NYC LICENSED MASTER PLUMBERS

Any questions on these new requirements may be addressed in writing to the Department of Building's Boiler Division located at 60 Hudson Street, 14th floor New York, New York 10013.

This filing with the Department of Buildings supercedes and replaces the Heating Plant Self-Inspection Certification formerly required by the Department of Housing Preservaton and Development, Division of Code Enforcement.

The following are open violations:

1-0318931L629116710 7-_____

2-0318941L629116710 8-_____

3-0829951L629112253 9-_____

4-_____ 10-_____

5-_____ 11-_____

6-_____ 12-_____

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PVT
06295

NEW YORK CITY DEPARTMENT OF BUILDINGS
NOTICE OF VIOLATION OF THE RULES OF REMEDIAL VIOLATIONS

IT IS HEREBY DETERMINED THAT THERE EXISTS A VIOLATION IN THE SUBJECT PREMISES AS DESCRIBED HEREIN. YOU ARE HEREBY DIRECTED TO REMEDY THIS VIOLATION PURSUANT TO SECTIONS 28-210 AND 28-211 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK. IN ADDITION TO THE ITEMS THE BELOW, REPAIR OR REPLACE ALL WORN, DEFECTIVE, MISSING AND IMPROPERLY MAINTAINED ELEMENTS WHICH CONTRIBUTE TO THE MALFUNCTION OF THE ELEVATOR.

ALL REQUESTS FOR REINSPECTION TO REMOVE THIS VIOLATION MUST BE IN WRITING. INCLUDE A COPY OF THE VIOLATION AND BE ADDRESSED TO THE ELEVATOR DIVISION OF THE DEPARTMENT OF BUILDINGS, ATTENTION: VIOLATION REINSPECTION UNIT, 60 HUDSON STREET, NEW YORK, N.Y. 10013, 5th FLOOR. ALL OTHER INQUIRIES MAY BE DIRECTED TO TEL. # (212) 312-8740 or 8736.

GASTON SILVA, R.A.
COMMISSIONER

PLACE OF OCCURRENCE	410 72 ST	BORO M	DATE OF VIOLATION	Type	Agency No	Exhibit
No. of Stories	Block	Lot	4/2/99	E	9013	1
Description of time of inspection						
SECTIONS VIOLATED Administrative Code section(s)	27-987.3 RS 7-8		DATE OF INSPECTION P76084		SEN	

☒ 27-987 FAILURE TO MAINTAIN (BP7) ☐ 27-967 FAILURE TO MAINTAIN - HAZARDOUS (BP8)

ELEVATOR PART

INSIDE CAR
01 Emergency stop switch
02 Alarm system
03 Car enclosure
04 Side emergency exit
05 Car door/gate
06 Car door/gate contact
07 Door reopening device
08 Car door to landing sill
09 Car door gibs
10 Car button station
11 Car lighting
12 Emergency lighting
13 Car mirror
14 Certificate frame
OUTSIDE HOISTWAY
15 Hoistway doors
16. Hoistway door gibs
17. Vision panel
18. Interlocks
19. Parking device
20. Hall button station
21 Indicators
TOP OF CAR
22. Top emergency exit cover
23. Governor release carrier
24. Door hangers & connectors
25. Door operator
26. Normal limits
27. Final limits
28. Guide shoes
29. Counterweight
30. Hoistway
31. Electric wiring
32 Pipes and ducts
33 Overhead & deflector sheave
34 Traveling cable & junction
MACHINE ROOM
35 Machine room
36 Machine room door
37 Controller - selector
38 Reverse phase relay
39 Traction sheave
40 Governor
41 Governor switch
42. Drum
43. Pump unit
44. Generator
45 Slack cable switch
45. Hoist cables
47 Governor cable
48 Car counterweight cable
49 Drum counterweight cable
50 Main machine
51 Visual check gears/bearings
52 Machine brake
53 Lighting machine space
54 Machine/disconnect switch
PIT
55 Pit light
56. Pit stop switch
57 Pit
58. Car guide-rails & brackets
59. CWT guide-rails & brackets
60 Buffers
61. Car safety & tail rope
62. Underside platform
63. Tension weight
64. Comp. chains, rope & switch
ESCALATOR/MOVING WALK
65. Fire shutters
66. Skirt switch
67. Comb plate teeth
68. Comb plate/tread/pallet switch
69. Handrails
70. Step/tread
71. Key switch
72. Emergency stop button
ALL TYPES
73. Entire device
74. Miscellaneous
75. Current five-year test

VIOLATING CONDITION

A Altered
B Insufficient
C Padlocked
D Unsecured
E Rubbing
F Lost motion
G. Improper fuses
H Worn
I Damaged
J. Misaligned
K. Rusted
L Defective
M. Missing
N By-passed
O Dirty
P No means of access
Q Unguarded
R Illegal
S. Not fireretardant
T. Unlabeled
U Device not tagged
V. Not level
W Unlocked
X Inoperative
Y Oil leak
Z Water leak

SUGGESTED REMEDY

01 Adjust
02 Clean
03 Install guards
04 Patch
05 Perform 3 file test
06 Property secure
07. Provide
08 Regroove
09 Remove
10 Renew
11 Repair
12 Replace
13 Reshackle
14 Seal
15 Shorten
16 Tag device
17 Provide means of access

☐ CEASE USE

ELEVATOR PART 61 54 11
VIOLATING CONDITION J J O
SUGGESTED REMEDY 7 11 K 3

ADDITIONAL INFORMATION

I PERSONALLY OBSERVED THE VIOLATING CONDITION CITED

PRINT AGENCY INSPECTOR'S NAME

AGENCY INSPECTOR'S SIGNATURE

I understand that the falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code punishable by a fine or imprisonment or both and may result in disciplinary action by the Department of Buildings

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PVT
06294

GASTON SILVA, R.A.
COMMISSIONER

PLACE OF OCCURRENCE: 41 W. 72 ST
No. of Stories | Block | Lot | DATE OF VIOLATION: 4/12/99 | Type: E | Agency No: 9013
Occupancy at time of inspection
SECTIONS VIOLATED Administrative Code section(s): 27-987 & RS 1-9 | Elevator No: P1832
☒ 27-987 FAILURE TO MAINTAIN (BP7) ☐ 27-987 FAILURE TO MAINTAIN - HAZARDOUS (BP8)

INSIDE CAR
01 Emergency stop switch
02 Alarm system
03 Car enclosure
04 Side emergency exit
05 Car door/gate
06 Car door/gate contact
07 Door reopening device
08 Car door to landing sill
09 Car door gibs
10 Car button station
11 Car lighting
12 Emergency lighting
13 Car mirror
14 Certificate frame
OUTSIDE HOISTWAY
15 Hoistway doors
16. Hoistway door gibs
17. Vision panel
18. Interlocks
19. Parking device
20. Hall button station
21 Indicators
TOP OF CAR
22. Top emergency exit cover
23. Governor release carrier
24. Door hangers & connectors
25. Door operator
26. Normal limits
27. Final limits
28. Guide shoes
29. Counterweight
30. Hoistway

ELEVATOR PART
31. Electric wiring
32 Pipes and ducts
33 Overhead & deflector sheave
34 Traveling cable & junction
MACHINE ROOM
35 Machine room
36 Machine room door
37 Controller - selector
38 Reverse phase relay
39 Traction sheave
40 Governor
41. Governor switch
42. Drum
43. Pump unit
44. Generator
45 Slack cable switch
46. Hoist cables
47 Governor cable
48 Car counterweight cable
49. Drum counterweight cable
50 Main machine
51 Visual check gears/bearings
52 Machine brake
53 Lighting machine space
54 Machine/disconnect switch
PIT
55 Pit light
56. Pit stop switch
57 Pit
58. Car guide-rails & brackets
59. Cwt. guide-rails & brackets
60 Buffers
61. Car safety & tail rope
62. Underside platform
63. Tension weight
64. Comp. chains, rope & switch
ESCALATOR/MOVING WALK
65. Fire shutters
66. Skirt switch
67. Comb plate teeth
68. Comb plate/threshold switch
69. Handrails
70. Step/tread
71. Key switch
72. Emergency stop button
ALL TYPES
73. Entire device
74. Miscellaneous
75. Current five-year test

VIOLATING CONDITION
A Altered
B Insufficient
C Packjacked
D Unsecured
E Rubbing
F Lost motion
G. Improper fuses
H Worn
I Damaged
J. Misaligned
K. Rusted
L Defective
M Missing
N By-passed
O Duty
P No means of access
Q Unguarded
R Illegal
S. Not fireretardant
T. Unlabeled
U Device not tagged
V Not level
W Unlocked
X Inoperative
Y Oil leak
Z Water leak

SUGGESTED REMEDY
A Adjust
B Clean
C Install guards
D Patch
E Perform 3 file test
F Properly secure
07. Provide
08 Regroove
09 Remove
10 Renew
11 Repair
12 Replace
13 Reshackle
14 Seat
15 Shorten
16 Tag device
Provide means of access

ELEVATOR PART: 1
VIOLATING CONDITION: X
SUGGESTED REMEDY: T
ADDITIONAL INFORMATION: 1-X- repair safety edge

☐ CEASE USE

AGENCY INSPECTOR'S NAME

I PERSONALLY OBSERVED THE VIOLATING CONDITION(S) CITED

AGENCY INSPECTOR'S SIGNATURE

Be advised that the falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code punishable by a fine of $1,000 or both and may result in disciplinary action by the Department of Buildings.

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PVT
16736

ALL REQUESTS FOR REINSPECTION TO REMOVE THIS VIOLATION MUST BE IN WRITING. INCLUDE A COPY THE VIOLATION AND BE ADDRESSED TO THE ELEVATOR DIVISION OF THE DEPARTMENT OF BUILDINGS ATTENTION: VIOLATION REINSPECTION UNIT, 60 HUDSON STREET NEW YORK, N.Y. 10013, 5th FLOOR. ALL OTHER INQUIRIES MAY BE DIRECTED TO TEL. #(212) 312-8740 or 8738

GASTON SILVA, R.A.
COMMISSIONER

PLACE OF OCCURRENCE: 41 W. 72 St | BORO: M
No. of Stories | Block | Lot
DATE OF VIOLATION: 12/31/99 | Type: E | Agency No.: 9444 | 1
Occupancy at time of inspection
SECTIONS VIOLATED Administrative Code section(s) 27-987 1 RS 18
Elevator No.: P 16784

☑ 27-987 FAILURE TO MAINTAIN (BP7) ☐ 27-987 FAILURE TO MAINTAIN - HAZARDOUS (BP8)

ELEVATOR PART

INSIDE CAR
01 Emergency stop switch
02 Alarm system
03 Car enclosure
04 Side emergency exit
05 Car door/gate
06 Car door/gate contact
07 Door reopening device
08 Car door to landing sill
09 Car door gibs
10 Car button station
11 Car lighting
12. Emergency lighting
13 Car mirror
14 Certificate frame
OUTSIDE HOISTWAY
15 Hoistway doors
16. Hoistway door gibs
17. Vision panel
18. Interlocks
19. Parking device
20. Hall button station
21 Indicators
TOP OF CAR
22. Top emergency exit cover
23. Governor release carrier
24. Door hangers & connectors
25. Door operator
26. Normal limits
27. Final limits
28. Guide shoes
29. Counterweight
30. Hoistway
31. Electric wiring
32 Pipes and ducts
33 Overhead & deflector sheave
34 Traveling cable & junction
MACHINE ROOM
35 Machine room
36 Machine room door
37 Controller - selector
38 Reverse phase relay
39 Traction sheave
40 Governor
41. Governor switch
42. Drum
43. Pump unit
44. Generator
45 Slack cable switch
46. Hoist cables
47 Governor cable
48 Car counterweight cable
49 Drum counterweight cable
50 Main machine
51 Visual check gears/bearings
52 Machine brake
53 Lighting machine space
54 Machine/disconnect switch
PIT
55. Pit light
56. Pit stop switch
57 Pit
58. Car guide-rails & brackets
59. Cwt. guide-rails & brackets
60 Buffers
61. Car safety & tail rope
62. Underside platform
63. Tension weight
64. Comp. chains, rope & switch
ESCALATOR/MOVING WALK
65. Fire shutters
66. Skirt switch
67. Comb plate teeth
68. Comb plate/threshold switch
69. Handrails
70. Step/tread
71. Key switch
72. Emergency stop button
ALL TYPES
73. Entire device
74. Miscellaneous
75. Current five-year test

VIOLATING CONDITION

A Altered
B Insufficient
C Padlocked
D Unsecured
E Rubbing
F Lost motion
G. Improper fuses
H. Worn
I Damaged
J. Misaligned
K. Rusted
L Defective
M. Missing
N By-passed
O Dirty
P No means of access
Q Unguarded
R Illegal
S. Not fireretardant
T. Unlabeled
U Device not tagged
V. Not level
W Unlocked
X Inoperative
Y Oil leak
Z Water leak

SUGGESTED REMEDY

01 Adjust
02 Clean
03 Install guards
04 Patch
05 Perform & file test
06 Properly secure
07. Provide
08. Regroove
09 Remove
10 Renew
11 Repair
12 Replace
13 Reshackle
14 Seal
15 Shorten
16 Tag device
17 Provide means of access

☐ CEASE USE

ELEVATOR PART: 22 | 24
VIOLATING CONDITION: D | X | I
SUGGESTED REMEDY: 12 | 11 | 11

ADDITIONAL INFORMATION

I PERSONALLY OBSERVED THE VIOLATING CONDITIONS CITED

AGENCY INSPECTOR'S NAME

AGENCY INSPECTOR'S SIGNATURE

I understand that the falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code punishable by a fine or imprisonment or both and may result in disciplinary action by the Department of Buildings.

212.757.5800 ▪ www.Titlevest.com ▪ info@titlevest.com

PVT
1673-1

NEW YORK CITY DEPARTMENT OF BUILDINGS
BUREAU OF ELEVATOR ENFORCEMENT

IT HAS BEEN DETERMINED THAT THERE EXISTS A VIOLATION IN THE SUBJECT PREMISES AS DESCRIBED ABOVE. YOU ARE HEREBY DIRECTED TO REMEDY THIS VIOLATION PURSUANT TO SECTIONS 26-124 AND 27-987 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK. IN ADDITION TO THE ITEMS CITED BELOW, REPAIR OR REPLACE ALL WORK DEFECTIVE, MISSING AND IMPROPERLY MAINTAINED ELEMENTS WHICH CONTRIBUTE TO THE MALFUNCTION OF THE ELEVATOR.

ALL REQUESTS FOR REINSPECTION TO REMOVE THIS VIOLATION MUST BE IN WRITING. INCLUDE A COPY OF THE VIOLATION AND BE ADDRESSED TO THE ELEVATOR DIVISION OF THE DEPARTMENT OF BUILDINGS, ATTENTION: VIOLATION REINSPECTION UNIT, 60 HUDSON STREET, NEW YORK, N.Y. 10013, 5th FLOOR. ALL OTHER INQUIRIES MAY BE DIRECTED TO TEL. #212-312-8740 or 8738.

GASTON SILVA, R.A.
COMMISSIONER

PLACE OF OCCURRENCE: 41 W. 72 ST
No. of Stories | Block: 1020 | Lot: M | DATE OF VIOLATION: 12/31/99 | Type: E | Agency No: 9444 | Rule: 1
Occupancy, name of inspected
SECTION/S VIOLATED Administrative Code section(s): 27-987.1 RS 1-3
Elevator No: P7833

☑ 27-987 FAILURE TO MAINTAIN (SPT)
☐ 27-967 FAILURE TO MAINTAIN - HAZARDOUS (SPS)

INSIDE CAR
01 Emergency stop switch
02 Alarm system
03 Car enclosure
04 Side emergency exit
05 Car door/gate
06 Car door/gate contact
07 Door reopening device
08 Car door to landing sill
09 Car door gibs
10 Car button station
11 Car lighting
12 Emergency lighting
13 Car mirror
14 Certificate frame

OUTSIDE HOISTWAY
15 Hoistway doors
16. Hoistway door gibs
17. Vision panel
18. Interlocks
19. Parking device
20. Hall button station
21 Indicators

TOP OF CAR
22. Top emergency exit cover
23. Governor release carrier
24. Door hangers & connectors
25. Door operator
26. Normal limits
27. Final limits
28. Guide shoes
29. Counterweight
30. Hoistway

ELEVATOR PART
31. Electric wiring
32 Pipes and ducts
33 Overhead & deflector sheave
34 Traveling cable & junction

MACHINE ROOM
35 Machine room
36 Machine room door
37 Controller - selector
38 Reverse phase relay
39 Traction sheave
40 Governor
41. Governor switch
42. Drum
43. Pump unit
44. Generator
45 Slack cable switch
46. Hoist cables
47. Governor cable
48 Car counterweight cable
49 Drum counterweight cable
50 Main machine
51 Visual check gears/bearings
52 Machine brake
53 Lighting machine space
54 Machine/disconnect switch

PIT
55 Pit light
56. Pit stop switch
57 Pit
58. Car guide-rails & brackets
59. CWT guide-rails & brackets
60 Buffers
61. Car safety & tail rope
62. Underside platform
63. Tension weight
64. Comp. chains, rope & sheave

ESCALATOR/MOVING WALK
65. Fire shutters
66. Skirt switch
67. Comb plate teeth
68. Comb plate/threshold safety
69. Handrails
70. Step/tread
71. Key switch
72. Emergency stop button

ALL TYPES
73. Entire device
74. Miscellaneous
75. Current five-year test

VIOLATING CONDITION
A Altered
B Insufficient
C Padlocked
D Unsecured
E Rubbing
F Lost motion
G. Improper fuses
H Worn
I Damaged
J. Misaligned
K. Rusted
L. Defective
M. Missing
N By-passed
O Duty
P No means of access
Q Unguarded
R Illegal
S. Not fireretardant
T. Unlabeled
U Device not tagged
V. Not level
W Unlocked
X Inoperative
Y Oil leak
Z Water leak

SUGGESTED REMEDY
A Adjust
B Clean
C Install guards
04 Patch
05 Perform 3 file test
06 Properly secure
07. Provide
08 Regroove
09 Remove
10 Renew
11 Repair
12 Replace
13 Reshackle
14 Seal
15 Shorten
16 Tag device
17 Provide means of access

ELEVATOR PART: 17
VIOLATING CONDITION: Q
SUGGESTED REMEDY: 7, 3

☐ CEASE USE

ADDITIONAL INFORMATION

PERSONALLY OBSERVED THE VIOLATING CONDITION LISTED

AGENCY INSPECTOR'S NAME

AGENCY INSPECTOR'S SIGNATURE

Be advised that the falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code punishable by a fine of $ or imprisonment or both and may result in disciplinary action by the Department of Buildings.

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FORM 1120054179
5 FORM 35 (REV. 9/73)

307

0304601

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

MANHATTAN
Municipal Building
New York, N.Y. 10007
566-3130

BRONX
1932 Arthur Avenue
Bronx, N.Y. 10457
583-5520 EXT. 35

BROOKLYN
Municipal Building
Brooklyn, N.Y. 11201
643-7886

QUEENS
126-06 Queens Blvd.
Kew Gardens, N.Y. 11415
520-3018

RICHMOND
Borough Hall
St. George, N.Y. 10301
390-5204

DR. SANFORD H. Green
41/47 W 72nd street
N.Y. N.Y.

owner
G.S.L Enterprises Inc
% S.J Goldman
130 E 57 street
NY NY 10022

You are hereby notified that there exists a violation in the subject premises as described below.

You are hereby directed to remove this violation, pursuant to Section C26-86.5, subd. d and/or Section 643a-8.0 of Chapter 26 of the Administrative Code.

All inquiries and reference to this violation should be directed to the Violation Section in the respective borough.

(If this violation is not corrected within ten days, you may be summoned to appear in the Criminal Court.)

George Clark
BOROUGH SUPERINTENDENT

COMMISSIONER

NOV 22 1983

Location 41 W 72nd street			Boro MAN'T	Violation Number					
				Date	Type	Dist.	No.	Quad.	
Construction C	No. of Stories 16	Block 1125	Lot 5	11/18/83	E	D	OK	1	
Occupied at Time of Inspection as: Doctors office				Complaint No. 50 every		Docket No.			
Section(s) Violated C26 121.5			of the A.R.M. Co Do.						

DESCRIPTION OF VIOLATION: occuping Premises At 1st story As Dr. office Contrary to C. of O. 14771

Remedy Discontinue use of 1st story As Doctors office forthwith

Filed By: Brad Engels 11-23

BRIBERY IS A CRIME:

A person who gives or offers a bribe to any employee of the City of New York, or an employee who takes or solicits a bribe, is guilty of a felony punishable by imprisonment for up to seven years or a fine, or both. Penal Law, Section 200.00 and 200.10.

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oDAM-1 (3/02)54:79)
B FORM 35 (REV. 10/78)

C003283

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

MANHATTAN
Municipal Bldg.
New York, N.Y.
566-3136

BRONX
1932 Arthur Ave.
Bronx, N.Y.
583-5520 EXT

BROOKLYN
Municipal Bldg.
Brooklyn, N.Y.
643-7822

QUEENS
126-06 Queens Blvd.
Kew Gardens, N.Y.
520-3018

RICHMOND
Borough Hall
St. George, N.Y.
390-5204

KIMS Nails Salon
41/47 WEST 72ND ST
New York New York

OWNER
SE - C.O.N.A.I.
G.S.L. ENTERPRISES INC.
130 East 57th ST
N.Y. N.Y. 10022

You are hereby notified that there exists a violation in the subject premises as described below.

You are hereby directed to remove this violation, pursuant to Section C26-86.5, subd. d and/or Section 643a-8.0 of Chapter 26 of the Administrative Code.

All inquiries and reference to this violation should be directed to the Violation Section in the respective borough.

(If this violation is not corrected within ten days, you may be summoned to appear in the Criminal Court.)

George Sakonas (EW)
BOROUGH SUPERINTENDENT

COMMISSIONER

OCT 2

Location	41 West 72ND ST			Boro	Manh.	Violation Number				
Construction	F	No. of Stories	16	Block	1125	Lot	5	Date	Type	Dist.	No.	Quad.
Occupied at Time of Inspection as:	Nail Salon							10/12/83	C	B	DR	04
Section(s) Violated	C26-121.5							Complaint No.	Survey		Docket No:	

of the Ad. Code

DESCRIPTION OF VIOLATION: Occupying the structure at 1st story at west contrary to the certificate of occupancy #14771 of this department. - Note premises at 1st story is occupied as a nail salon C.O.#14771 states tenement house - 1st to 16th story

Remedy - Discontinue the illegal occupancy at once

Filed By: Dennis Randazzo

BRIBERY IS A CRIME:

Any person who gives or offers a bribe to any employee of the City of New York, or any such employee who takes or solicits a bribe, is guilty of a felony punishable by imprisonment for seven years or a fine, or both. Penal Law Section 200.10 and 200

212.757.5800 ■ www.TitleVest.com ■ info@titlevest.com

C003280

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

JOHN L. HOLPIN
AMERICAN SCHOOL of HYPOSIS
41/47 WEST 72ND ST.
N.Y. N.Y.

OWNER
E.S.L. ENTERPRISES INC
C/O Sol. GOLDMAN
130 EAST 57TH ST.
N.Y. N.Y. 10022

You are hereby notified that there exists a violation in the subject premises as described below.

You are hereby directed to remove this violation, pursuant to Section C26-86.5, subd. d and/or Section 643a-8.0 of Chapter 26 of the Administrative Code.

All inquiries and reference to this violation should be directed to the Violation Section in the respective borough.

(If this violation is not corrected within ten days, you may be summoned to appear in the Criminal Court.)

George Catalona
BOROUGH SUPERINTENDENT

COMMISSIONER

Location 41 WEST 72ND ST			Boro MAN.	Violation Number					
				Date	Type	Dist.	No.	Quad.	
Construction I	No. of Stories 16	Block 1125	Lot 5	10/12/83	C	D	88	10	
Occupied at Time of Inspection as: DOCTORS OFFICE + SCHOOL				Complaint No. SURVEY		Docket No.			
Section(s) Violated C26-121.5 of the Ad. Code									

DESCRIPTION OF VIOLATION: Occupying the structure at the 1ST Floor contrary to the certificate of occupancy # 14771 of this department. Note: premises occupied at 1ST story as the american school of hyposis, C. of O. # 14771 states 1ST to 16TH stories - tenement house

Remedy: Discontinue the illegal occupancy at once.

Filed By: [signature]

BRIBERY IS A CRIME:

...rson who gives or offers a bribe to any employee of the City of New York, or an ...oyee who takes or solicits a bribe, is guilty of a felony punishable by ... ...ment ... ...e seven years or a fine, or both. ... Law, Section 200.00 ...

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DOB-1130054(79)
FORM 35 (REV. 10/78)

310

C003284

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

MANHATTAN
Municipal Building
New York, N.Y. 10007
566-3130

BRONX
1932 Arthur Avenue
Bronx, N.Y. 10457
583-5520 EXT. 25

BROOKLYN
Municipal Building
Brooklyn, N.Y. 11201
643-7886

QUEENS
126-06 Queens Blvd.
Kew Gardens, N.Y. 11415
520-3018

RICHMOND
Borough Hall
St. George, N.Y. 10301
390-5204

Kims Nail Salon
41/42 West 72ND ST
New York New York

OWNER
Sol Goldman
G.S.L. ENTERPRISES INC.
130 East 57TH ST
N.Y N.Y. 10022

You are hereby notified that there exists a violation in the subject premises as described below.

You are hereby directed to remove this violation, pursuant to Section C26-86.5, subd. d and/or Section 643a-8.0 of Chapter 26 of the Administrative Code.

All inquiries and reference to this violation should be directed to the Violation Section in the respective borough.

(If this violation is not corrected within ten days, you may be summoned to appear in the Criminal Court.)

George Casona
BOROUGH SUPERINTENDENT

COMMISSIONER

OCT 24 1983

Location: 41 West 72ND ST			Boro: Manh.	Violation Number					
Construction: F	No. of Stories: 16	Block: 1125	Lot: 5	Date: 10/12/83	Type: C	Dist.: B	No.: OR	Quad.: 05	
Occupied at Time of Inspection as: Nail Salon				Complaint No.: Survey		Docket No.:			
Section(s) Violated: 22-321 of the Zoning Res.									

DESCRIPTION OF VIOLATION: Installing and maintaining 2 illuminated business signs at 1ST story front contrary to section 22-321 of the zoning resolution.
Note: signs hung behind windows at front, signs approx 1'-6" X 2'-6" wording of signs - pedicure, waxing, sculpture nails # 496-6001
Remedy: Remove signs and discontinue unlawful use of signs

Filed By: James Fanelli

BRIBERY IS A CRIME:

A person who gives or offers a bribe to any employee of the City of New York, or any employee who takes or solicits a bribe is guilty of a felony punishable by imprisonment up to seven years or a fine. (Section 200.40 and 200.45 of the Penal Law)

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FIRE DEPARTMENT • CITY OF NEW YORK
BUREAU OF REVENUE MANAGEMENT

9 MetroTech East
Brooklyn, N.Y. 11201-3857

RECORD SEARCH REQUEST

MAIL TO:

ABSTRACTERS INFORMATION SERVICE
138-72 QUEENS BOULEVARD
BRIARWOOD, N.Y. 11435

CHECKED BY:

SEARCH NO.

TITLE NO. 0160 - NY2K0171

The undersigned requests the following information re: Premises

41/47 WEST 72 STREET (ADDRESS) MANHATTAN (BOROUGH)

[X] 1. Record of existing Fire Department Violations — FEE: $10.00

[ ] 2. Record of Permit for — FEE: $10.00

[ ] 3. Other — FEE: $10.00

TOTAL FEE: $ 10.00

State applicants interest in or relation to premises:

(THE CITY OF NEW YORK IS NOT BEING SUED, NOR IS THERE ANY INTENTION TO SUE THE CITY OF NEW YORK)

ABSTRACTERS INFORMATION SERVICE

SIGNED

DATE 02/15/00

DO NOT WRITE BELOW THIS LINE

Gentlemen:

In reply to your request concerning the premises mentioned above, please be advised that as of 9 A.M., NOV 1 5 2000 our records show the following:

NO VIOLATIONS
Bureau of Fire Prevention
Fire Dept. City of N.Y.

SEARCHED BY:

Chief of Fire Prevention

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

TITLE NO. 0160-NY2K0171 ER

ABSTRACTERS' INFORMATION SERVICE, INC.
138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

EMERGENCY REPAIRS

Company: COMMONWEALTH LAND TITLE

Date: 02/17/00

Premises: 41/47 WEST 72 STREET

County: MANHATTAN

A search of the Department of Rent and Housing Maintenance (Emergency Repair Building Summary lien record) shows the following money due.

Date: OCT 1999

Amount: 0.00

The result of the work-in-progress search reveals that:

[X] No Emergency Repairs have been found at the above-captioned premises subsequent to the above lien date.

[ ] The following Emergency Repairs have been given out at the above-captioned premises subsequent to the above lien date.

Cert.Date or Date of P.O.	P.O. #	Description

Liability is limited to liens that have matured into dollar amounts and are properly posted at the Department of Rent and Housing Maintenance as of Date of Search 02/15/00
0160-NY2K0171

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

ABSTRACTERS' INFORMATION SERVICE, INC.

138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

NEW YORK CITY DEPARTMENT OF ENVIRONMENTAL PROTECTION

(AIR RESOURCES SEARCH)

DATE: 02/22/00

TITLE NUMBER: 0160-NY2K0171

PREMISES: 41/47 WEST 72 STREET

COUNTY: MANHATTAN

****

A SEARCH OF THE RECORDS AT THE BUREAU OF AIR, NOISE AND HAZARDOUS MATERIAL INDICATES THE FOLLOWING:

[X] IT IS A VIOLATION OF THE NEW YORK CITY ADMINISTRATIVE CODE, TITLE 24, AIR POLLUTION CONTROL CODE, TO OPERATE FUEL-BURNING OR REFUSE-BURNING EQUIPMENT AS SPECIFIED IN THE CODE WITHOUT A VALID CERTIFICATE. IF SUCH EQUIPMENT, ALTHOUGH UNKNOWN TO US EXISTS, IT IS AUTOMATICALLY IN VIOLATION OF THE LAW. THIS APPLIES REGARDLESS OF THE INFORMATION PROVIDED HEREIN.

[ ] NO RECORD FOUND FOR THE ABOVE PREMISES.

[X] SEE ATTACHED INFORMATION PROVIDED BY THE DEPT. OF ENVIRONMENTAL PROTECTION FOR THE ABOVE PREMISES.

IMPORTANT NOTICE ABOUT SEARCH INFORMATION ABOVE

THIS REPORT IS SUBMITTED FOR INFORMATION PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR ACCURACY OF THE ABOVE INFORMATION.

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

JOEL A. MILLER, P.E., Commissioner

ROBERT C. AVALLONE
Deputy Commissioner
Bureau of Air Noise & Hazardous Materials

(718) 595-3855
RECORDS CONTROL

314

1 OF 1

TITLE SEARCH INQUIRY

Abstracts Information Services Inc.
138-72 Queens Boulevard
Briarwood, New York 11435

DATE: 2/17/00

RE: YOUR INQUIRY : 0160-NY2K0111

GENTLEMEN:

A search of our records indicates the following information:

✓ 1. It is a violation of the New York City Administrative Code, Title 24, Air Pollution Control Code, to operate fuel burning or refuse-burning equipment as specified in the Code without a valid Certificate. If such equipment although unknown to us exists, it is automatically in violation of the law. This applies regardless of the information provided herein.

____ 2. No record for this premise.

✓ 3. See information below attachments (if any) for additional records for this premise.

```
PGRM: BARSEQT              DEPT OF ENVIRONMENTAL PROTECTION          DATE:  2/17/00
TERM: 0759            TITLE SEARCH INQUIRY - PAGE 01 OF 01           TIME: 09:48:20

PREMISES ADDR: HOUSE: 41              BORO: 1 MANHATTAN
               STREET: WEST   72 STREET
OWNER NAME:    HERMITAGE 72ND LLC.
INSTALLATION:  000068832
EQUIPMENT:

CURRENT CERTIFICATION STATUS: AWAITING INSPECTION FOR CERTIFICATION
CURRENT VIOLATION STATUS:     VIOLATION PENALTY OUTSTANDING
```

CMD: _____ MSG:

RECORDS CONTROL DEPARTMENT

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(718) 595-3855
RECORDS CONTROL

ADDITIONAL RECORDS

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SCRN: BARSSOV1                DEPT OF ENVIRONMENTAL PROTECTION          DATE:  2/17/00
TERM: 0728                    VIOLATION INQUIRY (HISTORY) - PAGE 1      TIME: 09:44:03

                                                    STATUS: HEARING COMPLETED
VIOLATION NO.: 00108453P                            DISP:   STIPULATED
FACILITY NO.:                                       DUE:    PENALTY+COMPLIANCE
INSTALLATION:
RESPONDENT NAME : SOLIL MGMT CORP.          BORO: 1 MANHATTAN
        HOUSE:  440
        STREET:    5 AVENUE                 STATE: NY  ZIP: 10019
        CITY:   MAN

                                                    BORO: 1 MANHATTAN
VIOLATION ADDR: HOUSE:  41
                STREET: WEST    72 STREET

INFRACTIONS:  1 24-183(E)                                  4
 2                                  3                      7
 5                                  6                      10
 8                                  9
VIOLATION DATE/TIME: 09/28/95 1015          OFFICER ID: 1128        RPT LEV: 02
SCHEDULED DATE/TIME* 05/06/96 1030          ALJ ID:     0154
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:                 250.00+        IMPOSED AMOUNT:      250.00+
ADD'L PENALTIES:              79.50+        PAID TO DATE:        250.00+
NET ALL ADJUSTS:              79.50+        BALANCE DUE:          79.50+
CMD: _____                  MSG: *PRESS PF4 TO DISPLAY ACTUAL HEARING DATE
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(718) 595-385:
RECORDS CONTROI

ADDITIONAL RECORDS

PAGE 3 OF 7

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SCRN: BARSSCV1          DEPT OF ENVIRONMENTAL PROTECTION          DATE:  8/17/0(
TERM: 8788          VIOLATION INQUIRY (HISTORY) - PAGE 1          TIME: 09:48:3(

VIOLATION NO.: 00111970K                    STATUS: HEARING COMPLETED
FACILITY NO.:                               DISP:   IN VIOLATION
INSTALLATION:  CA0084882                    DUE:    PENALTY
RESPONDENT NAME : SOLIL MGMT CORP
         HOUSE:  640          BORO: 1 MANHATTAN
         STREET:    5 AVENUE
         CITY:   MANHATTAN        STATE: NY  ZIP: 10019

VIOLATION ADDR: HOUSE:  41            BORO: 1 MANHATTAN
                STREET: WEST   72 STREET
INFRACTIONS:  1 24-183(5)
 2                          3                          4
 5                          6                          7
 8                          9                          10
VIOLATION DATE/TIME: 04/18/96 0940      OFFICER ID: I138     RPT LEV: 01
SCHEDULED DATE/TIME* 08/07/96 1030      ALI ID:     0822
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:        265.00+          IMPOSED AMOUNT:    265.00+
ADD'L PENALTIES:     79.50+          PAID TO DATE:      265.00+
NET ALL ADJUSTS:     79.50+          BALANCE DUE:        79.50+
CMD: _____          MSG: *PRESS PF4 TO DISPLAY ACTUAL HEARING DATE
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(718) 595-3855
RECORDS CONTROL

ADDITIONAL RECORDS

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SCRN: BARESQV1                DEPT OF ENVIRONMENTAL PROTECTION          DATE:  2/17/00
TERM: 0728                VIOLATION INQUIRY (HISTORY) - PAGE 1          TIME: 09:49:02

                                                    STATUS: HEARING COMPLETED
VIOLATION NO.: 00111971M                            DISP:   STIPULATED
FACILITY NO.:                                       DUE:    PENALTY+COMPLIANCE
INSTALLATION:
RESPONDENT NAME : SOLIL MGMT CORP                BORO: 1 MANHATTAN
          HOUSE:  240
          STREET:    5 AVENUE
          CITY:   MANHATTAN                   STATE: NY  ZIP: 10019

                                                   BORO: 1 MANHATTAN
VIOLATION ADDR: HOUSE:  41
                STREET: WEST   72 STREET

INFRACTIONS:  1 54-122(B) (1)                          4
 2                        3                            7
 5                        6                            10
 8                        9
VIOLATION DATE/TIME: 04/18/96 1020          OFFICER ID: I138      RPT LEV: 01
SCHEDULED DATE/TIME* 08/07/96 1030          ALJ ID:     0822
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:          540.00+          IMPOSED AMOUNT:     540.00+
ADD'L PENALTIES:      162.00+          PAID TO DATE:       540.00+
NET ALL ADJUSTS:      162.00+          BALANCE DUE:        162.00+
CMD: _____                MSG: *PRESS PF6 TO DISPLAY ACTUAL HEARING DATE
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RECORDS CONTROL

ADDITIONAL RECORDS

PAGE 5 OF 7

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SCRN: SARSSQV1          DEPT OF ENVIRONMENTAL PROTECTION          DATE:  2/17/0(
TERM: 0782              VIOLATION INQUIRY (HISTORY) - PAGE 1      TIME: 09:49:5:

VIOLATION NO.: 00114800L                          STATUS: DEFAULTED
FACILITY NO.:                                     DISP:   DEFAULTED
INSTALLATION:  CAC036882                          DUE:    PENALTY
RESPONDENT NAME : R.A.COHEN ASSOC.INC.
          HOUSE:  40              BORO: 1 MANHATTAN
          STREET: EAST   48 STREET
          CITY:   MAN                    STATE: NY  ZIP: 10017

VIOLATION ADDR: HOUSE:  41                  BORO: 1 MANHATTAN
                STREET: WEST   72 STREET
INFRACTIONS:  1 24-153(E)
 2 24-148(A)                3                          4
 5                          6                          7
 8                          9                          10
VIOLATION DATE/TIME: 10/08/96 1045      OFFICER ID: I151      RPT LEV: 01
SCHEDULED DATE/TIME* 12/09/96 0830      ALT ID:
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:        1070.00+        IMPOSED AMOUNT:    2575.00+
ADD'L PENALTIES:     802.50+        PAID TO DATE:         0.00+
NET ALL ADJUSTS:     802.50+        BALANCE DUE:       2477.50+
CMD: _____          MSG: *PRESS PF4 TO DISPLAY ACTUAL DEFAULT DATE
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RECORDS CONTROL

PAGE 6 OF 7

ADDITIONAL RECORDS

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SCRN: BARSSQV1                DEPT OF ENVIRONMENTAL PROTECTION          DATE:  8/17/00
TERM: @7SS                    VIOLATION INQUIRY (HISTORY) - PAGE 1      TIME: 09:50:37

                                                        STATUS: HEARING COMPLETED
VIOLATION NO.: 00118447H                                DISP:   IN VIOLATION
FACILITY NO.:                                           DUE:    PENALTY
INSTALLATION:  CA0086882
RESPONDENT NAME : SOLIL MGMT CORP          BORO: 1 MANHATTAN
          HOUSE:  440
          STREET:     5 AVENUE
          CITY:   NY                    STATE: NY  ZIP: 10019

                                                BORO: 1 MANHATTAN
VIOLATION ADDR: HOUSE:  41
                STREET: WEST    72 STREET

INFRACTIONS:   1 24-123(E)                      4
 2                              3               7
 5                              6               10
 8                              9
VIOLATION DATE/TIME: 09/17/96 1310      OFFICER ID: 1155      RPT LEV: 01
SCHEDULED DATE/TIME* 01/13/97 0830      ALJ ID:     0542
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:            350.00+     IMPOSED AMOUNT:     545.00+
ADD'L PENALTIES:        163.50+     PAID TO DATE:       545.00+
NET ALL ADJUSTS:        163.50+     BALANCE DUE:        163.50+
CMD: _____                  MSG: *PRESS PF6 TO DISPLAY ACTUAL HEARING DATE
```

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(718) 595-3855
RECORDS CONTROL

ADDITIONAL RECORDS

PAGE 7 OF 7

```
SCRN: BARSSQV1          DEPT OF ENVIRONMENTAL PROTECTION          DATE:  2/17/00
TERM: 0728          VIOLATION INQUIRY (HISTORY) - PAGE 1          TIME: 09:51:30

VIOLATION NO.: 00118448J                    STATUS: HEARING COMPLETED
FACILITY NO.:                               DISP:   IN VIOLATION
INSTALLATION:                               DUE:    PENALTY
RESPONDENT NAME : SOLIL MGMT CORP
          HOUSE:  440            BORO: 1 MANHATTAN
          STREET:    5 AVENUE
          CITY:   NY                  STATE: NY  ZIP: 10019

VIOLATION ADDR: HOUSE:  41              BORO: 1 MANHATTAN
                STREET: WEST   78 STREET
INFRACTIONS:  1 24-182(B) (1)
 2                          3                          4
 5                          6                          7
 8                          9                          10
VIOLATION DATE/TIME: 08/17/96 1330      OFFICER ID: I138     RPT LEV: 01
SCHEDULED DATE/TIME* 01/13/97 0830      ALJ ID:     0562
SCHEDULED LOCATION:  1 MANHATTAN
FACE AMOUNT:          $60.00+          IMPOSED AMOUNT:    $70.00+
ADD'L PENALTIES:      $11.00+          PAID TO DATE:      $70.00+
NET ALL ADJUSTS:      $11.00+          BALANCE DUE:       $11.00+
CMD: _____            MSG: *PRESS PF5 TO DISPLAY ACTUAL HEARING DATE
```

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FIRE DEPARTMENT • CITY OF NEW YORK
BUREAU OF REVENUE MANAGEMENT

9 MetroTech East
Brooklyn, N.Y. 11201-3857

RECORD SEARCH REQUEST

MAIL TO:

ABSTRACTERS INFORMATION SERVICE
138-72 QUEENS BOULEVARD
BRIARWOOD, N.Y. 11435

CHECKED BY:

SEARCH NO.

TITLE NO. 0160 - NY2K0171

The undersigned requests the following information re: Premises

41/47 WEST 72 STREET — MANHATTAN
ADDRESS — BOROUGH

☐ 1. Record of existing Fire Department Violations — FEE: $10.00

☒ 2. Record of Permit for FUEL OIL — FEE: $10.00

☐ 3. Other — FEE: $10.00

TOTAL FEE: $ 10.00

State applicants interest in or relation to premises:

(THE CITY OF NEW YORK IS NOT BEING SUED, NOR IS THERE ANY INTENTION TO SUE THE CITY OF NEW YORK)

ABSTRACTERS INFORMATION SERVICE

SIGNED

DATE 02/15/00

DO NOT WRITE BELOW THIS LINE

Gentlemen:
In reply to your request concerning the premises mentioned above, please be advised that as of 9 A.M., NOV 15 1999 our records show the following:

ACCOUNT #.....: 0/06 2330
BALANCE DUE...: $157.50
PERMIT EXPIRE.: 11/95
SIZE OF TANK..: 550 gal
DIST. OFF.....: #2
NO RECORD FOUND ON FILE.....:

SEARCHED BY

Chief of Fire Prevention

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TITLE NO. 0160-NY2K0171 HV

ABSTRACTERS' INFORMATION SERVICE, INC.
138-72 QUEENS BOULEVARD BRIARWOOD, N.Y. 11435
(718) 291-5900 (516) 742-2290 (914) 761-4451 FAX (718) 291-6681

Search Date: 02/17/00

VIOLATION SEARCH

HIGHWAY / SIDEWALK VIOLATIONS

Premises: 41/47 WEST 72 STREET

County: MANHATTAN Block: 01125 Lot: 00005

RETURNS

A search of the records of the Department of Highways indicates the following:

[ ] There are no violations as per search date _____

[X] Sidewalk Notice on file as of: 05/13/94

[ ] Other _____

This search is submitted for information purposes only. Liability is limited to errors and omissions of information properly indexed, filed, and recorded with the above mentioned governmental agency. This search is prepared exclusively for COMMONWEALTH LAND TITLE.
0160-NY2K0171

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COM ONWEALTH LAND TITLE INSURANCE COMP Y

COMMON EXCEPTIONS AFFIDAVIT

Title No. NY2K0171 Block 1125 Lot 5

Premises: 41 West 72 Street, New York, NY

State of New York)
County of)

Borrower(s)/Seller(s), of full age, being duly sworn according to law, deposes(s) and say(s):

1. I am , the owner of the above described premises ("the Premises").

2. That none of the (judgments), (federal tax liens), (parking violation judgments), (environmental control board lien), (State tax warrants), (City tax warrants), set forth in exception(s) of the captioned title report are again me/it.

3. That there has been no work done upon the premises by the City of New York, nor any demand made for any such work by the City of New York that may result in charges assessed by the Office of Rent and Housing Maintenance, Emergency Repairs Division.

4. That there have been no work done upon the Premises by the City of New York, nor any demand for any such work by The City of New York that may result in charges assessed by Department of Health.

5. That there are no unpaid fees or charges levied by the City of New York Department of Buildings for inspections, reinspections, examinations, services or permits relating to the Premises.

6. That there are no street vaults abutting the Premises described in Schedule A.

7. There are presently ( ) tenants in the Premises. Each of said tenants is either:

   (a) in possession under a lease containing a standard subordination clause fully and unconditionally subordinating said lease to all existing and future mortgages, (and) (or)
   (b) a statutory tenant.
   (c) All persons in possession are in possession as tenants only. There are no options to purchase or rights of first refusal either pursuant to written leases or by separate agreements.

8. That there are no tenants in the Premises.

9. That I/We have not been known by any other married or maiden name within the last ten years.

That I/We make this affidavit to induce COMMONWEALTH LAND TITLE INSURANCE COMPANY to insure title to the aforesaid policy.

_____

_____

Sworn to before me this _____ day

of _____, 19_____.

_____
Notary Public

(STRIKE OUT EVERYTHING THAT IS INAPPLICABLE)

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MORTGAGE PAYOFF AUTHORIZATION AND INDEMNITY

Date:

To: COMMONWEALTH LAND TITLE INSURANCE COMPANY
655 Third Avenue
New York, NY 10017

Re: Title No.: NY2K0171
Premises: 41 West 72 Street, New York, NY

Existing Mortgage To Be Satisfied:

Lender:

Recording Data:

Payoff Amount:

To Whom It May Concern:

The undersigned owns and is about to sell or mortgage the captioned property.

In consideration of your omitting the captioned existing mortgage from your title policy to be issued under the captioned title number, I/we hereby request you to use the check(s) for the payoff amount handed to you herewith, to be transmitted to the payee of the check(s) in satisfaction of my/our existing mortgage indebtedness. I/we hereby agree to pay to you, on demand, any additional monies required by the holder of the existing mortgage as a condition of its issuance of a satisfaction instrument in proper and recordable form.

I/We authorize the delivery to you of the bond(s) or note(s), mortgage(s), satisfaction, fire insurance policies and any other papers pertaining to the mortgage indebtedness.

Very truly yours,

Owner #1 Signature

Print Name

* Address

Owner #2 Signature

Print Name

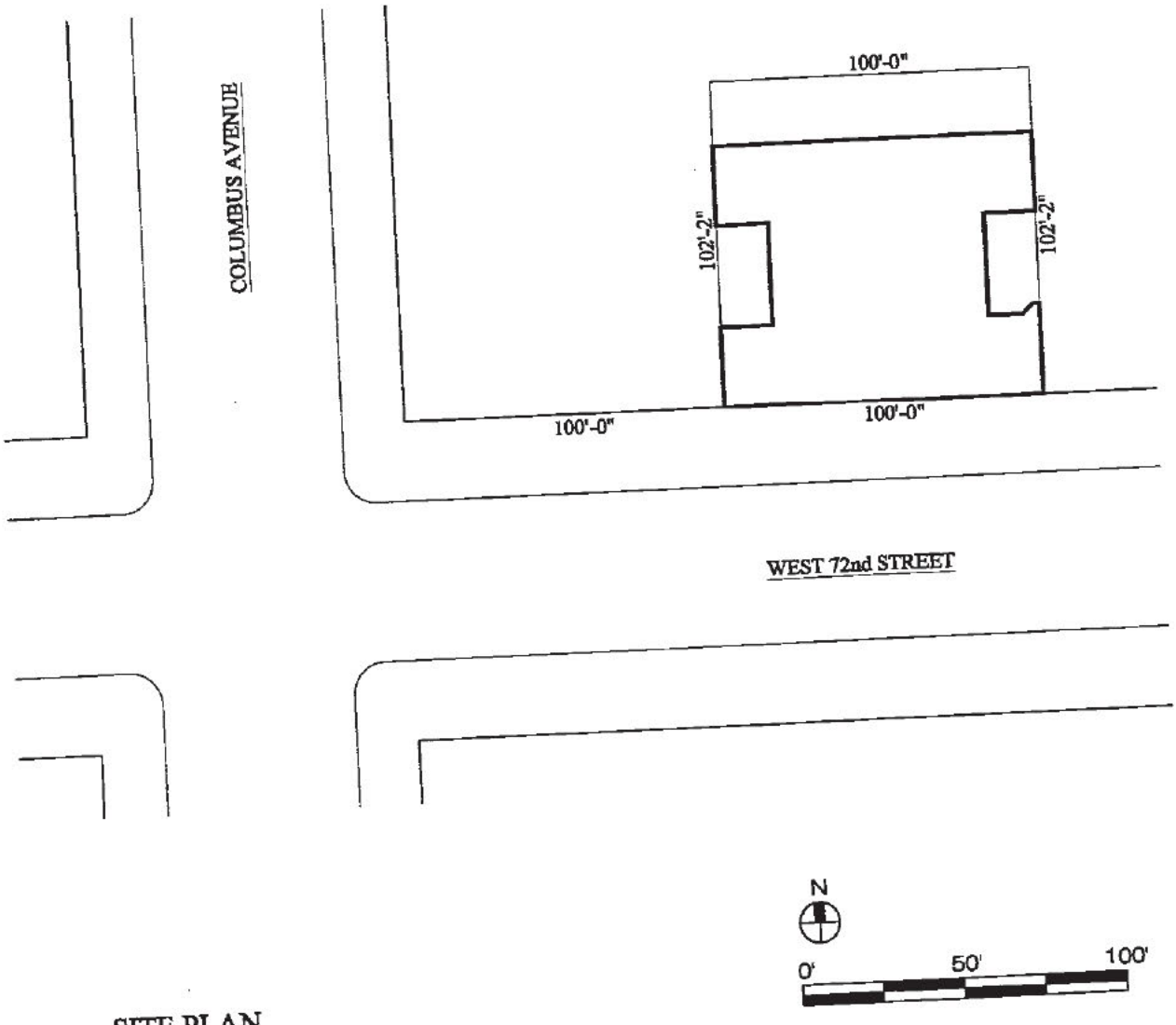
* Address

*NOTE: IF TRANSACTION IS A SALE THE NEW ADDRESS OF THE SELLER(S) IS TO BE INSERTED HERE.

EXHIBIT "7"

FLOOR PLANS

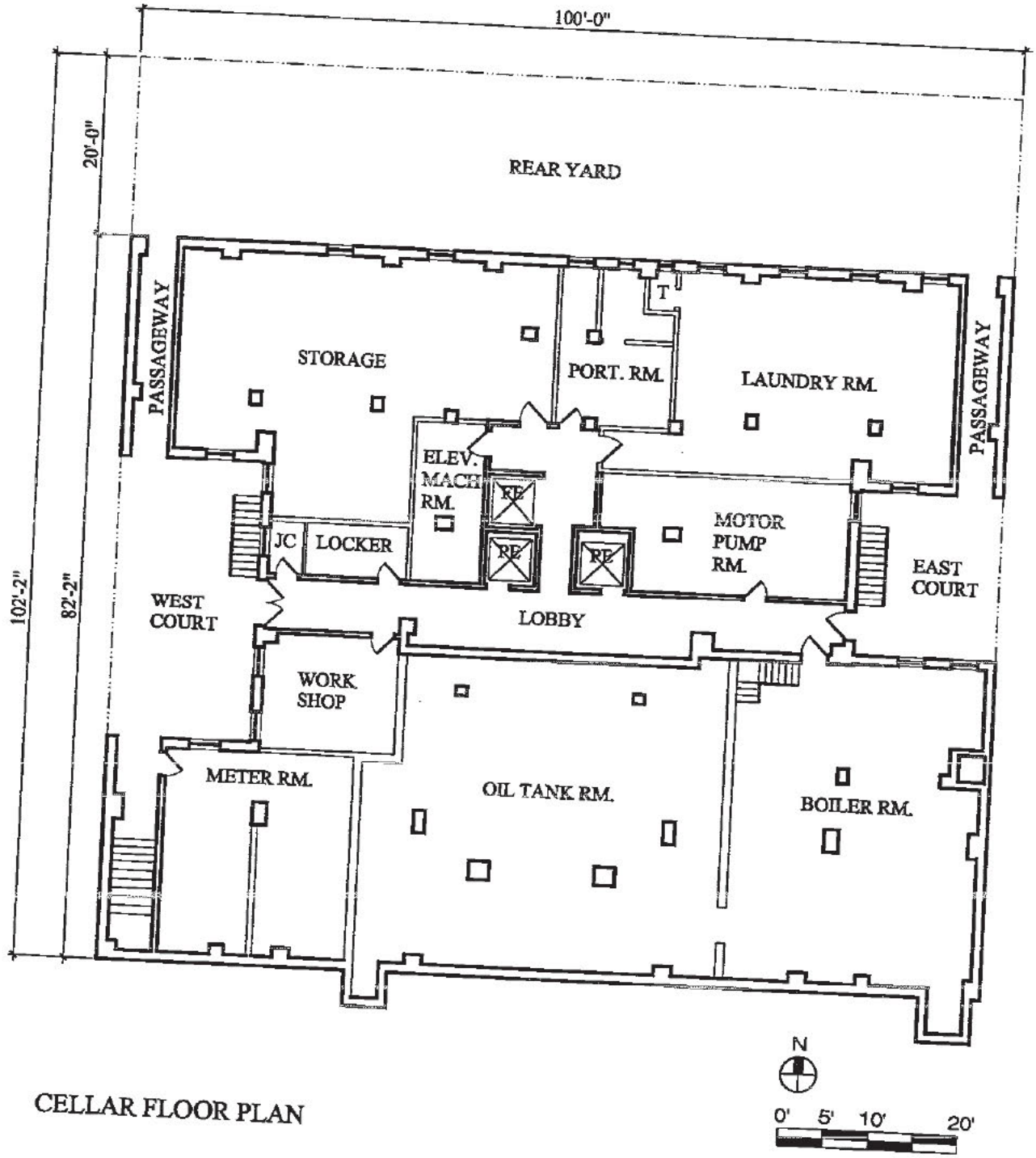
212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com



SITE PLAN

41West 72nd Street
New York, NY

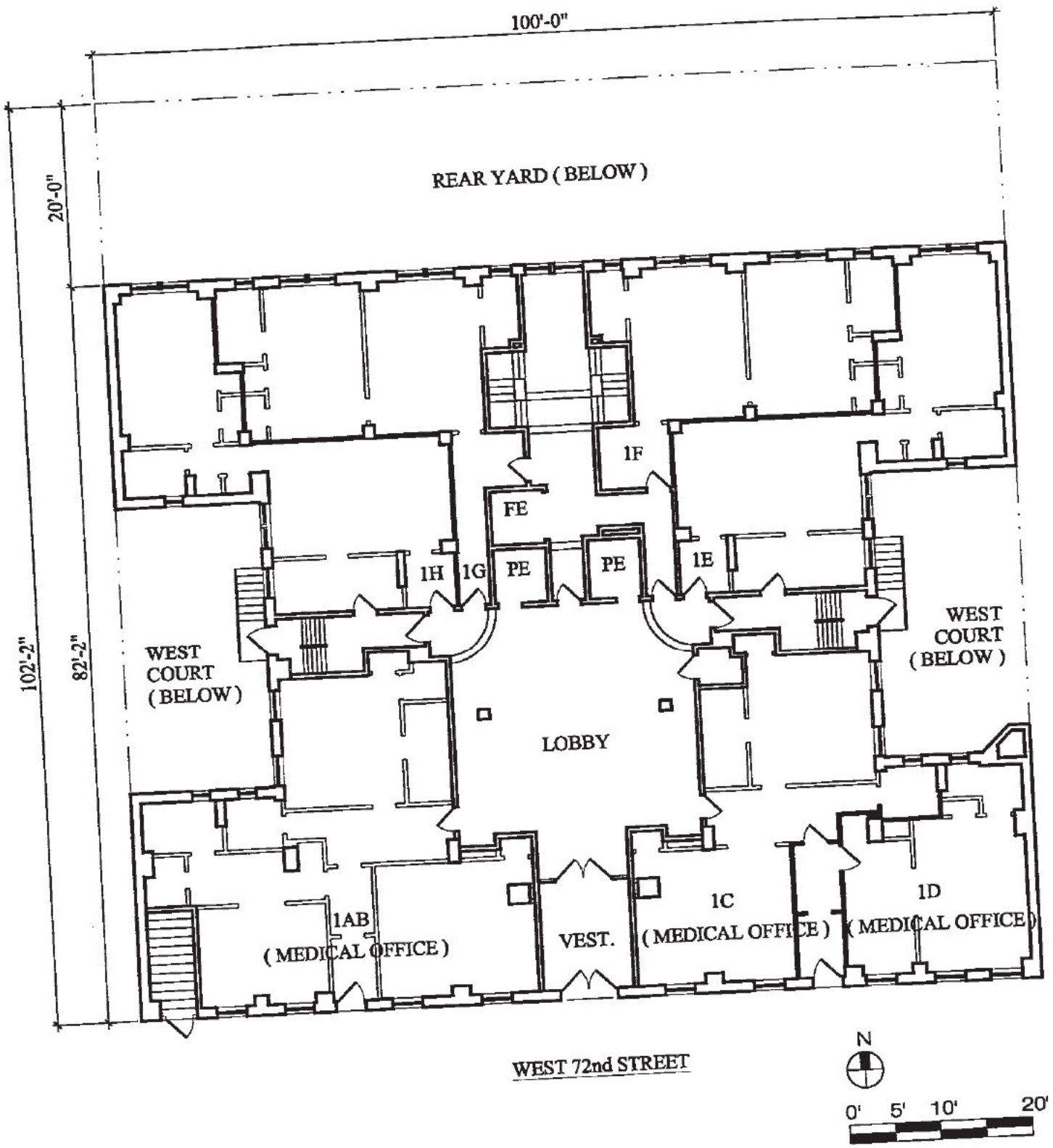
212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com



CELLAR FLOOR PLAN

41 West 72nd Street
New York, NY

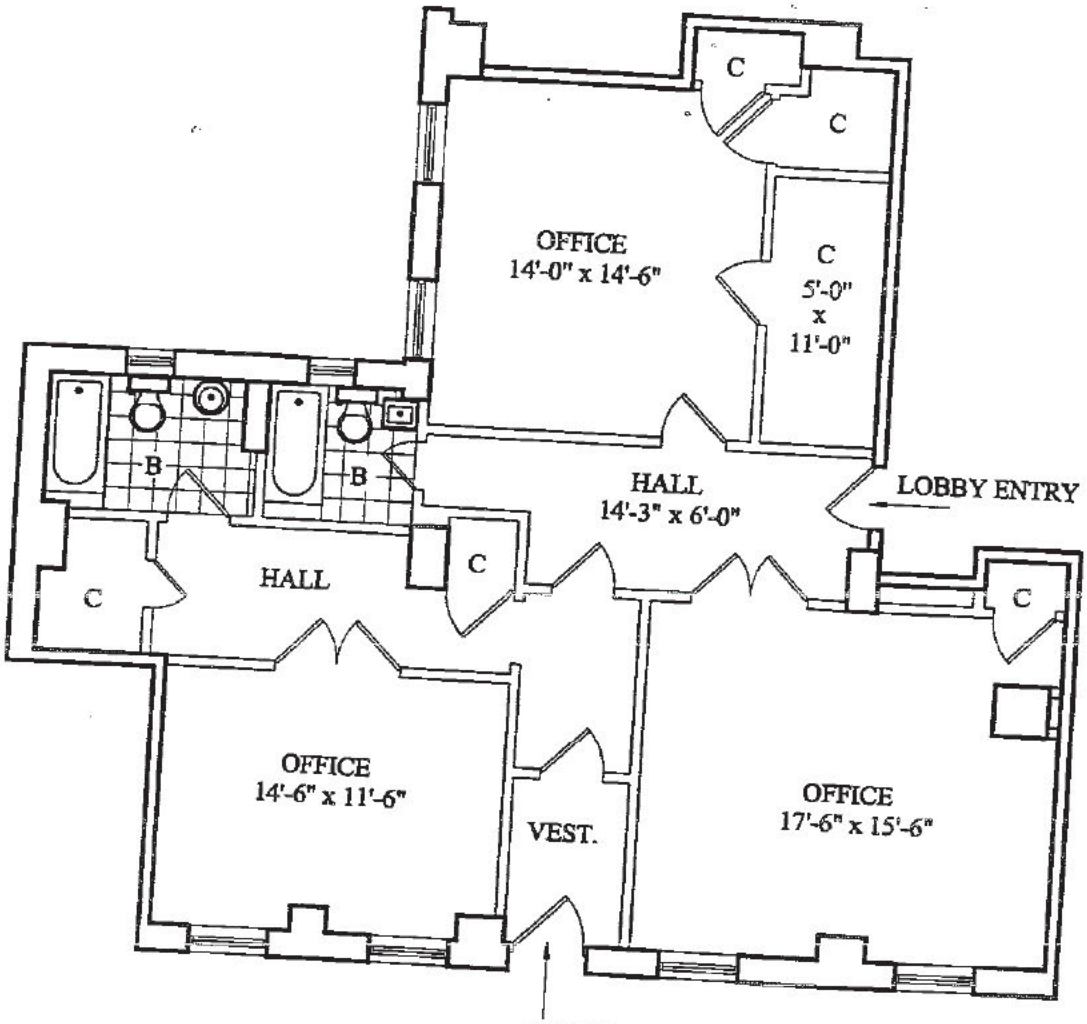
212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com



1st FLOOR PLAN

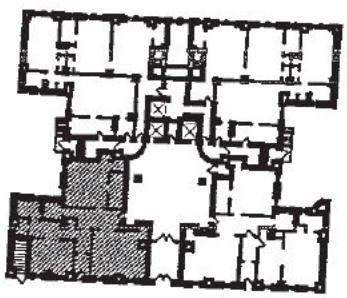
41 West 72nd Street
New York, NY

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APT. 1AB

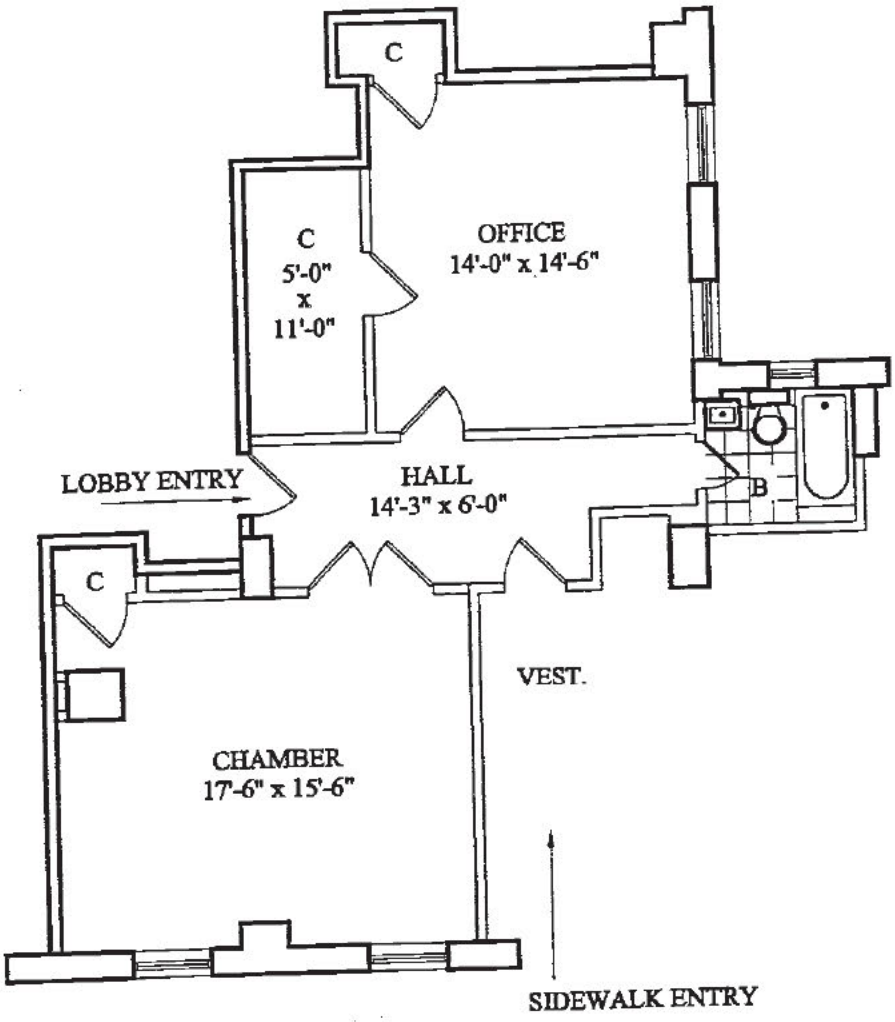




41West 72nd Street
New York, NY

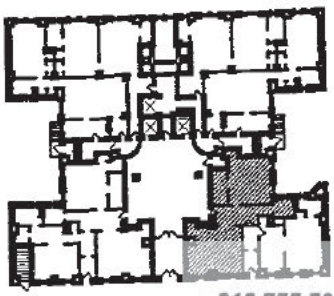
Apartment 1AB
2 Bedroom 2 Bath
Floor Number 1
Apartment Area 1,259 sf

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APT. 1C

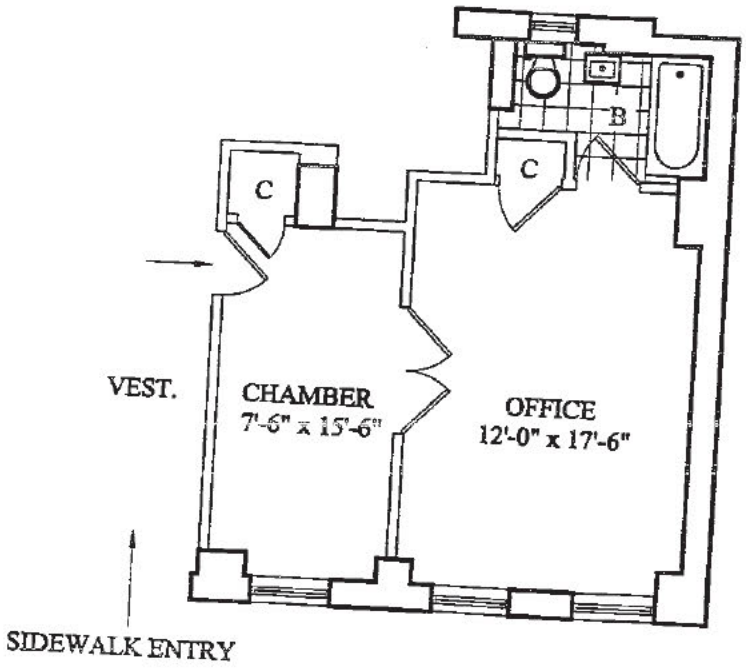




41West 72nd Street
New York, NY

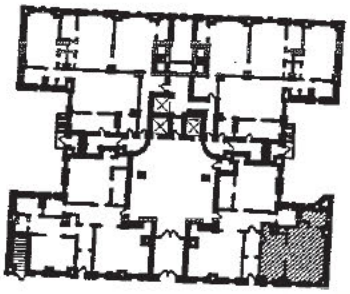
Apartment 1C
1 Bedroom 1 Bath
Floor Number 1
Apartment Area 759 sf

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APT. 1D

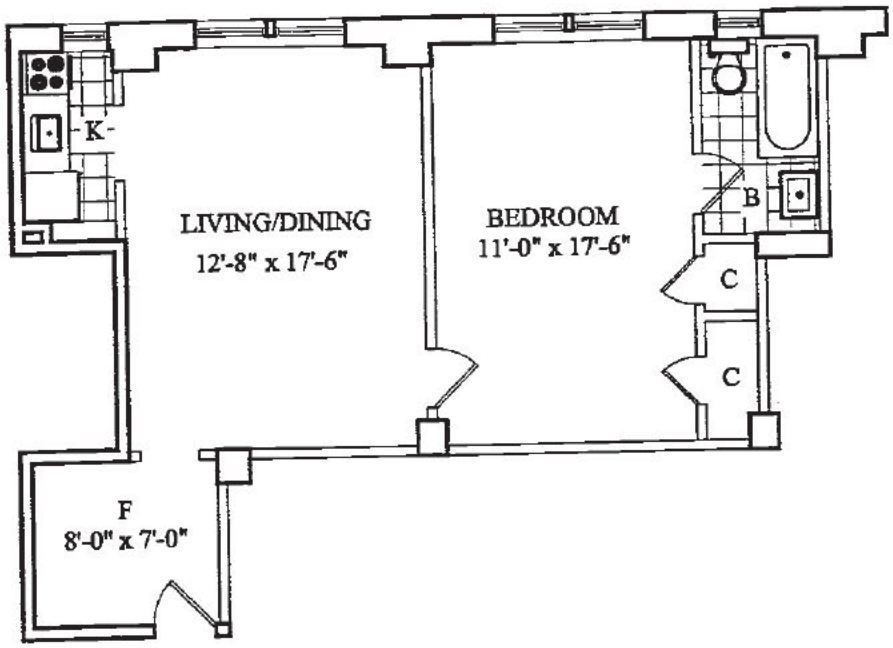




41 West 72nd Street
New York, NY

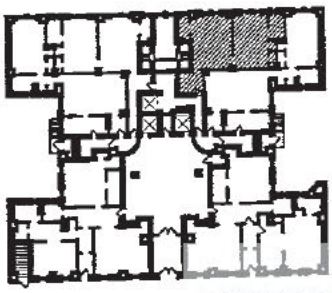
Apartment 1D
1 Bedroom 1 Bath
Floor Number 1
Apartment Area 467 sf

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APT. 1F

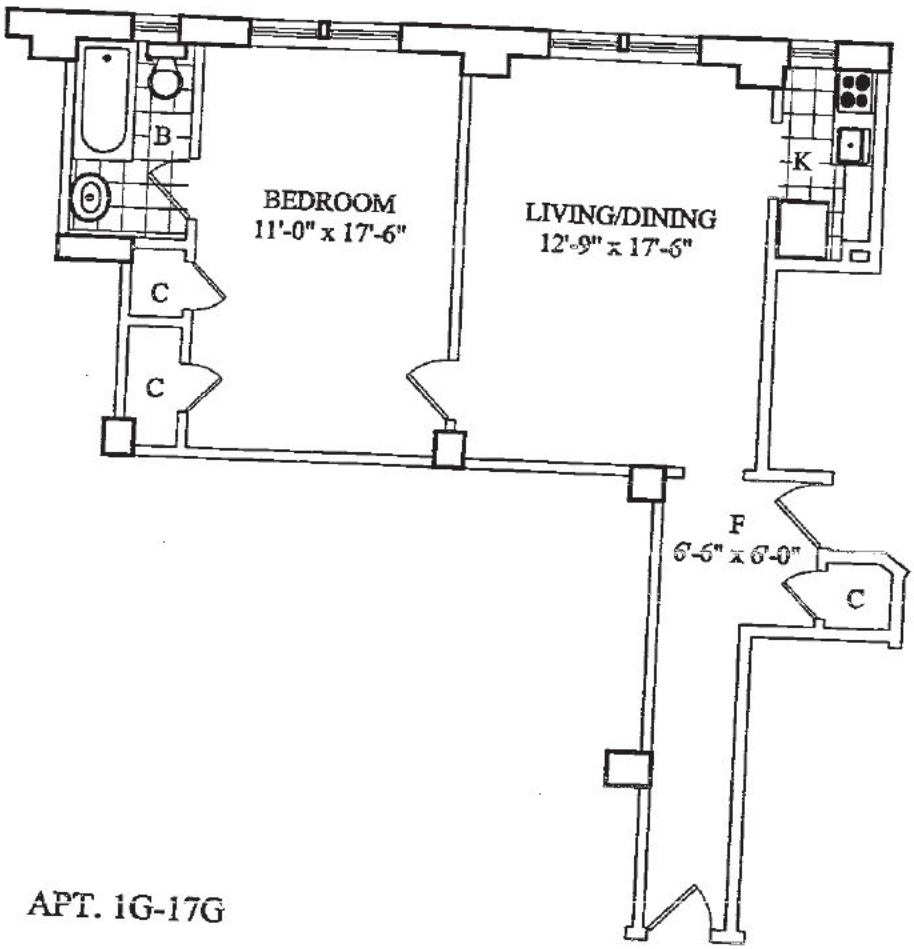




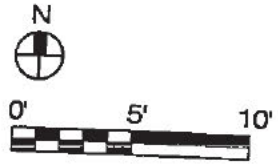
41West 72nd Street
New York, NY

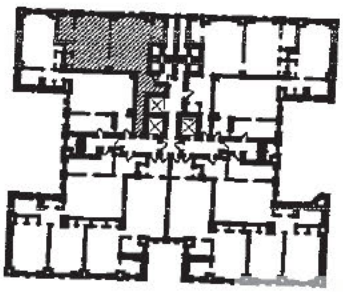
Apartment 1F
1 Bedroom 1 Bath
Floor Number 1
Apartment Area 623 sf

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APT. 1G-17G

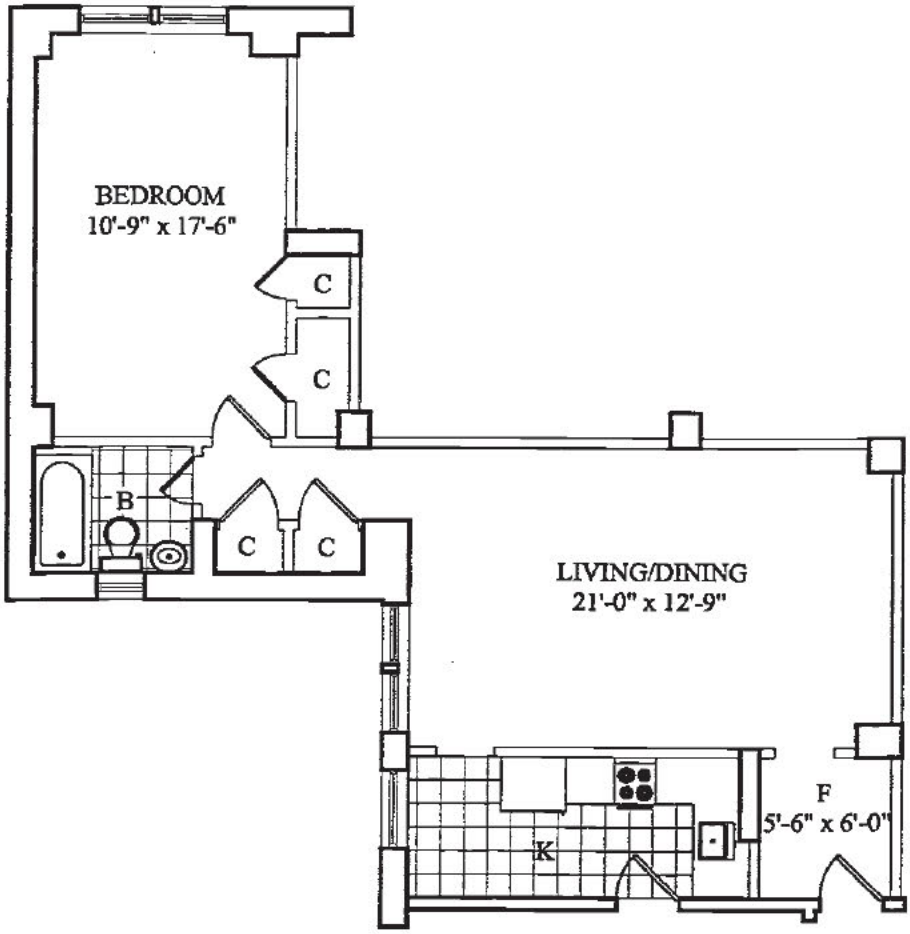




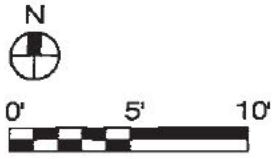
41West 72nd Street
New York, NY

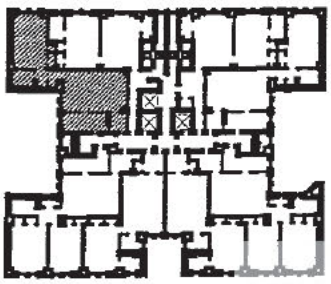
Apartment 1G-17G
1 Bedroom 1 Bath
Floor Number 16
Apartment Area 666 sf

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APT. 1H-17H

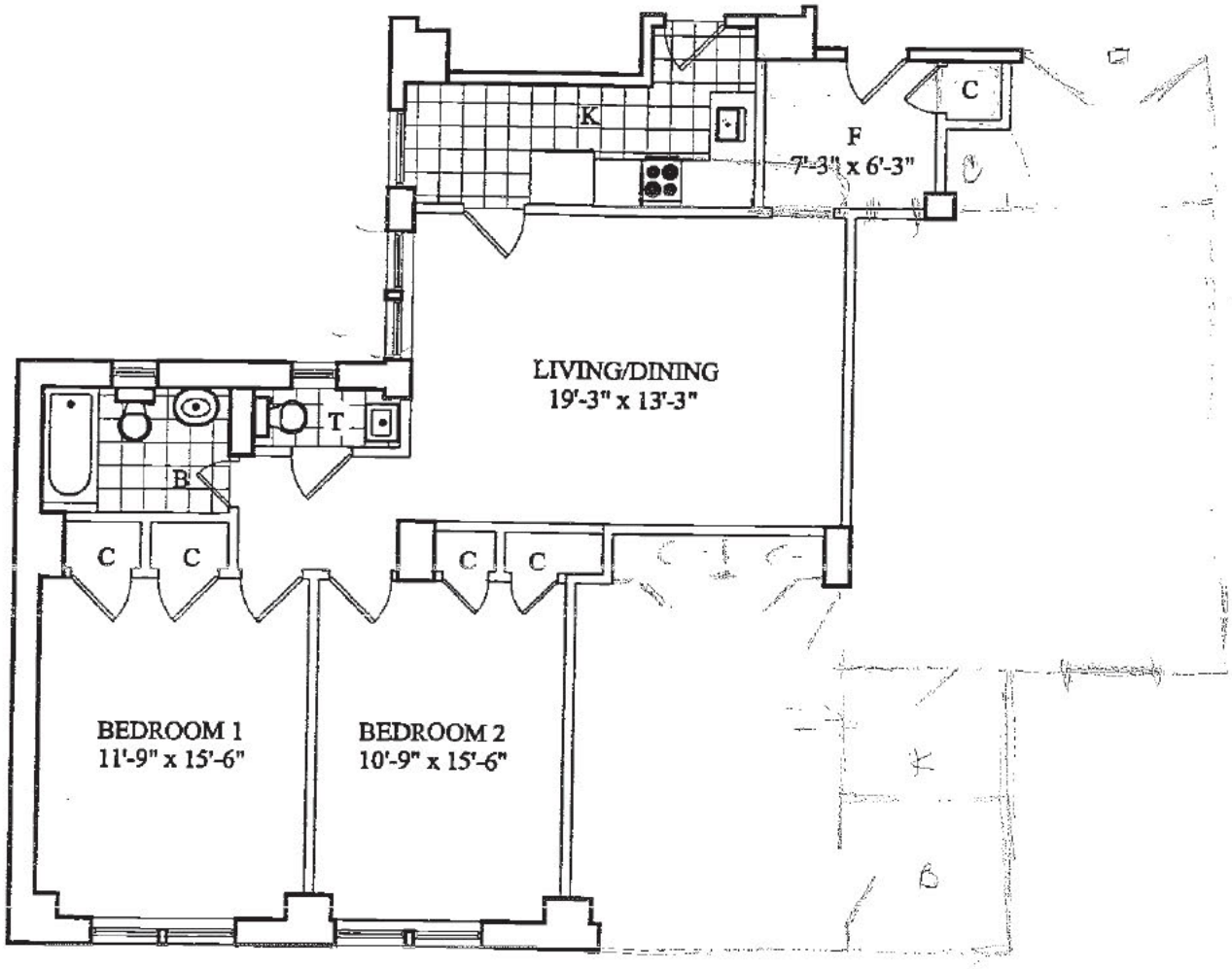




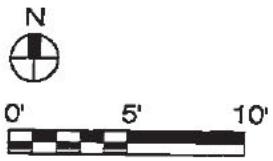
41West 72nd Street
New York, NY

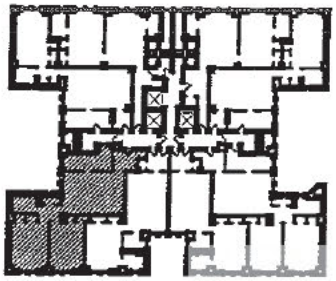
Apartment 1H-17H
1 Bedroom 1 Bath
Floor Number 16
Apartment Area 768 sf

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APT. 2A-16A

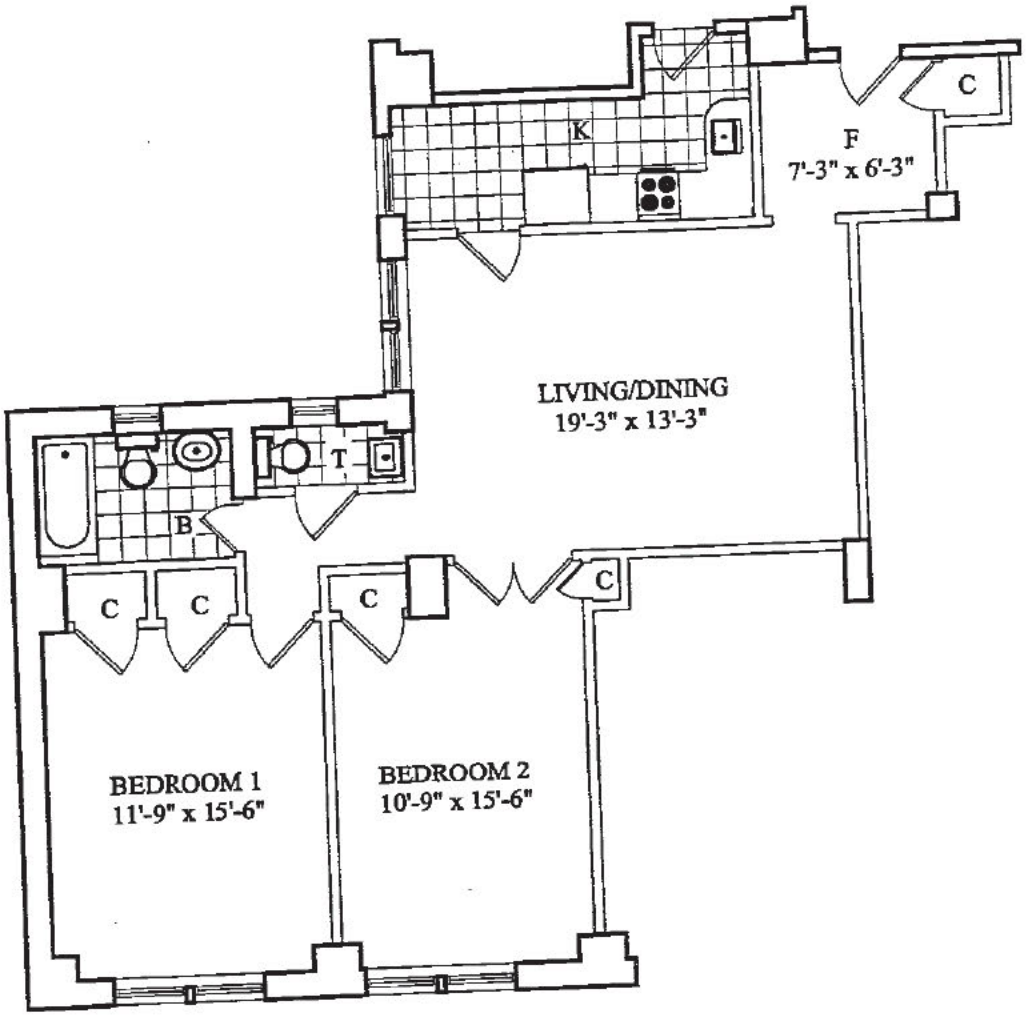




41 West 72nd Street
New York, NY

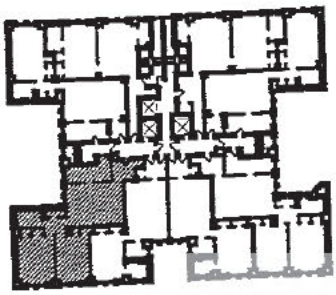
Apartment 2A-16A
2 Bedroom 1 1/2 Bath
Floor Number 15
Apartment Area 1,000 sf

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APT. 17A

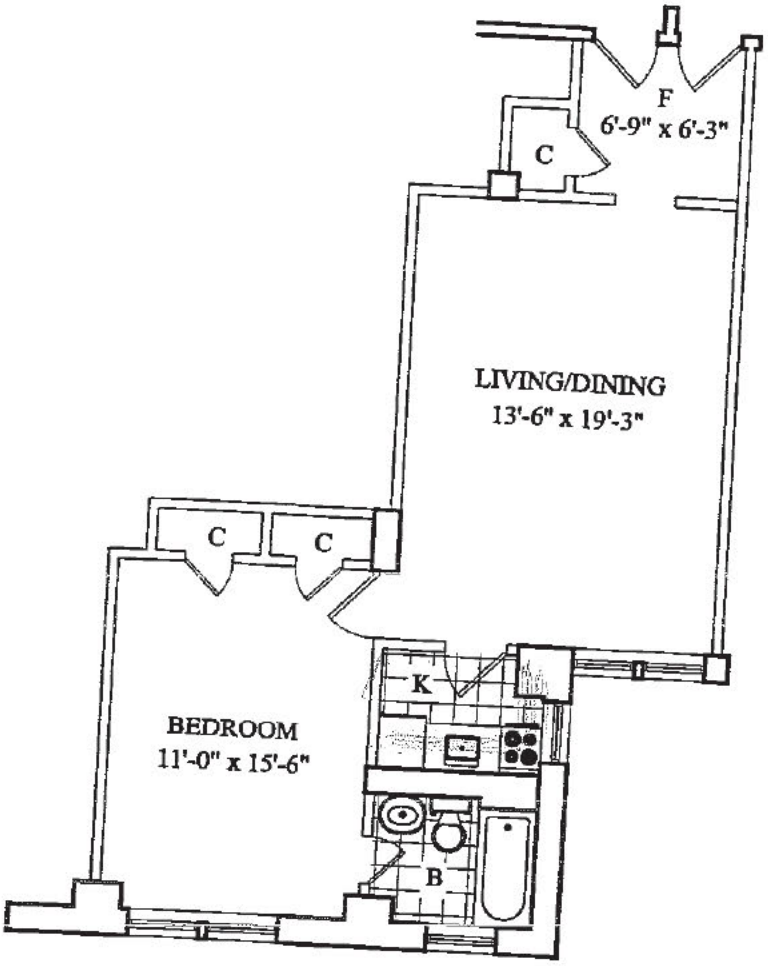




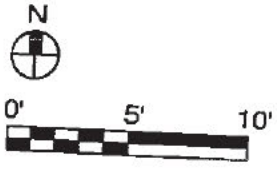
41 West 72nd Street
New York, NY

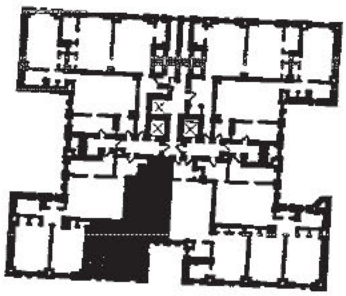
Apartment 17A
2 Bedroom 1 1/2 Bath
Apartment Area 1,000 sf

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APT. 2B-17B

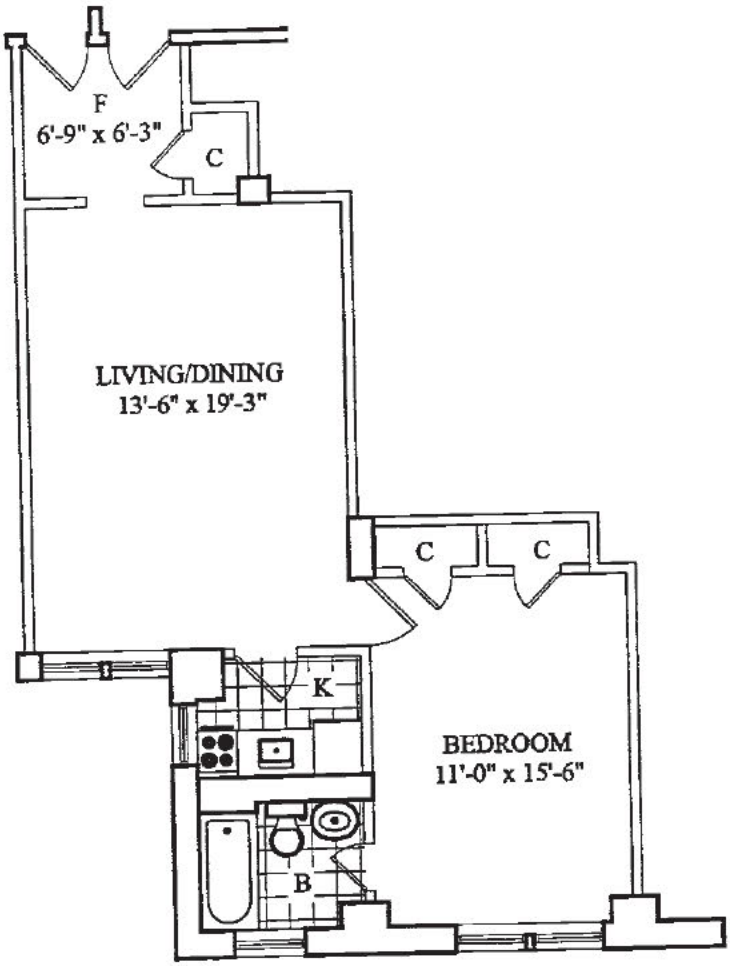




41West 72nd Street
New York, NY

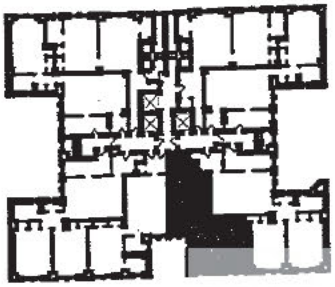
Apartment 2B-17B
1 Bedroom 1 Bath
Floor Number 15
Apartment Area 638 sf

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APT. 2C-17C

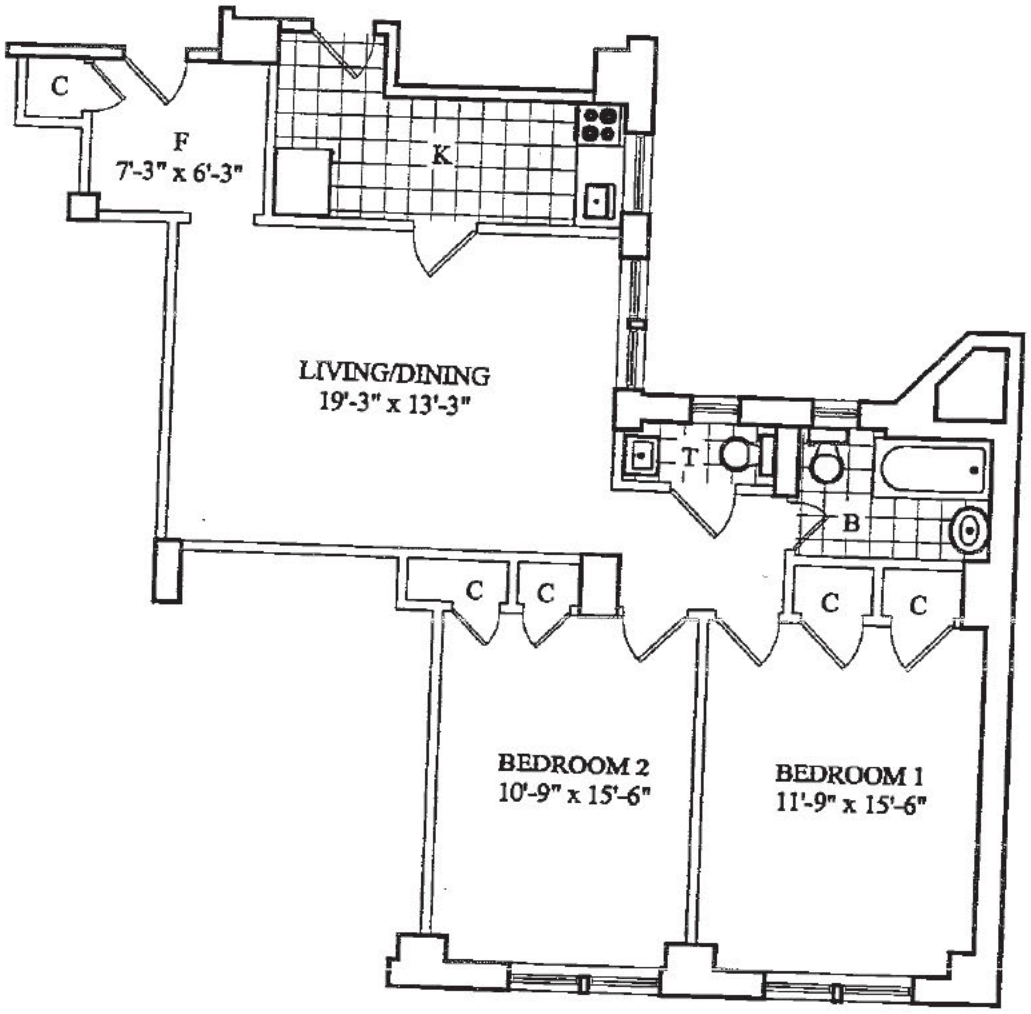




41West 72nd Street
New York, NY

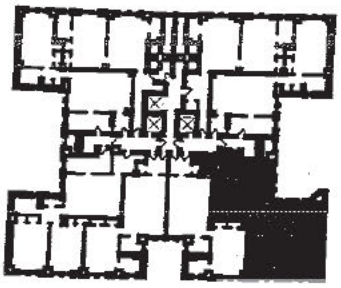
Apartment 2C-17C
1 Bedroom 1 Bath
Floor Number 15
Apartment Area 638 sf

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APT. 2D-17D

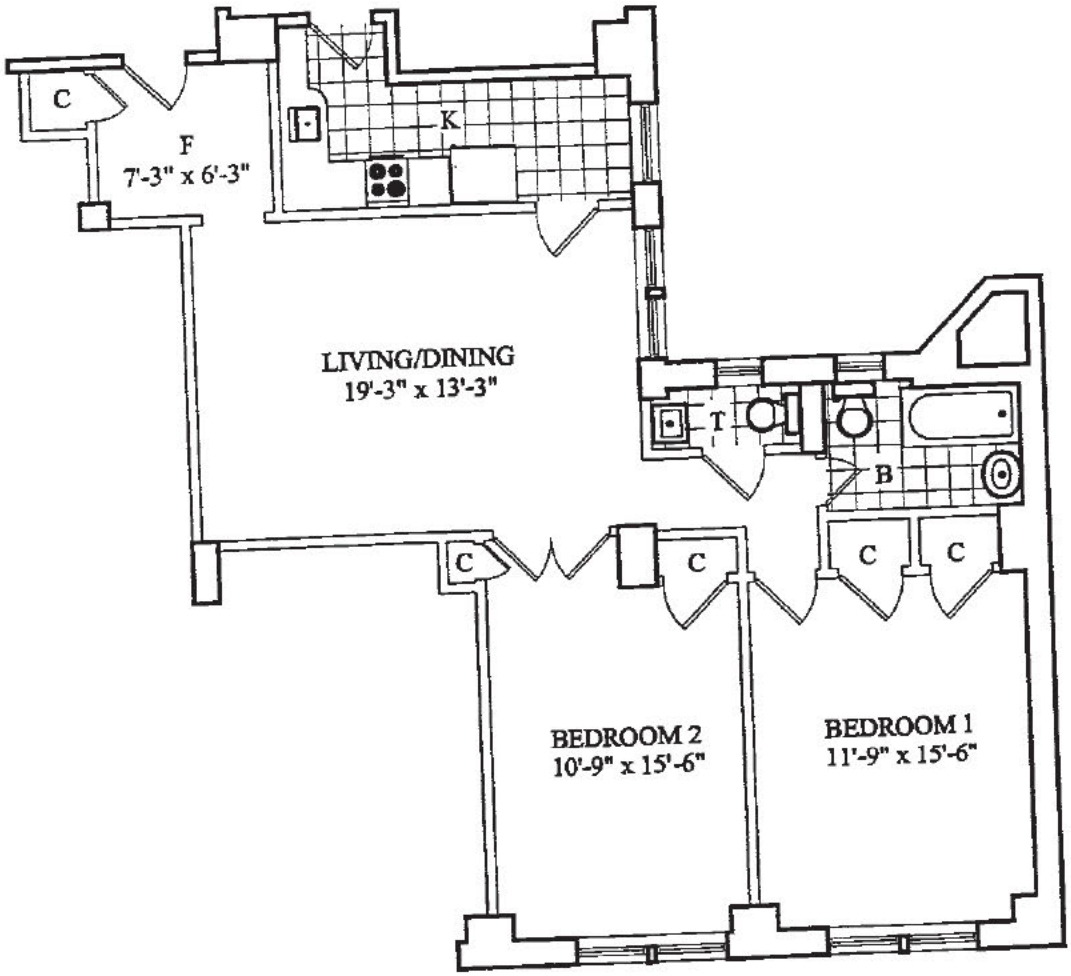




41West 72nd Street
New York, NY

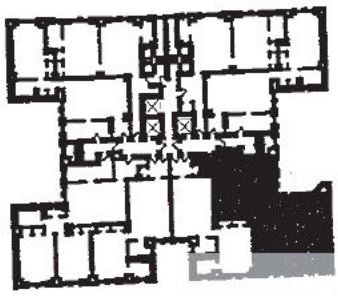
Apartment 2D-17D
2 Bedroom 1 1/2 Bath
Floor Number 15
Apartment Area 1,000 sf

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APT. 10D

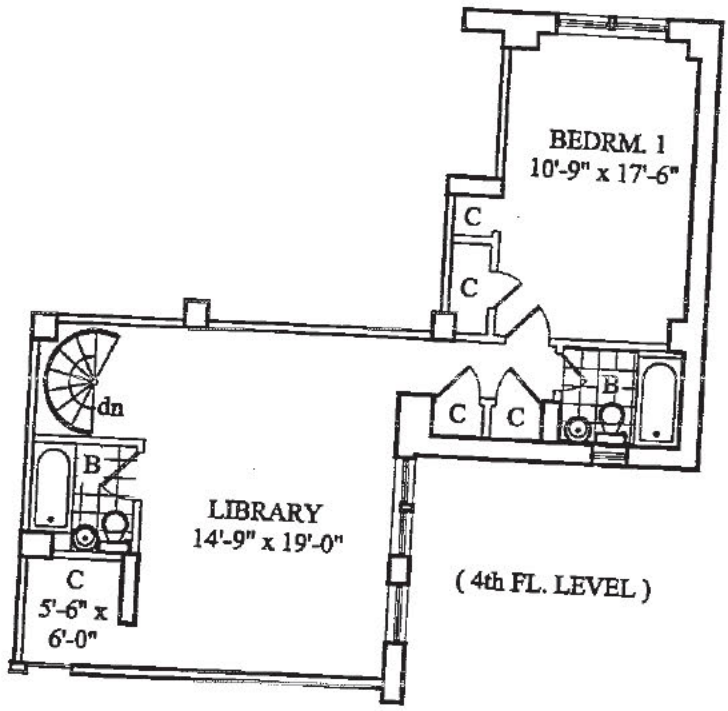


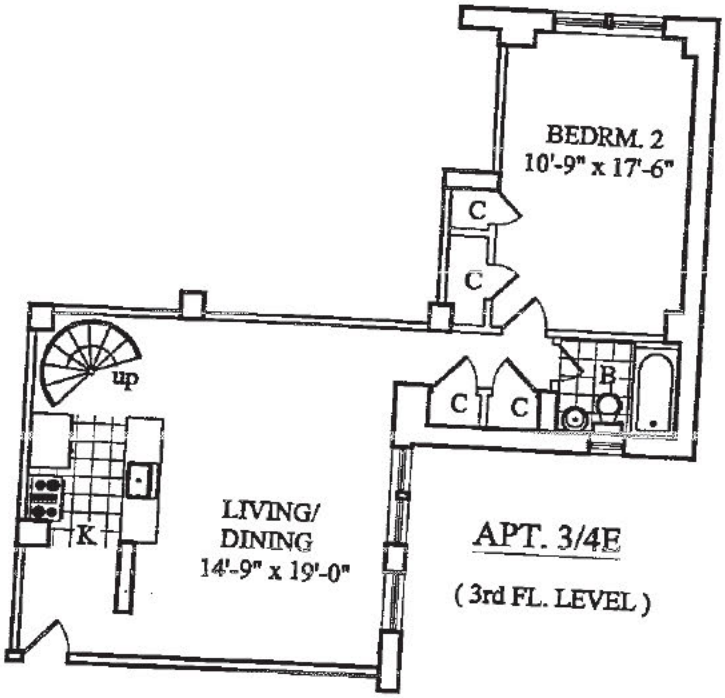


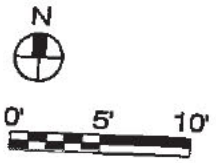
41 West 72nd Street
New York, NY

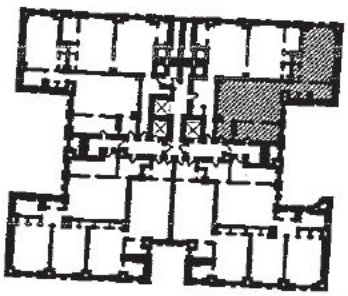
Apartment 10D
2 Bedroom 1 1/2 Bath
Apartment Area 1,000 sf

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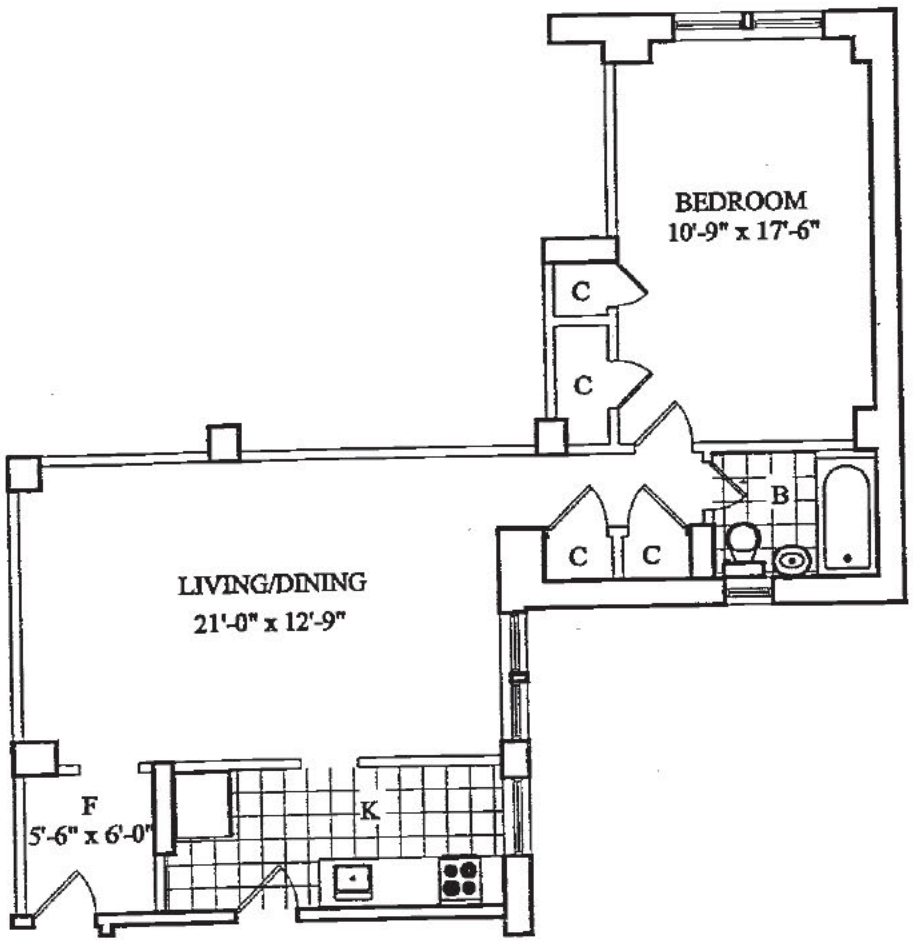




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New York, NY

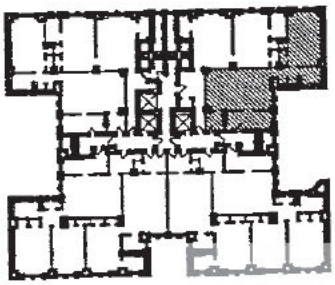
Apartment 3/4E
2 Bedroom 3 Bath
Floor Number 1
Apartment Area 1,537 sf

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APT. 1E, 2E & 5E-17E

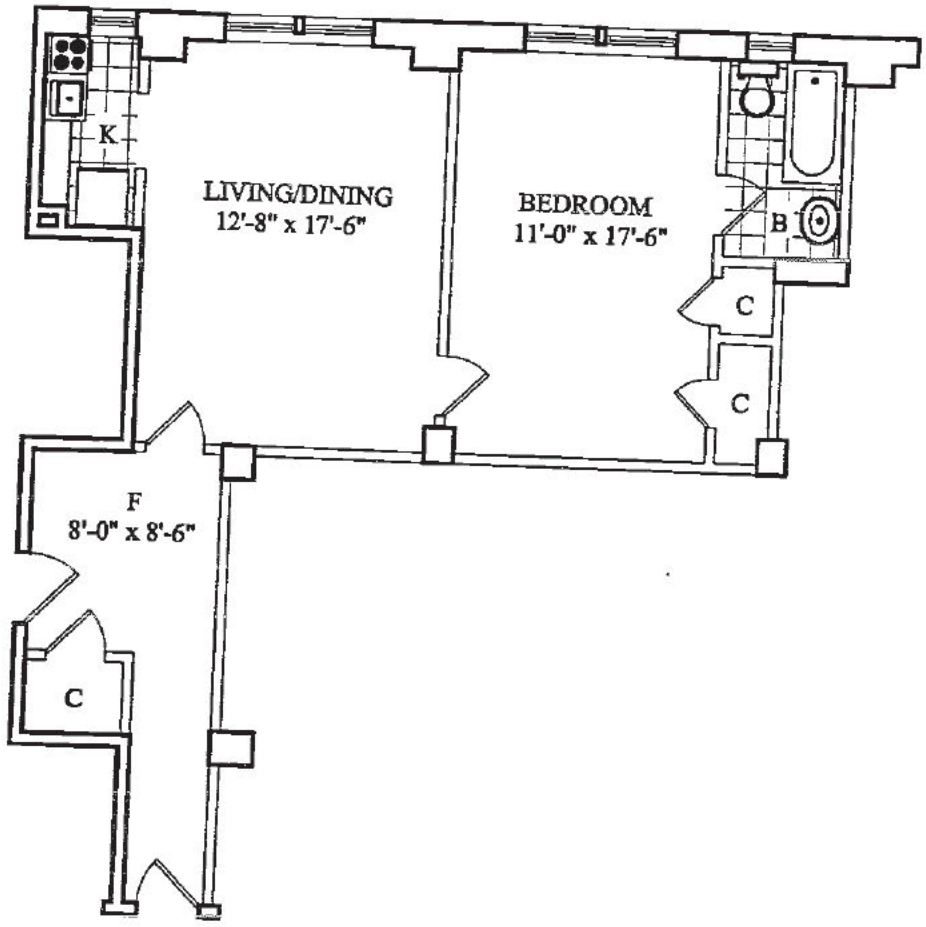




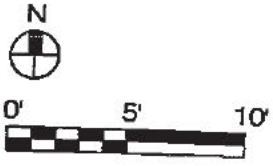
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New York, NY

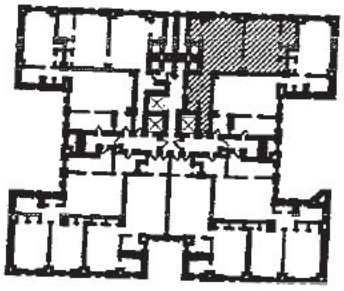
Apartment 1E, 2E & 5E-17E
1 Bedroom 1 Bath
Floor Number 14
Apartment Area 768 sf

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APT. 2F-17F

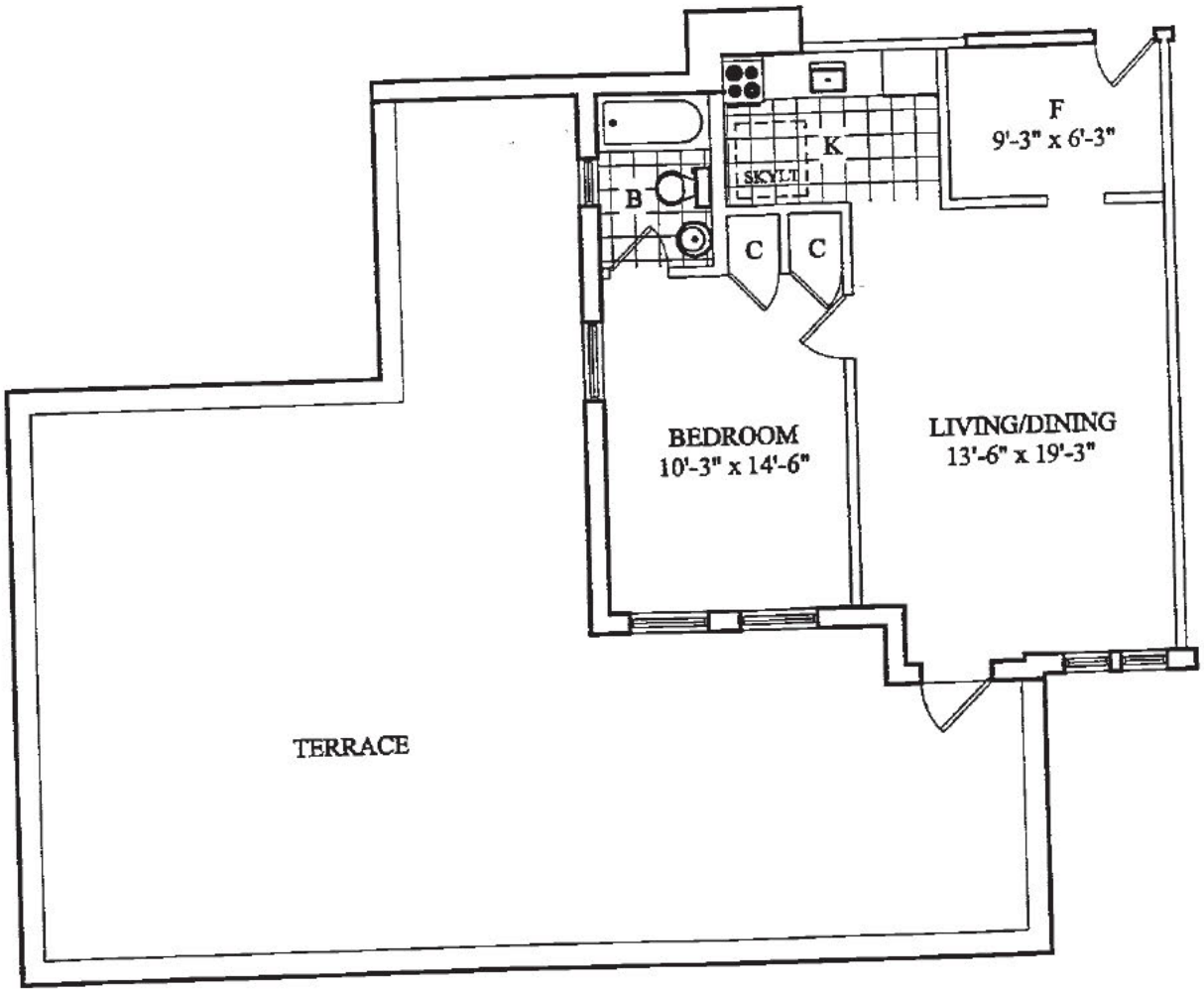




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New York, NY

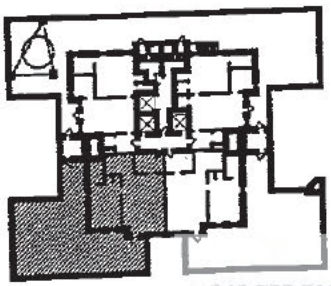
Apartment 2F-17F
1 Bedroom 1 Bath
Floor Number 15
Apartment Area 692 sf

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APT. PHA

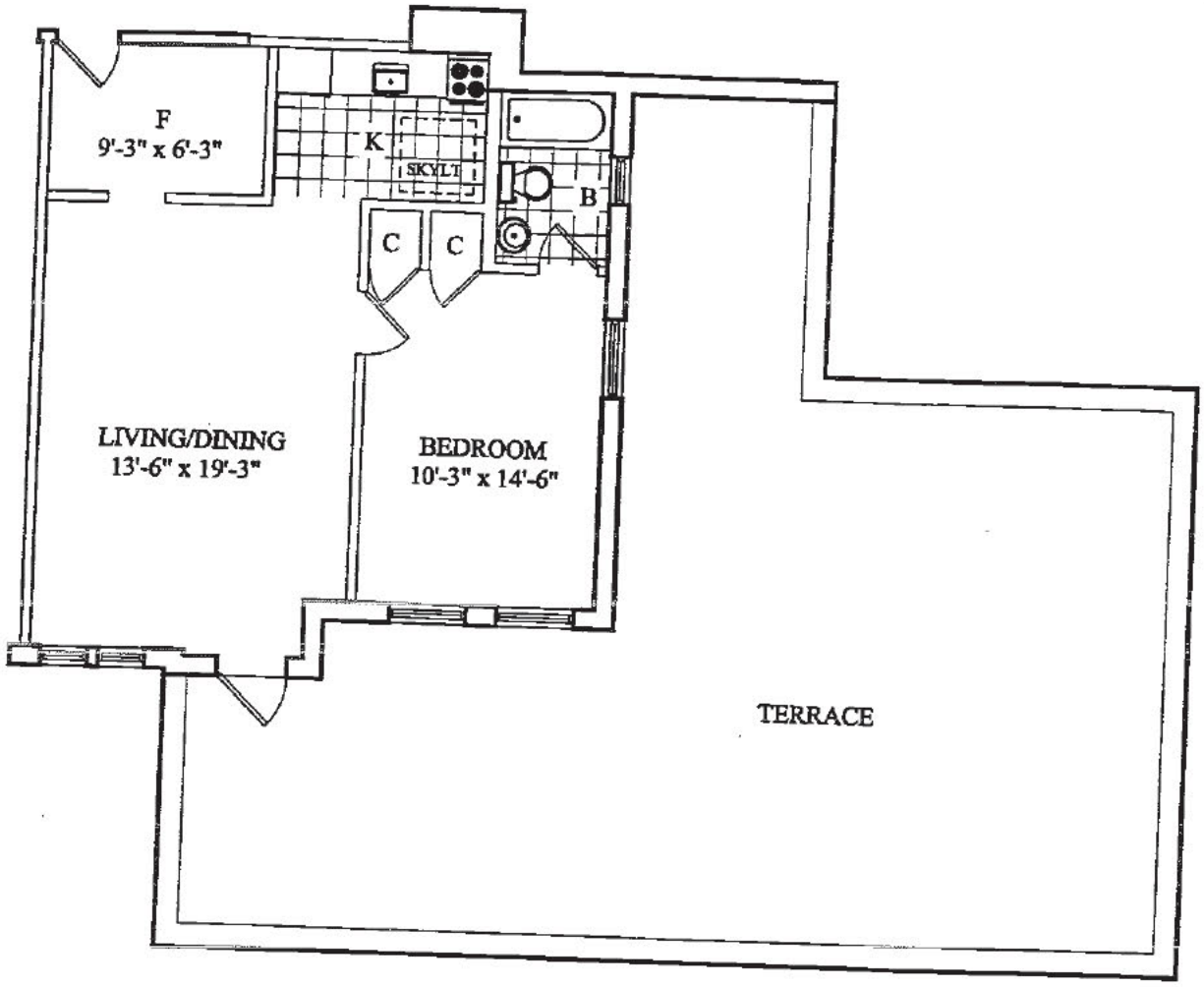




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New York, NY

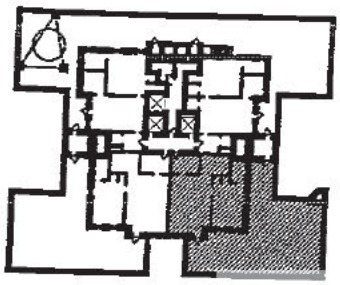
Apartment PHA
1 Bedroom 1 Bath
Apartment Area 646 sf
Terrace Area 987 sf

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APT. PHB

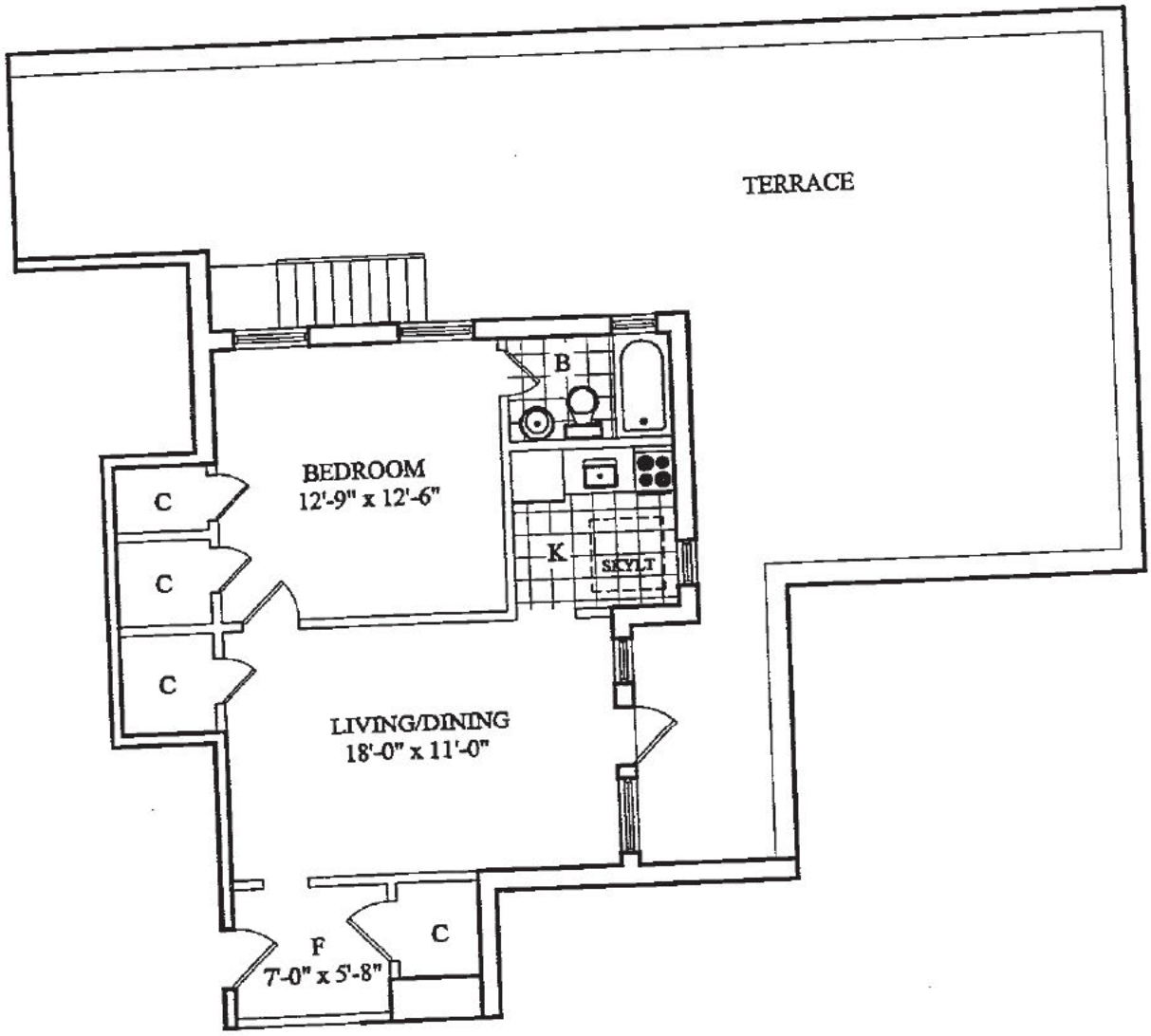




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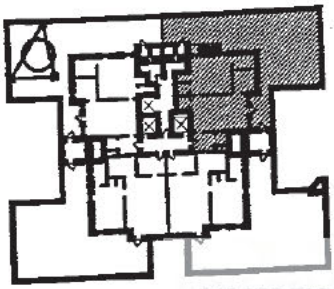
Apartment PHB
1 Bedroom 1 Bath
Apartment Area 646 sf
Terrace Area 979 sf

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APT. PHC

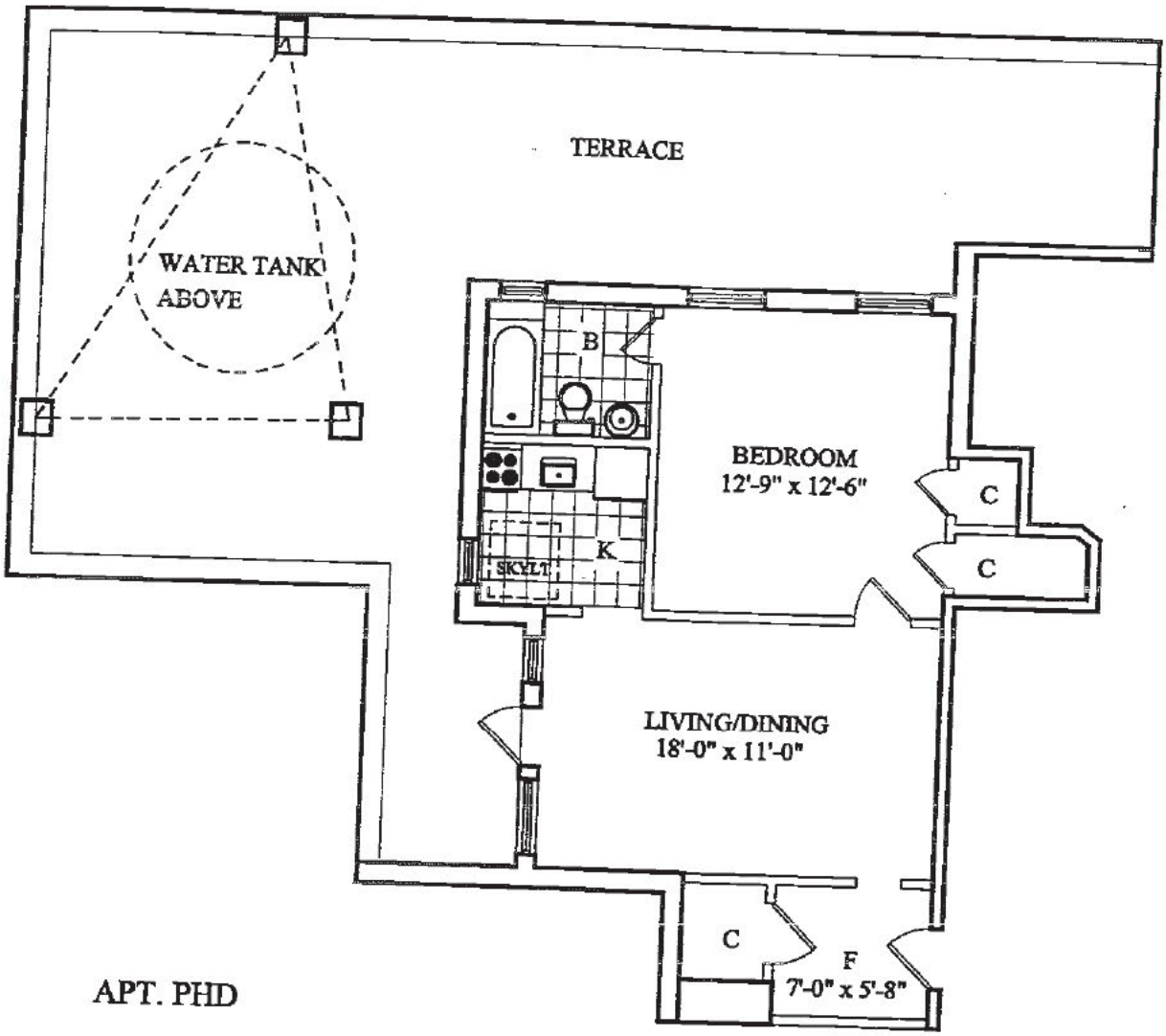




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New York, NY

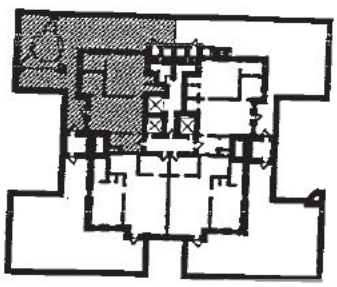
Apartment PHC
1 Bedroom 1 Bath
Apartment Area 629 sf
Terrace Area 924 sf

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APT. PHD

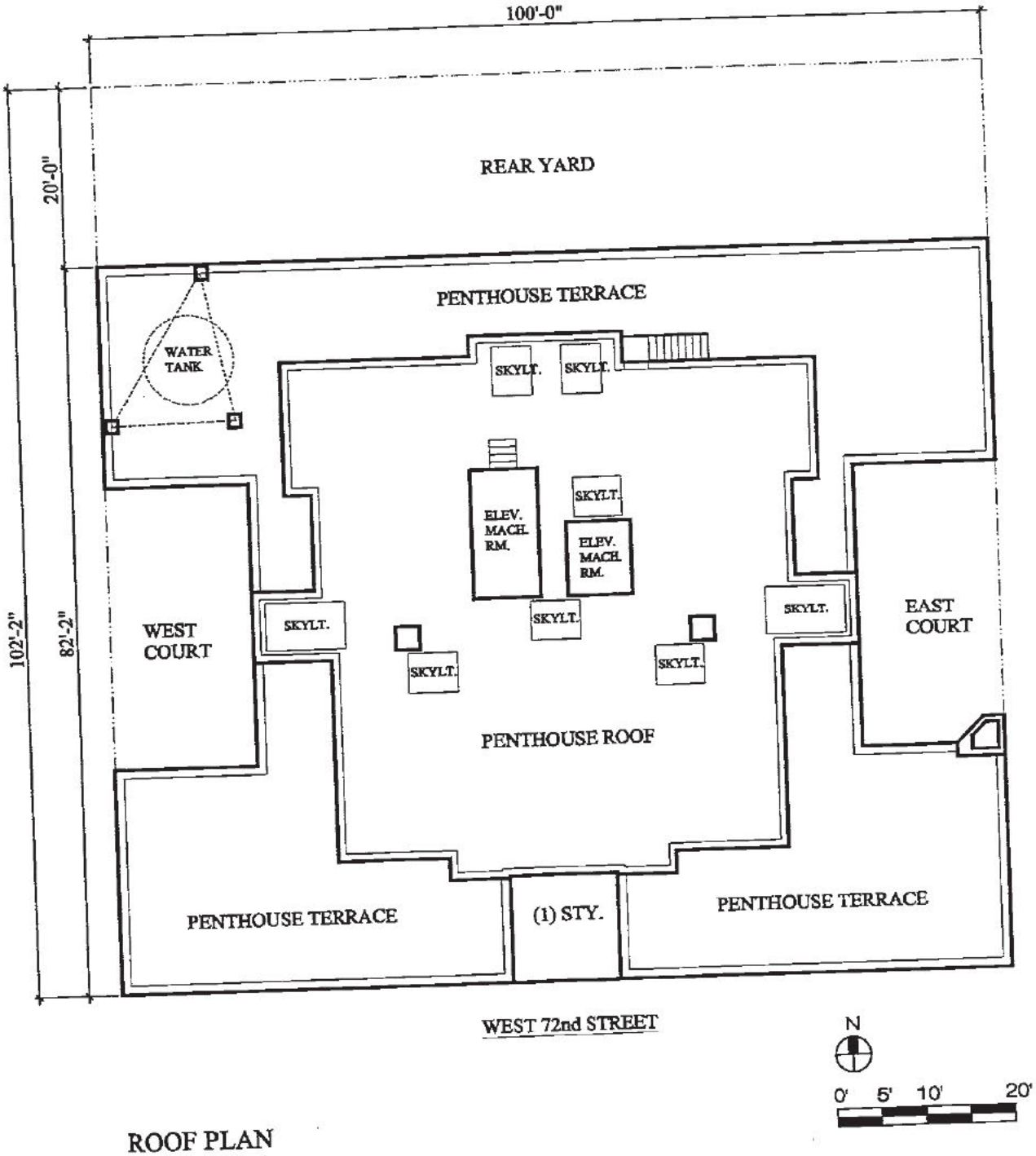




41West 72nd Street
New York, NY

Apartment PHD
1 Bedroom 1 Bath
Apartment Area 630 sf
Terrace Area 924 sf

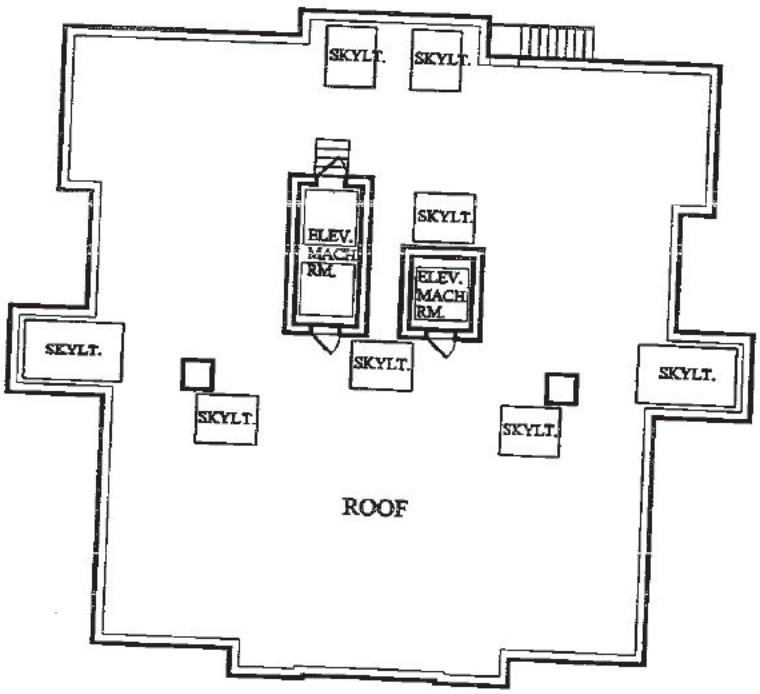
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ROOF PLAN

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New York, NY

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WEST 72nd STREET

N

0' 5' 10' 20'

PENTHOUSE ROOF PLAN

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New York, NY

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EXHIBIT "8"

CONDOMINIUM DECLARATION

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DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises known as
41 West 72nd Street
New York, New York 10023

Pursuant to Article 9-B of the Real Property
Law of the State of New York
Name
THE HERMITAGE CONDOMINIUM
Declarant
41 West 72 LLC
130 East 57th Street, 5th Floor
New York, New York 10022

Date of Declaration

The land affected by the within instrument lies in
Block 1125 formerly known as Lot 5,
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

992745 v8

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B.	Description of the Units
C.	Definitions
D.	By-Laws
E.	Power of Attorney

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DECLARATION
OF
THE HERMITAGE CONDOMINIUM

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

41 West 72 LLC, a New York limited liability company, having an office at 130 East 57th Street, 5th Floor, New York, New York 10022 ("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 "The Hermitage Condominium" (the "Condominium").

2.2 Attached to this Declaration 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.

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

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is owned by Declarant in fee simple absolute. The Land has an area of approximately 10,016 square feet.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 is a building (the "Building") consisting of three (3) Professional units, located on a portion of the Ground Floor (collectively referred to as the "Professional Units" and individually, a "Professional Unit"), and one hundred twenty-seven (127) residential units (collectively, the "Residential Units" and individually, a "Residential Unit"). The Professional Units and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners." The owner of a Professional Unit at any time, or its designee, is herein called a "Professional Unit Owner" and all of the owners of the Professional Units shall collectively be called the "Professional Unit Owners." The Residential Unit Owners and the Professional Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner." The Professional Units may be used for any lawful uses.

ARTICLE 5

THE BUILDING

The Building consists of a Class 1 steel and reinforced concrete fireproof construction with a brick and stone exterior. Foundation walls are brick on hard rock. The floors in the Building are named (from bottom to top): Basement, Ground Floor, Floors 2 through 12, Floors 14 through 17 and Penthouse Level. There is no Floor 13 in the Building.

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) approximate square foot area; (v) number of rooms; 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 Peter Farinella, and intended to be 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.

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6.2 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to such Unit, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, wall coverings, flooring, doors, hardware, smoke detectors, all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

6.3 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every 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 the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit will be measured vertically from the top of the floor to the underside of the ceiling.

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ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include the "General Common Elements" and the "Limited Common Elements." The General Common Elements include 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 consist of those Common Elements that serve or benefit exclusively one or more but not all of the Units or the Unit Owners. The Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, 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, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.3 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.

8.4 The General Common Elements consist of the following:

8.4.1 The Land (as more particularly described in Exhibit A attached to this Declaration), including, without limitations all yards and courtyards thereon, together with all easements, rights and privileges appurtenant thereto.

8.4.2 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls (including those within each Unit exclusive of sheet rock or plaster coats or any wall coverings or decorations), together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed structural members of those walls.

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8.4.3 The rooms and Facilities located as follows: boiler room, oil tank room, workshop, electric meter rooms, and meter room, pump room, locker room, laundry and workshop room, all located on the Basement; lobby and mail room on the Ground Floor, the water tower and pump, and related Facilities located on the roof.

8.4.4 Electric meters and panels, electric closets, feeders, risers and Facilities, gas meters and direct burial telephone cables.

8.4.5 Kitchen, bathroom and dryer exhaust ducts, corridor and Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings.

8.4.6 CATV riser and all other Facilities located in the Property.

8.4.7 Water pipe risers and waste pipe risers.

8.4.8 The two passenger elevators, their shafts, pits, machine rooms and Facilities serving the Basement through the Penthouse and the service elevator, its shaft, pit, and Facilities serving the Basement through the Penthouse and the mechanical equipment rooms and areas and the elevator machine rooms located on the roof.

8.4.9 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Units or Limited Common Elements.

8.4.10 Fire staircases and their landings and stairs.

8.4.11 The roofs over the Building.

8.4.12 The windows in the Building.

8.4.13 Notwithstanding anything to the contrary in this Article 8, if a Common Element benefits only certain Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Unit Owners who benefit from the Common Element in the proportion that the Common Interest of each benefiting Unit Owner bears to the Common Interests of all Unit Owners. In addition, except as otherwise provided in Subsection 6.9.2.1 of the By-Laws, such Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Common Element at their sole cost and expense.

8.5 The Limited Common Elements consist of the following:

8.5.1 The Terraces to which one or more Residential Units have exclusive access as set forth in Exhibit B annexed hereto. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner having exclusive access to a Terrace shall have the exclusive right to use such Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Residential Owner's sole cost and expense.

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8.5.2 That portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Unit Owner who is so served or benefited by such Limited Common Element shall have the exclusive right to use such Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws, Residential Units may be used for residential purposes only. Any Residential Unit may be used for professional purposes, or for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Residential Unit, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) the prior written permission of the Condominium Board, which permission shall in no event be granted unless the Condominium Board affirmatively finds that the conditions in (1) through (3) above have been met. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may without the permission of the Condominium Board, (1) grant permission for the use of any Unsold Unit (as defined in Exhibit C) owned by it as a professional office or for any other purpose, provided such use is permitted by law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations and (2) use any Unsold Units owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Professional Units may be used for any lawful purposes.

ARTICLE 10

CHANGES IN THE CONDOMINIUM

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate

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Unsold Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unit; (d) designate a Residential Unit, Professional Unit, Common Element or Limited Common Element as a newly created Residential Unit, Professional Unit or Common Element; and (e) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Condominium Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Units, including without limitation the right to combine and refigure such Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the 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 particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Unit, and (ii) by either the managing agent or of the Condominium, or any other person reasonably acceptable to the Condominium Board in the case of any other Residential Unit.

ARTICLE 11

INTENTIONALLY OMITTED

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ARTICLE 12

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 which may be brought against the Condominium.

ARTICLE 13

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 The percentage interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the 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 particular Unit.

ARTICLE 14

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 made by Declarant or its designee, a Professional Unit Owner 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; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 15

ACCESS TO COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use all Common Elements located in the Building, including those 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, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, the Condominium Board or its agents, to the extent the Condominium Board are

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permitted to act by the By-Laws for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 15 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 Professional Units or with the use of the Residential Units for their permitted purposes. Such entries shall be permitted on not 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 persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16

EASEMENTS AND NAME OF CONDOMINIUM

16.1 Except as set forth in this Declaration, each Unit Owner shall have, in common with all other Unit Owners, an easement for the use of the Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Unit Owner's Unit. The Condominium shall be subject to such easement.

16.2 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Building and for the use of any Common Element, to the extent necessitated by an emergency. The Condominium shall be subject to such easement.

16.3 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the l Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units or the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement 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 Professional Units or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.4 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.5 Declarant or its designee and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising (i) the sale or lease of any Unsold Unit, the sale or lease of all or any portion of the Professional Unit and (ii) the operation of any business of a tenant or occupant of all or any portion of any Professional Unit or of any Unsold Units, as the case may

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be. The Professional Unit Owners shall be permitted to place signs on a portion of the interior of the windows of the Professional Unit advertising the operation of the business or occupation performed in such Professional Unit; provided however that such signs may not entail the use of flashing, blinking, neon or animated signs or lights. Declarant shall 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, provided that such penetration does not materially weaken the structural soundness of the Building.

16.6 Declarant or its designee and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities or otherwise or construct any shafts or flues, or install or relocate any compressors or other rooftop equipment or relocate any easements in any portion of the Property, as Declarant or its designee or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan, or for the general health or welfare of the owners, tenants and occupants of the appropriate 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 the tenants and occupants of the Professional Units or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Professional Units or with the use of the Residential Units for their permitted purposes.

16.7 Declarant and its designee, assignee and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto, other than those portions of the roof which comprise Limited Common Elements and to retain any and all income derived therefrom, and (b) to maintain 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. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its designees, assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant, its designees, assignees or licensees shall be the exclusive property of Declarant, its designees, assignees or licensees and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in the Professional Unit in a manner that would unreasonably interfere with the normal conduct of business of the tenants and occupants of the Professional Units or with the use of the Residential Units for their permitted purposes. 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.

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16.8 The Condominium and the Building shall be designated and known as "The Hermitage Condominium." Declarant 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. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building.

ARTICLE 17

POWER OF ATTORNEY

17.1 Each Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine) following due authorization (if required) from the Unit Owners (a) to acquire or lease any Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired, or to sublease any Unit so leased, without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Building 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 entire Building or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Building or the Common Elements which the Condominium Board deems necessary or appropriate.

17.2 Each Unit Owner shall grant to the Declarant a power of attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration and By-Laws.

ARTICLE 18

ACQUISITION OF UNITS BY CONDOMINIUM BOARD

18.1 If (a) any Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Condominium Board or its designee,

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corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Condominium Board, pursuant to Article 8 of the By-Laws, acquires or leases a Unit, together with the Appurtenant Interests, or (c) the Condominium Board purchases, at a foreclosure or other similar sale, a Unit, together with the Appurtenant Interests, then, in any such event, title to any such Unit, together with the Appurtenant Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any 1 Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 The Condominium Board shall have the authority to purchase, on behalf of all Unit Owners, a Unit to be used as the residence of the Superintendent of the Building and, in such event, title to all or any such portion of the Unit, together with its Appurtenant Residential Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, 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 the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or 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 the Rules and Regulations, 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.

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19.2 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.

19.3 Subject to Section 19.2, 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 20

AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, or the Professional Units or any Professional Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, or the Professional Units or any Professional Unit Owner, no amendment, modification, addition or deletion without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant

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or its designee, or any Unsold Units, or the Professional Units or any Professional Unit Owner, 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, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee and the Professional Unit Owners under Articles 9, 10 and 11 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby.

20.2 If the number of rooms in an Unsold Unit is changed, or the use, size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting, such change in the number of rooms in an Unsold Unit or in the use, size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or the Residential Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant or its designee causing such changes is given the right by the Condominium Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Residential (or Condominium) Board) to reflect the changes made by the Residential Unit Owner, all without the approval of the Condominium Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 No amendments, modifications, additions or deletions of or to this Declaration, the By-Laws or the Rules and Regulations may be adopted that would restrict or limit the method of operation, the transfer or mortgaging of the Professional Units, the hours of operation or any uses or appearance of the Professional Units which are permitted by the Declaration or By-Laws or otherwise permitted by law and applicable zoning ordinances. No rules adversely affecting the operation of the Professional Units may be adopted or modified by the Condominium Board without the consent of the Professional Unit Owners

20.4 The provisions of Sections 20.1 and 20.2 and this Section 20.4 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or

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its designee, and the provisions of Sections 20.1, 20.3, and 20.4, may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Professional Unit Owners.

ARTICLE 21

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 at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and its designees have conveyed title to all Units, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. 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 (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22

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 23

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.

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ARTICLE 24

CERTAIN REFERENCES

24.1 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.

24.2 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.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of 19.2 and 19.3, 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 26

COVENANT OF FURTHER ASSURANCES

26.1 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.

26.2 If any Unit Owner, the Condominium Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner, Board or other party is hereby authorized as attorney-in-fact for such Unit Owner, Board 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,

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Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

26.3 If any Unit Owner, the Condominium Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 27

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Professional Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Professional Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Professional Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant or such designee no longer owns any Unsold Units.

ARTICLE 29

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

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as Exhibit D; (v) the Residential Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 200_.

41 WEST 72 LLC

By: _____
Name:
Title:

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ACKNOWLEDGMENTS

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EXHIBIT A

DESCRIPTION OF THE LAND

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

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

BEGINNING at a point on the northerly side of 72nd Street, distant 100 feet easterly from the corner formed by the intersection of the northerly side of 72nd Street with the easterly side of Columbus Avenue;

RUNNING THENCE northerly at right angles to the northerly side of 72nd Street, 102 feet 2 inches to the center of the block;

THENCE easterly along the said center line of the block, 100 feet;

THENCE southerly at a right angles to the northerly side of 72nd Street, 102 feet 2 inches to the northerly side of 72nd Street;

THENCE westerly along the said northerly side of 72nd Street, 100 feet to the point or place of BEGINNING.

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EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

TO BE COMPLETED PRIOR TO RECORDATION OF CONDOMINIUM DECLARATION

THE HERMITAGE CONDOMINIUM

Unit Designation	Tax Lot Number	Number of Bedrooms/ Bathrooms	Location (Building Facade)`	Square Footage	Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements

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THE HERMITAGE CONDOMINIUM							
Unit Designation	Tax Lot Number	Number of Bedrooms/ Bathrooms	Location (Building Facade)`	Square Footage	Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements
TOTAL							

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EXHIBIT C
DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

"Building" refers to the structure and improvements including above and below grade segments, known as 41 West 72nd Street, New York, New York 10023 in which the Units of the Condominium are located.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D of the Declaration, as same may be amended from time to time.

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

"Common Charges" refers to assessments payable by the Unit Owners to the Condominium Board for the purpose of meeting the cost of the Common Expenses.

"Common Elements" refers to the Land and all portions of the Building other than the Units, and include the General Common Elements and Limited Common Elements as more particularly described in Article 8 of the Declaration.

"Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration, improvement, alteration and addition of and to the Common Elements and/or the Limited Common Elements (to the extent such costs and expenses are not the obligation of the Unit Owners owning the Units to which such Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Building and the Unit Owners.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) voting power, and (b) share of any distributions upon termination of the Condominium.

"Condominium" refers to The Hermitage 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 9-B.

"Condominium Board" refers to the board of managers of the Condominium.

"Declarant" refers to 41 West 72 LLC, a New York limited liability company, and its successors and assigns.

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"Declarant and/or its designee(s)," "Declarant or a designee of Declarant" or similar term refers to Declarant, any of the partners of Declarant, any affiliate of Declarant, any affiliate of any of the general or limited partners of Declarant, any officer or shareholder of a corporate partner of Declarant, or any partner of a partnership which is a partner of Declarant or any party designated in writing as a designee.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time.

"First Closing," or words of similar import, refers to the date fee title to a Residential Unit is first conveyed to a Purchaser pursuant to the Plan.

"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" refers to the Land and all parts of the Building, including its foundations, roofs and supports, other than the Units and the Limited Common Elements.

"Initial Control Period" refers to the period ending the earlier of (i) the Closing of Title with Purchasers under this Plan to Units having at least 50% of the Common Interests of all Units or (ii) five (5) years after the First Closing.

"Land" refers to the parcel of land described in Exhibit B to the Declaration.

"Limited Common Elements" refers to those Common Elements which serve or benefit exclusively one or more but not all the Units and/or the Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

"Non-Purchasing Tenant" has the meaning set forth in Section 352-eeee of the New York State General Business Law.

"Offeree" refers to (a) a Purchaser who has executed and delivered a purchase agreement for a Unit and who is not in default thereunder, (b) a Unit Owner, and (c) any other person or entity who, pursuant to law, is an offeree of the Plan.

"Permitted Encumbrances" refers to those Unit title encumbrances subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement and the Specimen Title Policy set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

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"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Declarant to acquire or improve the Property.

"Plan" refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

"Presentation Date" refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to the tenants in occupancy of Residential Units in the Building following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

"Professional Unit" refers to any of the three (3) Professional Units located on the Ground Floor and designated as such in the Declaration and Floor Plans and all such Professional Units are collectively referred to as the "Professional Units."

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

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchase Agreement" refers to the agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Declarant.

"Rent Laws" refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent Control Regulations, (iii) the New York State General Business Law, Section 352-eeee, (iv) the Rent Regulation Reform Act of 1997 and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.

"Residential Unit" refers to any Unit designated as a Residential Unit in the Declaration, and all such Residential Units, are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners."

"Rules and Regulations" refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Schedule B" refers to Schedule B, "Projected Budget for First Year of Condominium Operation" set forth in Part I of the Plan.

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"Terrace(s)" refers to terraces and/or balconies and/or gardens and/or deck houses located on any roofs or setbacks, appurtenant to certain Residential Units.

"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 Declarant), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, computer program failures due to year 2000 issues, 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 Residential Unit or a Professional Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Professional space in the Building, together with an appurtenant proportionate undivided interest in the Common Elements or the Limited Common Elements. All of such Units are collectively referred to as "Units."

"Unit Owner" refers to any Residential Unit Owner or Professional Unit Owner, and all of such Residential Unit Owners and Professional Unit Owners are collectively referred to as the "Unit Owners."

"Unsold Unit" refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant or its designee, or a Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant, or one or more of their principals, is a member, or (b) any Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

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EXHIBIT "9"

CONDOMINIUM BY-LAWS

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EXHIBIT D

BY-LAWS

OF

THE HERMITAGE CONDOMINIUM
41 WEST 72ND STREET
NEW YORK, NEW YORK 10023

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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 The Hermitage Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 10,016 square feet of land (the "Land") which forms a part of Block 1125 of Section 4 on 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 in 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 the Rules and Regulations (as hereinafter defined). The acceptance of a deed or 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, the Rules and Regulations and the Declaration 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.**

2.1.1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meeting of Unit Owners as provided in Section 3.1, the Condominium Board shall consist of five persons elected by the Unit Owners, subject to Declarant's 3.9.3 rights.

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2.1.2 Each member of the Condominium Board except as otherwise provided herein, shall be elected at the annual meetings of Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee, all members of the Condominium Board shall be either Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Units, Permitted Mortgagees, or family members of any of the foregoing. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

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). All determinations with respect to the administration of the affairs of the Condominium, shall be made by the Condominium Board.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof:

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring for, maintaining, repairing and replacing the Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of Common Charges (as hereinafter defined).

2.2.2.1(c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

2.2.2.1(d) Adopting amendments and additions to the Rules and Regulations as they affect the Common Elements.

2.2.2.1(e) Making additions and improvements to, or alterations of, the Common Elements.

2.2.2.1(f) Making repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

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2.2.2.1(g) Enforcing obligations of Unit Owners.

2.2.2.1(h) Levying fines against Unit Owners for violations of the Rules and Regulations as they pertain to the Common Elements (any such fines shall constitute Common Charges payable by the Unit Owner or Board against which they are levied).

2.2.2.1(i) 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.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves the Common Elements, as set forth in 6.2.

2.2.2.1(k) 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 Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(k) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the 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.

2.2.2.1(l) Organizing corporations to act as designees of the Condominium Board with respect to such matters as the Condominium Board may determine.

2.2.2.1(m) Executing, acknowledging and delivering of (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.

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2.2.2.1(n) 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 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.

2.2.2.1(o) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2.

2.2.2.1(p) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.1(q) Imposing move in fees and charges, and transfer fees in connection with the sale or lease of a Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

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 these By-Laws, (a) no action which is taken or omitted to be taken by or on behalf of the Condominium Board shall be deemed to adversely affect in any way the use of the Professional Units for their permitted purposes.

2.2.5 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Unit but in no event later than five years from the First Closing of a sale made under an Offering Plan, the Condominium Board may not, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the Common Elements or to any Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) 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 Condominium Board comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

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2.2.6 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Unit, the Condominium Board may not, without the consent of the Declarant, (i) reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as otherwise may be required by law, in such a manner as may result in the reduction of the rents or use and occupancy sums paid by such Non-Purchasing Tenants, (ii) separately assess a Residential Unit Owner for fees for such services (unless such services are separately assessed at the time of the filing of this Declaration) or (iii) to the extent that services to Non-Purchasing Tenants are currently individually assessed for the provision of additional services, assess Residential Unit Owners for an amount greater than can be charged by the owner of the Residential Unit to the Non-Purchasing Tenants under the Rent Laws.

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, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (1), (m), (n) and (o).

2.4 **First Board.** The Condominium Board shall initially consist of the three (3) persons designated by Declarant to initially comprise the Condominium Board. The various Board members shall be deemed to have been "elected" as members of the Condominium Board for the purposes of these By-Laws. Within 180 days after the date of the First Closing the Condominium Board will call for the first annual meetings of Unit Owners for the purpose of electing the new Condominium Board in accordance with the provisions of 3.1, unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of the Units. The terms of each such member of the Condominium Board shall expire annually.

2.5 **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. Subject to the provisions of Subsection 3.9.3, the Condominium Board may be removed, with or without cause, by a majority vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners, at which a quorum is present. A Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated by Declarant or its designee may only be removed with cause and replaced as described in Section 2.6. In addition, any member of either Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 **Vacancies.** Subject to the provisions of Section 3.9.3, any vacancy on the Condominium Board for whatever reason shall be filled by the members of the Condominium Board then in office, at a special meeting of the Condominium Board held for that purpose promptly

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after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting of the Unit Owners, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Condominium Board, created by the resignation, removal or any other cause which results in the Condominium Board member designated by Declarant or its designee, ceasing to be a member of any the Condominium Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 **Organizational Meetings of the Condominium Board.** The first meetings of the Condominium Board following each annual meeting of each of the Unit Owners shall be held immediately following each such annual meeting.

2.8 **Regular Meetings of Condominium 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 a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least five business days prior to the day named for such meeting.

2.9 **Special Meetings of Condominium 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 by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Condominium Board shall be called in like manner and on like notice on the written request of at least two members of the Condominium Board.

2.10 **Resolutions of Condominium Board.** The Condominium Board shall cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 **Meetings of Condominium Board.** No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the President of the Condominium Board by giving five business days' prior notice to each member of the Condominium Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

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2.12 **Waiver of Notice**. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of a 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 Board, no notice shall be required and any business may be transacted at such meeting.

2.13 **Determinations by Condominium Board; Quorums.**

2.13.1 Except as otherwise set forth in 2.13.3, 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, a majority 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.

2.13.2 If at any 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.

2.13.3 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 persons 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 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.

2.14 **Compensation.** No member of the Condominium Board shall receive any compensation for acting as such.

2.15 **Liability of Condominium Board and Unit Owners.**

2.15.1 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 any Common Element (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 state, if reasonably possible, that it is made by the Condominium Board, managing agent or manager only as agent for all Unit Owners, that such 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 or any Common Element 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 relevant

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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 Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Unit Owner's own bad faith or willful misconduct. All 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 the Condominium Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 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.

2.16 **Fidelity Bonds.** 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 Common Expenses.

2.17 **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 each the Condominium Board deems appropriate. For so long as Declarant is entitled to designate members to the Condominium Board, any committee appointed by any the Condominium Board shall have as at least one of its members a member appointed by Declarant.

2.18 **Principal Offices of Condominium Board.** The principal offices of the Condominium Board shall each 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.

2.19 **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 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

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Board pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to the Condominium Board.

2.20 **Incorporation of Condominium Board.** To the extent and in the manner provided in the Condominium Act the Condominium Board may by action of the Condominium Board 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.

2.21 **Condominium Board as Agent of Unit Owners.** In exercising their respective powers and performing their respective 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 the Condominium Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 **Annual Meetings.** The first annual meeting of Unit Owners shall be called on or no more than 180 days after the First Closing unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of the Units. Such meeting shall be held not less than 10 days nor more than 40 days after notice of such meeting. At such meeting, the incumbent Condominium Board shall resign and the Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these by-laws) a Condominium Board consisting of five members. Thereafter, annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Condominium Board shall be elected and there shall also be transacted such other business as may properly come before such meetings.

3.2 **Place of Meetings.** Meetings of all or any Unit Owners shall be held at the principal office of the Condominium or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Condominium Board.

3.3 **Special Meetings.** The President of the Condominium Board shall call a special meeting of Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the Condominium Boar upon not less than 25% in Common Interest of Unit Owners.

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3.4 **Notice of Meetings and Actions Taken.** Notice of each annual or special meeting shall be given by the Secretary to all Unit Owners of record entitled to vote thereat as of the date of the mailing of the notice. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than forty (40) days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 **Adjournment of Meetings.** If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 **Order of Business.** The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

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3.7 **Title to Units.** Title to Units may be taken by any individual, corporation, partnership, association, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 **Voting.**

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Condominium Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Condominium Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Condominium Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.9 **Election of Board Members; Rights of Declarant.**

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Condominium Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units owned by it (excluding Unsold Units purchased by Declarant or its designee). Declarant shall hold a majority of seats on the Condominium Board until the earlier to occur of (i) five (5) years from the date of the First Closing or (ii) that date upon which the Unsold Units constitute less than fifty (50%) percent of the Common Interests of the Condominium. Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the New York State Department of Law governing the conversion of occupied residential property to condominium ownership are amended to provide

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that a sponsor can elect a majority of its designated board members for a period in excess of five years, or if such regulations are finally determined to be unenforceable by a court of competent jurisdiction, provided that Declarant has a sufficient number of votes to cast a majority of the votes of the Unit Owners, then the aforesaid restrictions concerning Declarant's rights to elect a majority of the Condominium Board shall no longer be effective and Declarant shall have the same rights to vote its Common Interests as any other Unit Owner, whether or not Declarant has previously been required to give up control of the Condominium Board. In addition, for so long as Declarant owns at least two Unsold Units (excluding Unsold Units purchased by Declarant or its designee) as the case may be, (a) Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it to designate at least one member of the Condominium Board. and (b) the number of members of the Condominium Board may not be increased without the consent of Declarant. Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant.

3.10 **Majority of Unit Owners.** Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means Unit Owners, having more than 50% of the total authorized votes of all Unit Owners, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 **Quorum.** Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 30% of the Common Interests attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

3.12 **Majority Vote.** Except where otherwise provided by law, the Declaration or these By-Laws, (a) at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 **Designation.** The principal officers of the Condominium shall be President, Vice-President, Secretary and Treasurer The Condominium Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its 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 until the first organizational meeting of the Condominium Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium Board must be members of the Condominium Board.

4.2 **Election of Officers.** The officers of the Condominium Board shall be elected annually by the members of the Condominium Board, at the organizational meetings thereof, except that the initial officers of the Condominium Board shall be elected, by the initial Condominium Board members and shall hold office at the pleasure of the Condominium Board and until their successors are elected.

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4.3 **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. Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose.

4.4 **Presidents.** The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and 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 from among Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium.

4.5 **Vice Presidents.** The Vice Presidents shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice are unable to act, the Board shall appoint some member of the Condominium Board to act in the place of the 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 Board or by the President.

4.6 **Secretaries.** The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and 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.

4.7 **Treasurers.** The Treasurers 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 Board) in such depositories as may from time to time be designated by the 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.

4.8 **Execution of Documents.** Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board.. If for any reason whatsoever one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

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4.9 **Compensation of Officers.** Except as otherwise provided by the Condominium Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 **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, 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 to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board. All notices to Permitted 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, except notices of change of address which shall be deemed to have been given when received.

5.2 **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.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 **Determination of Common Expenses and Fixing of Common Charges.**

6.1.1 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 Common Elements shall be "Common Expenses," shall be determined by the Condominium Board as set forth below, and shall be borne by Unit Owners in proportion to their respective Common Interests. Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Common Expenses. Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for capital replacements with respect to the Common Elements and the rental or purchase of an apartment to be used as the residence of the Building resident superintendent and all costs and expenses associated therewith. The Condominium Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with their respective Common Interests ("Common Charges"), except as otherwise provided in the Declaration or these By-Laws. In addition to basing charges on Common Interests, the Condominium Board may also make

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allocations and assessments of Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law. Notwithstanding anything to the contrary in this Section 6.1.2, if a General Common Element or Limited Common Element benefits only certain Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) may be borne solely by those Unit Owners who benefit from the General Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Unit Owner bears to the Common Interest of all benefiting Unit Owners.

6.1.2 From time to time the Condominium Board may increase or decrease the amount of Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Condominium Board's authority shall include the right to base the amount of Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by Unit Owners for any period to reflect actual operating costs for such period. The Condominium Board shall advise all Unit Owners in writing of the amount of Common Charges payable by each of them and shall furnish copies of each annual budget to all Unit Owners at least ten (10) days prior to the adoption thereof and shall make copies of the budget available to Permitted Mortgagees. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Unit Owner(s) in proportion to the amount of time Declarant and each Unit Owner owned such Unit.

6.1.3 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners. Notwithstanding any provision contained in these by-laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.4 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.5 Notwithstanding anything to the contrary herein, no part of the net earning 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.

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6.2 **Insurance.**

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building, together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and their 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), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to 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 the Condominium Board and all officers, directors, managing agents and employees of the Condominium; (i) directors and officers liability insurance; and (j) 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.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Condominium Board if the loss involves the Common Elements. Insurance proceeds with respect to any loss shall be payable to the Condominium Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees.

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (i) the Condominium Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium, (ii) the Professional Unit Owners, all officers, directors and employees thereof, and its managing agent or agents and each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits

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once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of $300,000 for bodily injury or death arising out of any one occurrence including $300,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the managing agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.3 **Repair or Reconstruction after Fire or Other Casualty.**

6.3.1 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% of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Condominium Board with respect to any damage to or destruction of the Common Elements, will arrange for the prompt repair and restoration thereof and the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 Unless the Unit Owners have elected not to restore the Building as provided in Subsection 6.3.3., damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements for which the repair or reconstruction is the obligation of the Condominium Board as provided in Subsection 6.3.1. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium

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Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment.

6.3.3 If three-fourths or more of the Building is destroyed or substantially damaged and if 75% 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, 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 Permitted Mortgages) in the order of the priority of such liens. As used in this Section 6.3, the words "promptly resolve" mean resolve as promptly as practical under the circumstances but in any event, not more than 60 days from the date of such damage or destruction.

6.4 **Payment of Common Charges.**

6.4.1 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 6.1 at such time or times as the Condominium Board determines. Unless otherwise determined by the Condominium Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 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 him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Condominium Board or its designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges, thereafter accruing. 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 him of such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted 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.

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6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, 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.

6.4.5 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 shall be deemed to be Common Charges, and the Condominium Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.5 **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. In the event that the Condominium Board fails to take such action, another Board in its own name, or, if necessary, in the name of the Board to which such charges are due, may take any action for the collection of such charges which the Board to which such charges are due may have taken, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 **Default in Payment of Common Charges.** In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or 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) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, 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 alternate fees for late payments, whether such fees are more or less than the charges set forth herein.

6.7 **Foreclosure of Liens for Unpaid Common Charges.** 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. The Condominium Board, acting on behalf of all Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money

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judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other 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. Notwithstanding anything to the contrary set forth above, the Condominium Board, at the request of Declarant will enter into a recognition agreement with any tenant with which Declarant has entered into a lease for any of the Professional Units. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Condominium Board will agree that so long as there is no event of default under said lease, as would entitle the Declarant or any successor 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 Condominium Board lien on a Professional Unit for Common Charges or any other sums of any sort, and the Condominium Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Professional Unit in question 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 Condominium Board, or, in case the Condominium Board takes possession of the Professional Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Condominium Board or any other party succeeds to the interests of the Declarant under the lease the tenant will agree to be bound to the Condominium Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Condominium Board or party as its landlord.

6.8 **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 due to it from Unit Owners.

6.9 **Maintenance and Repairs.**

6.9.1 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 (excluding Common Elements included therein except as otherwise provided in these By-Laws) and the entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense or (b) in or to the 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.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 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 or (b) the Condominium Board, the entire cost thereof shall be charged to the all Unit Owners as a Common Expense.

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6.9.2.2 The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Condominium Board. All normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to such Terrace at such Unit Owner's own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Common Expense. The Condominium Board shall require the Residential Unit Owners having access to a Terrace to install paving stones or other surface coverings prior to such Unit Owner utilizing the Terrace and may require a Residential Unit Owner to remove plantings and other installations and furniture placed on Terraces or Balconies by said Residential Unit Owners if the Condominium Board determines, in its reasonable discretion, that such plantings and other installations and furniture adversely affect the integrity of the roof. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and the Condominium Board shall take establish such rules and regulations as it deems necessary to protect the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Condominium, if so determined by the Condominium Board, shall be washed and cleaned by the Condominium Board and the cost and expense thereof shall be a Common Expense. Otherwise, the exterior of all windows in the Condominium shall be washed or cleaned at the cost and expense of the Unit Owner. The interior glass surfaces of all windows located in any Unit shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Condominium Board.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any Terrace, roof 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 or Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, 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 such parts of the Building required to be maintained by it, (b) the Professional Unit Owners with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in their respective Professional Units, and (c) each Residential Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit.

6.10 **Violations of Maintenance Obligations.** In the event that any Unit Owner, within a reasonable time after receipt of written notice from the Condominium Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its

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Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Condominium Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within thirty (30) days after receiving notice of such default from the Condominium Board (or sooner in the case of emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Condominium Board, together with interest thereon at the rate of 2% per month from the date on which the Condominium Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.11 **Structural Alterations, Additions, Improvements and Repairs of Units.**

6.11.1 Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to such Unit Owner's Unit without the prior written approval of the Condominium Board. The Condominium Board shall have the obligation to answer any written request by their respective Unit Owners for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute the Condominium Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Condominium Board may exercise the right to reasonably approve the Unit Owner's contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Condominium Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. The Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work. In addition, the Condominium Board will have the right, as a condition to approving a Unit Owner's request to renovate kitchens and bathrooms, to require such Unit Owners to replace plumbing, steam and gas risers running through or adjacent to the Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. Notwithstanding anything to the contrary contained in this 6.11.1, (i) neither Declarant or its designee nor a Permitted Mortgagee (or its designee) of Declarant or its assignee shall be required to obtain the approval of the Condominium Board for any structural alteration, addition, improvement or repair in or to Unsold Units or enter into any alteration agreement with respect thereto and (ii) the Professional Unit Owners may perform structural alteration, addition, improvement or repair in or to the Professional Units with the consent of the Condominium Board, which consent shall not be unreasonably withheld or delayed.

6.11.2 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have

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agreed, to hold the Condominium Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit 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 Board or, if required, by the Condominium Board, provided that no Board shall 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. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Condominium Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Professional Units and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the Condominium Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building, then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.12 **Alterations, Additions, Improvements or Repairs to Common Elements.** Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any Common Element or Limited Common Element shall be made by the Condominium Board or Unit Owner(s) required to maintain such Common Element or Limited Common Element and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Condominium Board, the cost of any alteration, addition, improvement or repair would exceed $100,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a Majority of Unit Owners, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives (as hereinafter defined), as the case may be, if any, with respect to alterations, additions, improvements or repairs made by the Condominium Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions,

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improvements or repairs costing in the aggregate $100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 **Alterations of Certain Common Elements.**

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Condominium Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or the Condominium Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Condominium Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 **Restrictions on Use of Units.**

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used for residential purposes and for "home use" occupations, to the extent permitted by applicable law, except as otherwise herein expressly provided.

6.14.1.1 The Condominium Board, may, in its discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose,

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provided such use (1) is permitted by law, (2) does not violate the then existing certificate of occupancy for such Residential Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Condominium Board shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Condominium Board before using such Residential Unit as a professional office or for any other purpose.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1 or a transient occupant in an Unsold Unit) may be accommodated therein.

6.14.1.3 Each Unit Owner shall 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 Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Unit as a professional office or for any purpose, provided such use is permitted by law, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations, and (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-laws and in compliance with applicable governmental laws and regulations.

6.14.3 No Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an Occupant in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law. Unit Owners shall have the responsibilities of an "owner" of their respective Units under Local Law 38 of 1999 or any other Law governing the use or removal of lead-based paint and by execution of a deed for a Unit shall agree to indemnify and

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hold harmless each Board and other Unit Owners arising from the failure of a Unit Owner to comply with such Unit Owner's obligation arising from the foregoing.

6.15 **Use of Common Elements.**

6.15.1 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.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the Common Elements other than in (a) Limited Common Elements for the exclusive use of a particular Unit Owner or (b) in the areas designated as storage areas, with the prior consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise or other objects.

6.15.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, the Condominium Board shall give due regard to the use of the Professional Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Professional Units and (ii) not restrict ingress or egress through the exterior doorways to the Professional Units. In furtherance thereof, the Condominium Board agrees to consult with the Professional Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Professional Unit Owners to install, at their cost and expense, signs upon the sidewalk bridge and scaffolding.

6.15.5 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Professional Unit Owner's consent, and the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the Common Elements described in the Declaration, by the Professional Unit Owners or anyone claiming by, through or under the Professional Unit Owners including, but not limited to, the tenants and occupants of any portion of the Professional Units or their respective licensees or invitees.

6.15.6 The owner of any two or more Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common

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Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 **Other Provisions as to Use.** No nuisance shall be allowed in the Building nor shall any use or practice be allowed in the Building which is a source of annoyance to the residents or occupants 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 or 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. Except as otherwise provided in the Declaration, the Professional Units may be used for any lawful purpose; and no sale, lease, sublease or use of all or any portion of the Professional Units shall be deemed to adversely affect the Residential Unit Owners.

6.17 **Right of Access.**

6.17.1 Each Unit Owner shall grant a right of access to such Unit Owner's Unit to the Declarant for the completion of any work to be performed in the Building including but not limited to any punch list work in such Unit Owner's Unit, and to the Condominium Board, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Unit Owners, upon the same terms and conditions as set forth in Section 6.24.1, shall grant a right of access to their respective Units 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 hereunder or under the Declaration or Rules and Regulations 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 Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, 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 Professional Units or with the use of the Residential 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.

6.17.2 A Unit Owner shall grant a right of access to such Unit Owner's Unit, and the Condominium Board shall grant rights of access to the Common Elements and the respective

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Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building, and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 **Rules and Regulations.** Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Common Elements. The Condominium Board may from time to time, modify, amend or add to the Rules and Regulations as they affect the use of the Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition.

6.19 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, 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. The aforementioned costs for the Building will be paid by the Unit Owners and included in Common Charges. 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. In the event of a proposed sale of any Unit, the Condominium Board, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as the Condominium Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 **Fuel.** Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel for heating serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined and paid by the Condominium Board, and (iii) charged as a Common Expense. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a survey to be made the cost of which shall be borne by the Unit Owners as a Common Expense.

6.21 **Gas**. Gas for the Building will be supplied by the utility company servicing the gas distribution system, separately metered for each Unit Owner and billed directly to each Unit Owner utilizing gas.

6.22 **Electricity .** Electricity for each Unit (including tenants occupying portions of the Professional Units) 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) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as

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directed by the Condominium Board. Electricity for the Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Unit Owners as Common Charges.

6.23 **Utilities Serving the Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any Common Element shall be (a) considered part of the expense of maintaining such Common Element, (b) determined by the Condominium Board, and (c) charged to the Unit Owners as a Common Expense.

6.24 **Abatement and Enjoinment of Violations by Unit Owners.**

6.24.1 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 enter 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 (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 **Notice to Condominium Board.** A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Condominium Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. The mortgage shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual condominium units. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Condominium Board shall maintain such information in a book entitled "Mortgages of Units."

7.2 **Notice of Default and Unpaid Common Charges.** Whenever so requested in writing by a Permitted Mortgagee, the Condominium Board, shall promptly report to such Permitted

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Mortgagee any default in the payment of Common Charges, or any other default 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. The Condominium Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

7.3 **Performance by Permitted Mortgagees.** The Condominium Board shall accept, by any Permitted 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 the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.4 **Examination of Books.** Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Professional Unit Owners and Permitted Mortgagees thereof, the books of account of the Condominium) at reasonable times, on business days, but not more than once a month.

7.5 **Representatives of Mortgagees.**

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Institutional Residential Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Residential Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Condominium Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Residential Mortgages. As used herein, the term and "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative made by the holders of Institutional Residential Mortgages, constituting a majority in principal amount of all Institutional Residential Mortgages shall be binding upon the holders of all Institutional Residential Mortgages. Any such designation of any Residential Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Condominium Board. Unless otherwise required by law, all Permitted Mortgagees other than holders of an Institutional Residential Mortgage, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these by-laws.

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7.6 **Consent of Mortgagees.** Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 **Selling and Leasing.** No Residential Unit Owner, other than Declarant or its designee may sell or lease such Unit Owner's Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer," the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Condominium Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Condominium Board may reasonably require. The giving of such notice to the Condominium Board, on behalf of all the Unit Owners represented by the Condominium Board, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Unit Owner's Residential Unit to the Condominium Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board acting on behalf of all Residential Unit Owners that the Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Condominium Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, the Condominium Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by the Condominium Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event the Condominium Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or

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to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Condominium Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Condominium Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Condominium Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Condominium Board of its election to accept the aforesaid offer, the Condominium Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Condominium Board referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Condominium Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Condominium Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

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8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board and that the Condominium Board, if permitted by applicable law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Condominium Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Condominium Board. Any lease executed by the Condominium Board as tenant shall provide that the Condominium Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units (including the lease of a Residential Unit to Declarant or its designee) or the Professional Units (or any Professional condominium units into which the Professional Units may hereafter be divided). Declarant or its designee, and the Professional Unit Owners shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Units or the Professional Units, as the case may be, without having to first offer the same for sale or lease to the Condominium Board.

8.2 **Consent of Unit Owners to Purchase or Lease of Units by Condominium Board.** The Condominium Board shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners. However, the Condominium Board shall have the right to release or waive such option without the prior approval of a Majority of Unit Owners.

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8.3 **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 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 **Release by Condominium Board of Right of First Refusal.** The right of first refusal contained in 8.1 may be released or waived by the Condominium Board only in the manner provided in Section 8.5. In the event the Condominium Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.5 **Certificate of Termination of Right of First Refusal.** A certificate executed by an officer of the Condominium stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Condominium Board, and that as a result thereof the rights of the Condominium Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Condominium Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Condominium Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.6 **Financing of Purchase of Units by Condominium Board.** The purchase of any Unit by the Condominium Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.7 **Exceptions.** The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to such Unit Owner's spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Condominium Board, (d) any proper officer

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conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or such Unit Owner's nominee, who has acquired title to any Residential Unit at any foreclosure sale of such Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit subject to, the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of the Professional Units or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 **Gifts and Devises, etc..** Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8.

8.9 **Unauthorized Sales or Leases of Residential Units.** Any purported sale or lease of a Residential Unit consummated in violation of Sections 8.1 or 8.3 shall be voidable at the election of the Condominium Board and if the Condominium Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse the Condominium Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 **Charges Imposed on Sale or Lease of Residential Units.** If permitted by law, the Condominium Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Condominium Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit to Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units.

8.11 **Power of Attorney.** At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Unit Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 **Notices Concerning Unit Ownership and Occupancy.** Within five (5) days following acquisition of a Unit or the commencement of a lease relating thereto, the new Unit

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Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent. For so long as any Residential Units are occupied by Non-Purchasing Tenants, a purchaser of such Residential Unit promptly after acquiring title to the Residential Unit, shall notify the Non-Purchasing Tenant of the change in ownership and the name of the new Residential Unit Owner and the Condominium Board shall make available such information to the Non-Purchasing Tenant.

8.13 **Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common.** In the event that any Unit shall be acquired by the Condominium Board or its respective designees, corporate or otherwise, on behalf of all Unit Owners, as the case may be, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 **Payment of Assessments.** No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges theretofore assessed by said Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages.

8.15 **Mortgage of Units.** Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify in writing the Condominium Board of the making of such mortgage.

8.16 **Lease or Purchase of Unit or Other Apartment for Superintendent's Residence.** The Condominium Board shall have the right to lease or purchase a Unit or other apartment for the superintendent's unit and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease without the approval of a Majority of Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the 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 Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Condominium Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any

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repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the Common Elements pro rata, as follows: first, to the Unit Owners in accordance with their respective Common Interests; thereafter, the Condominium Board shall allocate such deficit or surplus, as the case may be, pro rata, in accordance with their respective Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that 75% or more of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the Condominium, then such repairs or restorations of the Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in accordance with their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking.

ARTICLE 10

RECORDS AND AUDITS

10.1 **Records.** The Condominium Board or the managing agent, if any, shall keep detailed records of the actions of the Condominium Board, minutes of the meetings of the Condominium Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Condominium Board, including a listing of all receipts and expenditures. In addition, the Condominium Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Condominium Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 **Audits.** Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Condominium Board to all Unit Owners, and, if so requested, to any Permitted Mortgagee. The cost of such report shall be paid by all Unit Owners as a Common Expense.

10.3 **Availability of Documents.** Copies of the Declaration, these By-Laws, the Rules and Regulations 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 11

ARBITRATION

11.1 **General Procedure.** Any arbitration provided for in these By-Laws 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

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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 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

11.2 **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 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 Common Expenses.

11.3 **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 11.1 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 12

MISCELLANEOUS

12.1 **Waiver.** No provision contained in these By-Laws or the Rules and Regulations 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.

12.2 **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.

12.3 **Certain References.**

12.3.1 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.

12.3.2 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.

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12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties 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 the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee 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 Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee 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 Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Professional Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Professional Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Professional Unit Owners, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 **Covenant of Further Assurances.**

12.7.1 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.

12.7.2 If any Unit Owner, the Condominium Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner,

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Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, Board or other party is hereby authorized, as attorney-in-fact for such Unit Owner, Board 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 **Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, or the Professional Units or any Professional Unit Owner, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that 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. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Units, the Professional Units or any Professional Unit Owner, 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, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Units, the Professional Units or the Professional Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, if any, and (ii) the provisions of this Section 13.1 may not be amended, modified, added to or deleted

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unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 **Amendments Affecting Declarant or its Designee or Professional Unit Owners.** Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Professional Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Professional Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Professional Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration 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 Declarant or its designee or the owner of any Unsold Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit or Professional Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or Professional Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit or Professional Unit.

13.3 **Amendments Affecting Permitted Mortgagees.** Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

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SCHEDULE A

RULES AND REGULATIONS

1. 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.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Building.

4. No public hall or public elevator vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner.

5. Each Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface of any Terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Terrace shall be within the sole but reasonable discretion of the Condominium Board.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved in writing by the Condominium Board or the managing agent of the Building, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Condominium Board or the managing agent of the Building, nor shall anything be projected from any door or window of the Building without similar approval except as may otherwise be required by law.

8. No heat, ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the

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Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Condominium Board or the managing agent of the Building for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Building.

11. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Professional Units. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Condominium Board. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Condominium Board or the managing agent of the Building and such consent, if given, shall be revocable by the Condominium Board or such managing agent in their sole discretion, at any time. In no event shall any Unit Owner maintain more than two (2) pets in a Unit without the consent of the Condominium Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Building, other than the elevators designated by the Condominium Board or the managing agent of the Building for that purpose, or in any of the public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Condominium Board setting forth such other rules regarding pets as the Condominium Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Servants, messengers and tradespeople visiting or residing in the Building may be required to use the elevators designated by the Condominium Board or the managing agent of the Building for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit. Access to the Basement through the rear passenger elevator requires a key and can be used only with the participation of Building personnel.

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14. All service and delivery persons may be required to use the service entrance. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Unit Owners. Deliveries, if made, will be made from the package room to individual Units only by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Units after such service or delivery persons have received approval for such delivery from the Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Building by the elevators designated by the Condominium Board or the managing agent of the Building for that purpose, and through a designated entrance only.

16. No refuse from the Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Condominium Board or the managing agent of the Building may direct.

17. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Building shall send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.

19. The agents of the Condominium Board or the managing agent, and any contractor or worker authorized by the Condominium Board or the managing agent of the Building, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior written notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Condominium Board or the managing agent of the Building may retain a passkey to each Unit that has locks. If any lock is altered or a new lock is installed, the Condominium Board or the managing agent of the Building shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to such Unit Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Condominium Board or such managing agent, then the Condominium Board or such managing

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agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

23. Complaints regarding the services of the Building shall be made in writing to the Condominium Board or to the managing agent of the Building.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Condominium Board, at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board, be conditional in nature.

25. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; and (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover.

26. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

28. No Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Condominium Board or the managing agent of the Building, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the managing agent of the Building shall (except as provided in paragraph 21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

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30. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

31. The Condominium Board shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

32. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the prior consent of the Condominium Board or the managing agent of the Building.

33. In the event that any Residential Unit is used for home occupation purposes which are permitted by law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Condominium Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

35. There will be no barbecuing in the Units in their Limited Common Elements (including Terraces), or the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

36. The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the reasonable judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

37. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces, other than furniture of the kind usually maintained in outdoor areas.

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EXHIBIT "10"

CERTIFICATION OF SPONSOR AND PRINCIPALS

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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: Condominium Offering Plan
41 West 72nd Street
New York, New York 10024

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the condominium 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 23 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:

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(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.

Sworn to before me this
4th day of April, 2001

Notary Public

ELLIOTT JOSEPH
Notary Public, State of New York
No. 41-4748987
Qualified in Queens County
Commission Expires June 30, 2001

41 West 72 LLC

By: _____
Ziel Feldman, a Managing Member

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SPONSOR'S PRINCIPALS:

Sworn to before me this
4th day of April, 2001

Notary Public

ELLIOTT JOSEPH
Notary Public, State of New York
No. 41-4748987
Qualified in Queens County 2001
Commission Expires June 30, 19[illegible]

Ziel Feldman

Sworn to before me this
6th day of April, 2001

Notary Public

KENNETH WONG
Notary Public, State of New York
No. 41-4862385
Qualified in Queens County
Commission Expires July 14, 2002

Kevin Maloney

Sworn to before me this
6th day of April, 2001

Notary Public

KENNETH WONG
Notary Public, State of New York
No. 41-4862385
Qualified in Queens County
Commission Expires July 14, 2002

Elliott P. Joseph

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EXHIBIT "11"

CERTIFICATION OF SPONSOR'S ENGINEER AND ARCHITECT

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E. S. Barrekette, P.E., Ph.D.
Consulting Engineer

90 Riverside Drive
New York, NY 10024

Tel: (212) 362-7772
Fax: (212) 873-0483

ENGINEER'S CERTIFICATION

The sponsor of the offering plan to convert the property at 41 West 72nd Street to condominium ownership retained me to prepare a report disclosing the condition of the property. I visually inspected the property on 4/3, 4, 5 & 6/2000, and prepared the Report, dated, 4 /12/2000, and addendum thereto, dated 1/10/2001, copies of which are intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report and addendum.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the Report and addendum.

I have read the entire Report and addendum and investigated the facts set forth in them and the facts underlying them and conducted the visual inspection referred to above with due diligence in order form a basis for this certification. I certify that the report, addendum and all documents prepared by me disclose all the material facts which were then discernible from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report and addendum based on my visual inspection:

(i) set forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(ii) in my professional opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment conceming the physical condition of the property;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond

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reasonable expectation or unwarranted by existing circumstances;

(vii) do 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 representation or statement made.

(viii) It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report and addendum is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Euval S. Barrekette, P.E.

State of New York
County of New York

Sworn to before me on this 23rd day of January, 2001.

ELLIOTT JOSEPH
Notary Public, State of New York
No. 41-4748987
Qualified in Queens County
Commission Expires June 30, ~~19~~ 2001

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EXHIBIT "12"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

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Insignia Residential Group, Inc.
675 Third Avenue
New York, NY 10017
Tel: 212/370-9200
Fax: 212/692-6126

www.insigniaresidential.com

Insignia Residential Group

CERTIFICATION BY EXPERT OF THE ADEQUACY OF COMMON CHARGES PAYABLE BY RESIDENTIAL UNIT OWNERS PURSUANT TO SECTION 23.4(d) OF REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

January 16, 2001

New York State Department of Law
120 Broadway
New York, NY 10271
Att: Real Estate Financing Bureau

RE: 41 West 72nd Street

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained us to review Schedule B containing projections of income and expenses for the first year of condominium operation. The Insignia Residential Group has been involved in the management of a significant number of Cooperatives, Condominiums and Rental Properties in the greater New York metropolitan area for more than 300 properties containing approximately 60,000 residential units.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

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Insignia
Residential Group

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operations.

We certify that the schedule:

(i) set forth in detail the projected income and expenses for the first year of Condominium operation;
(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the first year of Condominium operation;
(iii) do not omit any material fact;
(iv) do not contain any untrue statement of a material fact;
(v) do not contain any fraud, deception, concealment, or suppression;
(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
(vii) do 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 first year of the Condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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Residential Group

We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Insignia Residential Group

By: _____
Eli S. Garber
Vice President

Sworn to me before this 17 day of Jan., 2001

_____
Notary Public

GAIL MURRAY
Notary Public, State of New York
No. 01MU4832220
Qualified in New York County
Commission Expires Sept. 4, 2001

EXHIBIT "13"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY PROFESSIONAL UNIT OWNERS

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Insignia Residential Group, Inc.
675 Third Avenue
New York, NY 10017
Tel: 212/370-9200
Fax: 212/692-6126

www.insigniaresidential.com

Insignia
Residential Group

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

January 16, 2001

New York State Department of Law
120 Broadway
New York, NY 10271
Att: Real Estate Financing Bureau

RE: 41 West 72nd Street Commercial

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained us to review Schedule B, which includes projections of common charges payable by the owner of the commercial units. The Insignia Residential Group has been involved in the management of a significant number of Cooperatives, Condominiums, and Rental Properties in the greater New York metropolitan are for more than 300 properties containing approximately 60,000 residential units.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the commercial units listed in Schedule A.

We have reviewed the Schedule as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings and residential buildings containing commercial spaces.

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Insignia
Residential Group

We certify that the projections in Schedule B 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 operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimate in Schedule B for the common charges payable by the owners of the commercial units:

(i) set forth in detail the projected Common Charges for the Commercial units for the first year of Condominium operation;
(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning Common Charges payable by the owners of the Commercial units.
(iii) do not omit any material fact;
(iv) do not contain any untrue statement of a material fact;
(v) do not contain any fraud, deception, concealment, or suppression;
(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
(vii) do 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 units for the first year of the Condominium operation.

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Residential Group

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.

Insignia Residential Group

By: _____
Eli S. Gaiber
Vice President

Sworn to me before this 25 day of Jan, 2001

_____
Notary Public

GAIL MURRAY
Notary Public, State of New York
No. 01MU4832220
Qualified in New York County
Commission Expires Sept. 4, 2001

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EXHIBIT "14"

ESCROW AGREEMENT FOR OFFERING PLAN

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ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made this ____ day of _____ 20__, between 41 West 72 LLC ("SPONSOR") as sponsor of the Offering Plan (defined below) and Stroock & Stroock & Lavan LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as THE HERMITAGE CONDOMINIUM, 41 West 72nd Street, New York, New York (the "Offering Plan"); and

WHEREAS, Stroock & Stroock & Lavan LLP 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 The Chase Manhattan Bank, N.A. at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, 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.

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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 "Stroock & Stroock & Lavan LLP, 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.

1. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

2. 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.

3. 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.

4. 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.

5. 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.

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D RECORDKEEPING.

1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.
2. 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.
3. 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.

1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.
2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.
3. 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.
4. 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.
5. 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.
6. 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.

1. 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.
2. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.
3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8BEN, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

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G TERMINATION OF AGREEMENT.

1. 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.

2. 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

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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

STROOCK & STROOCK & LAVAN LLP

By: /s/_____
Name:
Title:

SPONSOR

41 WEST 72 LLC

By: /s/_____
Name:
Title:

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EXHIBIT "15"

FORM W-9

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Form **W-9**
(Rev. November 1999)
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.

Please print or type

Name (If a joint account or you changed your name, see Specific Instructions on page 2.)

Business name, if different from above. (See Specific Instructions on page 2.)

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶

Address (number, street, and apt. or suite no.)

City, state, and ZIP code

Requester's name and address (optional)

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, if you are a resident alien OR a sole proprietor, see the 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 For Payees Exempt From Backup Withholding (See the instructions on page 2.)

▶

Part III 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.

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 ▶ 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, 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 an exempt payee.

If you are a foreign person, IRS prefers you use a Form W-8 (certificate of foreign status). After December 31, 2000, foreign persons must use an appropriate Form W-8.

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 withhold and pay to the IRS 31% of such payments under certain conditions. 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.

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 not be subject to backup withholding. 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 III 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 3 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions 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.

ISA
STFFED8132F.1
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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. You must enter your individual name as shown on your social security card. You may enter your business, trade, or "doing business as" name on the business name line.

Other entities. Enter your business name as shown on required Federal tax documents. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or "doing business as" name on the business name line.

Part I — Taxpayer Identification Number (TIN)

You must 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, using your EIN may result in unnecessary notices to the requester.

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's Internet Web Site at **www.irs.gov.**

If you 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. Other payments are subject to backup withholding.

Note: *Writing "Applied For" means that you have already applied for a TIN OR that you intend to apply for one soon.*

Part II — For Payees Exempt From Backup Withholding

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 separate Instructions for the Requester of Form W-9.

If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "Exempt" in Part II, and sign and date the form.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester a completed Form W-8 (certification of foreign status).

Part III — Certification

For a joint account, only the person whose TIN is shown in Part I should sign (when required).

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 state tuition program payments, IRA or 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 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 31% 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 "doing business as" 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.*

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EXHIBIT "16"

FORM W-8BEN

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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

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EXHIBIT "17"

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

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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: _____

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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 been declared effective. Approximate date:

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[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date:

[ ] has not closed.

[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

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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: _____

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EXHIBIT "18"

SECTION 352-eeee of the GENERAL BUSINESS LAW

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§352-eeee. Conversions to cooperative or condominium ownership in the City of New York.

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan." Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan." A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan." A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan." A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant." A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens." Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general

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and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section, provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons." Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan, unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an

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offering, made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy, provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of

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such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (I) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal or reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

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(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to

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the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course or conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially, interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

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6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

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EXHIBIT "19"

RESERVE FUND LAW

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LOCAL LAW 70

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

‘ YYYY51-1.0 Application.

The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

‘ YYYY51-2.0 Definitions.

As used in this title the following words shall mean:

a. “Building”-any building, group of buildings or development.

b. “Total Price”-

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

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c. "Capital replacement" - a building-wide replacement of a major component of any of the following systems:

(1) elevator;
(2) heating, ventilation and air conditioning;
(3) plumbing;
(4) wiring;
(5) windows;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" - the offeror, his nominees, assignees and successors in interest.

' YYYY51-3.0 Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan

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together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

‹ YYYY51-4.0 Report on status of reserve fund.

The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

‹ YYYYS51-5.0 Posting of violations.

The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

‹ YYYY51-6.0 Report on condition of premises.

Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

‹ YYYY51-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

‹ YYYY51-8.0 Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is

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not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY 51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY 51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY 51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

Section 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the general business law as of that date.

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EXHIBIT "20"

RPL §339-kk

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§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, 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 (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, 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 BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, 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 CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE 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 SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'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 BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION 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.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

CHAP. 422

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

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EXHIBIT "21"

SPECIMEN TITLE POLICY

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ISSUED BY
COMMONWEALTH LAND TITLE INSURANCE COMPANY

OWNER'S POLICY OF TITLE INSURANCE

Commonwealth

SPECIMEN

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Pennsylvania corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest: James J. D. Lynch Jr. Secretary

COMMONWEALTH LAND TITLE INSURANCE COMPANY CORPORATE SEAL PENNSYLVANIA

By: President

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the affect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:

   (a) created, suffered, assumed or agreed to by the insured claimant;

   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

   (c) resulting in no loss or damage to the insured claimant;

   (d) attaching or created subsequent to Date of Policy; or

   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

   (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or

   (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:

      (i) to timely record the instrument of transfer; or

      (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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Valid Only If Schedules A and B and Cover Are Attached

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right , title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a) (iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company , the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine , inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following options:

(a)To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of paymant or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

Conditions and Stipulations Continued Inside Cover

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Commonwealth

COMMONWEALTH LAND TITLE INSURANCE COMPANY

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SCHEDULE A

Policy/Title No. NY2K0171

Amount of Insurance: $_____

Date of Policy: _____

1. **Name of Insured:** _____

2. **The estate or 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 the Insured by means of:**

   Deed from 41 West 72 LLC to _____, dated _____ and recorded _____ in Reel ____ Page _____.

4. **The land referred to in this policy is described on the annexed schedule.**

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Countersigned:_____
Authorized Officer or Agent

Valid Only if Schedule B and Cover Are Attached

Date Printed June 21, 2000

ALTA Owner's Policy (10-17-92)

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Policy/Title No. NY2K0171

SPECIMEN

SCHEDULE A - ITEM 4

The Condominium Unit (in the Building known as _____ located at and known as and by street number 41 West 72 Street in New York, New York), designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said Building and the land upon which it is situate under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded _____ in the Office of the Register of the City of New York, County of New York in Reel _____ Page _____ in Block 1125 Lot ____ of Section 4 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the said Building, certified by _____, Architect, on _____ and filed in the Office of the Register as Condominium Plan No. _____.

TOGETHER with an undivided ___ percent interest in Common Elements of the Condominium as described in the Declaration.

The land upon which the Building containing the Unit is situate is described as follows:

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

BEGINNING at a point on the northerly side of 72nd Street, distant 100 feet easterly from the corner formed by the intersection of the northerly side of 72nd Street with the easterly side of Columbus Avenue;

RUNNING THENCE northerly at right angles to the northerly side of 72nd Street, 102 feet 2 inches to the center of the block;

THENCE easterly along the said center line of the block, 100 feet;

THENCE southerly at right angles to the northerly side of 72nd Street, 102 feet 2 inches to the northerly side of 72nd Street;

THENCE westerly along the said northerly side of 72nd Street, 100 feet to the point or place of BEGINNING.

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Policy/Title No. NY2K0171

SPECIMEN

SCHEDULE B
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 the following:

1. Any state of facts which an accurate Survey of the building and the unit would show, but policy insures that any encroachments by the Insured Unit on any adjoining Unit or on common areas may remain undisturbed as long as it shall stand.

2. Covenants, conditions, easements, agreements of records, etc., as follows:

   a. Covenants and Restrictions set forth in Liber 979 Cp 143.

   b. Covenants and Restrictions set forth in Section 4 Liber 56 Cp 448.

   c. Covenants and Restrictions set forth in Section 4 Liber 63 Cp 154.

   d. Covenants and Restrictions set forth in Section 4 Liber 60 Page 280.

   e. The premises have been designated as part of the Upper West Side/Central Park West by Notice of Designation recorded Reel 1696 Page 1872 in Historic District, Manhattan and are therefore subject to the restricted use as set forth in the New York City Charter and in the Administrative Code of the City of New York.

3. Terms, covenants and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded on _____ in Reel ____ Page ____, but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law.

Date Printed June 21, 2000

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Commonwealth

COMMONWEALTH LAND TITLE INSURANCE COMPANY

File/Policy No. NY2K0171

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

1. The following is added to the insuring provisions on the face page of this policy:

"5. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

"(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or incumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of the policy unless otherwise expressly stated.

SPECIMEN

IN WITNESS WHEREOF the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the __ day of _____.

Countersigned

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: Janet A. Algart
President

Attest: Ann Chadwick Perine
Secretary

By _____
Authorized Officer or Agent

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CONDITIONS AND STIPULATIONS

(Continued)

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from an act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only the part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

SPECIMEN

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to COMMONWEALTH LAND TITLE INSURANCE COMPANY, 1700 Market Street, Philadelphia, PA 19103-3990.

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

EXHIBIT "22"

LEAD BASED PAINT BOOKLET

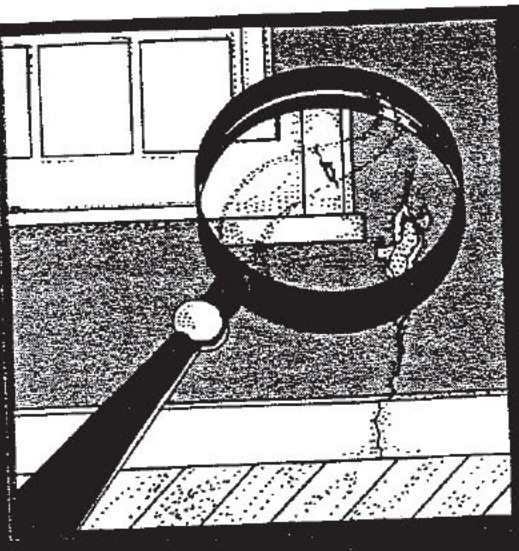
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EXHIBIT "22"

LEAD BASED PAINT BOOKLET

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Protect Your Family From Lead in Your Home





EPA
United States
Environmental Protection
Agency

United States Consumer
Product Safety Commission

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

EPA747-K-94-001
May 1995

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Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

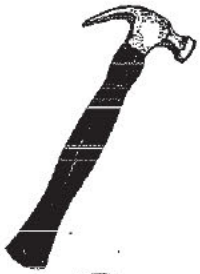
By 1996, federal law will require that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



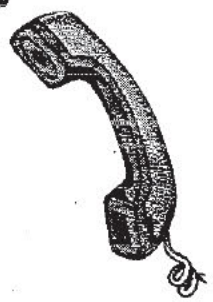
LANDLORDS will have to disclose known information on lead-based paint hazards before leases take effect. Leases will include a federal form about lead-based paint.



SELLERS will have to disclose known information on lead-based paint hazards before selling a house. Sales contracts will include a federal form about lead-based paint in the building. Buyers will have up to 10 days to check for lead hazards.



RENOVATORS will have to give you this pamphlet before starting work.



IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at **1-800-424-LEAD**.

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IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children that seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips with lead in them.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

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Lead Gets in the Body in Many Ways

1 out of every 11 children in the United States has dangerous levels of lead in the bloodstream.

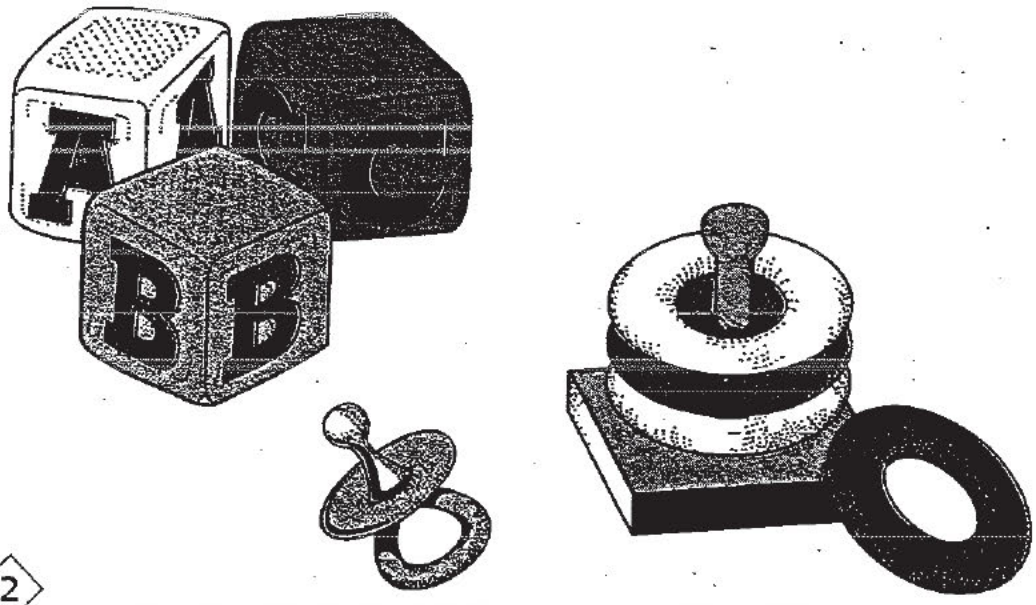
Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.
- Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- Children's growing bodies absorb more lead.
- Children's brains and nervous systems are more sensitive to the damaging effects of lead.



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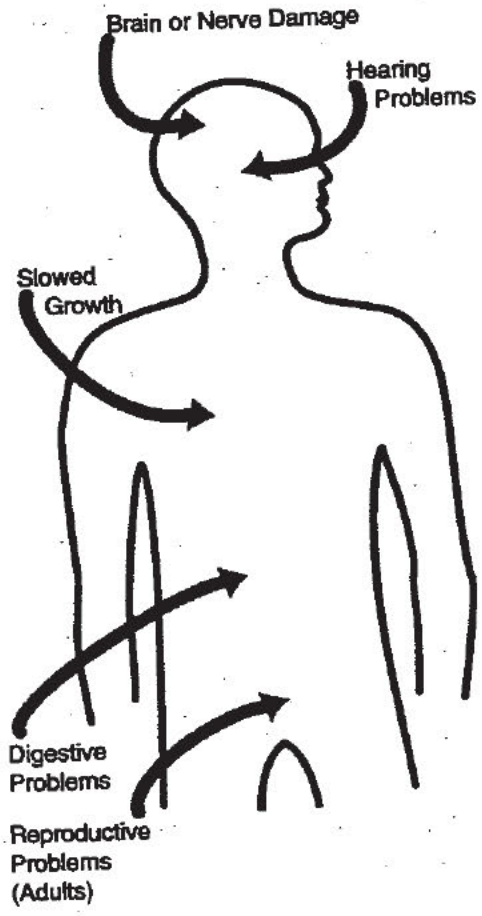
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

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Checking Your Family for Lead

Get your children tested if you think your home has high levels of lead.

A simple blood test can detect high levels of lead. Blood tests are important for:

- Children who are 6 months to 1 year old (6 months if you live in an older home with cracking or peeling paint).
- Family members that you think might have high levels of lead.

If your child is older than 1 year, talk to your doctor about whether your child needs testing.

Your doctor or health center can do blood tests. They are inexpensive and sometimes free. Your doctor will explain what the test results mean. *Treatment can range from changes in your diet to medication or a hospital stay.*

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint, or other sources such as past use of leaded gas in cars.)

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Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

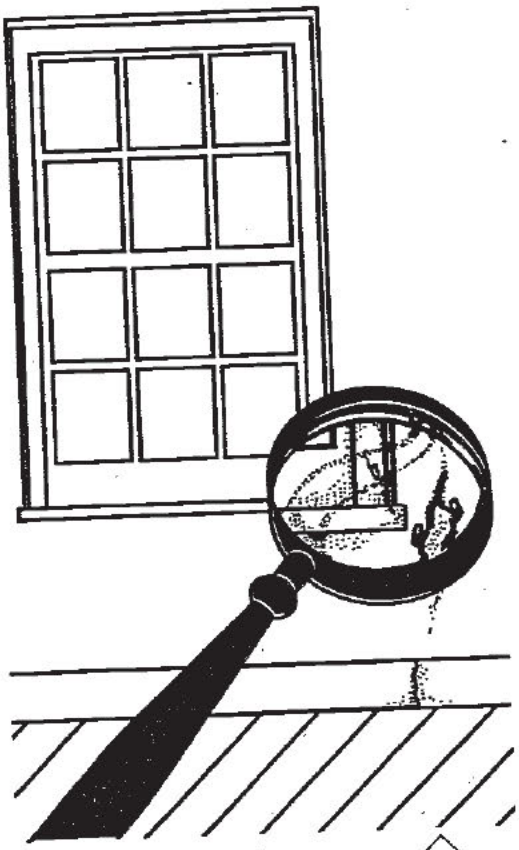
- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 12) to find out about soil testing for lead.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards





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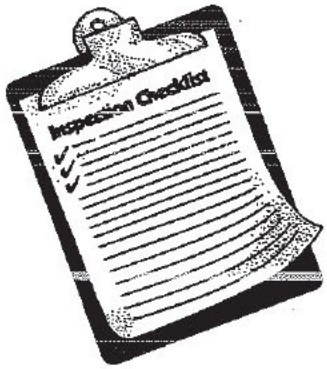
Checking Your Home for Lead Hazards

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- A paint **inspection** tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place.* Call your state agency for help with locating qualified professionals in your area (see page 12).



Trained professionals use a range of methods when checking your home, including:

- Visual inspection of paint condition and location.
- Lab tests of paint samples.
- Surface dust tests.
- A portable x-ray fluorescence machine.

Home test kits for lead are available, but recent studies suggest that they are not always accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

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What You Can Do Now To Protect Your Family

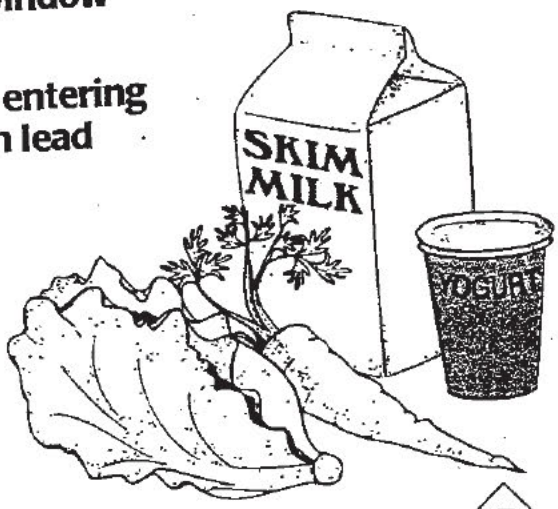
If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:



- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.



- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and low-fat dairy products. Children with good diets absorb less lead.

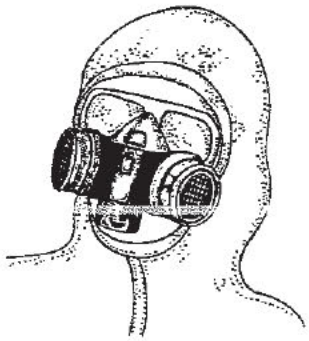


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How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 12) for help with locating qualified contractors in your area and to see if financial assistance is available.

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Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):



- **Have the area tested for lead-based paint.**
- **Do not use a dry scraper, belt-sander, propane torch, or heat gun** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

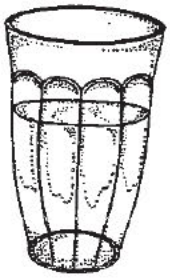
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



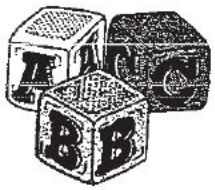
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Other Sources of Lead

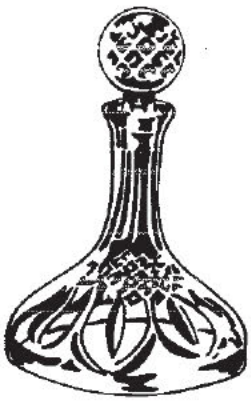


While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your clothes separately from the rest of your family's.



- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.



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For More Information

The National Lead Information Center

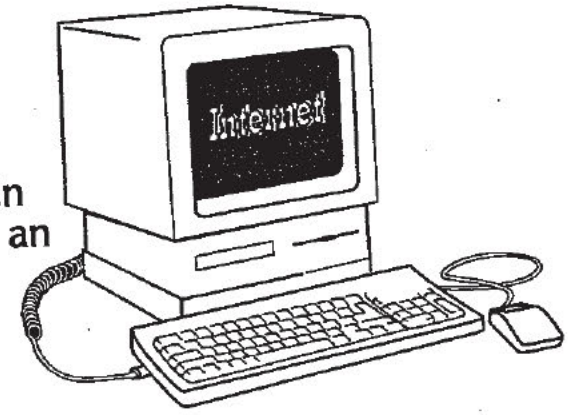
Call **1-800-LEAD-FYI** to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at **1-800-424-LEAD.** For the hearing impaired, call, **TDD 1-800-526-5456** (FAX: **202-659-1192,** Internet: **EHC@CAIS.COM**).



EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.



Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772.** (Internet: info@cpsc.gov). For the hearing impaired, call **TDD 1-800-638-8270.**

Local Sources of Information

212.757.5800 ▪ www.TitleVest.com ▪ info@titlevest.com

State Health and Environmental Agencies

Some cities and states have their own rules for lead-based paint activities. Check with your state agency (listed below) to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards.

State/Region	Phone Number
Alabama	(205) 242-5661
Alaska	(907) 465-5152
Arkansas	(501) 661-2534
Arizona	(602) 542-7307
California	(510) 450-2424
Colorado	(303) 692-3012
Connecticut	(203) 566-5808
Washington, DC	(202) 727-9850
Delaware	(302) 739-4735
Florida	(904) 488-3385
Georgia	(404) 657-6514
Hawaii	(808) 832-5860
Idaho	(208) 332-5544
Illinois	(800) 545-2200
Indiana	(317) 382-6662
Iowa	(800) 972-2026
Kansas	(913) 296-0189
Kentucky	(502) 564-2154
Louisiana	(504) 765-0219
Massachusetts	(800) 532-9571
Maryland	(410) 631-3859
Maine	(207) 287-4311
Michigan	(517) 335-8885
Minnesota	(612) 627-5498
Mississippi	(601) 960-7463
Missouri	(314) 526-4911
Montana	(406) 444-3671
Nebraska	(402) 471-2451
Nevada	(702) 687-6615
New Hampshire	(603) 271-4507
New Jersey	(609) 633-2043
New Mexico	(505) 841-8024
New York	(800) 458-1158
North Carolina	(919) 715-3293
North Dakota	(701) 328-5188
Ohio	(614) 466-1450
Oklahoma	(405) 271-5220
Oregon	(503) 248-5240
Pennsylvania	(717) 782-2884
Rhode Island	(401) 277-3424
South Carolina	(803) 935-7945
South Dakota	(605) 773-3153
Tennessee	(615) 741-5683
Texas	(512) 834-6600
Utah	(801) 536-4000
Vermont	(802) 863-7231
Virginia	(800) 523-4019
Washington	(206) 753-2556
West Virginia	(304) 558-2981
Wisconsin	(608) 266-5885
Wyoming	(307) 777-7391

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EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
John F. Kennedy Federal Building
One Congress Street
Boston, MA 02203
(617) 565-3420

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Building 5
2890 Woodbridge Avenue
Edison, NJ 08837-3679
(908) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-9800

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
345 Courtland Street, NE
Atlanta, GA 30365
(404) 347-4727

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
77 West Jackson Boulevard
Chicago, IL 60604-3590
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
First Interstate Bank Tower
1445 Ross Avenue, 12th Floor, Suite 1200
Dallas, TX 75202-2733
(214) 665-7244

Region 7 (Iowa, Kansas, Missouri, Nebraska)
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
999 18th Street, Suite 500
Denver, CO 80202-2405
(303) 293-1603

Region 9 (Arizona, California, Hawaii, Nevada)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska)
1200 Sixth Avenue
Seattle, WA 98101
(206) 553-1200

CPSC Regional Offices

Eastern Regional Center
6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

Central Regional Center
230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

Western Regional Center
600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

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