

CONDOMINIUM OFFERING PLAN

**THIS PLAN HAS BEEN
AMENDED
SEE INSIDE FRONT COVER**

FOR

THE 62 COOPER SQUARE CONDOMINIUM

LOCATED AT

52-62 Cooper Square
New York, New York 10003

Total Purchase Price (26 Residential Units) \$69,580,000

The Condominium also includes a Commercial Unit which is not being offered under this Plan.

SPONSOR:

C-Squarewood LLC
52-62 Cooper Square
New York, New York 10003

SELLING AGENT:

Stribling Marketing Associates
340 West 23rd Street
New York, New York 10011

Date of Acceptance for Filing: November 22, 2000

This Offering Plan May Not Be Used After November 21, 2001 Unless Extended By Amendment.

THIS OFFERING PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE 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.

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SPECIAL RISKS

1. Purchasers are advised that all alterations, additions or improvements to any Unit must be done in compliance with the Unit Construction Procedures set forth in Schedule B to the Condominium By-Laws in Part II of the Plan. Unit Owners who desire to perform alterations, additions or improvements to their Units will be charged a minimum of \$1,500.00 per Unit to have architectural plans reviewed by the Building Architect and a minimum of \$1,850.00 per Unit for the services of the construction Coordinator. Unit Owners will also be required to post a refundable construction deposit in the amount of \$10,000.00 as security for performance of various obligations set forth in the Unit Construction Procedures.

2. Sponsor shall perform the alterations described in this Plan and shall obtain a temporary or permanent "Class A" Residential Certificate of Occupancy which shall cover each Unit prior to the Closing of title to such Unit. In the event that a permanent Certificate of Occupancy has not been obtained by such Closing, Sponsor is subsequently obligated to obtain same. Pursuant to the policies of the New York City Department of Buildings, a temporary Certificate of Occupancy for a multiple dwelling (which is a converted building) may be issued for 90 day periods, renewable up to two (2) years from initial issuance. Sponsor expects that the Residential Section will be completed in all respects necessary for the issuance of a permanent Certificate of Occupancy for the Residential Section within such two (2) year period. Prior to the issuance of a permanent Certificate of Occupancy for the Residential Section, an inspector from the New York City Department of Buildings will inspect the Property to verify that the work performed is what is reflected in the plans submitted to the Department of Buildings. All additional elective construction work being performed by Unit Owners which requires a construction permit must be completed by June 30, 2002. Neither the Condominium Board nor any Residential Unit Owner may commence any alteration, addition, or improvement which would require a construction permit issued by the NYC Department of Buildings, including but not limited to, the combination of two or more Residential Units during the period commencing July 1, 2002 and ending on December 31, 2002. If any Unit Owners perform any work without a required construction work permit at any time, or do not otherwise properly complete construction work and obtain all necessary sign-offs, in accordance with approved plans not later than June 30, 2002, the issuance of a permanent Certificate of Occupancy for the Residential Section may be delayed. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Residential Section is not issued within two (2) years of the initial temporary Certificate of Occupancy. Any Unit Owners who cause the delay of the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages. Without prejudice to any other rights, the Condominium Board will have the right to charge any Unit Owners who violate this requirement a fee of \$400.00 per day for each and every day they are not in compliance subsequent to June 30, 2002. Please refer to "Rights and Obligations of Sponsor" in Part I for further discussion. Please also refer to Section 6.11.6 of the By-Laws in Part II of the Plan.

3. Purchasers should note that the Sponsor will not provide refrigerators or air conditioning units in Residential Units. Purchasers will be required to purchase refrigerators and air

conditioning units at their sole cost and expense. Residential Unit Owners will also be required at their sole cost and expense, to install sound attenuation on exposed concrete floors that must consist of either a wood sub-floor installed at least 3/4-inch above the exposed concrete floor, or area rugs and carpets that must cover not less than 80% of the total floor area in the Residential Unit. Floor treatments must conform to all applicable local law and building codes. Please refer to the Description of Property in Part II of the Plan for further details.

4. Upon the earlier of (i) the Closing of title to Residential Units whose aggregate Common Interest in the Residential Section exceeds seventy-five (75%) percent; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) after the First Unit Closing. Please refer to the section of the Plan entitled "Control By The Sponsor" in Part I for further discussion.

5. As long as the Sponsor or any Sponsor-designee shall continue to own Residential Units equaling at least ten (10%) percent of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 5% of the budgeted annual expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Please refer to the section of the Plan entitled "Control By The Sponsor" in Part I for further discussion.

6. 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 and the Commercial Unit. Sponsor represents that it has the financial resources to meet such obligation with respect to Unsold Units and the Commercial Unit. Sponsor will pay the Common Charges for the Unsold Units and the Commercial Unit for so long as such Units are owned respectively 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.

7. If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has twenty (20) days from the mailing date or fifteen (15) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such twenty (20) day or fifteen (15) day period, whichever is applicable. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to

cancel the Purchase Agreement. In such event the Down Payment, any accrued interest and any other amounts paid by the Purchaser for any Special Work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part I for further discussion.

8. The Purchase Agreement is not contingent upon the Purchaser obtaining mortgage financing. Once a Purchaser signs the Purchase Agreement, the Purchaser shall be obligated to close the transaction whether or not the Purchaser obtains a mortgage. In the event a Purchaser does not have sufficient funds to pay the balance of the purchase price due at the Closing, for any reason whatsoever, Purchaser shall be deemed to be in default under the Purchase Agreement and Sponsor shall be entitled to the remedies set forth in Paragraph 3 above. Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part I for further discussion.

9. Pursuant to existing law and regulation the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen percent (15%) of the Residential Units in the Building. Even if the Plan is declared effective with a minimum of sales, it is possible that the Sponsor may be able to convert the building with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit.

Purchasers should note that certain banks and other lenders impose various restrictions on loans. Such restrictions may include requiring that a certain percentage (higher than 15%) 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.

10. The Property is located in the NOHO Historic District, which was created on June 29, 1999. The Property is accordingly subject to the restricted use as provided in the New York City Charter, Chapter 8-a Section 205-1.0 to Section 207.21.0. The designation imposes special restrictions upon the construction, alteration, demolition, or reconstruction as such activities affect the external structure of the Building. In the event external alteration of the Building is needed or desired, the Condominium must apply to the Landmarks Preservation Commission for permission to make such alteration. The Commission, before approving said work, may impose certain conditions and/or standards, making the work more costly than it would otherwise be if the Building were not in an Historic Landmark District. Additionally, there may be added legal costs in connection with obtaining approval for such alteration. Landmark status should be viewed as a general limitation upon the alterations of the external structure.

11. The Condominium will consist of twenty six (26) Residential Units for use as joint living-work quarters for artists and one (1) Commercial Unit. Pursuant to Article 7-B of the New York

Multiple Dwelling Law (the "MDL") and Section 42-14(D) of the Zoning Code, a Residential Unit may be occupied only as "joint living-work quarters for artists". As used in MDL, the term "artist" is defined as "a person who is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or in the composition of music on a professional basis, and is so certified by the City Department of Cultural Affairs and/or State Council on the Arts." Joint living-work quarters for artists must be occupied by at least one (1) such artist.

As a consequence of these legal requirements, each Residential Unit is to be occupied only by households that include at least one artist. The acceptance by Sponsor from any person of a signed Purchase Agreement or Down Payment shall not be deemed a representation or warranty by Sponsor to any Purchaser or to the DCA or any other agency that any Purchaser of a Residential Unit meets the legal requirements necessary to occupy a Residential Unit. Further, nothing contained in this Plan shall be deemed a representation or warranty by Sponsor to any Purchaser regarding the DCA's artist certification procedures or any related laws, rules and regulations as they presently exist or may exist in the future.

Compliance with all laws, rules and regulations concerning the lawful use and occupancy of any Unit will be the sole responsibility of the Owner of such Unit and each Unit Owner shall indemnify and hold the Board of Managers and all other Unit Owners harmless from and against any claim, loss, cost, damage, expense or liability arising from the failure of that Unit Owner to comply with such laws, rules and regulations.

(See "Rights and Obligations of the Unit Owners and the Board of Managers" for further discussion of use restrictions).

12. Each Unit Owner must notify the Managing Agent in writing when a child or children under the age of eleven (11) 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 must 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.

13. At or prior to the First Unit Closing, the Condominium Board will enter into a management agreement with a management company to manage the Condominium (the "Managing Agent"). All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners 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 it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or wilful misconduct. Please refer to the Section of the Plan entitled "Management Agreement, Contract & Leases" in Part I of the Plan for further details.

14. Purchasers shall be required to pay the New York City and New York State Transfer Taxes due upon their purchase of a Unit. Although Transfer Taxes are customarily paid by the seller in single-family and other covered transactions (other than condominium developments), the responsibility for payment of such taxes may be modified by contract. It is now customary in New York City for Purchasers of Units in condominium developments to pay Transfer Taxes. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that, where the Purchaser pays such taxes, the amount thereof will be added to the taxable consideration. Please refer to "Unit Closing Costs and Adjustments" in Part I of the Plan for further discussion.

15. There is no provision for a specific reserve fund for the Condominium for the purpose of paying the cost of future capital repairs, replacements or improvements to the Premises (except that each Purchaser of a Unit shall pay into the Working Capital Fund of the Condominium a sum equal to one (1) month of Common Charges for the Unit being purchased). Therefore, Unit Owners shall be obligated to pay their share of the cost of repairs, replacements and improvements to the Common Elements as the need for the same arises, unless there are sufficient Working Capital or other funds available. As the Building will be newly renovated, the Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements. However, no assurance or guaranty is given that such needs shall not arise in the future. See "Reserve Fund and Working Capital Fund" and "Rights and Obligations of Unit Owners and the Board of Managers" in Part I of the Plan.

16. Unlike Purchasers, the Sponsor shall not be required to offer a right of first refusal or seek or obtain approval (as the case may be) from the Condominium Board of Managers for any transfer, lease of, or alterations, repairs or improvement to its Units, (provided that such alterations, repairs or improvements must comply with applicable laws). Please refer to "Rights and Obligations of Sponsor" in Part I of the Plan.

17. If a Purchaser makes a Down Payment in excess of \$100,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of \$100,000.00. Please refer to "Procedure to Purchase" in Part I of the Plan.

18. During the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require more than a year after the first Unit closing to complete and adjust and may need to be shut down temporarily. Sponsor may not fully complete the decoration of the lobby or corridors in the Building, including but not limited to installing light fixtures, hanging wall covering or laying carpeting, until that particular floor is fully occupied by Unit Owners.

19. With respect to the Budget set forth in Schedule B, Common Charges have been allocated between the Residential Units and the Commercial Unit either (a) on the basis of Common Interest (80.5808% aggregated, but shared pro-rata for the Residential Units and 19.4192% for the Commercial Unit); (b) on the basis of the relationship between the Commercial Unit and the 26

Residential Units (96.3% for the Residential Units and 3.7% for the Commercial Unit); or (c) 100% to the Residential Units and 0% to the Commercial Unit, depending on the anticipated usage of the budgeted item. Please refer to the Notes to Schedule B for further details.

20. Neither the Condominium Board nor the Residential Board will have any right to restrict or limit the method of operation, any uses or appearance of the Commercial Unit which are permitted by law and applicable building codes and zoning ordinances. The Commercial Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation of the Commercial Unit may be adopted or modified by the Condominium Board without the consent of the Commercial Board. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit.

21. While Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section 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 Residential Section's or 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.

22. The Residential Units may be eligible for partial real estate tax abatement benefits pursuant to Section 11-243 of the Administrative Code of the City of New York which was formerly Section J-51-2.5 of the Administrative Code (the "J-51" Program). The Sponsor does not make any representations as to the eligibility of the Residential Units for J-51 benefits. Sponsor shall not make application for J-51 benefits but shall cooperate with the Condominium Board in the event the Board elects to make an application for J-51 benefits, including maintaining all records required by the NYC Department of Housing Preservation and Development. Please refer to the Section of the Plan entitled "Real Estate Taxes" in Part I of the Plan for further details.

23. Units 3-A, 4-A, 5-A, 6-A, 7-A, 8-A, 9-A, 10-A, 11-A and 12-A in 62 Cooper Square will contain lotline windows on the north-facing wall of the Building. Unit PH-A will contain windows (not lotline) which face to the north. It is highly probable that a building will be constructed in the near future on the adjacent lot to the north of the Building which may obstruct north-facing views from the Building. In addition, in the event a building is constructed on the adjacent lot within a distance of less than sixty (60) feet in a direct line (whether horizontally, vertically or diagonally) of any of the lotline windows, the Building Code requires that the lotline window openings be closed. If the Building Code requires that some or all of the lotline window openings be closed, the cost to close such window openings will be borne by the Residential Section of the Condominium, as a Common Expense of the Residential Section. Currently, the approximate cost of sealing window openings is \$1,000.00 per window. No estimate can be made as to the cost of sealing window openings in the future. A Lotline Window Declaration, setting forth the conditions under which the lotline window openings must be closed has been submitted to the

Office of the City Register for recording. Purchasers should also note that the lotline windows may not be used to meet the legal light and air requirements for bedrooms. Please refer to the section of the Plan entitled "Terms of Sale" in Part I of the Plan for further details. A copy of the Lot Line Window Declaration is in Part II of the Plan.

24. Unit Owners will acquire Units subject to a declaration of easement created in favor of Sponsor, Sponsor's designees, successors and/or assigns to paint, erect, maintain, repair and replace a sign or signs on the north-facing exterior wall of the building known as 56-62 Cooper Square, for the purpose of advertising (the "Sign Easement"). Please refer to the section of the Plan entitled "Terms of Sale" in Part I of the Plan for further details. A copy of the Sign Easement is in Part II of the Plan.

INTRODUCTION

The Sponsor and current owner of the Property is C-Squarewood LLC, a Delaware limited liability company. The Sponsor acquired the Property by deed dated February 10, 2000. The property currently consists of three buildings: 52 Cooper Square, 54 Cooper Square and 56-62 Cooper Square. The upper floors will consist of condominium loft apartments. The ground floors, cellars and mezzanine which are being altered and renovated by the Sponsor, will consist of a Commercial Condominium Unit which is not being offered under this Plan. The building known as 56-62 Cooper Square was formerly occupied by Carl Fischer, Inc., a music publisher. The Residential Units on floors 2-7 of 56-62 Cooper Square will have floor to ceiling heights of approximately 10 feet 9 inches. A terrace on the second floor will contain approximately 950 square feet of outdoor space for use by the second floor Residential Unit Owner. The Residential Units on floors 8-11 of 56-62 Cooper Square will have floor to ceiling heights of approximately 10 feet 9 inches. These floors will also include approximately 1,024 square feet of outdoor terrace space for use by the eighth floor Residential Unit Owner. The Residential Units on floor 12 will have floor to ceiling heights of approximately 12 feet. The twelfth floor will contain approximately 334 square feet of outdoor terrace space for use by all Residential Unit Owners. The two penthouses on the thirteenth floor will together have floor area of approximately 2,300 square feet. The roof above the new penthouses will contain approximately 2,800 square feet of outdoor terrace space for use by all Residential Unit Owners. The Residential Unit on the second floor of 52-54 Cooper Square will have floor to ceiling heights of approximately 11 feet 8 inches. The second floor will have approximately 1,285 square feet of outdoor terrace space for use by all Residential Unit Owners. The Residential Unit on the third floor of 52-54 Cooper Square will have floor to ceiling heights of approximately 10 feet 11 inches. The penthouse of 52-54 Cooper Square will be a duplex. The fourth floor of the penthouse Unit will have floor to ceiling heights ranging from 10 feet 6 inches to 12 feet. The fifth floor will contain approximately 1,400 square feet of floor area and will have floor to ceiling heights of approximately 10 feet 6 inches. The three buildings will be combined into one building which is referred to in the Plan, as the "Building".

The purpose of the Plan is to set forth all the terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase Units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase documents to the Sponsor or Selling Agent, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium shall consist of twenty-six (26) Residential Units (as defined in this Plan) and one (1) Commercial Unit. Twenty-six (26) Residential Units are being offered hereunder. The Commercial Unit is not being offered under this Plan.

As more particularly described in this Plan, the Building will include (a) the General Common Elements, (b) a Residential Section containing the Residential Units, the Residential Common Elements, and the Residential Limited Commons Elements and (C) a Commercial Section, which will contain the Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements.

There will be available to occupants of the Residential Section, certain luxury apartment type services, including, but not limited to, a 24-hour concierge/doorman service, a superintendent, automatic elevators, and security systems. There will be a cooling tower located on the roof of the Building providing condenser water to self-contained air conditioning units which will be situated throughout the Building. The Building will have fiber-optic risers to provide integration for telecommunication, cable television, and broadband internet access.

All the Residential Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. It is noted that although all Residential Units are being offered pursuant to this Offering Plan, Sponsor is hereby reserving the right to withhold certain Residential Units from sale, provided an amendment is first filed setting forth the Residential Units being withheld. If Sponsor leases certain Residential Units to tenants and such Residential Units subsequently are offered, Sponsor shall amend the Plan, accordingly.

In condominium form of ownership, each Purchaser of a Residential Unit owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in this Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York). The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (hereinafter called "the Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited

Common Elements." The Plan provides that any balconies and terraces adjacent to and with access directly from a particular Unit shall be Residential Limited Common Elements. Each Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to any Unit, a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, a business associate or employer or a selling Unit Owner. Pursuant to this Plan, however, no Purchase Agreement shall be contingent upon a Purchaser obtaining mortgage financing. No Unit Owner shall be permitted to encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his Residential Unit to anyone for a term of not less than one year, without restriction or limitation, subject only to a "right of first refusal" by the Residential Board at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described in the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers". A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to the Condominium by-laws and local codes, and he is obligated for the cost of his own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him. The Board of Managers will assess against each Unit Owner, in proportion to his respective percentage of Common Interest as defined in the section of the Plan titled "Definitions", charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Unit Owner, will pay for all electricity consumed within his own Unit, the charges for which will be separately metered. Gas for the Residential Units shall be a Residential Common Expense. Gas for the Commercial Unit will be separately metered and paid for by such Unit Owner.

Each Residential Unit may only be used as joint living-work quarters for artists subject to the requirements of Article 7-B of the New York Multiple Dwelling Law and Section 42-14(D) of the Zoning Code.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers. Each Unit Owner shall also be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements which are not Limited Common Elements. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The Board of Managers shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by the Unit Owner's percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, or corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

The Plan contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or at the on-site sales office at all times such office is open.

The Plan may be borrowed upon payment of a one hundred (\$100.00) deposit, which amount will be fully refunded either upon (i) the prompt return of all borrowed materials in good condition or (ii) the execution of a Purchase Agreement subsequently accepted by Sponsor.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has a land area of approximately 13,860 square feet. The site is approximately 168 feet wide (which is the frontage on Cooper Square). The site contains three buildings: 52 Cooper Square, 54 Cooper Square and 56-62 Cooper Square. The address of the Property shall be 52-62 Cooper Square.

The Condominium shall consist of twenty-six (26) Residential Units and one (1) Commercial Unit, in three connected buildings.

The buildings known as 52-54 Cooper Square, built in 1860, are each four stories in height and, after renovation, will contain a fifth floor penthouse. The building known as 56-62 Cooper Square, built in 1920, is twelve stories in height and, after renovation, will contain two thirteenth floor penthouses. The first floor contains the lobby. The upper floors contain the Residential Units. There will be one passenger elevator in 52-54 Cooper Square and two passenger elevators in 56-62 Cooper Square. The Commercial Unit occupies a portion of the Cellar and First Floor of both 52-54 Cooper Square and 56-52 Cooper Square, and the Mezzanine of 56-62 Cooper Square. The three buildings will be combined into one building which is referred to in the Plan as the "Building".

The exterior walls of the Building are brick and limestone. The entire Building will be protected by an automatic sprinkler system.

Sponsor shall obtain a temporary or permanent Certificate of Occupancy which shall cover each Unit prior to the Closing of title to such Unit. In the event that a permanent Certificate of Occupancy has not been obtained by such Closing, Sponsor is subsequently obligated to obtain same. Please consult the section of the Plan entitled "Rights and Obligations of Sponsor" for further discussion.

The Property is located in the NOHO Historic District which was created on June 29, 1999. The Property is accordingly subject to the restricted use as provided in the New York City Charter, Chapter 8-a Section 205-1.0 to Section 207.21.0. The designation imposes special restrictions upon the construction, alteration, demolition, or reconstruction as such activities affect the external structure of the Building. In the event external alteration of the Building is needed or desired, the Condominium must apply to the Landmarks Preservation Commission for permission to make such alteration. The Commission, before approving said work, may impose certain conditions and/or standards, making the work more costly than it would otherwise be if the Building were not in an Historic Landmark District. Additionally, there may be added legal costs in connection with obtaining approval for such alteration. Landmark status should be viewed as a general limitation upon the alterations of the external structure.

LOCATION AND AREA INFORMATION

Location

The Building, located on Cooper Square between Astor Place and East 4th Street, is in the heart of New York City, one of the world's leading cultural and financial centers. The City is home to numerous universities, museums, libraries, theatres and cultural institutions. The immediate neighborhood, Greenwich Village, has always been a center for art, culture and intellectual expression.

As a cultural center, New York City has over 70 museums and more than 50 institutions for the performing arts. Among the cultural and institutional facilities in the Borough of Manhattan are Lincoln Center for the Performing Arts (which includes the Metropolitan Opera House, Avery Fischer Hall, The New York State Theatre and Vivian Beaumont Theatre), Central Park, Carnegie Hall, The Metropolitan Museum of Art, Rockefeller Center and the United Nations.

New York City is also the nation's leading business center for communications, publishing, advertising, legal and financial services, business consulting and public relations. New York City remains the capital of international commerce and finance and is the home of the New York and American Stock Exchanges and the national Over-The-Counter stock market.

Zoning and Use

The Building is located within an M1-5 (Mixed Use) Zoning District where most commercial uses are permitted. The joint living-work use is permitted pursuant to authorization issued by the City Planning Commission.

Mailing Address

The mailing address for the Property will be 52-62 Cooper Square, New York, New York 10003.

Religious Facilities

Local houses of worship include but are not limited to the following:

Universal Life Church
61 East 8th Street, New York, NY

Grace Church
802 Broadway, New York, NY

Neighborhood Church
269 Bleecker Street, New York, NY

Washington Square United Methodist Church
135 West 4th Street, New York, NY

Saint Patrick Old Cathedral
263 Mulberry Street, New York, NY

Conservative Synagogue
11 East 11th Street, NY, NY

Medical Facilities

Nearby medical facilities in the New York area, include St. Vincent's Hospital and Medical Center of New York at Seventh Avenue and West 12th Street, New York Infirmary-Beekman Downtown Hospital at 170 William Street. There are also several medical buildings and pharmacies located nearby and numerous private physicians and dentists maintain offices in the neighborhood.

Municipal Services

Bus service to and from the Property is available along Third Avenue (north and south bound), Fourth Avenue (north bound) and Broadway (south bound). Subway service is available at Astor Place (Lexington Avenue Local line) and Broadway and 8th Street (Broadway local line). Railroad service is provided from Grand Central Station and Pennsylvania Station. PATH service to New Jersey is located at West 9th Street and Sixth Avenue. Three major airports which service the New York City vicinity are located within fifteen (15) to twenty (20) miles.

Educational Institutions

Numerous educational facilities are in the vicinity of the building. Among the public schools in the area are P.S. 63 and P.S. 363 on East 3rd Street, P.S. 41 on West 11th Street and P.S. 19 on First Avenue. There are many private and parochial schools in the area serving children of all ages. No assurance can be given to Unit Owners as to the likelihood of admission of their children to any of the private schools. New York University is located on West 4th Street. Other colleges and schools for continuing education include The New School on West 13th Street, Parsons School of Design, Yeshiva University Graduate Center of Fifth Avenue, and Cooper Union, among others.

Water, Sewage, Road Maintenance, Snow Removal and Sanitation

Police, fire, water and sanitation services will be provided by the City of New York. The portions of Cooper Square in front of the Property (not including the sidewalk) will be maintained, and the snow will be removed therefrom, by the City of New York.

Shopping Facilities and Recreation

Shopping is very convenient for Unit Owners. There are a variety of retail, clothing and convenience stores along Astor Place, Broadway, Second and Third Avenues and along the side streets. There are several supermarkets and convenience stores located in the immediate area. The Union Square Green Market, an open air farmer's market in Union Square, is open four times a week and features the products of farmers from areas throughout the Middle Atlantic States.

The neighborhood has many restaurants of all types catering to the residential and business inhabitants of the area.

Numerous theaters, jazz clubs and night clubs are in the surrounding neighborhood. There are several parking facilities in the neighborhood, available for both transient and permanent parking.

DEFINITIONS

- “Appurtenant Interest” - With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
- “Assessments” - The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
- “Board of Managers” or
“Condominium Board” - The overall board of managers of the Condominium composed of representatives of the Residential Board and of the Commercial Board.
- “Building” - The structures located at 52-62 Cooper Square, New York, New York.
- “Closing” - 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” - The date on which a Closing occurs.
- “Commercial Board” - The board of managers comprised of representatives of the Commercial Unit Owners.
- “Commercial Common
Charges” - Assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner’s pro rata share of General Common Expenses.

"Commercial Common Expenses" -	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.
"Commercial Common Elements" -	Those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.
"Commercial Limited Common Elements" -	Those Commercial Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.
"Commercial Section" -	The Commercial Units and the Commercial Common Elements.
"Commercial Unit" -	Any Unit designated as a Commercial Unit in the Declaration and all such Commercial Units are collectively referred to as the "Commercial Units."
"Commercial Unit Owners" -	The owner or owners of the Commercial Units.
"Common Charges" -	Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
"Common Elements" -	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses" -	Refers to the General Common Elements, the Residential Common Expenses and the Commercial Common Expenses.
"Common Interest" -	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium" -	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering

Plan "Condominium" specifically refers to The 62 Cooper Square Condominium.

- "Condominium Act" - Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- "Condominium Documents" - The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
- "Declaration" - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- "First Unit Closing" - The first closing of title with a bona fide Purchaser of a Unit.
- "Floor Plans" - The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
- "General Common Charges" - Assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.
- "General Common Elements" - The Land and all parts of the Building, including its foundations, roofs and support, other than the Units, the Residential Common Elements, the Residential limited Common Elements and the Commercial Common Elements.
- "General Common Expenses" - Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.
- "Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

- "Land" - All that certain tract, plot, piece and parcel of land situate, lying and being in the City of New York, New York, County, State of New York, as more particularly described in Schedule A to the Declaration.
- "Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
- "Majority" - Majority of Unit Owners means either (i) more than fifty per cent in Common Interest in the aggregate, or (ii) more than fifty per cent in number of Units in the aggregate, or (iii) more than fifty per cent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
- "Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
- "Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

- "Open Space Areas" - The common terrace areas on the roof and on the second floor.
- "Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
- "Permitted Mortgage"- Refers to a mortgage placed on a Unit made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee or the Seller of the Unit.
- "Permitted Mortgagee"- Refers to the holder of a Permitted Mortgage.
- "Person" - A natural person, corporation, partnership, association, trustee or other legal entity.
- "Power of Attorney" - The document, signed by Unit Owners, which appoints:
- (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.
 - (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.
- "Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
- "Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase any Unit and is not in default thereunder.

- "Recording officer" and
"Recording" or
"Recorded" - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
- "Residential
Board" - The board of managers representing the Residential Unit Owners.
- "Residential
Common Charges" - Assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting (a) the cost of the Residential Common Expenses and (b) each Residential Unit Owner's pro rata share of the General Common Expenses.
- "Residential
Common Elements" - Those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.
- "Residential
Common Expenses" - The costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration, improvement, alteration and addition to the Residential Common Elements and/or the Residential Limited Common Elements (to the extent that such expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which the Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefitting the Residential Section or the Residential Unit Owners.
- "Residential
Common Interest" - The proportionate undivided interest, expressed as a numerical percentage, in the Residential Common elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.
- "Residential
Limited Common
Elements" - Those Residential Common Elements which serve or benefit exclusively one or more but not all the Residential Units and/or the

Residential Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.

“Residential
Section”

- The Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

“Residential
Unit”

- Any of the twenty-six (26) residential units in the Building designated as such in the Declaration. The term “Residential Units” shall mean more than one or all of the Residential Units, as hereinabove described, all of which Units are permitted to be occupied only as joint living-work quarters for artists.

“Residential
Unit Owner”

- Any owner of a Residential Unit, and all such owners are, collectively, referred to as “Residential Unit Owner.”

“Rules and
Regulations”

- The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

“Selling Agent”

- Stribling Marketing Associates, or any successor selling agent at the time in question.

“Sponsor”

- The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; C-Squarewood LLC, is the Sponsor of this Offering Plan.

“Sponsor-designee”

- Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

- “Unit” - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a terrace.
- “Unit Deed” - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
- “Unit Designation” - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the unit in the Declaration and on the Floor Plans.
- “Unit Owner” - The person or persons, or entity owning a Unit in fee simple absolute.
- “Unsold Units” - Any Unit owned by Sponsor or its designee at the time in question.

SCHEDULE A

52-54 COOPER SQUARE AND
56-62 COOPER SQUARE

Price Schedule and Estimated Carrying Costs
for Each Unit for February 1, 2001 to January 31, 2002
the Projected First Year of Condominium Operation (1)

Unit No.	Tax Lot	Approximate Interior Sq. Ft. (2)	Approximate Terrace Sq. Ft. (2)	Price Per Sq. Ft.	Offering Price (3)	Percent of Common Interest Residential (4)	Percent of Common Interest Total (4)	Estimated Monthly Common Charges (5)	Estimated Monthly Real Estate Taxes (6)	Estimated Total Monthly Carrying Costs
RESIDENTIAL UNITS:										
2nd Fl. - 52-54 Cooper 2-T	1001	2,751		\$	\$ 636	3.1876%	2.5686%	\$ 1,443	\$ 1,262	\$ 2,706
	1002	6,705	950	\$	\$ 589	7.3012%	5.8834%	\$ 3,306	\$ 2,892	\$ 6,198
3rd Fl. - 52-54 Cooper 3A	1003	3,079		\$	\$ 680	3.4922%	2.8141%	\$ 1,581	\$ 1,383	\$ 2,964
	1004	2,571		\$	\$ 558	2.9729%	2.3956%	\$ 1,346	\$ 1,177	\$ 2,524
	1005	2,968		\$	\$ 521	3.3788%	2.7226%	\$ 1,530	\$ 1,338	\$ 2,868
	1006	1,603		\$	\$ 490	1.9833%	1.5982%	\$ 898	\$ 786	\$ 1,684
	1007	2,571		\$	\$ 593	2.9729%	2.3956%	\$ 1,346	\$ 1,177	\$ 2,524
	1008	2,968		\$	\$ 548	3.3788%	2.7226%	\$ 1,530	\$ 1,338	\$ 2,868
	1009	1,603		\$	\$ 502	1.9833%	1.5982%	\$ 898	\$ 786	\$ 1,684
	1010	2,548		\$	\$ 622	2.9494%	2.3766%	\$ 1,335	\$ 1,168	\$ 2,504
	1011	4,952		\$	\$ 535	5.4070%	4.3570%	\$ 2,448	\$ 2,141	\$ 4,590
	1012	2,571		\$	\$ 659	2.9729%	2.3956%	\$ 1,346	\$ 1,177	\$ 2,524
	1013	3,073		\$	\$ 635	3.4861%	2.8091%	\$ 1,578	\$ 1,381	\$ 2,959
	1014	1,603		\$	\$ 590	1.9833%	1.5982%	\$ 898	\$ 786	\$ 1,684
	1015	2,548		\$	\$ 687	2.9494%	2.3766%	\$ 1,335	\$ 1,168	\$ 2,504
	1016	4,961		\$	\$ 655	5.4162%	4.3644%	\$ 2,452	\$ 2,145	\$ 4,598
	1017	6,762	1,024	\$	\$ 880	7.3620%	5.9323%	\$ 3,333	\$ 2,916	\$ 6,249
	1018	2,181		\$	\$ 791	2.5742%	2.0743%	\$ 1,166	\$ 1,020	\$ 2,185
	1019	2,618		\$	\$ 800	3.0210%	2.4343%	\$ 1,368	\$ 1,196	\$ 2,564
	1020	1,452		\$	\$ 844	1.8290%	1.4738%	\$ 828	\$ 724	\$ 1,553
	1021	4,785		\$	\$ 835	5.2362%	4.2194%	\$ 2,371	\$ 2,074	\$ 4,445
	1022	1,467		\$	\$ 971	1.8443%	1.4852%	\$ 835	\$ 730	\$ 1,566
	1023	6,759		\$	\$ 851	7.2542%	5.8455%	\$ 3,285	\$ 2,873	\$ 6,158
PENTHOUSE-52-54 Cooper	1024	4,506	1,904	\$	\$ 1,049	5.1457%	4.1454%	\$ 2,330	\$ 2,038	\$ 4,368
PENTHOUSE-A	1025	3,392	1,080	\$	\$ 1,430	3.9226%	3.1609%	\$ 1,776	\$ 1,554	\$ 3,330
PENTHOUSE-B	1026	5,356	1,718	\$	\$ 1,587	5.9956%	4.8313%	\$ 2,715	\$ 2,375	\$ 5,089
TOTAL RESIDENTIAL:		88,353	6,676	\$	\$ 788	100.0000%	80.5807%	\$45,279.88	\$ 39,605	\$ 84,885
COMMERCIAL UNIT (A):										
A *	1000	32,805			n/a	n/a	19.4193%	\$2,195.12	n/a	\$ 2,195
TOTAL:		121,158				100.0000%	100.0000%	\$47,475.00	\$39,605	\$ 87,080

(T) Denotes Unit with Individual Terrace.

NOTES:

NOTES TO SCHEDULE A

1. Amounts are projected on the assumption that the first year of condominium operation will be the year from February 1, 2001 to January 31, 2002. The actual first year of condominium operation may be earlier or later than that year.
2. Any floor plan or sketch shown to a prospective purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the affected Purchaser(s) the right, for at least fifteen days, to rescind their Purchase agreements and receive a refund of their down payments, together with all interest earned thereon.

The square foot area of the Units set forth in the floor plans and in Exhibit B to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure condominium apartments.

Each unit will consist of the area measured horizontally from the centerline of the Unit side of the glass or the centerline of the exterior wall (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the wall separating one Unit from another Unit, corridors, stairs and other mechanical equipment spaces or any Common Elements; or to the centerline of the glass of the opposite exterior walls or the centerline of the exterior walls.

3. Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Purchase Agreements, so Purchasers may pay different prices for similar Units. See "Changes in Prices and Units" for further discussion. In addition to paying the purchase prices of their Units, Purchasers will be responsible for paying certain closing adjustments and closing costs (see "Unit Closing Costs and Adjustments" for further discussion).
4. The Common Interest of each Unit has been determined, pursuant to Section 339-I(1) (iv) of the Condominium Act, based upon equal percentages within separate classifications of Units as of the date of the filing of the Declaration. In accordance with such method of calculation, the Common Interest have been determined based primarily upon a comparison of the floor areas of the Units, such as 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 the Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. One hundred (100%) percent of grade space, fifty (50%) percent of

- ... f. real estate taxes (see footnote 6 below).
6. The projection of the real estate taxes that will be payable for each of the Residential Units and Commercial Unit during the first year of condominium ownership is based upon an estimate that the aggregate real estate taxes for the Units for such first year will be approximately \$475,260 attributable to the Residential Units. The Commercial Unit may obtain an ICIP tax exemption which will have no application to the Residential Units. This estimate has been based upon the estimate made by Koeppel Tener Real Estate Service, Inc., Sponsor's real estate tax appraiser, which assumes (a) an assessed valuation upon completion attributable to the Residential Section of \$4,294,046 for the 2001/02 tax year and (b) a projected tax rate of \$11.068 per \$100 of assessed valuation.

No warranty, guaranty or assurance is given that:

- (i) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the first year of condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the projection of the average real estate tax rate that will be in effect during such first year; and the rate of construction progress on January 1, 2001, which will determine the real estate taxes between July 1, 2001, and June 30, 2002), will approximate the actual amount; or
- (ii) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by Koeppel Tener Real Estate Services, Inc., for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above;
- (iii) any of the projections or estimates made above and in Schedule A are accurate.

Until the Units are separately assessed, each Unit Owner will pay to the Board their Unit's pro rata share of the Property's real estate taxes for the period in question based upon Common Interest. This pro-ration will be made by allocating the property's taxes. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the pro-ration of taxes described in the paragraph above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above.

Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinion of the Seiden & Schein, P.C. set forth in Part I of the Plan for further discussion regarding real estate taxes for the Residential Section.

In the opinion of Seiden & Schein, P.C., counsel to Sponsor, the tax laws existing on the date of this Plan in general permit a Residential Unit Owner who itemizes his deductions to deduct from income for the purposes of Federal, New York State and New York City income taxes, any real estates taxes actually paid by such Unit Owner with respect to his Unit. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Unit Owner (which might result from changes in the assessed valuation of the unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium", as well as to the "Counsel's Income Tax Opinion", for further discussion.

SCHEDULE B

**52-54 COOPER SQUARE AND
56-62 COOPER SQUARE**

**Projected Budget for First Year of Condominium Operation
February 1, 2001 to January 31, 2002 (Note 1)**

ESTIMATED INCOME

Common Charges	
Residential Units (Note 2)	\$543,359
Commercial Unit (Note 2)	<u>\$26,341</u>
Total Estimated Income	\$569,700

ESTIMATED EXPENSES	<u>Residential Units</u>	<u>Commercial Unit</u>	<u>Total</u>
Payroll and Related Expenses (Note 3)	\$222,936	\$2,064	\$225,000
Heat/Hot Water (Note 4)	\$73,308	\$16,092	\$89,400
Electricity/A.C. (Note 5)	\$110,700	\$0	\$110,700
Water Charges and Sewer Rent (Note 6)	\$5,800	\$0	\$5,800
Repairs & Maintenance and Supplies (Note 7)	\$28,890	\$1,110	\$30,000
Service Contracts (Note 8)	\$24,608	\$392	\$25,000
Insurance (Note 9)	\$18,374	\$4,426	\$22,800
Management Fee (Note 10)	\$33,705	\$1,295	\$35,000
Legal and Audit Fees (Note 11)	\$9,630	\$370	\$10,000
Administrative Items (Note 12)	\$4,815	\$185	\$5,000
Reserve for Contingencies (Note 13)	\$9,630	\$370	\$10,000
Income Taxes (Note 14)	<u>\$963</u>	<u>\$37</u>	<u>\$1,000</u>
Total	\$543,359	\$26,341	\$569,700

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

NOTES TO SCHEDULE B

1. Amounts are projected on the assumption that the first year of Condominium operation will be the year from February 1, 2001 to January 31, 2002. The actual first year of Condominium operation may be earlier or later than that year. In the event the actual or anticipated commencement date of the first year of Condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within fifteen days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Down Payments returned, together with interest earned thereon.
2. These figures represent the total Common Charges to be levied against and collected from the Residential and Commercial Units during the first year of condominium operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Common Charges have been allocated among the Residential Units and the Commercial Unit either (a) on the basis of Common Interest (80.5808% aggregated, but shared pro-rata for the Residential Units and 19.4192% for the Commercial Unit), (b) on the basis of the relationship between the Commercial Unit and the 26 Residential Units, (96.3% for the Residential Units and 3.7% for the Commercial Unit) or (c) 100% to the Residential Units and 0% to the Commercial Unit, depending on the anticipated usage of the budgeted item.
3. Payroll and Related Expenses: \$225,000

Unless otherwise noted in these footnotes, for purposes of estimating all payroll costs in Schedule B, it has been assumed that employees will be non-union. All wage, salary and benefit costs, including applicable payroll taxes, are based on comparable rates currently in effect within similar buildings as of the date of the Plan.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, and vacation pay.

The level of staffing described in this Section B complies with all applicable housing and labor laws.

No warranty is made as to the actual wages, salaries, benefits and related payroll taxes and similar expenses which will be applicable and in effect during the first year of condominium operation. However, the projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings.

The wage and salary estimates included in Common Expenses are detailed as follows:

1 Superintendent	\$58,600 per annum (\$34,600 salary – \$24,000 for housing)
4.2 Concierge/Doormen	\$128,800 per annum (\$30,700 per employee)
1 Porter	\$35,100 per annum (\$35,100 per employee)

No warranty is made to the actual base wage rates which will be required during the first year of operation.

In order to comply with the Multiple Dwelling Law-Title D of Chapter 26 of the Administrative Code of the City of New York, the Condominium Board must provide housing for the superintendent within a distance of 1 block or 200 feet of the building. The cost of such housing is estimated for the first year at \$2,000 per month or \$24,000 per annum.

The following schedule sets forth a detailed breakdown of the anticipated wage costs:

SCHEDULE OF LABOR COSTS ASSUMING NON-UNION EMPLOYEES		
Employee:		Total Costs
Superintendent		
Base Wage	\$500 per week	\$26,000
FICA @ 7.65%		\$1,989
FUI & SUI @ 7% of \$7,000 per empl.		\$490
Disability @ \$7.90/empl./month		\$95
Medical	\$6,000 per year	\$ 6,000
TOTAL:		\$34,574
Housing for Superintendent		
Rent for off-site apartment	\$2,000 per month	\$24,000
4.2 Doorman/Concierge		
Base Wage	\$430 per week	\$93,912
FICA @ 7.65%		\$7,184
FUI & SUI @ 7% of \$7,000 per empl.		\$2,058
Disability @ \$7.90/empl./month		\$398
Medical	\$6,000 per year	\$25,200
TOTAL:		\$128,752
1 Porter		
Base Wage	\$510 per week	\$26,520
FICA @ 7.65%		\$2,029
FUI & SUI @ 7% of \$7,000 per empl.		\$490
Disability @ \$7.90/empl./month		\$95
Medical	\$6,000 per year	\$6,000
TOTAL:		\$35,134
TOTAL LABOR AND HOUSING COSTS:		\$222,460
SAY:		\$225,000

The costs have been allocated based on 3.7% of the Superintendent's salary (exclusive of housing) and handymen's salary to the Commercial Unit with the Residential Units responsible for the remainder on the basis of Percentage of Common Interest in the Residential Section.

4. Heat: \$89,400

Heating will be provided in the residential units by new cast iron radiators located below the southeast and northeast corners of the building. To maintain water temperature of 70 degrees F, the new boiler plant will consist of two gas-fired, sectional cast iron, low-pressure steam boilers, with a 3,750 MBH capacity each and a boiler feed unit with duplex vacuum and condensate pumps. It is estimated that 185,619 therms will be consumed for both cooking and space heating of the entire building during the first year of operation.

The total gas cost for heating water for domestic use is estimated at \$5,300 for the building's first year of operation. The heating equipment use is estimated to be \$84,100 for the building's first year of operation. This cost includes the appropriate taxes and estimated growth factor. The budgeted figures are based upon an analysis prepared by Albert Collado, P.E as of April 25, 2000.

The cost of the Common Area gas estimated for the Building has been allocated 80.5808% to the Residential Units and 19.4192% to the Commercial Unit based upon their respective Percentages of Common Interest.

It is impossible to predict whether the budgeted figure will reflect the actual cost of operation for the first year of condominium operation. This cost will vary with both the level of consumption of hot water and the tariff rate charged by the utility company. The level of consumption of fuel will be affected by the severity of the weather and any conservation measures (such as staggering the hours of heating, and room temperature settings in the apartments and common areas) adopted by the Board.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of fuel during the first year of condominium operation. However, no budget item is warranted.

5. Electricity/A.C.: \$110,700

The amount set forth is primarily the estimate for the electricity consumed by the Common Elements, since the electricity for each Residential Unit and the Commercial Unit will be separately metered. The amount set forth in Schedule B for electricity is based on the estimate and projections of consumption for all Common Elements inclusive of common area lighting, chiller, corridor ventilation, toilet exhaust, pumps and elevators, as described in a memo, dated April 25, 2000, including estimates from Albert Collado, P.E., which reflects for a total first year

estimated annual consumption of approximately \$110,700. The estimated cost is based upon current Con Edison rates (\$0.15/kwh) as adjusted for projected cost increases and appropriate taxes, and an estimated 671,000 KWH consumption factor.

The Residential Unit owners will consume 100% of the Common Area electricity costs which, have been allocated on the basis of Percentage of Common Interest in the Residential Section.

In view of the varying costs of energy, it is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred during the first year of condominium operation although it is believed that reasonable provisions for increased costs have been made. The actual cost for electricity will vary depending upon various factors, including the amount of consumption, the severity of the weather, conservation measures, if any, adopted by the Board or individual residents, the rates of the utility company (which fluctuate periodically), and the possibility of changes in the methods of calculating charges by the utility company.

6. Water Charges and Sewer Rent: \$5,800

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building. Because the Building is in the process of being re-constructed, it has no operational history upon which to base such a projection. It is projected that the Building will be charged on a per square foot or street frontage method. The amount set forth in Schedule B for water and sewer charges is based on the estimate and projections of consumption for all Common Elements as described in a memo, dated April 25, 2000, including estimates from Albert Collado, P.E., which reflects for a total first year estimated annual consumption of approximately \$5,800. The estimated cost is based upon current rates (\$0.0337/cu.ft.) as adjusted for projected cost increases and appropriate taxes.

It is believed that the budgeted amount should be sufficient to cover any reasonable increase in the cost of utilities during the first year of Condominium operation. However, no budget item is warranted.

The Commercial Units shall be separately sub-metered for water usage. The water & sewer cost has therefore been 100% allocated to the Residential Units on the basis of Percentage of Common Interest in the Residential Section.

7. Repairs & Maintenance and Supplies: \$30,000

This figure represents the estimated cost for ordinary maintenance and repairs of the Common Elements; including periodic painting and supplies such as cleaning supplies, lubricants, bulbs, fixtures, hardware, rubbish bags, etc. used in connection with the operation of the Common Elements.

The figure is based on the cost of maintenance in comparable buildings. Each residential unit owner will be responsible for the cost of interior maintenance, repairs, painting, etc. of their respective unit. Given that the property will be fully renovated representing a building with new mechanicals and improvements, we have estimated a relatively low-end cost for repairs & maintenance and supplies equal to \$.25 per square foot of above-grade building area which translates into a first year expense of approximately \$30,000.

Repairs and Maintenance expenses have been allocated 96.3% to the Residential Units and 3.7% to the Commercial Unit.

While this Schedule B includes a reasonable allowance for possible increases in cost which may occur prior to and during the first year of condominium operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

8. Service Contracts: \$25,000

It should be noted that no service contracts have been entered into as of the date of the Plan. However, it is anticipated that the service contracts for the following items will be entered into at the following estimated costs during the first year of condominium operation:

<u>Service Contract</u>	<u>1st Year Cost</u>
Boiler Maintenance & Service	\$ 2,400
Elevator Service	\$14,400
Sprinkler System Service	\$ 500
Air conditioning Service	\$ 3,500
Exterminator Service	<u>\$ 4,200</u>
TOTAL:	\$25,000

The total estimated cost for service contracts during the first year of condominium ownership is \$25,000. A fee for the projected management agreement is included separately under item #10.

The service contracts involving space utilized by the Commercial Unit include the boiler maintenance, sprinkler system, air conditioning system and exterminator. These four service contract expenses have been allocated 3.7% to the Commercial Unit and 96.3% to the Residential Units. The elevator service contract has been allocated 100% to the Residential Units.

9. Insurance: \$22,800

The insurance premiums are based on the memo, dated September 22, 2000 from Vanderbilt Properties located at 40 Broad Street, New York, New York, setting forth the following coverages:

<u>Coverage & Perils</u>	<u>Estimated Amount</u>
PROPERTY	
Carrier	Royal
Total Insured Value (TIV) *	\$13,122,600
Building:	Included in Blanket
Rents:	Included in Blanket
Contents:	Included in Blanket
Backup of Sewers & Drains:	Included in Blanket
Ordinance or Law:	Building Limit
Flood:	\$10,000,000 Loc & Agg
Earthquake:	\$10,000,000 Loc & Agg
Transit:	\$ 1,000,000/Occurrence
Unnamed Locations:	\$ 5,000,000/Occurrence
Extended Indemnity:	180 Days
* Property Values for (TIV) Determination:	\$13,122,600
Building Value:	\$12,122,600
Approximate	
Rents/Maintenance Income:	\$ 600,000
Contents:	None

PRIMARY LIABILITY

Carrier:	General Accident
Primary Liability:	\$1,000,000/Occurrence
	\$2,000,000/Aggregate
Automobile Non-Ownership & Hired Car:	\$1,000,000/Occurrence
Garage Liability:	Not Included
Garage Keepers Liability:	Not Included

DEDUCTIBLES

Backup of Sewers & Drains:	\$ 2,500
Flood:	\$10,000
Earthquake:	\$10,000
All Other Property Perils:	\$ 2,500
Water Damage Legal Liabilities:	\$ 1,000
All Other Liability:	\$ 0

BOILER & MACHINERY

Carrier:	Hartford Steam Boiler
Limits:	
Property Damage:	\$50,000,000
Business Interruption:	Included Above
Deductibles	
Property Damage:	\$2,500
Business Interruption:	12 hours

FIDELITY (EMPLOYEE THEFT)

Carrier:	Hartford Insurance Co.
Limit:	\$250,000/Occurrence
Managing Agents Rider:	Full Limit
Deductible – All Perils:	\$1,000

UMBRELLA LIABILITY

Carrier(s):	Various
Limit:	\$200,000,000/Occurrence
	\$200,000,000/Aggregate
Self Insured Intention:	\$10,000

EXCESS DIRECTORS AND OFFICERS LIABILITY*

Carrier	Various
Limit:	\$200,000,000/Occurrence
	\$200,000,000/Aggregate

*includes excess EPLI

PRIMARY DIRECTORS & OFFICERS LIABILITY

Carrier:	Federal Insurance Company (Chubb)
Limits:	\$1,000,000/Occ/Agg
Managing Agents Extension:	\$1,000,000 Occ/Agg
DEDUCTIBLES	
Each Insured Director or Officer:	\$2,500 Coop/\$1,000 Condo
All Insured Directors or Officers:	\$2,500 Coop/\$1,000 Condo
Insured Association:	\$2,500 Coop/\$1,000 Condo

WORKER'S COMPENSATION

Carrier	Paramount Insurance Company (PSM)
Limits:	Statutory

STATUTORY NYS DISABILITY

Carrier	Zurich Insurance Company
Limits	Statutory

ESTIMATED TOTAL ANNUAL COST:	\$22,794.00 (including NYS Fire Fees)
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Note: This is only a general description of coverages provided. For a detailed description of the terms of a policy, you must refer to the policy itself. This proposal is dependent upon the receipt of acceptable loss information and loss control surveys.

The total premium for these various coverages is estimated at \$20,000. This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners. This premium waives the coinsurance requirement.

This quotation is an indication of insurance premiums at current rates. This quote also assumes the renovation of the building is complete and a clean inspection report results. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the first year of Condominium operation. Purchasers should be aware of the possible of rate increases.

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium.

The fire, casualty and general liability insurance carried by the Condominium will provide that each Unit Owner is an additional insured party.

Insurance expenses have been allocated among all Units on the basis of Percentage of Common Interest.

10. Management Fee: \$35,000

There is no management agreement in place as of the date of the plan. However, one is anticipated to be entered into at or before the First Closing with a local management firm. The estimated cost for the first year management fee is \$35,000. This falls within market standards for condominium apartment buildings with of similar size and type located within Manhattan. This management fee includes billing & collection services, day-to-day phone availability, on-site inspections and attendance at board meetings. In the opinion of Brown Harris Stevens Appraisal & Consulting, LLC, the Managing Agent's fee for the first year of condominium operation is comparable to the fees charged for such services at similar buildings. Reference should be made to "Management Agreement" in Part I for further discussion of the terms of the Management Agreement.

The management fee will be allocated 3.7% to Commercial Unit and 96.3% to Residential Units.

11. Legal and Audit Fees: \$10,000

This expense involves the auditing fees associated with preparation of the condominium's first year certified financial statements, as well as an allowance is also provided for possible miscellaneous legal services. The auditing fee has been estimated at a total first year annual cost of \$5,500 based upon a proposal received from Prisan-Newman, Certified Public Accountants located at 6851 Jericho Turnpike, Suite 225, Syosset, New York.. The remaining \$4,500 has been allocated to possible legal fees. Auditing and legal fees have been allocated 96.3% to the Residential Units and 3.7% to the Commercial Unit.

12. Administrative Items: \$5,000

This expense is to cover miscellaneous fees associated with operation of the Condominium inclusive of administrative fees, bank fees, permit fees, and/or license fees.

The cost has been allocated 96.3% to the Residential Units and 3.7% to the Commercial Unit.

13. Reserve for Contingencies: \$10,000

This amount is to cover possible increases in expenses not now foreseen and for expenses not included. The budget may be modified from time to time prior to commencement of, or during, the first year of condominium operation to increase items of expenses and decrease the contingency reserve. The reserve cost has been allocated 96.3% to the Residential Units and 3.7% to the Commercial Unit.

14. Income Taxes: \$1,000

This amount is to cover for both City and State income taxes which are estimated to be payable as the Condominium will be treated as a taxable association. The Condominium may deduct expenses incurred as a result of the maintenance and operation of the building against income resulting in little or no tax liability for the first year of operation. However, we have applied a minimal amount of \$1,000 for potential tax liability for the first year of operation. It should be noted that if the building operates at a profit, with its expenses lower than anticipated, federal income taxes may be payable. However, this potential expense has been included under contingencies in Note 13. The income tax cost has been allocated 96.3% to the Residential Units and 3.7% to the Commercial Unit.

NOTE 1: Sponsor has reserved the right to enter into service, maintenance, employment and other agreements that will be binding on the Board of Managers upon commencement of condominium operation. However, sponsor may not enter into any binding service, maintenance, employment, and other agreement that will materially increase the first year's projected common charges or that will be binding on the Board for a period of more than two (2) years from the commencement of condominium operation, unless disclosed in an amendment.

In the opinion of Brown Harris Stevens Appraisal & Consulting, LLC, the projected income for the Condominium is adequate to meet the estimated expenses for the first year of condominium operation, assuming that such first year is the fiscal year commencing February 1, 2001. The budget, however, is not intended, and should not be taken, as a guaranty by anyone that the annual Common Charges or Common Expenses for the first or any subsequent year of operation of the Property will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the first year of condominium operation will vary from the amounts shown in the budget.

Board of Managers
The Carl Fischer Building and
52-54 Cooper Square Condominium
C/o Ms. Judith Halevi
C-Square Associates
111 Wooster Street
New York, New York 10012

April 17, 2000

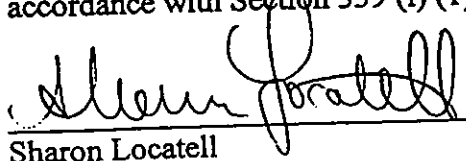
Re: 52-62 Cooper Square
New York, New York

Brown Harris Stevens is a full-service real estate company serving both the residential and commercial markets in New York City. Brown Harris Stevens has been engaged in management and sales in over 200 properties over the past 70 years. The undersigned has no beneficial interest in Sponsor or the profitability of the subject property.

The undersigned has reviewed the allocation of common interests as shown on the Schedule A to be included in the offering plan for the subject project.

The common interests have been allocated to each condominium unit 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 dimension of a particular unit, in accordance with Section 339 (i) (1) (iv) of the New York Real Property Law.

By:


Sharon Locatelli

Sworn to before me this
17th day of April, 2000


Notary Public

BRENN A. E. CLARKE
Notary Public, State of New York
No. 01CL5033953
Qualified in Westchester County
Commission Expires Sept. 28, 2006

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any purchase prices from the amounts shown in Schedule A of the Plan. The purchase prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. Purchase prices may be negotiated by Sponsor under certain circumstances. The Sponsor also reserves the right to negotiate with Purchasers the following aspects of the purchase price of Units: decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least \$1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party other than Sponsor will have the right to approve any changes in price, whether before or after the First Unit Closing.

If Sponsor changes the purchase price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of Units.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Subject to the terms of the last two paragraphs of this section, such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. No material change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

No adverse material change will be made in the size or quality of Common Elements unless Purchasers not in default receive a right to rescind for fifteen (15) days after the presentation of the exercise of such right.

The Sponsor also reserves the right to substitute for any of the materials specified in either the Alteration Plans, the Description of Property and Building Specifications, or elsewhere in the Plan materials of substantially similar or better quality. The Sponsor's intention is to use the materials, fixtures appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of substantially similar or better quality for any of those set forth in the specifications or otherwise in this Plan.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at 100%. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

This Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice.

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, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, Declaration and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

THE COMMERCIAL UNIT

There is one (1) Commercial Unit that occupies a portion of the Cellar and First Floor of both 52-54 Cooper Square and 56-62 Cooper Square, and the Mezzanine of 56-62 Cooper Square. The Commercial Unit includes all, or a portion of all equipment, apparatus and facilities located in such area or elsewhere in the Building which service, enclose, or benefit the Commercial Unit. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner.

Certain equipment, apparatus and facilities in the Building are considered Building Common Elements and are shared between the Commercial Section and the Residential Section. These Building Common Elements include, but are not necessarily limited to, condenser water distribution systems for air-conditioning, steam distribution systems for heating, waste, vent, and domestic water distribution lines and equipment for plumbing and switchgear and electrical conduits, conductors and appurtenances for electrical and communication services.

No representation is made with respect to: (a) the uses to which the Commercial Unit or any part thereof may be put at any time or (b) who will operate, or occupy as tenant, a Commercial Unit or any part thereof at any time. The Commercial Unit and the Unsold Residential Units may be used for any lawful purpose under the applicable building codes and zoning ordinances including (without limitation), as model Units, for a sales office or an office for the leasing, rental or management of one or more such Units, without any charge or fee by the Condominium Board, at such rents, and upon such terms and conditions, as Sponsor or the Unit Owner and any tenant(s) may agree. However, the Commercial Unit and Unsold Units may not be used for any noxious or immoral purpose.

Neither the Condominium Board nor the Residential Board will have any right to restrict or limit the method of operation, any uses or appearance of the Commercial Unit which are permitted by law and applicable building codes and zoning ordinances. The Commercial Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation of the Commercial Unit may be adopted or modified by the Condominium Board without the consent of the Commercial Board. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit.

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units, to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the closing of such Unit or six months after the execution date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the use and occupancy agreement and remove from the Building upon thirty (30) days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days.

Sponsor's right and its designee's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit from Sponsor or its designee on the same terms offered to the prospective tenant or occupant.

PROCEDURE TO PURCHASE

A. **Purchase Agreement.** A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute in duplicate a Purchase Agreement in the form in Part II and return it to the Sponsor, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the order of "Seiden & Schein, P.C., as attorneys." Seiden & Schein, P.C. shall be the "Escrow Agent" pursuant to the Purchase Agreement and Offering Plan. Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the 7th day subsequent to Purchaser's executing and delivering such Agreement. Those Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof, executed by the Sponsor, is delivered to Purchaser. In any such case, unless the Purchase Agreement, executed as aforesaid, is delivered to Purchaser within twenty (20) days after same is received by the Sponsor, it shall be deemed rejected and canceled and all monies paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon gender, race, creed, color, national origin or ancestry or other ground proscribed by law.

After this Plan is declared effective, the Sponsor shall fix dates for closing title to all Units for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required, to waive this thirty (30) day notice. At Closing, such Purchaser shall pay the balance of the purchase price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's check. However, such Purchaser may apply the proceeds of any financing obtained by such Purchaser, to make such payment, provided that it is made in the form stated above.

B. **Escrow.** All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the purchase price (due at the Closing) are to be made payable to the order of C-Squarewood, LLC or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

In accordance with Section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of Seiden & Schein, P.C. as Escrow Agent to hold all monies, including all deposits, Down Payments, deposits or advances, received by Sponsor, directly or through its agents, employees or agents (if any) either prior to or subsequent to the closing of title to a Unit ("Consummation of Plan"), in trust in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account (the "Escrow Account")." The name of Purchaser shall be added to the title of a sub-account of the Escrow Account, which shall be at Citibank, N.A. at its office located at 153 East 53rd Street, New York, New York. Such funds shall be deposited within five (5) business days after the Purchase Agreement is executed by all necessary parties and except as otherwise stated in the Plan, shall be held there until actually employed in connection with the consummation of this Plan. Seiden & Schein, P.C. is located at 570 Lexington Avenue, New York, New York 10022 (212-935-1400). The signatories on this special escrow account authorized to withdraw funds are the principal attorneys of the firm who are Jay G. Seiden, Esq., and Alvin Schein, Esq., both of whom are located at 570 Lexington Avenue, New York, New York 10022.

Section 71-a(3) of the Lien Law, as applicable herein, also provides in part for the following, although Department of Law regulations are more restrictive:

- (a) Down Payments shall be placed in an interest bearing account if so requested by Purchaser. Such downpayment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.
- (b) Down Payments will be retained in escrow as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in release or discharge of Sponsor's liability to refund such downpayment or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.
- (c) The Purchase Agreement shall contain the following:

"YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

Notwithstanding the above, Sponsor may only post a bond or indemnity contract in lieu of depositing the Down Payment in escrow provided it first obtains an exemption from the Department of Law under special circumstances. In the event Sponsor seeks and obtains such exemption, it will subsequently amend the Offering Plan prior to posting any bonds or indemnity

contracts.

The Down Payment will be held in an interest-bearing account, called a "Cash Reserve Account", provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The account is a variable-rate account, paying money market rates. The interest rate to be earned in the Cash Reserve Account will fluctuate daily and is currently is approximately 2.5% per annum. Interest will begin to accrue upon deposit of the Down Payment, which is to be made in accordance with the preceding paragraphs.

Citibank, N.A. is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. No fees of any kind from the account principal may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

Within ten (10) business days after tender of the Down Payment submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, the 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. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

The only other time monies received for the purchase of a Unit shall be disbursed from the Escrow Account are (a) at the closing of title to a Unit by such Purchaser; or (b) upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Down Payment to be released pursuant to an uncured default shall be released prior to the Consummation of the Plan. Any withdrawals or disbursement of funds from this special account or accounts shall be made only upon the written approval by an officer in the firm of Seiden & Schein, P.C., despite the fact that Citibank, N.A. may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to Closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payment. Any provision of any Purchase Agreement, 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 Offering Plan or in a Purchase Agreement. Please refer to Part II of the Offering Plan for a copy of the Escrow Agreement between Sponsor and the Escrow Agent.

The Escrow Agent will hold funds 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 escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the 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 the Escrow Agent in accordance with such provisions.

The Sponsor will not object to the release of the escrowed funds to

- (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (ii) all Purchasers after an Amendment abandoning the Plan is accepted for Filing by the Department of Law.

Purchasers and the 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. The 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 all other parties a copy of the application.

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan. If Purchaser shall fail to pay any portion of the purchase price when due, fail to close title on the date, hour and place specified by Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within twenty (20) days from the mailing date or fifteen (15) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies

held with respect to the particular Unit, but not more than ten percent (10%) of the purchase price, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event a default is disputed in writing by Purchaser to Seiden & Schein, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Seiden & Schein, P.C. shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

C. Power of Attorney. At the Closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers in the form contained in Part II of the Plan. The Power of Attorney grants broad powers to the Condominium Board and the Residential Board to enter into agreements affecting the General Common Elements and Residential Common Elements, as the case may be. The Power of Attorney also grants to Sponsor the right to amend the Declaration with respect to Unsold Residential Units and the Commercial Unit. Purchaser shall deliver such executed Power of Attorney to Seller or as directed by Seller at the Closing of title for recording and Purchaser shall pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

The Purchase Agreement and Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the closing of title to Purchaser's Unit.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Purchase Agreement shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or no reason.

Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Under no circumstances will Sponsor consent to an assignment of the Purchase Agreement in which the Purchaser will receive consideration. If Sponsor, in its sole discretion consents to a Purchaser's request for an assignment of the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the originally scheduled Closing Date set forth in the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, then the Purchaser shall be required to pay Sponsor's attorneys a fee of \$250.00, in advance, for preparation of an assignment agreement and any necessary revisions to the other Closing documents.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of four (4) Residential Units, which represent a minimum of at least fifteen percent (15%) of the Residential Units offered under the Plan.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of twenty-one (21) Residential Units, which represents a minimum of at least eighty (80%) percent of the Residential Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty (80%) percent of the Residential Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment. The Sponsor may not abandon the Plan after the amendment substantiating effectiveness is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, or (ii) work orders of a mortgagee or violations that cannot be cured for less than one-half of one percent of the total amount of the offering, or (iii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering, or (iv) the taking of any material portion of the Property by condemnation or eminent domain. There will be no obligation on the part of the Sponsor to incur expense or engage in litigation to cure title defects.

The Plan will be declared effective by the mailing or personal delivery of written notice to all purchasers. Within three (3) business days after such notice is given an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in Schedule A, as such prices may be changed by the Sponsor as set forth on page in the section of the Plan entitled "Changes in Prices and Units" in Part I, and will include the respective undivided interests in the Common Elements. At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit. Title to the Unit and its appurtenant interests in the Common Elements will be conveyed as directed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than those set forth below. The form of Unit deed is set forth in Part II of the Plan.

1. Survey made by Peter C. Hansen dated November 14, 1969 as last updated by visual examination of the premises made by Earl B. Lovell-S.P. Belcher, Inc., on April 7, 1999;
2. Any additional state of facts an updated survey might show, provided same will not materially interfere with the use and enjoyment of the Units by Purchasers;
3. Zoning Lot Description and Ownership Statement;
4. Title Company Zoning Lot Certification ;
5. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure (as renovated by Sponsor) the contemplated use under the Plan;
6. The Property is located in the NOHO Historic District, which was created on June 29, 1999. The Property is, accordingly, subject to the restricted use as provided in the New York City Charter, Chapter 8-a Section 205-1.0 to Section 207-21.0;
7. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;
8. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building,

or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

9. Lotline Window Declaration created for the purpose of setting forth the conditions under which lotline windows on floors three through twelve on the north-facing wall of the building known as 56-62 Cooper Square must be closed with construction in order to meet the requirements of the Building Code. Purchasers should note that Units 3-A, 4-A, 5-A, 6-A, 7-A, 8-A, 9-A, 10-A, 11-A and 12-A in 62 Cooper Square will contain lotline windows on the north-facing wall of the Building. Unit PH-A will contain windows (not lotline) which face to the north. It is highly probable that a building will be constructed in the near future on the adjacent lot to the north of the Building which may obstruct north-facing views from the Building. In addition, in the event a building is constructed on the adjacent lot within a distance of less than sixty (60) feet in a direct line (whether horizontally, vertically or diagonally) of any of the lotline windows, the Building Code requires that the lotline window openings be closed. If the Building Code requires that some or all of the lotline window openings be closed, the cost to close such window openings will be borne by the Residential Section of the Condominium, as a Common Expense of the Residential Section. Currently, the approximate cost of sealing window openings is \$1,000.00 per window. No estimate can be made as to the cost of sealing window openings in the future. Purchasers should also note that the lotline windows may not be used to meet the legal light and air requirements for bedrooms;
10. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;
11. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;
12. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;

13. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;
14. Any easement created in favor of Sponsor, Sponsor's designees, successors and/or assigns to paint, erect, maintain, repair and replace a sign or signs on the north-facing exterior wall of the building known as 56-62 Cooper Square for the purpose of advertising (see Section entitled "Rights and Obligations of Sponsor" for further discussion);
15. Service, maintenance and union contracts and agreements, if any, in effect on the date of the First Unit Closing;
16. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;
17. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent legal use of the Condominium Units at the Property nor prevent the existence of the present structure;
18. Beams and beam rights, party walls and party wall agreements;
19. Any service contracts to be assumed by the Condominium at the First Unit Closing;
20. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at Closing);
21. Any Sidewalk Notices of record (provided that Sponsor shall indemnify and hold harmless the Condominium Board from damages associated with any liens which arise from such Sidewalk Notices);
22. Any variations between tax lot lines and lines of record title;

23. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to its Unit.

Closings of title shall take place concurrently with or after the following events have occurred:

- (1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy covering the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire Building within two (2) years subsequent to the First Unit Closing, upon satisfaction of all criteria necessary to obtain a permanent Certificate of Occupancy. If, at the time of Closing of title to a Unit Sponsor has only obtained a temporary Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with Sponsor's attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined. The Sponsor shall renew or extend the temporary Certificate of Occupancy, as necessary until a permanent Certificate of Occupancy has been issued.
- (2) The recordation in the New York County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said office of floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;
- (3) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest and the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law;
- (4) The serving by personal delivery or ordinary mail to the Purchaser written notice of the Closing date not less than thirty (30) days prior to Closing of title, unless

Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and

- (5) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that Sponsor has satisfied, or will satisfy prior to Closing of title, all of the requirements of this section titled "Terms of Sale."

At the Closing of title to a Unit, Sponsor will deliver to each Unit Owner any manufacturer's warranties with respect to equipment and appliances, if any, installed within such Unit. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers and/or Unit Owner, as the case may be, at the First Unit Closing or promptly thereafter.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit except as stated in the section of the Plan entitled "Rights and Obligations of Sponsor." Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the Closing of title should obtain casualty insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his insurance needs.

All personal property located within the Unit that is owned by the Sponsor and which is described in this Plan in the Purchase Agreement is included in the conveyance to the Unit Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

The estimated Closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change.

- a. Payment to Royal Abstract of New York LLC, of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Fee title insurance rates, as quoted by Royal Abstract of New York LLC, as of the date of this Plan are as follows: a base rate of \$371.00 for the first \$35,000.00 coverage; \$6.16 per additional thousand dollars of purchase price up to \$50,000.00, plus \$5.02 per thousand dollars of purchase price in excess of \$50,000.00 up to \$100,000.00, plus \$4.03 per thousand dollars of purchase price in excess of \$100,000.00 up to \$500,000.00; plus \$3.68 per thousand dollars of purchase price in excess of \$500,000.00 up to \$1,000,000.00; plus \$3.38 per thousand dollars of purchase price in excess of \$1,000,000.00 up to \$5,000,000.
- b. Recording fee for recording the deed and power of attorney of approximately \$135.00.
- c. If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:
 1. Legal fees of the lending institution's attorney;
 2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Royal Abstract of New York LLC, as of the date of this Plan will cost a base rate of \$318.00 for the first \$35,000.00 in coverage; \$5.13 per additional thousand dollars of coverage up to \$50,000.00, plus \$4.19 per thousand dollars of coverage in excess of \$50,000.00 up to \$100,000.00, plus \$3.36 per thousand dollars of coverage in excess of \$100,000.00 up to \$500,000.00, plus \$3.06 per thousand dollars of coverage in excess of \$500,000.00 up to \$1,000,000.00, plus \$2.82 per thousand dollars of coverage in excess of \$1,000,000.00 to \$5,000,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, fee insurance coverage rates shall be discounted;
 3. A mortgage recording tax of 1.75% of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a mortgage

recording tax of 2% of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in the amount of less than \$500,000.00. The mortgage recording tax for mortgages in the amount of \$500,000.00 or more is 2.125% after the \$25.00 deduction on the first ten thousand dollars of mortgage amount. Lenders are required to pay one quarter of one percent of the 2% tax, or 2.125% tax, as the case may be, thereby reducing Purchaser's cost to 1.75% less \$25.00 or 1.875% less \$25.00, as the case may be. If a mortgage tax credit is available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of the Sponsor, Purchasers will therefore be required to reimburse Sponsor, at Closing, to the extent of any mortgage tax credit allowed.

4. Recording fee for recording of the mortgage, approximately \$120.00;
 5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution.
- d. New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to single Residential Units which are sold for \$500,000.00 or less, and 1.425% of the purchase price where the consideration is greater than \$500,000.00. Although it is often customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below, it is now customary in condominium development projects in the New York Metropolitan area, for the Purchaser to pay such transfer taxes. Under this Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a Closing cost. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Unit, so that the effective tax rate is 1.014% of the purchase price where the purchase price is \$500,000.00 or less and 1.451% where the purchase price is \$500,000.00 or more.

The New York City Department of Finance has taken the position that when a Purchaser purchases two or more Units, the New York City Transfer Tax will be 1.425% where the consideration \$500,000.00 or less and 2.625% where the consideration is greater than \$500,000.00.

- e. New York State Transfer Taxes (deed stamps), which are currently at the rate of \$2.00 per each \$500.00 of consideration or part hereof. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and deed stamps to be paid for the Unit. Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser. The

effective rate of State Transfer Tax is \$2.03 per \$500.00 of consideration, where the purchase price is less than \$500,000.00 and 2.038 per \$500.00 where the purchase price is \$500,000.00 or more.

- f. The legal fees of Sponsor's attorneys in the amount of \$750.00 will be payable by Purchaser to Seiden & Schein, P.C. An additional fee of \$250.00 per Closing shall be due and payable for any Unit Closing which occurs outside the office of Seiden & Schein, P.C. Further, a fee of \$250.00 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan. A further additional fee of \$250 shall be payable by Purchaser to Seller's attorneys if the Purchaser orders title insurance from a company other than Royal Abstract, LLC.
- g. Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including Condominium Units, where the consideration for the entire conveyance is \$1,000,000.00 or more. Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence.
- h. At the time of the first closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium the sum equal to one (1) months of Common Charges for the Unit being purchased at the time of the Closing.
- i. Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment and mortgage application and appraisal costs, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchasers review their closing costs with an attorney.

The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the Closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common

Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in Closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein.

Water and Sewer charges will be adjusted between the Sponsor and the Condominium as of the midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on July 1, 2001, Sponsor will have paid the real estate taxes for the Property through July 1, 2001. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for the one (1) year tax period subsequent to the tax period in which the First Unit Closing occurs. Sponsor shall collect from each Purchaser, at such Purchaser's Unit Closing, the amount necessary, on the basis of allocations set forth in Schedule A contained herein, to cover the next one (1) year tax period subsequent to the tax period in which the Purchaser's Unit Closing occurs. Sponsor shall pay the real estate taxes from the escrow account when they are next due and payable.

In the event the taxes are greater than the amounts collected, the Purchaser shall pay his pro rata share of the additional taxes promptly upon demand. In the event the taxes are less than collected, the Sponsor will refund to the Purchaser his pro rata share of such excess collections. This provision shall survive the Closing.

Subsequent to this one (1) year period, until a separate assessment for each Unit has occurred, each Unit Owner shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six months. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax payment period within which the Closing Date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in Closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned, to correct any discrepancy between the adjustment on the basis of allocations set forth in Schedule A and adjustment on the basis of actual apportionment, it shall be made at that time.

2. Mortgage Tax Credit

Section 339-ee(2) of the New York Real Property Law provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

In the event that Sponsor obtains a construction mortgage and pays a mortgage recording tax thereon, if a mortgage tax credit becomes available, pursuant to the above Section of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to 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 paid by such Purchaser to the extent of any mortgage tax credit allowed.

The entire contents of this Paragraph "2" as well as those in Paragraph "1" above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

3. Example of Closing Costs

A numerical example for the costs set forth in this section of the Offering Plan for a typical apartment with a purchase price of \$1,665,000.00 and a mortgage of \$1,332,000.00 are set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous fee discount \$5,417.00;
2. recording costs for deed and power of attorney \$135.00;
3. mortgage recording tax (including any payment to Sponsor pertaining to mortgage tax credit) \$28,280.00;
4. recording cost of mortgage approximately \$120.00;
5. New York City Real Property Transfer Tax \$24,159.25;
6. New York State Transfer Taxes (deed stamps) \$6,782.00;
7. Mansion Tax \$16,954.00
8. legal fee of Sponsor's attorney (at the office of Sponsor's attorney), \$750.00
9. real estate tax escrow - (and/or reimbursement of real estate taxes paid by Sponsor)

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the Closing Date.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time.

Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and construction and/or renovation of Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.
2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and construction of the Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units and/or construction of the Units renovation of certain Common Elements.

The Sponsor reserves the right to substitute for any of the materials specified in the Description of Property or elsewhere in the Plan, materials of equal or better quality and design. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan, and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, and equipment of equal or better quality and design for any of those set forth in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan entitled "Changes in Prices and Units". In the event Sponsor exercises its right to decrease the number of Units, the square footage of the Open Space Areas may be decreased by Sponsor, to the extent permitted by the New York City Planning Commission.

Changes will be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. To be directly affected the change in the size of a Unit must be to such Unit Owner's Unit or the change must be to his or her percentage of Common Interest or in the amount or quality of Common Elements which it is entitled to use. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes to Units made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration.

Changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still contract vendees and who are not then in default either consent in writing to such changes or are given the right to rescind and receive from Sponsor a return of any deposit or downpayment for fifteen (15) days from the date of mailing or personal delivery of written notice from Sponsor.

However, Sponsor shall not be obligated to obtain the consent of any Unit Owner, nor shall any Unit Owner have the right to rescind a Purchase Agreement, in the event the square footage of the Open Space Areas is decreased because the number of Units is decreased.

3. The Sponsor shall perform the alterations described in this Plan, at Sponsor's sole cost and expense, and shall obtain, prior to the Closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the Residential Section within two (2) years subsequent to the issuance of the initial temporary Certificate of Occupancy. If, at the time of Closing of title to a Residential Unit, Sponsor has only obtained a temporary Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so

determined.

Prior to the issuance of a permanent Certificate of Occupancy for the Residential Section, an inspector from the New York City Department of Buildings will inspect the Property to verify that the work performed is what is reflected in the plans submitted to the Department of Buildings. All additional elective construction work being performed by Unit Owners which requires a construction permit must be completed and signed off by the applicable governmental authorities by June 30, 2002. Neither the Condominium Board nor any Residential Unit Owner may commence any alteration, addition, or improvement which would require a construction permit issued by the NYC Department of Buildings, including but not limited to, the combination of two or more Residential Units during the period commencing July 1, 2002 and ending on December 31, 2002. If any Unit Owners perform any work without a required construction work permit at any time, or do not otherwise properly complete construction work and obtain all necessary sign-offs, in accordance with approved plans not later than June 30, 2002, the issuance of a permanent Certificate of Occupancy for the Residential Section may be delayed for which the Sponsor shall not be responsible. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Residential Section is not issued within two (2) years of the initial temporary Certificate of Occupancy. The Sponsor shall be responsible for such fines, if imposed, but only if the delay is not caused by illegal construction performed by Unit Owners or construction by Unit Owners which has not been completed and signed-off by June 30, 2002. Any Unit Owners who cause the delay of the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages. Without prejudice to any other rights, the Condominium Board will have the right to charge any Unit Owners who violate this requirement a fee of \$400.00 per day for each and every day they are not in compliance subsequent to June 30, 2002. See Section 6.11.6 of the By-Law in Part II of the Plan.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the section of the Plan titled "Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, for other than for individual Units, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.
5. The Sponsor will pay all Common Charges from the date of the First Unit Closing, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. However, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes and Common Charges. Sponsor represents that it has

the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds.

6. Prior to the First Unit Closing, any liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.
7. The Sponsor will promptly correct any material patent defects in the construction and/or renovation of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within one year from the First Unit Closing. If any defect in the Common Elements can only be detected after said period by occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, if notified by the Board of Managers within sixty (60) days from Closing of title to or first leasing of that particular Unit. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within one year from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within one year after the First Unit Closing. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion.

Sponsor makes no warranties as to kitchen appliances, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone and porcelain surfaces, which repair shall be made by filling the stone or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone or porcelain surfaces.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other

installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner(s).

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any insubstantial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such section of the Plan, of less than an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically canceled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, and Sponsor elects to repair and restore the Unit, then the following shall be applicable:

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street.

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and

repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to its Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside its Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under his Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

8. Immediately following the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs.
9. Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in Note numbered 9 to Schedule B, which Schedule sets forth the Projected Budget for First Year of Condominium Operation.
10. In the event of the voluntary dissolution or liquidation of the Sponsor or the transfer of six (6) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals comprising the Sponsor will provide financially responsible entities or individuals who will assume the status and the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.
11. Sponsor shall deliver to The Board of Managers a set of architectural plans upon completion of the project.

12. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions and shall indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

13. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.
14. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
15. During the time the principal of the Sponsor controls the Board of Managers, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.
16. The Sponsor (its successors, assigns or designees) may offer all or any Unsold Units, for lease. Purchasers of any leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 16 of this section shall survive delivery of the deed, as stated. Sponsor makes no other representation or warranties except as

provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor

Without in any way limiting the generality of rights reserved in Paragraph "a" above, such rights reserved to Sponsor and its designee(s), successors and assigns specifically include the following:

- 1) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or Model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;
- 2) Right of access in and to Units, Common Elements and Limited Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;
- 3) Right to show vacant or leased Units;
- 4) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements;
- 5) An easement in gross in perpetuity to, at the expense of the holder of the easement, paint, erect, maintain, repair and replace a sign or signs on the north-facing exterior wall of the building known as 56-62 Cooper Square, for the purpose of advertising. Sponsor further reserves the right to convey, sell, lease or assign its rights to paint, erect, maintain, repair and replace all or any portion of the sign space on the wall and to retain any and

all profits derived therefrom.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element consistent with the terms of this Plan.

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 intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Unit Owner 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 rent 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 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, 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.

Housing Merchant Implied Warranty

Purchasers should be aware of §777-a of the General Business Law, known as the Housing Merchant Implied Warranty (the "HMIW"), which provides for warranties on the sale of newly constructed condominium units in a multi-unit residential structure which consists of five stories or less. Please refer to Section II of the Plan for a copy of the statute in its entirety. The buildings known as 52 Cooper Square and 54 Cooper Square will each consist of five stories upon completion of construction while the building known as 62 Cooper Square will consist of thirteen (13) stories when construction is completed. Sponsor does not believe that the HMIW will apply to the Condominium because the three buildings will be combined and merged into one building consisting of thirteen (13) stories, covered by one Certificate of Occupancy. Therefore, the Sponsor is not offering any warranty pursuant to the HMIW. However, the Purchasers of the three (3) Units to be constructed in the buildings known as 52 Cooper Square and 54 Cooper Square may have rights under the HMIW in the event that a determination is made by a court of competent jurisdiction that the HMIW does apply. In no event shall the HMIW apply to Units in 62 Cooper Square.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to Residential Units, the percentage Common Interest of which, in the aggregate, equals at least seventy-five (75%) in the Residential Section or (ii) five (5) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board.

As long as the Sponsor or any Sponsor-designee shall continue to own Residential Units having in the aggregate at least ten (10%) percent of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund and/or capital replacement reserve, provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 5.00% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law.

Members of the Board of Managers will serve without compensation. All officers of the

Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Board of Managers.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of seven persons. The Board of Managers will initially consist of two (2) persons designated by the Sponsor to comprise the Residential Board. From and after the first annual meeting of Unit Owners which shall be called within 180 days after the First Unit Closing, the Board of Managers will consist of a Residential Board of five (5) persons elected or designated by Residential Unit Owners and a Commercial Board of two (2) persons elected or designated by the Commercial Unit Owners. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001 % of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001 % of Common Interest attributable to its Unit per member to be elected, and (ii) shall not have the right to cumulate its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

A majority of the five (5) member Residential Board for the period terminating upon the earlier of (i) the transfer of title to Units in the Residential Section whose percentage of Common Interest equals, in the aggregate, exceed at least seventy-five percent (75%) or (ii) five years after the First Unit Closing, shall be designated by the Sponsor and or its designee. Accordingly, it is possible that the Sponsor and/or its designee may control the Residential Board for as long as five (5) years after the First Unit Closing.

The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the seven (7) member Condominium Board will serve until the

next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee can only be removed for cause by affirmative vote of Unit Owners (including Sponsor and/or any other Holder of the Unsold Units) owning, in the aggregate, a percentage of Common Interest in excess of fifty (50%) percent of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

Subsequent to the date when the Sponsor relinquishes control of the Residential Board and so long as the Sponsor or a Sponsor-designee shall continue to own Unsold Residential Units having a Percentage Interest in the Residential Section of at least fifteen (15%) percent, the Sponsor or Sponsor-designee shall have the right to elect at least two of the five members of the Residential Board or one member less than a majority of the Residential Board, as the case may be. Also, subsequent to the date when the Sponsor relinquishes control of the Residential Board and as long as the Sponsor or a Sponsor-designee shall continue to own at least one Unit the Sponsor or Sponsor-designee shall have the right to elect at least one of the members of the Residential Board.

All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. See the section of the Plan entitled "Management Agreement, Contracts and Leases".

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct, gross negligence or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, gross negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President, Vice-President, Secretary and Treasurer thereof, all of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Section. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Commercial Section and any officer or director of the Commercial Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Commercial Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the

officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, its undivided interest in the Common Elements, together with its interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to its Unit.

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Residential Unit the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Residential Board does exercise its right of first refusal, the acquisition or lease of the Residential Unit may be made from the working capital and Common Charges of the Residential Section or, if such funds are insufficient, the Residential Board may assess each Residential Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Residential Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event any Residential Units are acquired or leased by the Residential Board, the title or lease shall be held by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest in the Residential Section and any sale or lease of such Unit shall be made by the Residential Board on behalf of all Unit Owners in proportion to their percentage of Common Interests in the Residential Section. Such Residential Unit, while owned or leased by the Residential Board, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the Closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as its attorneys in fact,

coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-six and two-thirds percent of the Units and whose percentage of Common Interest, in the aggregate equals or exceeds sixty-six and two-thirds percent. However, for as long as Sponsor or its designee owns title to one or more Units, the Rules and Regulations of the Condominium, or the By-Laws may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Owner; (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any.

**RIGHTS AND OBLIGATIONS OF
UNIT OWNERS AND THE BOARD OF MANAGERS**

Sale and Lease of Units

Each Residential Unit Owner, other than Sponsor or its designee with respect to any Unsold Units, may sell or lease his or her Unit, but only after the owner first gives the Residential Board written notice of his or her intention to do so, accompanied by the terms of the offer as set forth in Article VIII of the By-Laws. The Residential Board, on behalf of all Residential Unit Owners, will have the exclusive right to elect, within twenty (20) days after receipt of the notice of sale, to purchase the Unit, or to elect, within twenty (20) days after receipt of the notice of lease, to lease the Unit, on the same terms set forth in the offer, as more specifically set forth in Article VIII of the By-Laws. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. If the Residential Board does not notify the Unit Owner of its election to purchase or lease the Unit within the aforementioned time periods, the Unit Owner will have thirty (30) days after the expiration of the twenty (20) day period to contract to sell the Unit or lease the Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the thirty (30) day period, the Unit Owner will again be required to first offer the Unit to the Residential Board as provided above.

In the event the Residential Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges for the Residential Section or, if such funds are insufficient, the Residential Board may assess each Residential Unit Owner, other than the offering Unit Owner, in proportion to each Residential Unit Owner's percentage of Common Interest for any funds so borrowed for the Residential Unit to be acquired. The Residential Board may also assess each Residential Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Residential Unit. In the event any Residential Units are acquired or leased by the Residential Board the title or lease shall be held by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interest in the Residential Section and any sale or lease of such Unit shall be made by the Residential Board on behalf of all Residential Unit Owners in proportion to their percentage of Common Interests in the Residential Section. Such Unit, while owned or leased by the Residential Board, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Residential Board at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers

or their designee, on behalf of all Unit Owners.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, each of which will be free to sell or lease without first offering to sell or lease to the Condominium Board.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board, in the form set forth in Part II of this Plan.

The lease for any Unit (other than Unsold Units) will be in substantially the form of lease printed by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his or her lifetime, to devise such Unit by will or to pass same by intestacy.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York.

Compliance with all laws, rules and regulations concerning the lawful use and occupancy of any Unit will be the sole responsibility of the Owner of such Unit and each Unit Owner shall indemnify and hold the Board of Managers and all other Unit Owners harmless from and against any claim, loss, cost, damage, expense or liability arising from the failure of that Unit Owner to comply with such laws, rules and regulations.

Mortgage of Units

Each Unit Owner, after notice to the appropriate Board is free to mortgage his or her Unit to a "Permitted Mortgagee", provided that prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens affecting the Unit, other than Permitted Mortgages.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and assessments on other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose special assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York, New York and until all sums secured thereby with the interest 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 may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer, or other conveyance made by him or her of his or her Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power

to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, 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.

Repairs

All maintenance of and repairs to any Unit, electrical (except Common Elements), plumbing (except Common Elements) as well as the washing of exterior windows shall be at the Unit Owner's expense, excepting as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Residential Common Elements or Residential Limited Common Elements as defined in the Declaration will be performed by (a) the Residential Board as a Residential Common Expense, if involving a Residential Common Element or (b) by the Residential Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving a Residential Limited Common Element such as a roofing surface and/or a roof deck above such surface or as a result of the Unit Owner's negligence, misuse or neglect.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying

insurance coverage of the Building shall be \$30,700,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in the By-Laws of the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) worker's compensation insurance for Condominium employees, if any; (2) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least \$1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In the event of a fire or other casualty in which more than eighty percent (80%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least eighty per cent (80%) of the Total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of

any Unit Owner or lienor.

Use of Units

With the exception of the Commercial Unit, the Units may be used only for Residential purposes. The Condominium will consist of twenty six (26) Residential Units for use as joint living-work quarters for artists and one (1) Commercial Unit. Pursuant to Article 7-B of the New York Multiple Dwelling Law (the "MDL") and Section 42-14(D) of the Zoning Code, a Residential Unit may be occupied only as "joint living-work quarters for artists". As used in MDL, the term "artist" is defined as "a person who is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or in the composition of music on a professional basis, and is so certified by the City Department of Cultural Affairs and/or State Council on the Arts."

As a consequence of these legal requirements, each Residential Unit is to be occupied only by households that include at least one artist. The acceptance by Sponsor from any person of a signed Purchase Agreement or Down Payment shall not be deemed a representation or warranty by Sponsor to any Purchaser or to the DCA or any other agency that any Purchaser of a Residential Unit meets the legal requirements necessary to occupy a Residential Unit. Further, nothing contained in this Plan shall be deemed a representation or warranty by Sponsor to any Purchaser regarding the DCA's artist certification procedures or any related laws, rules and regulations as they presently exist or may exist in the future.

Compliance with all laws, rules and regulations concerning the lawful use and occupancy of any Unit will be the sole responsibility of the Owner of such Unit and each Unit Owner shall indemnify and hold the Board of Managers and all other Unit Owners harmless from and against any claim, loss, cost, damage, expense or liability arising from the failure of that Unit Owner to comply with such laws, rules and regulations.

Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any Unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size.

Sponsor or its designee shall be responsible for installing and removing such signs.

There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Residential Board.

Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Residential Elements shall be painted or decorated by any Owner in any manner without prior written consent of the Residential Board.

No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Residential Common Elements.

No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units 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.

Each Unit Owner shall keep his or her 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 of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.

Except as otherwise provided above, no exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by law.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Residential Unit or adjoining Common Element except such as shall have been approved in writing by the Residential Board, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any

water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

No Residential Unit Owner shall engage any employee of the Condominium for any private business of the Residential Unit Owner without prior written consent of the Residential Board.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted be kept or harbored in any Residential Unit unless the same in each instance be expressly permitted in writing by the Residential Board. Any such consent, if given, shall be revocable at any time by the Residential Board. In no event shall any Residential Unit Owner maintain more than two (2) pets (other than fish) in a Residential Unit without the consent of the Residential Board and in no event shall any animal be permitted in any of the public portions of the Building unless carried or on a leash. The individual Residential Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Residential Section, or on the sidewalk or street adjacent to the Building.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent 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 his or her 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 Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium 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 is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, 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 Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

The Unit Owners shall not be allowed to put their names on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners for adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Unless expressly authorized by the Board of Managers in each case, the floors of each Residential Unit must be covered with rugs or carpeting or equally effective noise reducing material, to the extent of at least 80% of the floor area of each room excepting only kitchens, pantries, bathrooms, maid's rooms, closets and foyer.

Smoke detectors must be installed in every Residential Unit as required by New York City Building Code. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) 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 cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium.

No group tour or exhibition of any part of a Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

Any consent or approval given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the By-Laws. The Rules and Regulations govern the use of the Residential Units and Common Elements and may be amended from time to time by the Board. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit, unless agreed to by Sponsor or the Sponsor-designee.

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 as separate tax lots until the tax year following the tax year in which the Declaration of condominium is recorded.

Until Units are separately assessed and billed, each Unit Owner shall pay, as Common Charges, such Unit Owner's pro rata share (in proportion of such Unit Owner's Unit's Common Interest to the aggregate Common Interest of all Units) of all real estate taxes with respect to the property to the Condominium Board of Managers.

The Condominium may be eligible for partial real estate tax abatement benefits for the Residential section pursuant to Section 11-243 of the Administrative Code of the City of New York which was formerly Section J-51-2.5 of the Administrative Code (the "J-51 Program"). Sponsor shall cooperate with the Condominium Board in the event the Board elects to make an application for J-51 benefits, including maintaining all records required by the NYC Department of Housing Preservation and Development ("HPD") and making such records available to HPD upon request. Purchasers are advised that there is NO REPRESENTATION, GUARANTEE OR WARRANTY as to whether the Residential Units will qualify for benefits under the J-51 Program and, if the Residential Units qualify, the amount of the J-51 benefits.

It is estimated that the aggregate real estate taxes for all Residential Units for the first year after completion of the renovation will total approximately \$475,260, based on an opinion prepared by Koeppel Tener Real Estate Services, Inc., which assumes (a) an assessed valuation upon completion attributable to the Residential Section of \$4,294,046 for the 2001/02 tax year and (b) a projected tax rate of \$11.068 per \$100 of assessed valuation. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

PURCHASERS ARE ADVISED THAT THERE IS NO REPRESENTATION, GUARANTEE OR WARRANTY (i) as to the assessed value of the Residential Section or the Residential Units or the tax rate during the first year of Condominium operation or thereafter; or (ii) as to the tax rate during the first year of Condominium operation.

Real estate taxes paid by Sponsor are one of the items to be adjusted between Sponsor and each Purchaser at the Closing of each Unit. In addition, at Closing, each Purchaser will be required to deposit with Sponsor a sum equal to the estimated real estate taxes attributable to his Unit for the period of six months following the next tax period. The Sponsor shall utilize such fund to pay the real estate taxes against the Property, until such time as each Unit is separately assessed. (See "Closing Adjustments and Closing Costs" for full details.)

The By-Laws provide that the Residential Board is entitled to execute and deliver documents

necessary in connection with proceedings to obtain reduced real estate tax assessments with respect 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 Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion of Seiden & Schein, P.C. counsel to the Sponsor, in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year. Such deductions may also affect his or her New York City minimum tax liability.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

- (i) is treated as a conduit,
- (ii) qualifies and elects to be taxed under Section 528, or
- (iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

* All section references are to the Internal Revenue Code of 1986 unless otherwise indicated.

If it satisfies the requirements of Section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;
- (ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from Unit Owners ("Exempt Function Income");
- (iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and
- (v) Substantially all of the Units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the Condominium will not qualify as a "condominium management association" because less than 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes.

Since the Condominium Board will not qualify for the benefits of Section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service

indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual Owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

Since Section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF THE PURCHASE OF A UNIT.

SEIDEN & SCHEIN, P.C.

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COUNSEL'S TAX OPINION LETTER

November 15, 2000

C-Squarewood LLC
c/o C-Square Associates, LLC
52-62 Cooper Square
New York, New York 10003

Re: Offering Plan for the Conversion
to Condominium Ownership of
Premises 52-62 Cooper Square
New York, New York

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to persons who purchase Units for private Residential use ("Residential Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the closings under the Plan will occur in 2001.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes.

A Unit Owner, per terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid or accrued provided that, up to the aggregate amount of \$1,000,000.00 for all qualifying mortgages on all qualifying Units, A) the mortgage does not exceed the lesser of (i) the Owner's original basis in his Unit plus the cost of improvements, if any, or (ii) the fair market value of the Unit and B) his Unit is a "qualified residence." A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" as that term is defined by Section 1034 or (ii) a residence as defined by Section 280A(d)(1) and the Owner selects it as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence", unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Unit Owner whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law.

It should be noted, however, the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax, or the State or City minimum taxes. Section 55 of the Code. Sections 615 and 622 of the New York State Tax Law; Sections 11-1715 and 11-1722 of the City Code. In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating

an individual's federal alternative minimum taxable income, and that interest with respect to a "qualified residence" is generally deductible only to the extent incurred in acquiring, constructing or rehabilitating a "qualified residence" or in refinancing, without an increase in the principal amount thereof, such an indebtedness; the difference in the treatment of these and other items, for federal alternative minimum tax purposes may result in a taxpayer becoming subject to such tax even though he has no items of tax preference.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk", within the meaning of Section 465 of the Internal Revenue Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528 some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met.

Generally, these requirements are:

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;
- (ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential Unit Owners ("Exempt Function Income");
- (iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and
- (v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management

association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based upon your representations to us, that the requirements of Section 528 will not be met as the Offering Plan is currently structured. With respect to requirement (v) above, "substantially all" is interpreted in Treasury Regulation 1.528-4(b) to mean that at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Since the square footage of the Commercial Unit will exceed 15% of the total square footage of all the Units of the Condominium, the Condominium will not meet this test.

Assuming the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital

of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. *Concord Village, Inc.*, 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, *Old Colony Trust Co. v. Commission*, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Residential Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,
SEIDEN & SCHEIN, P.C.


By: Alvin Schein

RESERVE FUND AND WORKING CAPITAL FUND

Reserve Fund

No provision has been made for any Reserve Fund. Sponsor can make no guaranty or warranty that there will be no need for replacement of capital equipment within five (5) years subsequent to the First Unit Closing. However, as a result of the Building being newly renovated, it is not anticipated that major capital improvements will be needed within the next five (5) years.

Working Capital Fund

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay the sum equal to one (1) month of Common Charges for the Unit being purchased at the time of the closing to the Board of Managers for its working capital (the "Working Capital Fund"). This fund would ordinarily be used for the payment of any net closing adjustments in favor of the Sponsor. However, Sponsor shall waive any such net closing adjustments with the Condominium Board in its favor which would reduce the Working Capital Fund below zero. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Unit Closing by Sponsor. The amounts in the working Capital Fund may be held or used at any time for working capital to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

General

No provision has been made for any Reserve Fund or for any Working Capital Fund other than the above. If additional funds are required, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, neither the Working Capital Fund nor the Reserve Fund shall be used to reduce Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND.

Closing Adjustments With Condominium Board

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of the day immediately preceding such closing:

- (a) Any Common Charges which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs.

- (b) employees' wages and any vacation pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
- (c) fees for assignable permits and licenses, if any;
- (d) cost of gas plus sales tax, if any;
- (e) charges for electricity and natural gas, (if any) pertaining to the Common Elements;
- (f) payments under service and maintenance contracts;
- (g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (h) cost of supplies on hand at Sponsor's cost (plus sales tax);
- (i) premiums for any transferable insurance policies; and

The Condominium Board of Managers shall reimburse the Sponsor in full for any electric, utility or other service deposits paid by Sponsor. These items are not items of closing adjustment. The deposits shall be repaid to the Sponsor from contributions to the Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

At or prior to the First Unit Closing, the Condominium Board ("Principal") will enter into a management agreement with a managing company to manage the Condominium (the "Managing Agent or "Agent"). The Sponsor has received a proposal from Brown Harris Stevens Residential Management, LLC to be the Managing Agent. However, the Sponsor reserves the right to substitute another Agent for Brown Harris Stevens Residential Management, LLC prior to the First Unit Closing on substantially the same terms as proposed by it. The Brown Harris Stevens Residential Management, LLC agreement will be for an initial term of one (1) years, commencing on the date of the First Unit Closing. The Managing Agent will receive a stated annual fee of \$35,000.00 for the period commencing on the Closing of the first Unit and ending twelve (12) months after the first closing of sale to a Unit. Thereafter, the annual fee will be as mutually agreed upon for the renewal periods, or if no new annual fee has been established, Principal shall continue to pay Agent the previous annual fee, all payable in equal monthly installments. It shall be subject to the right of either party to cancel at any time upon at least thirty (30) days prior written notice.

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

(a) Cause to be hired, (subject to the prior right of approval by the Condominium Board), paid and supervised, all persons necessary to be employed, if any, in order to properly maintain and operate the Condominium, and cause to be discharged by either written order of the Condominium Board or the Agent all persons unnecessary or undesirable, all subject to such Union contracts or other agreements concluded on behalf of the Principal's approval.

(b) Cause the Condominium to be maintained in such a condition as may be deemed advisable by the Principal, including interior and exterior cleaning; and cause repairs and alterations thereof to be made, including, but not limited to, plumbing, steamfitting, carpentry, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the Management Agreement or in any agreement with any unit owner or tenant. Ordinary repairs or alterations involving expenditure of over \$5,000.00 for any one item shall be made only with prior written approval of the Principal, but emergency repairs, immediately necessary for the preservation or safety of the Condominium for the safety of the Unit Owners, tenants or other persons, or required to avoid the suspension of any necessary service in or to the Condominium, may be made by the Agent irrespective of the cost thereof, without the prior approval of the Principal.

Agent's responsibility under the Management Agreement shall not extend to supervising or managing major renovations or major capital improvements, unless specifically agreed upon in writing by the Principal and Agent.

(c) Cause all such acts and things to be done in or about the Condominium as shall be necessary to comply with any and all orders and violations affecting the premises, placed thereon by any federal, state or municipal authority having jurisdiction thereover, and orders of the New York Board of Underwriters, the New York Fire Insurance Exchange or other similar body, subject to the limitation with respect to the amount of expenditure involved as contained in paragraph (b) of this Article.

(d) Enter into contracts for electricity, gas, telephone, window cleaning, elevator service, vermin extermination and other services or such of them as shall be approved by the Principal; purchase all Condominium supplies. In no event shall any service contract be for a term longer than three years or require annual payments in excess of \$5,000.00 unless otherwise authorized by the Principal.

(e) Cause to be effected and maintained to the extent obtainable, in such amounts as the Principal shall designate in writing and through such brokers as the Principal shall designate, fire, rent, water damage, liability, worker's compensation, disability and such other insurance as the Principal may deem necessary or advisable.

(f) Review of all bills received for services, work and supplies ordered in connection with maintaining and operating the Condominium, pay all such bills and, also pay water charges and sewer rent and assessments assessed with respect to the Condominium, if any, as and when the same shall become due and payable.

(g) At the direction of the Principal, carry out required procedures and give required notifications as set forth in the Condominium Declaration and By-Laws, in connection with the exercise of the right of first refusal on proposed sales or leases of units.

(h) Procure social and credit references from all prospective Unit Owners or tenants.

(i) Supervise the moving in of Unit Owners and tenants, and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Building and of inconvenience to other unit owners and tenants.

(j) Bill Unit Owners for Common Charges and use its best efforts to collect such Common Charges and other charges which may at any time be or become due to the Principal from any Unit Owner.

(k) Consider and, where reasonable, attend to the complaints of Unit Owners, tenants and subtenants, provided that if Agent shall deem any complaints unreasonable, Agent shall so advise the Condominium Board and give reason for its opinion.

(l) Maintain any required payroll records and cause to be prepared and filed, the necessary forms for unemployment insurance, social security taxes and withholding taxes and all other forms required by any federal, state or municipal authority with assistance from a paycheck service at the expense of the Principal if desired by Agent.

(m) Render monthly statements supported by disbursement vouchers and bills to the Principal not later than the 25th of each month, remitting the amount collected during the previous month less disbursements made on behalf of and for the account of the Principal, including the Agent's compensation hereinafter specified, and, less, all such amounts as in the Agent's judgment it may be necessary or advisable to reserve or withhold to meet obligations or which will or may become due thereafter and for which current income will not or may not be adequate. A copy of such monthly statement shall be sent by the Agent to the President and Treasurer of the Principal.

(n) Maintain in a satisfactory manner, the records of cash receipts and cash disbursements, checkbooks, operating bank account(s), minute books and other records of the Principal.

(o) In conjunction with the certified public accountant of the Condominium, arrange for an annual audit or review of each of the books of the account of the Condominium, including an annual report each year of the operations of the Condominium for the then year ended. A copy of such annual report shall be sent by the Agent to each Unit Owner.

(p) Prepare and submit to the Principal an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year; send to each unit owner a copy of the operating budget as adopted by the Board of Managers of the Principal, and notify unit owners of annual and all other assessments of common charges as determined by the Board of Managers of the Principal.

(q) Make all necessary arrangements for the holding of meetings of the Unit Owners and Board and cause a representative of its organization to attend meetings of the Unit Owners and of the Condominium Board, if required.

(r) Prepare and send out all notices of Board of Managers' meetings and Unit Owners' meetings and such other letters and reports as the Board of Managers may request.

(s) Agent shall generally do all things reasonably deemed necessary or desirable

by the Board of Managers for the proper management of the Common Elements of the Building.

For services in connection with processing each application for the sale or lease of a Unit by a unit owner other than the Sponsor or holder of unsold units, including obtaining a waiver of right of first refusal and other agreements necessary to properly effect the transfer of interest, there shall be a fee of \$700.00 per transfer or lease to the Managing Agent. The fees referred to above shall be paid in full upon the submission of the application. No such fees shall be payable for Sponsor owned Units or Units owned by a Sponsor-designee.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Condominium Board whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners 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 it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or wilful misconduct.

Other Contractual Agreements

At or prior to the First Unit Closing the Board of Managers or a properly authorized entity acting on its behalf may enter into contracts for the services set forth below. The costs listed are estimated for the first year of condominium operation. These proposals are also set forth in the footnotes to Schedule B.

1.	Boiler Maintenance & Service	\$ 2,400.00
2.	Elevator Service	\$14,400.00
3.	Sprinkler System Service	\$ 500.00
4.	Air-Conditioning Services	\$ 3,500.00
5.	Exterminator Service	\$ 4,200.00

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is C-Squarewood LLC, a Delaware limited liability company formed on January 27, 2000. The Sponsor has an office at 52-62 Cooper Square, New York, NY 10003.

The members of C-Squarewood, LLC are: C-Square Associates, LLC, a New York limited liability company, which was formed on October 25, 1999 and SOFI-V Cooper, LLC, a Delaware limited liability company, which was formed on January 27, 2000. The manager of the sponsor is SOFI-V Cooper, LLC. J-Bar Associates, LLC, a New York limited liability company and Steven Cohen are the members of C-Square Associates, LLC. Judith Halevi is the sole member of J-Bar Associates, LLC. Ms. Halevi and Mr. Cohen each have an office c/o C-Square Associates, LLC, 52-62 Cooper Square, New York, NY 10003. Ms. Halevi has been active in the real estate business for more than 18 years. Mr. Cohen has been active in the real estate business for more than 15 years. Gary Warfel is the Vice President of SOFI-V Cooper, L.L.C. Mr. Warfel has an office at c/o Capital Diligence Group, Inc., 2 Greenwich Plaza, Suite 100, Greenwich, Connecticut 06830.

The principals of Sponsor have not been involved in any condominium or cooperative offering plans for the last five years and do not own ten (10%) percent or more of the unsold units or unsold shares in any building.

The Secretary of State has been designated to receive service of process for any principals of the Sponsor who reside outside of New York.

Managing Agent

Brown Harris Stevens Residential Management, LLC, having its principal office at 770 Lexington Avenue, New York, New York 10021 has given a proposal to be managing agent of the Residential Condominium pursuant to a management agreement set forth in the section of the Offering Plan titled "Management Agreement, Contracts and Leases".

Architect

The architect who prepared the Description of Property appearing in Part II of the Plan is James Harb Architects. It has an office at 230 West 17th Street, New York, New York 10011. The Sponsor's Architect has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect.

Counsel to Sponsor

The Sponsor has retained the law firm of Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York, 10022 (Tel. # (212) 935-1400) to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Alvin Schein, Esq. This firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Plan.

Seiden & Schein, P.C. has no financial relationship, past or present, in the Property or to the Sponsor, except that it is paid a fee for services.

Selling Agent

The Sponsor has retained the real estate brokerage firm of Stribling Marketing Associates, 340 West 23rd Street, New York, New York 10011, (Tel. # (212) 243-4000) as Selling Agent for this Offering Plan.

The Selling Agent has been involved in the sale of condominium and cooperative apartments in Manhattan for a number of years.

The Selling Agent has no financial relationship, past or present, to the Property or the Sponsor, except that it shall be paid fees by Sponsor in connection with the sale of Units under this Plan.

REPORTS TO UNIT OWNERS

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

- (a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (b) A prior notice of the annual Unit Owner's meeting;
- (c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days, prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers such budget shall be certified.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers, a copy of all documents filed with the appropriate recording office.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending or any judgments outstanding, that could materially affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof or the Sponsor's capacity to perform all its obligations under the Plan.

To the best of Sponsor's knowledge the Property has not been the subject of any prior public offering. As of the acceptance date of this offering the Sponsor has not entered into any preliminary binding agreements and has not collected any money from prospective purchasers for the sale of Units in the Building. The Sponsor has previously tested the market pursuant to Cooperative Policy Statement No. 1.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, age, religion or other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However such rescission, as to a Purchaser who first became a tenant of the Building after the acceptance date of this Plan and pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Unit within thirty (30) days

thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the section of the Plan titled "Sponsor's Statement of Specifications" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference 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 Sponsor is not reserving the right to transfer any air or developmental rights to other buildings. Neither the current owner nor a prior owner has conveyed, transferred or reserved air or developmental rights for use in other buildings. The Sponsor is not reserving the right to add floor area to the building, except as is necessary to complete the Units being offered hereunder.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Specifications set forth in Part II of the Plan. The Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications set forth in Part II, prepared by James Harb, Architects, registered architects in the State of New York, accurately states the description of property and specifications as of the date it was prepared. Sponsor does not know of any material defect or need for material repairs except as indicated in such Description of Property and Specification and in the Local Law 10 Report for the Property annexed hereto in Part II of the Plan. However, a program of ongoing maintenance is typically required to insure the integrity of a building. Sponsor makes no representations as to the scope or nature of work which may be required to maintain the Building's facade in the future.

Sponsor shall obtain a temporary or permanent Certificate of Occupancy which shall cover each Unit prior to the Closing of title to such Unit. In the event that a permanent Certificate of Occupancy has not been obtained by such Closing, Sponsor is obligated to subsequently obtain same.

PURCHASE AGREEMENT

PURCHASE AGREEMENT
UNIT NUMBER _____
THE 62 COOPER SQUARE CONDOMINIUM
52-62 COOPER SQUARE
NEW YORK, NEW YORK

CONTRACT DATE: _____

UNIT NO.: _____ Percentage of Total Common Interest: _____ %

PURCHASER(S) NAME(S): (1) _____ (2) _____

PURCHASER(S) MAILING ADDRESS: _____

PURCHASER'S SOCIAL SEC. NO(S): (1) _____ (2) _____

BROKER (if any):. _____

PURCHASER'S ATTORNEY: _____

ADDRESS OF PURCHASER'S
ATTORNEY: _____

TELEPHONE: () _____ - _____ FAX: () _____ - _____

PURCHASE PRICE: \$ _____

10% DOWN PAYMENT: \$ _____

BALANCE DUE AT CLOSING: \$ _____

Statement of Seller

C-Squarewood, LLC, with an office at 52-62 Cooper Square, New York, New York 10003 ("Seller"), has promulgated a Plan of Condominium Ownership for The 62 Cooper Square Condominium, located at 52-62 Cooper Square, New York, New York ("the Plan") pursuant to which the land with appurtenances, and the Units, ("the Units") located in New York County, City of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

- A. After delivering an executed Purchase Agreement, together with the required deposit, Purchaser will be afforded seven (7) days to rescind this Purchase Agreement and have the full deposit refunded to Purchaser promptly, provided that Purchaser has not had an opportunity to review the Offering Plan and any filed amendments for at least three business (3) days prior to such delivery. Such rescission must be by written notice, addressed to Sponsor, and be postmarked or hand delivered no later than midnight of the 7th day subsequent to Purchaser delivering the executed purchase agreement. If Purchaser has had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to making the aforesaid delivery, Purchaser shall not be permitted the aforementioned seven (7) day time period to rescind this Purchase Agreement.
- B. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located ("the Building"), prepared by James Harb, Architects ("the Architect").
- C. The Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, County of New York, the schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.
- D. Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto as set forth in the Plan (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit.** Seller hereby agrees to sell and convey and Purchaser hereby agrees to purchase the Unit for the Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the Closing, as hereinafter provided in Paragraph 2, by unendorsed certified or official bank check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.**

2.1 The closing of title (the "Closing") shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the Closing Date) to be specified by Seller. If Seller consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay an extra fee to Seller's attorney as set forth in Paragraph 6. Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one (1) reasonable adjournment of up to fifteen (15) days, on five (5) days written notice by Purchaser to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

2.2 The Closing shall occur only after or concurrently with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

2.3 At the Closing, Seller shall deliver to Purchaser or direct the delivery to Purchaser of a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

2.4 Simultaneously with the delivery of the deed, Purchaser (i) shall cause the net proceeds of any mortgage loan to be paid to Seller on account of the Purchase Price and (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller. Seller and Purchaser shall execute and deliver such forms as shall be required by law with respect to the reporting real estate transfers.

3. **Power of Attorney to Board of Managers.** At the Closing and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers substantially in the form contained

in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations.** Purchaser hereby agrees to be bound by the Declaration, the By- Laws, the Rules and Regulations and the Plan.

5. **Condition of Title.** Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith and the mortgage referred to in Paragraph 8 hereof, if any (as well as other mortgages, if any, obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens and encumbrances of any kind at the time of Closing shall not constitute an objection to title, provided that Royal Abstract of New York, L.L.C., as agent or another reputable title insurer licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments.**

6.1 Purchaser will pay at Closing, the Closing costs and expenses referred to in the section of the Plan (as same may be amended to date) titled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, transfer tax on Units which are \$1,000,000.00 or more in price (if applicable), Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of \$750.00 will be payable by Purchaser to Seiden & Schein, P.C. provided that an additional fee of \$250.00 per Closing shall be due and payable for any Unit closing which occurs other than in the office of Seller's attorneys. An additional sum of \$250.00 shall be payable by Purchaser to Seller's attorneys if the Purchaser orders title insurance from a company other than Royal Abstract of New York, L.L.C. for additional services rendered in connection with the review of title. A further fee of \$250.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a Purchase Agreement. Assignments are permitted only pursuant to the terms of the Offering Plan. Any fees payable to Seller's attorney by Purchaser will be paid by certified check or official bank check drawn on a bank or trust company which is which is a member of the New York Clearing House Association or any successor organization. Purchaser will also pay to the Board of Managers a sum equal to one (1) month of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the

Condominium.

6.2 Except as otherwise provided in this agreement or in the Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of \$500.00 will be paid by unendorsed certified check or official bank check drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization).

6.3 If Seller obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Seller 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.

6.4 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.

7. Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter 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 whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, as of the Closing Date the only mortgage to which the Unit will be subject will be the mortgage referred to in Paragraph 8 hereof, if any, as well as any other mortgage(s) obtained by Purchaser.

8. Default by Purchaser.

8.1 If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder (including without limitation the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in this Agreement), such failure shall constitute a default by Purchaser and Seller may send notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not be cured within twenty (20) days from the mailing date of such notice or fifteen (15) days after personal delivery of such notice within which to cure

such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within twenty (20) days from the mailing date or fifteen (15) days after personal delivery of such written notice, Seller may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, Seiden & Schein, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and Seiden & Schein, P.C. shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment and any interest earned thereon (if any), and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Seiden & Schein, P.C. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

8.2 Notwithstanding the above, Seiden & Schein, P.C., the Escrow Agent, will hold funds in escrow until otherwise directed in

- (i) a writing signed by both Seller 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 escrowed funds, the Escrow Agent will not pay the funds to the Seller until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Seller unless the 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 the Escrow Agent in accordance with such provisions.

The Seller will not object to the release of the escrowed funds to

- (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or
- (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

Purchasers and the 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. The Seller 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 all other parties a copy of the application.

8.3 If Purchaser becomes an occupant of the Building pursuant to an Interim Use and Occupancy Agreement, his or her failure to pay rent or otherwise comply with his or her use and occupancy obligations shall constitute default under this Purchase Agreement. Upon the occurrence of such default, Seller shall have the right to cancel this Agreement upon sending Purchaser ten (10) days prior written notice of its intention to do so. If Seller elects to cancel, Purchaser shall have ten (10) days from the giving of the cancellation notice within which Purchaser must cure the specified default. If the default is not timely cured the lease or Use and Occupancy Agreement will be deemed canceled by Seller upon the occurrence of either of the following: (i) Seller having obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (ii) the Purchaser having vacated the Unit. Upon such cancellation, Seller shall have the right to retain, as and for liquidated damages, all payments made hereunder (but in no event to exceed ten percent (10%) of the Total Purchase Price, plus any interest. Any additional deposits in excess of ten percent (10%) of the Total Purchase Price, plus any interest, shall be refunded to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), the Purchaser and the Seller will be released and discharged of all further liability and obligation hereunder and under the Plan. The Unit may thereafter be sold to another as though this Agreement had never been made and without accounting to Purchaser for the proceeds of such sale.

Failure to comply with all obligations under this Agreement shall also constitute default under any use and occupancy obligations. Upon occurrence of any such default, Seller, in addition to any other rights available to it, shall have the right to terminate the occupancy upon sending Purchaser ten (10) days prior written notice of its intention to do so. If Seller elects to terminate, Purchaser shall have ten (10) days from giving of cancellation notice within which to cure the specified "failure to comply". If there is no timely cure, the occupancy obligation is terminated as of the expiration of said ten (10) day period. This provision does not limit in any way other rights of Seller in the event of a failure to comply with the terms of this Agreement.

9. **No Assignment.** Purchaser shall have no right to assign this Agreement without Seller's prior written consent. Any purported assignment of this Agreement in violation thereof shall be voidable at the option of Seller.

10. **Notices.** Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above with a copy to Purchaser's attorney (named on Page 1 of this Agreement) and to Seller at c/o C-Square Associates, LLC, 52-62 Cooper Square, New York, New York 10003 (with copy to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022 Attn: Alvin Schein, Esq.) or

at such other address as either party may hereafter designate to the other in writing. The date of 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.

11. **No Representation.** Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's attorney or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error.

12. **Recording of Deed and Power of Attorney.** At the Closing, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of New York. Such deed and power of attorney will be substantially in the form set forth in the Plan.

13. **Binding Effect.** This Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

14. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel.** This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective, provided Purchase Agreements for Units totaling not more than 80% of the Common Interests of the Condominium have been executed and accepted. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date,

after permitted adjournments, this Purchase Agreement shall be deemed canceled. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

15. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing.

The required Down Payment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit. All monies, including all deposits, downpayments or advances, received by Seller through its agents or employees pursuant to this Agreement either prior to or subsequent to the consummation of the Plan will be deposited with Citibank, N.A., in a segregated, special escrow account or accounts titled "Seiden & Schein, P.C., Attorney Escrow Account" or similar name, with the name of Purchaser and Unit number added to the title of a sub-account at its branch located at 153 East 53rd Street, New York, New York. Such account or accounts shall be interest bearing if so requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds shall be deposited within five (5) business days after this Agreement is executed by all necessary parties. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2-b) of the New York General Business Law, the terms and conditions of the Plan and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Such funds will be disbursed only upon written instructions of a member of Seiden & Schein, P.C., Seller's attorneys, as follows: (i) to Seller or as directed by Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law. Seller 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.

Down Payments will be retained in the special account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller or (iii) release or discharge of Seller's liability to refund such downpayment or (iv) upon transfer of title to the Unit to the Purchaser, or (v) by mutual consent of Seller and Purchaser, including provisions in the previous paragraph, or (vi) as provided for in the section of the Plan titled "Procedure to Purchase", which is incorporated herein by reference. 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 Seller in the event Seller and Purchaser close title under this Agreement.

As an alternative to depositing Down Payments in escrow as set forth above, Seller, provided it first obtains an exemption from the Department of Law, may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract

is to be delivered to Purchaser.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT.

In the event of an uncured default by Purchaser in its obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price plus any interest earned thereon, may be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing.

The balance of the Purchase Price will not be payable until Closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the Closing date for his Unit, which notice will also remind Purchaser of its obligation to pay the balance of the Purchase Price at that time and will state when Common Charges will be due and payable.

16. Equipment and Furnishings. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the Purchase Price of the Unit.

17. Acceptance of Condition of Unit; Risk of Loss.

17.1 Purchaser shall accept title to the Unit (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) any recreation facilities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not limited to any items which Purchaser may set forth or which are set forth in a Punchlist Inspection Statement.

17.2 Prior to the Closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the Prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit prior to the Closing of title, but shall be obligated to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing of title thereto.

17.3 Except as set forth below, the risk of loss from fire or other casualty with respect

to the Unit shall remain with the Seller until the Closing of title for the Unit. The Seller, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Subsequent to the filing of an amendment substantiating effectiveness of the Plan Seller may be required to repair or restore as set forth below. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

17.4 With respect to all risk of loss after an amendment substantiating effectiveness of the Plan has been filed but prior to Closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an aggregate of an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (minus certain amounts which Seller is required to spend to cure or comply with any work order from an insurer or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Plan). If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage which Seller is not required to repair or replace, this Agreement shall continue in full force and effect, Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the purchase price, and Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the Purchase Price 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 will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the Closing.

17.5 In the event Seller is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement will be deemed canceled and of no further force or effect and Seller will instruct its attorneys to return to Purchaser all sums deposited hereunder (with interest, if any) whereupon the parties will 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), Seller will retain the sums as liquidated damages.

18. Possession of Unit Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the Property before, on or after the closing of title herein. Seller may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement.

19. Legal Occupancy of Unit.

19.1 If the Unit is a Residential Unit, Purchaser acknowledges that the Unit is deemed, pursuant to Article 7-B of the Multiple Dwelling Law of the State of New York (the "MDL") and the Zoning Resolution of the City of New York ("Zoning Code"), to be "joint living-work quarters", and that pursuant to these laws, at least one resident of the Unit must be certified as a working artist (a "Certified Artist") in order for Purchaser to qualify for occupancy of joint living-work quarters in the zoning district in which the Building is located, and Purchaser acknowledges that under the MDL, as it is presently in effect, an "artist" is defined as "a person who is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or composition of music on a professional basis, and is so certified by the city department of cultural affairs and/or state council on the arts".

19.2 With respect to any Residential Units, the acceptance by Seller of this Purchase Agreement or the Deposit shall not be deemed a representation or warranty by Seller that Purchaser is now qualified or will be qualified at any time in the future to occupy his or her Unit as joint living-work quarters under applicable legal requirements.

19.3 Purchaser acknowledges and agrees that the building permit (the "Building Permit") and any temporary or permanent certificate of occupancy for the Building (the "Certificate of Occupancy") will list the uses that are permitted in the Building pursuant to law. Occupancy of the Unit that fails to comply with the Certificate of Occupancy will constitute a violation of the Zoning Code and the Certificate of Occupancy and will constitute the basis for denial or revocation of the Building Permit and/or the Certificate of Occupancy. Compliance with all laws, rules and regulations concerning the use and occupancy of any Unit will be the sole responsibility of Purchaser and Purchaser agrees to indemnify and hold Seller, the Board of Managers and all other

Unit Owners (each an "Indemnified Party") harmless from and against any liability, costs, claims and expenses (including, without limitation, legal fees) that any Indemnified Party may incur due to the failure of Purchaser to comply with such laws, rules and regulations. The provision of this Section 19 shall survive the Closing.

20. Limitation of Seller's Liability. The Seller's liability under this agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding to render the title to the Unit marketable or to cure any objection to title.

21. Definitions.

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

21.2 The terms used herein shall have the same meanings as ascribed thereto in the Plan.

21.3 The "Contract Date" on Page 1 of this Agreement shall be filled in by Seller only upon signing this Agreement, and shall be no less than three (3) days from the date that Seller actually signs this Agreement.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the Selling Agent and the Broker named on Page 1 of this Agreement. Purchaser and Seller agrees to indemnify and hold harmless each other from any and all liabilities arising from claims made against them for commissions by any other broker other than the above-named on account of each other's act or the acts of each other's representatives. Seller shall pay the commission of the above named broker(s) pursuant to a separate agreement. The provisions of this paragraph shall survive the Closing.

26. Governing Law. This Purchase Agreement shall be governed by and construed

in accordance with the law of the State of New York.

27. **Jury Waiver.** Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. **Acceptance by Seller.** Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, Seller will either:

- (a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or;
- (b) reject this Agreement offer and refund the downpayment tendered by Purchaser.

THE SUBMISSION OF THIS AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS AGREEMENT SHALL NOT BE BINDING UPON THE SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AN, IN SUCH EVENT, SUBJECT TO ALL THE TERMS AND CONDITIONS HEREOF.

29. **Transfer Tax Return.** At Closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the New York County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form.

30. **Survival.** The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

31. **Conflict with Plan.** Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

32. **Foreign Investment in Real Property Tax Act.** Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the Seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving

Purchaser from any withholding obligations.

33. **Lead-Based Paint Hazards.** Attached hereto as Exhibit A is a disclosure form which has been executed by Seller, Purchaser and Selling Agent regarding hazards posed by lead-based paint and disclosing such information as is actually known by Seller regarding the presence of lead-based paint and/or lead based paint hazards in the Unit. Pursuant to the attached form, Purchaser waives any right Purchaser may now or hereafter have to conduct a risk assessment or inspection of the Unit or the Building for presence of lead-based paint and/or lead-based paint hazards, or to rescind this Purchase Agreement or to seek damages due to the presence of lead-based paint and/or lead-based paint hazards in the Unit or the Building.

34. **Prohibition Against Advertising.** Prior to the Closing, Purchaser shall not 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 Seller's prior written consent.

35. **Rules of Construction.** There shall be no presumption against the draftsman of this Agreement or the Plan.

36. **Costs of Enforcing and Defending Agreement.** Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller'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.

37. **Strict Compliance.** Any failure by Seller 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 Seller 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.

38. **Performance by and Liability of Seller.** 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 Seller to be performed pursuant to the provisions of this Agreement, the Plan, General Business Law §352-e, and applicable regulations thereunder, except those (if any) herein or therein expressly stated to survive delivery of such deed.

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

Purchaser

Date

Purchaser

Date

Accepted:

C-Squarewood LLC

By: SOFI-V Cooper, L.L.C., Manager

By: _____

Dated: _____

**Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards
FOR SALES CONTRACTS**

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 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 sell 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 (initial)

- _____ (a) Presence of Lead-based paint and/or lead-based paint hazards (check one below):
- ☐ Known lead-based paint and/or lead-based hazards are present in housing (explain).
- _____
- ☐ Seller has no knowledge of lead-based paint and/or lead based paint hazards in housing.
- _____ (b) Records and reports available to the seller (check one below):
- ☐ 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).
- _____
- ☐ Seller has no reports or records 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 above.
- _____ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- _____ (e) Purchaser has (check one below):
- ☐ 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
- ☐ 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. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Seller	Date	Agent	Date
Purchaser	Date	Purchaser	Date

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS**

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS

(Send this application to the reviewing attorney assigned to the
subject plan.)

Re: _____
Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of
down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is
submitted in support of this application:

1. Name
of Applicant _____
2. Address
of Applicant _____
3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____
4. This is an application for

return of down payment.
forfeiture of down payment.
other: _____
5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).
6. The project is structured as
☐ a cooperative.

- ☐ a condominium.
- ☐ a homeowners association.
- ☐ a time share.
- ☐ other: _____

7. Name and Address
of Sponsor: _____

8. Name and Address
of Escrow Agent: _____

9. If down payments are maintained in an escrow account:
 - (a) Name of account _____
 - (b) Name and address
of bank _____
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____
10. If down payments have been secured by bonds:
 - (a) Name and address of
bond issuer or surety: _____

 - (b) Copy of bond included in this application.
(DO NOT SEND ORIGINAL BOND.) If not included, explain:

11. If down payments have been secured by a letter of credit:
 - (a) Name and address of bank which issued the letter of credit:

- (b) Date of expiration of the letter of credit, if known:

12. Plan information:

- (a) Date of filing of plan: _____

- (b) Plan

☐ has been declared effective. Approximate date:

☐ has not been declared effective.

- (c) If effective, the plan

☐ has closed or the first unit has closed. Approximate date:

☐ has not closed.

☐ don't know.

- (d) Down payments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

- (b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____

Date _____

Name (Printed): _____

Telephone: (Home): _____

(Business) _____

Mailing Address: _____

ESCROW AGREEMENT

ESCROW AGREEMENT

AGREEMENT made this ____ of _____, 2000 between C-Squarewood LLC ("Sponsor") as Sponsor and Holder of Unsold Units under the Offering Plan for the premises at 52-62 Cooper Square, New York, NY and SEIDEN & SCHEIN, P.C. ("Escrow Agent") as escrow agent.

WHEREAS, Sponsor is the Sponsor under the Condominium Offering Plan for premises located at 52-62 Cooper Square, New York, New York (the "Offering Plan") and

WHEREAS, Escrow Agent 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, 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:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account (the "Escrow Account") with Escrow Agent for the purpose of holding deposits or payments made by purchasers or subscribers. The Escrow Account has been opened with Citibank, N.A. (the "Bank") at its branch located at 153 East 53rd Street, New York, NY 10022. The account number is [REDACTED]

1.2 The name of the Escrow Account is SEIDEN & SCHEIN, P.C. ATTORNEY ESCROW ACCOUNT.

1.3 Jay G. Seiden, Esq. and Alvin Schein, Esq., principals of Escrow Agent are the sole signatories on the Escrow Account.

1.4 The Escrow Account shall be an interest-bearing account as disclosed in the Offering Plan.

1.5 The Escrow Account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds, received from prospective 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 in the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable to the order of SEIDEN & SCHEIN, P.C. as Escrow Agent. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to the prospective 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.

- 2.2 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, Escrow Agent shall notify the Purchaser of the deposit of such funds (the "Escrowed Funds") in the Bank, 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 Purchase Agreement 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 Escrowed Funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

- 3.1 Escrow Agent shall not release the Escrowed Funds of a defaulting Purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations, except for Escrowed Funds for Special Work as described in the Plan. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 Escrow Agent shall continue to hold the Escrowed Funds 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.
- 3.3 Sponsor shall not object to the release of the Escrowed Funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in an amendment to the Plan, except for Escrowed Funds for Special Work, as described in the Plan.
- 3.4 If there is no written agreement between the parties to release the Escrowed Funds, 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 Escrowed Funds 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 has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

- 4.1 Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the funds.
- 4.2 Upon the dissolution of a law firm which was 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.
- 4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

- 5.1 Escrow Agent shall maintain the Escrow Accounts called for in this Agreement under the direct supervision and control of Escrow Agent.
- 5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

- 6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.
- 6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

- 7.1 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 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 which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

- (c) All Units offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

- 7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all Escrowed Funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

- 8.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

- 9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

- 10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from Escrowed Funds nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not be deducted from the Escrowed Funds by any financial institution under any circumstance.

11. SEVERABILITY.

- 11.1 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.

12. ENTIRE AGREEMENT.

- 12.1 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.

SEIDEN & SCHEIN, P.C.

By: _____
Alvin Schein

C-SQUAREWOOD LLC

By: SOFI-V Cooper, L.L.C., Manager

By: _____
Gary Warfell
Title: Vice President

POWER OF ATTORNEY

POWER OF ATTORNEY

The undersigned, the Owner of Unit No. ____ in the Condominium known as THE 62 COOPER SQUARE CONDOMINIUM consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 200_, and recorded in the New York County office of the Register of the City of New York on _____, 200_ in Reel ____ at Page ____ and on the Floor Plans on file in said office as Map No. _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of THE 62 COOPER SQUARE CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

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

The undersigned do hereby nominate, constitute and appoint C-Squarewood LLC (Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its Designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor 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, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any 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) and 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. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this ___ day of , 200_.

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

On the ___ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the ___ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

FORM OF UNIT DEED

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, between C-Squarewood LLC, a New York limited liability company having an office at 52-62 Cooper Square, New York, New York, 10003 "Grantor", and _____, "Grantee".

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ in the Building known as 52-62 Cooper Square, New York, New York, and also designated and described as Unit No. _____ in the Declaration comprising The 62 Cooper Square Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 19____, and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, _____, in Reel ____ at Page _____ (hereinafter called the "Declaration"), which Unit is also designated as Tax Lot No. on the Floor Plan of the Building, certified by _____, on the _____ day of _____, _____, and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, County of New York as Map Nos. _____ (hereinafter called the "Unit"). The Property is described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the westerly side of Cooper Square, distant 159 feet 5 inches southerly, measured along the same, from the southwesterly corner of Astor Place, and Cooper Square;

RUNNING THENCE westerly along a line if extended, would intersect the easterly side Lafayette Street, at a point distant 108 feet 10 inches southerly from the southeasterly corner of Lafayette Street, and Astor Place, 81 feet 7 inches;

THENCE southerly parallel with the easterly side of Lafayette Street 25 feet 6 inches;

THENCE easterly at right angles with the easterly side of Lafayette, 1 foot 5-1/2 inches;

THENCE southerly parallel with the easterly side of Lafayette Street 25 feet 6 inches;

THENCE easterly at right angles with the easterly side of Lafayette, 20 feet 6 inches;

THENCE southerly parallel with the easterly side of Lafayette Street, 52 feet 6 inches;

THENCE easterly at right angles with Lafayette Street 20 feet 1-1/2 inches;

THENCE southerly along an independent wall 52 feet 7 inches;

THENCE easterly along an independent wall 95 feet 8-1/2 inches;

THENCE northerly, along the westerly side of Cooper Square, 167 feet 3-3/4 inches to the point or place of BEGINNING.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain

proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for The 62 Cooper Square Condominium recorded in the New York County Office of the Register of the City of New York on the _____ day of _____, _____, in Reel _____ at Page _____.

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for Residential use only;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

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 that 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 clause 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, 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 improvements before using any part of the same

for any other purpose.

The use for which the Unit is intended is as a residential dwelling, subject to applicable governmental regulations and such other restrictions as are set forth in the Declaration and Condominium By-Laws and Condominium Rules and Regulations.

The Grantee accepts and ratifies the provisions of the Declaration, the Condominium By-Laws, and the Condominium Rules and Regulations recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the New York County Office of the city Register of New York.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and Grantee have duly executed this deed as of the day and year first above written.

C-Squarewood LLC

By: SOFI-V Cooper, L.L.C., Manager

By: _____

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

On the ___ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the ___ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the ___ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

52-62 Cooper Square
NEW YORK, NEW YORK

NARRATIVE DESCRIPTION
Prepared By

James Harb Architects
230 West 17th Street. 5TH FL.
New York, NY 10013

11/17/00

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A. LOCATION AND USE OF PROPERTY

1. Address: 52-62 Cooper Square
2. Block: 544
3. Lot: 32, 36, 37
4. Zone: M1-5B
5. Permissible uses: Residential, Retail, Commercial

B. STATUS OF CONSTRUCTION

1. Year built: 52-54 Cooper Sq. 1850, 62 Cooper Sq. 1922-1923
2. Class of construction: 1.B., fireproof construction in both 52-54 Cooper Sq. and 62 Cooper Sq.
3. Certificate of Occupancy: Upon final completion of the renovation, Sponsor will obtain a permanent Certificate of Occupancy. Prior to the closing of any Residential Unit, the Sponsor will obtain either the permanent Certificate of Occupancy, or a temporary Certificate of Occupancy ("TCO"). To obtain the TCO, the Sponsor must substantially complete the following work:
 - a. Each Residential Unit will be in habitable condition.
 - b. Installation of all mechanical, electrical, and fire protection risers will be complete, providing utility services to each Residential Unit as follows:
 1. Automatic Fire Sprinklers. The building will be fully protected by an automatic fire sprinkler system. The existing sprinkler system will be modified to include all new sprinkler heads, new distribution piping to extend the system to fully protect all perimeter walls, and new isolation valves at each floor. A new fire pump and distribution header will be installed in the basement of 62 Cooper Square, serving both the 62 Cooper Square building and the 52 Cooper Square building.
 2. Domestic Water. From the existing 4 inch water service into the building, a new domestic water system will be installed, including new triplex distribution pumps, expansion tanks, distribution headers and risers, and lateral connections to each Residential Unit. The existing 4 inch, metered, water service which is in good condition

will be fitted with a backflow preventer. One kitchen and one bath in each Residential Unit will be connected to the domestic water system. Hot water will be provided by two new gas-fired hot water heaters manufactured by Lochinvar, Model RWN270PM-F9, located in the basement of 62 Cooper Square. The capacity of each hot water heater is 550 MBH. Both 52 and 62 Cooper Square will be served from the same system. Additional sub-outs consisting of ¾-inch shutoff valves on the hot and cold water supply will be made into each Residential Unit for future connections.

3. HVAC. Heating will be provided by new and existing steam radiators connected to the existing steam distribution piping. The existing steam radiators and distribution piping are in good condition. Two new gas-fired boilers manufactured by Smith, Model G28A-S15 will be installed in the basement of 62 Cooper Square. New isolation valves, steam traps, and thermostatic controls will be installed at each radiator. New radiators will be installed at certain locations as required. Air conditioning will be provided by a new condenser water system that will utilize a new roof-mounted closed circuit cooler, manufactured by Evapco, Model LSWA-P1A2D. The cooler will distribute condenser water to water-cooled packaged air conditioning units to be provided by Residential Unit Owners. Condenser water stub-outs consisting of 1-1/4-inch valved connections will be provided to each Residential Unit. Air conditioning units for cooling and ventilation of all common areas will be installed as part of the Sponsor's renovation work. The system has adequate capacity to serve all residential and commercial uses within the Building.
4. Electrical. A new electrical distribution service will be installed with new risers and panelboards installed throughout 52-54 Cooper Square and 62 Cooper Square. Each residential unit will be separately metered and will have a new panelboard with circuit breakers. Typical panelboards are rated at 200 amp.

5. Natural Gas. A new gas service will be installed in the building, providing service for the new boilers and for the risers serving the Residential Units. The kitchen in each Residential Unit will be connected to the natural gas riser. Future locations for tie-in to the risers are provided in each Residential Unit.
 6. Waste and Vent. New cast iron waste and vent risers will be installed to each Residential Unit. One kitchen and one bath in each Residential Unit will be connected to the sanitary waste connection in the basement of the building and the vent stack leading to the roof of the building. Future connections will be blanked-off for use by Residential Unit Owners.
- c. The building exterior renovation will be substantially complete, including the resolution of any outstanding Local Law 11/98 issues, the installation of new windows, and the reconstruction of new bulkhead walls, and sections of masonry that are being replaced as part of the renovation program. Some minor work will remain in progress after TCO, including some masonry pointing, caulking, cleaning, and other minor exterior maintenance work necessary to complete the renovation.
- d. All demising walls will be installed. Sheetrock walls that are new will be provided with a primed coat of paint. Existing plaster and brick walls are in good condition and will be provided with a primed coat of paint. Ceilings and floors are exposed concrete. Exposed concrete surfaces are in good condition. Any voids in exposed concrete surfaces that have a surface area exceeding four square inches and a depth exceeding $\frac{3}{4}$ -inch will be repaired with a concrete bonding agent and patched with concrete. Ceilings will be painted with a primed coat of paint and floors will be delivered with an exposed concrete surface. Residential Unit Owners will be responsible for installing sound attenuation on exposed concrete floors that must consist of either a wood sub-floor installed at least $\frac{3}{4}$ -inch above the exposed concrete floor, or area rugs and carpets that must cover not less than 80% of the total floor area

- in the Residential Unit. Floor treatments must conform to all applicable local law and building codes.
- e. Residential units will include a functional bathroom with shower stall, sink, and toilet. Kitchen units will include a sink and gas range.
 - f. All other residential finishes will be provided by the Residential Unit Owner
4. Alteration application numbers and work done:
62 Cooper Sq: Application #102822402 / building wide conversion, change of use.
52-54 Cooper Sq: Application #102822411 / building wide conversion, change of use.
5. The scope of work entails a full-scale shell and core renovation of each building, including all new mechanical (except for existing radiators at 62 Cooper Square as indicated below), electrical, fire protection, plumbing, and vertical transportation systems. The envelope of each building will be fully restored with new insulated glass windows, restored brick masonry and limestone, and new roofing components. The interior wood structural framing of 52-54 Cooper Square will be replaced with new structural steel framing and new concrete floor slabs supported with metal decking. The floor plates of 62 Cooper Square will be modified to include additional floor penetrations for a new interior egress stair, and shaft penetrations for new HVAC, plumbing, and, electrical risers. The heating systems at 62 Cooper Square will be upgraded with new boilers and new steam distribution equipment for the existing perimeter radiators, which are to remain. At 62 Cooper Square, the perimeter radiators, portions of the steam distribution system, and sections of the automatic sprinkler system will be reutilized in the renovation program.
6. The scope of work for the renovation of 62 Cooper Square also includes satisfying the recommendations made by the architect of record in the Local Law 11/98 report (a copy of which is attached hereto) and making those repairs and improvements that are outlined therein. The renovation includes a complete facade renovation program in which the masonry cracks will be repaired, loose brick will be

replaced and the face brick and decorative stone will be repaired and restored to their original conditions. Cracks in the exterior building surfaces have been caused by years of exposure to weather conditions and have propagated as a result of deferred maintenance due to normal wear and tear. The scope of the exterior renovation program includes the removal and replacement of damaged brick where significant cracks have occurred. The exterior renovation program will stabilize all masonry cracking that has occurred in the past. There are only minor improvements scheduled for the 52 Building, including repairs to the stucco sills and window surrounds at the east elevation. At the west elevation of the building, sections of the masonry wall will be replaced to accommodate installation of new windows. After the renovation work is complete, the Building will be in good structural condition and will comply with all provisions of Local Law 11/98. The implementation of normal masonry repair, maintenance, and inspection programs will be required to keep the exterior walls in good condition.

7. Concrete floor ceiling surfaces in the cellar and sub-cellar are in good condition. Exposed concrete surfaces will remain unfinished. New sheetrock walls will be painted with a primed and finish coat of paint. Concrete, plaster, or exposed brick walls in the cellar and sub-cellar will be painted with a primed coat of paint.

C. SITE

1. Lot size: 52 - 54-4503 square feet
62 - 9357 square feet
2. Number of buildings and use:

62 Cooper Sq.

- a. Sub-cellar: Utilities
- b. Cellar: retail, storage, utilities
- c. 1st floor: retail, residential entrances
- d. Mezzanine: retail
- e. 2nd through 12th floors: residential
- f. Penthouse: residential, terrace, mechanical

52-54 Cooper Sq.

- a. Cellar: retail, storage, utilities
- b. 1st floor: retail

- c. 2nd through 4th floors: residential
- d. Penthouse: residential, terrace
- 3. Streets owned by the project: None
- 4. Sidewalks, lighting, storm drainage owned by the project: None
- 5. Vaults: There is one story high vault at the cellar level extending the full length of 62 Cooper Sq. The vault at 52-54 Cooper Sq. is sealed and no work is required.

D. UTILITIES

- 1. Water: Public utility, New York City, metered collectively.
- 2. Sewer: Public utility, New York City.
- 3. Gas: Regulated company: Con Edison, metered collectively.
- 4. Electric: Regulated company: Con Edison, metered individually.
- 5. Telephone: Regulated company billed individually.
- 6. Cable TV: Regulated company billed individually.

E. SUB-SOIL CONDITIONS

- 1. The foundations of the buildings are in good structural condition, with no evidence of structural settlement, uneven foundation movement or displacement. There is no evidence of adverse sub-soil conditions.

F. LANDSCAPING

- 1. New Wooden privacy fences will be located between the private terraces and the common roof.
- 2. New pavers will be located on the terraces

G. BUILDING SIZE

- 1. Total height: 62 Cooper Sq. from average sidewalk elevation to penthouse roof: 168'-4". 52-54 Cooper Sq. from average sidewalk elevation to penthouse 67'-0"
- 2. Crawl Spaces: none
- 3. Number of cellars and sub-cellars: 62 Cooper Sq.: There is one partial sub-cellar and one cellar. 52-54 Cooper Sq.: There is one cellar.
- 4. Number of floors: 62 Cooper Square: There will be twelve floors, plus 13th floor penthouse. 52-54 Cooper Square: There will be four floors plus 5th floor penthouse.
- 5. Equipment rooms: There will be one elevator equipment room above the 12th floor roof on 62 Cooper Sq. and one cooling tower on the roof

of the 12th floor adjacent to the elevator equipment room. In the cellar there will be one electric meter room, one telecommunication equipment room, one compactor room, one elevator machine room and one gas and water meter room. In the sub-cellar there will be a boiler room and a pump room.

6. Parapet heights: 62 Cooper Sq.: The parapet at the 12th floor roof is 3'6" above the roof. 52-54 Cooper Sq.: The parapet at the 4th floor roof is 3' 6" above the roof.

H. BUILDING CONSTRUCTION

1. Structural system: The structural consists of the following elements:

62 Cooper Square

- i. Existing footings bearing on rock and/or soil below the level of the sub-cellar concrete slab.
- ii. Existing Steel columns encased in concrete configured in a bay systems of approximately 18'x21" extending from the sub cellar to the 12th floor roof.
- iii. Existing floors are steel beams encased in concrete.
- iv. New framing floor roof will consist of steel girders and beams with metal deck and concrete floor construction.

52-54 Cooper Square

- i. The existing masonry party walls remain.
- ii. All wood columns joists and beams are to be removed and replaced with steel beams and light gauge steel framing.

2. Exterior Walls: The current local Law 11 report is attached. The exterior walls consists of the following elements:

62 Cooper Square

- i. 1st floor Cooper Square: Metal and glass store fronts and entrances, limestone piers with granite bases. The entire north, west and south elevations are brick.
- ii. 2nd and 3rd floor: Limestone with masonry back-up wall and plaster interiors.
- iii. 4th to 10th floor roof: Limestone and face brick with masonry back-up, and interior plaster.

- iv. Penthouse and bulkheads: Exterior wall insulation and finish system consisting of rigid insulation and synthetic stucco on concrete block walls.

52-54 Cooper Square

- i. The east and west walls are brick..
- ii. The 1st floor is cast iron pilasters, wood and glass storefront.

3. Parapets and cornices

62 Cooper Square

- i. Brick and limestone

52-54 Cooper Square

- i. Painted decorative wood

4. Chimneys:

62 Cooper Square

- i. There is masonry boiler chimney that terminates above the level of the penthouse.
- ii. There will be 1 metal compactor chute that terminates at the 12th floor.

5. Windows: Windows will be replaced with the following:

62 Cooper Sq.

- i. The painted aluminum insulated glass single hung windows will be manufactured by Traco, series 9100.

52-54 Cooper Sq.

- i. The painted wood insulated glass double hung window will be manufactured by Bonneville.

6. Landmark status

- i. The buildings are in a landmark zone, but do not have individual landmark status.

7. Balconies and terraces: There are no balconies on the building.

The following terraces exist:

- a. At the level of the 2nd floor of 62 Cooper Sq. accessible from the adjoining dwelling units. There will be two private terraces at the level of the 8th floor, accessible from the adjoining dwelling units. There will be two private terraces at the level of the penthouse floor, accessible from the adjoining dwelling units. There will be one private terrace of the penthouse of 52-54 Cooper Sq. and one on the 2nd floor of 62 Cooper Sq. There will be one common roof terrace at the 2nd floor of 52-54 Cooper Square. All terraces are comprised of 18"x18" light weight concrete roof pavers.
 - b. Fences and rails: The private terraces are enclosed with 6' high cedar fencing, supported by steel post and wood framing. Where common and private terraces adjoin a building wall parapet, a 6' high fence exists
 - c. Terrace doors: Each private terrace is accessed by a pair of 3'0"x8'0" glass and aluminum door.
8. Building entrance
- a. Entrance doors at 62 Cooper Square: Existing pair of bronze and glass doors
 - b. Lobby entry for 52-54 Cooper Square: New pair of bronze and glass doors to match existing
9. Service entrance
- a. There will be no service entrance.
10. Roof and roof structures
- a. Roof type: modified bituminous membrane roofing with white colored mineral granular surface.
 - b. Base flashing: torch applied modified bituminous membrane.
 - c. Cap flashing: aluminum
 - d. Roof drains: All roofs will be drained with 4" cast iron drains.
 - e. The stair and elevator bulkhead will be located at the main roof and is constructed out of concrete block and the exterior wall insulation and finish system to match the penthouse construction.
 - f. There will be one interior metal ships ladder at the level of the penthouse to access penthouse roof.
 - g. Roof top facilities: There will be an open common terrace at the level of the main roof (12th floor).

11. Fire escapes

- a. There is one fire escape on the 52-54 Cooper Square building.

12. Yard and courts

- a. There are no interior courts as yards.

13. Interior stairs

62 Cooper Sq.

- b. There are two main egress stairs in the building configuration. One stair will terminate at the 12th floor, one stair will extend up to the penthouse and elevator room level. Both stairs will extend down to the 1st floor, terminating in the residential lobbies.
- c. There will be two separate stairs that extend from the sub-cellar to the 1st floor residential lobbies.
- d. All new stair enclosures will be constructed of metal framing and gypsum wall board. Stair enclosures will have paint finish.
- e. All stairs will be steel construction with concrete filled treads and landings. Risers and stringers will be painted steel.
- f. Rails: painted steel.

52-54 Cooper Sq.

- a. There will be one new stair extending from the 4th floor to the street.
- b. There will be a fire escape extending from penthouse roof to 2nd floor terrace. Then access the public corridor which exits at the south stair at 62 Cooper Square.

14. Interior doors

- a. Dwelling unit entrance doors and frames: Hollow metal doors and hollow metal frames. Doors and frames will "B" label.
- b. Dwelling unit interior doors and frames: Solid wood door with wood frames.
- c. Corridor equipment room doors and frames: Hollow metal doors and frames, "B" label.
- d. Stair hall doors and frames: Hollow metal doors and frames. Doors and frames are "B" label.
- e. Roof doors and frames: Hollow metal doors and frames.
- f. Basement doors and frames: Hollow metal doors and frames.

15. Elevators

62 Cooper Sq.

- a. Passenger Elevators (P1, P2)
 - i. capacity: 2,500
 - ii. type: passenger loading
 - iii. speed: 400 (fpm)
 - iv. controls: variable voltage, variable frequency AC
 - v. operation: duplex automatic push button
 - vi. floors served: P1: Cellar-12th, P2: 1st-12th
 - vii. doors: two speed, center opening, side slide
 - viii. machine room location: one level above roof over the hoist way
 - ix. machine type: worm geared action

52-54 Cooper Sq.

- a. Passenger Elevator (P3)
 - i. capacity: 3,500
 - ii. type: passenger
 - iii. speed: 150 (fpm)
 - iv. controls: AC for hydraulics
 - v. operation: simplex selective collective
 - vi. floors served: Cellar-4th
 - vii. doors: single speed center opening
 - viii. machine room location: remote o cellar floor
 - ix. machine type: hydraulic pump

16. Elevator cabs

62 Cooper Sq.

- a. Passenger Elevators (P1, P2)

Walls: Architectural mesh by Cambridge Wire Cloth Co. #0052-B (Stainless Steel large square facets) and #0078-B (Brass & Stainless Steel long facets). Polish unlacquered bronze trim, angles, tees, sills and doors.

Ceilings: Perforated steel light cove with fluorescent light fixture. Drop ceiling will be plywood with plastic laminate finish.

Floors: Heavy carpet pad with border of selected stone.

Control Panel by Monitor Controls Inc.: Stainless steel control panel with #4 brush finish, the buttons are 1" diameter flat Muntz unlacquered button with #4 brushed finish

52-54 Cooper Sq.

a. Passenger Elevators (P3)

Walls: Architectural mesh by Cambridge Wire Cloth Co. #0052-B (Stainless Steel large square facets) and #0078-B (Brass & Stainless Steel long facets). Polish unlacquered bronze trim, angles, tees, sills and doors.

Ceilings: Perforated steel light cove with fluorescent light fixture. Drop ceiling will be plywood with plastic laminate finish.

Floors: Heavy carpet pad with border of selected stone.

Control Panel by Monitor Controls Inc.: Stainless steel control panel with #4 brush finish, the buttons are 1" diameter flat stainless steel button with #4 brushed finish

I. AUXILIARY FACILITIES

- 1. Refuse disposal system (62 Cooper Sq. only)
 - a. Compactor: There will be a compactor/recycling room located in the cellar. The compactor and recycling system will be the Hi-Rise Recycling System Model No. HRS 6RU. The system uses a single chute to collect into separate containers different categories of waste that has been already separated by the tenant for garbage disposal and for recycling. A turntable carries a container for each category of waste.
 - b. Chute: There will be access to the chute from a common closet on each floor level. A panel on each floor enables a tenant to position the selected container on the turntable to receive the appropriate category of waste.

- c. Garbage and recycled material will be stored initially in the compactor room and brought to the service entrance for regularly scheduled pick ups by the New York City Department of Sanitation.

J. PLUMBING AND FIRE PROTECTION

1. Domestic water

- a. The existing 4 inch, metered, water service which is in good condition will be fitted with a backflow preventer and extended to serve a new 15,000 gallon fire protection suction tank, the retail floors and new, triplex, constant pressure pumping system.
- b. Hot water for dwelling units in both 52-54 Cooper Sq. and 62 Cooper Sq. will be provided by two, gas-fired, storage type heaters located in the sub-cellar of 62 Cooper Square.
- c. Water will be distributed to all levels in both 52-54 Cooper Sq. and 62 Cooper Sq. by risers located within each apartment line.
- d. Plumbing fixtures will be vitreous china, enamel coated cast iron, or acrylic coated fiberglass, with chrome plated brass trim and individual stop valves.
- e. Water closets will be elongated, floor mounted, of the gravity tank type.
- f. Showers will be provided with non-skid bottoms and anti-scalding mixing valves.
- g. All fixtures will be of the water conserving type.
- h. The retail area in both 52-54 Cooper Sq. and 62 Cooper Sq. will be provided with 3 inch, street pressure, cold water valved outlets on the cellar and ground floor levels.

2. Sanitary Drainage system:

- a. Both 52-54 Cooper Sq. and 62 Cooper Sq. will be fitted with new sanitary drainage systems and accompanying vents serving all new plumbing fixtures.
- b. The existing ejector pumps will be replaced with new suspended pumps on a new metal cover, over the existing pit. The ejector will continue serving the cellar and sub-cellar levels.
- c. The new sanitary system will be fitted with its own house trap and fresh air inlet. The sanitary drain will connect to the existing 8-inch combined house sewer, before leaving both 52-54 Cooper Sq. and 62 Cooper Sq.

3. Storm Drainage

62 Cooper Sq.

- a. The existing combined sanitary/storm drainage system is in good condition and will be dedicated to storm drainage only. The system will be fitted with new roof drains to serve all existing and new roof areas. All existing sanitary connections to the system will be cut and plugged

52-54 Cooper Sq.

- a. The two buildings will be fitted with completely new and independent storm and sanitary drainage systems connecting to the existing 6-inch storm and 4-inch sanitary house sewers, respectively.

4. Natural Gas

- a. A new natural gas service will be extended to 62 Cooper Sq. and fitted with two meters. One meter will serve apartment use in both 52-54 Cooper Sq. and 62 Cooper Sq. and the other will monitor boiler and water heater consumption.

- b. Black steel risers will provide gas to each unit for cooking.
- c. Space will be allocated for a retail meter.
- 5. Fire Protection
 - a. Water Supply - A new 6-inch fire protection service will enter the cellar of 62 Cooper Sq. The service will be fitted with the required backflow prevention and metering equipment. The service will supply a new 500 gpm fire pump located in the sub-cellar of 62 Cooper Sq.
 - b. Fire standpipe system: The building's existing fire standpipe system will be reused. The system will be modified to be supplied by the above-mentioned 500 gpm automatic fire pump. The pump will take suction from the 15,000 gallon tank and the new 6 inch fire service. Fire Department hose valves will be provided at each floor. On the retail floors, the valves will be fitted with 125 feet of fire hose.
 - c. Automatic sprinkler system:

62 Cooper Sq.

- i. The building will be fully protected by an automatic fire sprinkler system. The existing sprinkler system will be modified to include all new sprinkler heads, new distribution piping to extend the system to fully protect all perimeter walls, and new isolation valves at each floor. A new fire pump and distribution header will be installed in the basement of 62 Cooper Square, serving both the 62 Cooper Square building and the 52 Cooper Square building. A 500 gpm automatic fire pump will supply the sprinkler system.

52-54 Cooper Sq.

- i. A new sprinkler system will provide sprinkler coverage throughout the building. The 500 gpm

automatic fire pump will supply the sprinkler system.

- d. The sprinkler piping will be steel with threaded joints.
- e. The fire protection systems will be capable of meeting the following criteria:
 - i. Classification: Light hazard.

Coverage: 225 sq ft per head.

Density: 0.10 gpm per sq ft

Area of application: 1,500 sq ft

Water supply duration: 30 minutes.

Spaces: All residential areas, corridors and lobbies.
 - ii. Classification: Ordinary hazard.

Coverage: 130 sq ft per head.

Density: 0.16 gpm per sq ft

Area of application: 1,500 sq ft

Water supply duration: 40 minutes.

Spaces: Storage rooms, mechanical rooms and shop areas.
- f. Each floor in 62 Cooper Sq. will be fitted with its own floor control valve, tamper and flow switch. 52-54 Cooper Sq. will be fitted with one alarm valve, located in the basement level, to monitor flow anywhere in the building. All monitoring devices will be connected to the fire alarm system.

K. HEATING, VENTILATING AND AIR CONDITIONING (HVAC)

1. Heating: Heating system designed to maintain 65 deg.F indoor air temperature when outside air temperature is 0 deg.F
 - a. A new boiler plant (to be located in the sub-cellar of 62 Cooper Sq.) consisting of two, gas-fired, sectional cast iron boilers, each with 3,400 MBH capacity; a boiler feed unit and duplex vacuum and condensate pumps; will be provided to supply low-pressure, 10 psi, steam for heating of both 52-54 Cooper Sq. and 62 Cooper Sq.
 - b. A "Heat Timer" control system will stage steam output, to the perimeter heating zones, based on outdoor air temperature.
 - c. A separate steam riser will extend from the sub-cellar to the second floor, to serve the corridor ventilation unit and the retail levels. Valved outlets will be provided for future retail use.
 - e. In 62 Cooper Sq. the existing, floor mounted cast iron radiators will provide heating in the dwelling units. All existing radiator thermostatic traps and shut-off valves will be replaced. New thermostatic steam control valves will be provided on all new and existing radiators, to allow for local temperature control.
 - f. 52-54 Cooper Sq. will have new fin-tube radiators with thermostatic steam control valves to allow for local temperature control.
2. Ventilating
 - a. Three, centrifugal, toilet exhaust fans located on the penthouse roof, will serve toilet exhaust risers in each apartment line in both 52-54 Cooper Sq. and 62 Cooper Sq. The fans and risers will be sized to draw 100 cfm of toilet exhaust from each apartment.

- b. Residential corridors in 62 Cooper Sq. will be supplied with 500 cfm of outside air, heated or cooled to 65 deg. F depending on the season, from a 15 ton, 5,000 cfm; water-cooled air conditioning unit, located on the second floor. The unit will be fitted with a 324 MBH steam heating coil.
 - c. Three, centrifugal, general exhaust fans located on the penthouse roof, will serve exhaust risers from cooking areas. The fans and risers will be sized to draw 120 cfm from each apartment in both 52-54 Cooper Sq. and 62 Cooper Sq.
 - d. Dwelling units on floors 10-12 in 62 Cooper Sq. will be provided access to auxiliary kitchen exhaust hoods.
 - e. A trash room exhaust fan will be provided on the penthouse roof, to draw 50 cfm from each trash room in 62 Cooper Sq.
 - f. Retail areas will be exhausted by means of a general exhaust shaft and fan, located on the penthouse roof. Outside air for the retail areas will be supplied from an outside airshaft extending from the second floor roof setback, to the cellar level.
3. Air Conditioning
- a. An evaporative, closed loop, fluid cooler, with 300 ton cooling capacity, will provide condenser water to all areas for air conditioning.
 - b. Valved outlets will be provided in each apartment and at each retail floor for future extension to water-cooled equipment.

L. ELECTRICAL SYSTEMS

- 1. The existing Con Edison Service on Cooper Sq. will be reinforced and new electrical distribution will be provided from

the service end box to the apartment panel located in the basement.

2. The new service room will house a (3) phase, four (4) wire, 120/208 volt, 3,000 ampere service switch, dedicated to residential tenant use; a (3) phase, four (4) wire, 120/208 volt, 1,200 ampere service switch, dedicated to base building equipment and common loads; and the space for a (3) phase, four (4) wire, 120/208 volt, 2,000 ampere service switch dedicated to future retail tenant needs.
3. The tenant apartments will be individually metered by the Utility. A separate Utility meter will be provided for common house loads. Space will be provided for future retail meters.
4. Each apartment will be fed from a single phase, three (3) wire, 120/208 volt panel, located within the apartment. The panels will range from 30 to 42 poles, with ratings between 100 and 150 amperes. The apartments will be fed from two (2) pole circuit breakers in the meter banks located in the basement service room.
5. An 800 ampere distribution board will be provided to support house equipment such as pumps boilers, fans and elevators. Separate service switches will be provided for the fire pump and emergency lighting panel.
6. A smoke/sprinkler fire alarm system will be provided consisting of the following:
 - a. Sprinkler water-flow switches and tamper switches.
 - b. Area smoke detectors in mechanical and electrical equipment rooms, trash rooms lobbies and elevator machine rooms. Dwelling units will be fitted with a 120 volt, hard wired ionization type smoke detector with integral buzzer. Apartment detectors will not be annunciated at the fire alarm panel.

- c. Tie-in to Fire Department via a central monitoring station.
 - d. Fire pump monitoring.
 - e. Spare alarm zones, to receive alarms from future retail fire alarm systems.
7. All common area lighting is connected to the building lighting panels. Emergency lighting is provided via emergency battery packs in the stairwell and egress corridors. Exit signs with emergency batteries are provided at each stair entrance.
8. Decorative lighting is provided in all hallways and lobby areas
9. A highly integrated telecommunications backbone will be installed in the building, providing network services for access to local and long distance telephone, broadband internet access, building security and intercom, and cable television. Features of the system will include the following:
- a. A fully developed riser system will connect each floor of 52-54 Cooper Square and 62 Cooper Square to a Telecom Room installed in the basement of 62 Cooper Square. The Telecom Room will provide access for fiber optic network providers, cable TV providers, and local telephone service. The riser system will terminate at a Telecom Cabinet installed on each floor of 52-54 Cooper Square and 62 Cooper Square, near the elevator shaft.
 - b. Access to video security and intercom from the main building entrance at both 52-54 Cooper Square and 62 Cooper Square.
 - c. Access to cable TV providers currently serving Greenwich Village along Cooper Square in the Cooper Square/Lafayette Street corridor.
 - d. DSS and DSL access.
 - e. High-speed internet via fiber network.
 - f. The dwelling unit light fixture schedule is as follows:

Location & Description	Manufacturer	Model No.	Lamp
Foyer	Lightolier	Arco 1	1 75W

Ceiling surface mtd.		40632WH	A19
Bathroom ceiling Ceiling surface mtd.	Visa	Cm1030- 1H100 PT(PLT)-SB- ULD	1 100W E17
Bathroom shower Ceiling semi- recessed	Lightolier	1178SH	1 40W A19
Kitchen Soffit, recessed	Progress	P8-TG 6"	75W R30

M. GARAGES AND PARKING

1. There will be no onsite parking facilities.

N. SWIMMING POOLS

1. There will be no onsite swimming pools.

O. RECREATION FACILITIES

1. There are common terraces at the various roof levels, which is described in section H.7.a.

P. PERMITS, CERTIFICATES, INSPECTIONS

1. Partial Demolition/Construction.
 - a. Permit required: Architectural, Plumbing, Mechanical
 - b. Permit agency: NYC DOB
 - c. Inspections required: Architectural, Plumbing, Mechanical
 - d. Inspector: Architect of record, Licensed Plumber, Engineer of record
 - e. Duration: Sign-off approx. one week after inspection
 - f. Final certificate/sign-off document: Letter of completion form DOB
2. Interior Demolition
 - a. Permit required: Architectural, Plumbing Mechanical
 - b. Permit agency: NYC DOB
 - c. Inspections required: Architectural, Plumbing
 - d. Inspector: Architect of record, Licensed Plumber
 - e. Duration: Sign-off approx. one week after inspection

- f. Final certificate/sign-off document: Letter of completion form DOB

3. Sprinkler System

- a. Permit required: Sprinkler
- b. Permit agency: NYC DOB,
- c. Inspections required: None
- d. Inspector: Plumbing division of NYC DOB
- e. Duration: Approval approx. two weeks after inspection
- f. Final certificate/sign-off document: DOB sign-off

P. PERMITS, CERTIFICATES, INSPECTIONS (continued)

4. Fire Protection Plan

- a. Permit required: None
- b. Permit agency: NYC DOB, NYC Fire Department
- c. Inspections required: None
- d. Inspector: N/A
- e. Duration: Approval approx. three months after submitted plans
- f. Final certificate/sign-off document: Letter of Approval from NYC FD and letter of Completion from NYC DOB

5. Fire Alarm

- a. Permit required: Fire alarm
- b. Permit agency: NYC DOB, NYC FD
- c. Inspections required: Fire alarm
- d. Inspector: NYC FD
- e. Duration: Sign-off approx. one month after passed inspection
- f. Final certificate/sign-off document: Letter of approval from NYC FD

6. Alteration type 1 for Change of Use

- a. Permit required: Architectural, Plumbing Mechanical, structural
- b. Permit agency: NYC DOB
- c. Inspections required: Architectural, Plumbing, Mechanical, Structural
- d. Inspector: Architects, Engineers of record sign off all Controlled Inspections DOB sign-off on applications, DOB Plumbing Division signs off on plumbing
- e. Duration: Sign-off approx. one month after final DOB inspections
- f. Final certificate/sign-off document: Certificate of Occupancy from NYC

7. Highway work

- a. Permit required: Sidewalk and Street permits
- b. Permit agency: NYC DOT
- c. Inspections required: N/A
- d. Inspector: N/A
- e. Duration: N/A
- f. Final certificate/sign-off document: N/A

8. Boiler

- a. Permit required: Boiler, Plumbing
- b. Permit agency: NYC DOB
- c. Inspections required: Boiler, Plumbing
- d. Inspector: NYC DOB Boiler and Plumbing Division
- e. Duration: N/A
- f. Final certificate/sign-off document: N/A

9. Elevators

- a. Permit required: Elevator
- b. Permit agency: NYC DOB
- c. Inspections required: Elevator
- d. Inspector: NYC DOB Elevator Division
- e. Duration: Two weeks after passed inspection
- f. Final certificate/sign-off document: Elevator certificate from NYC DOB

10. Compactor

- a. Permit required: Part of Alt.1
- b. Permit agency: NYC DOB
- c. Inspections required: N/A
- d. Inspector: N/A
- e. Duration: N/A
- f. Final certificate/sign-off document: N/A

11. Required Controlled Inspections

- a. borings, test pits
- b. sub grade
- c. welding
- d. high strength bolts
- e. fire stops
- f. ventilation
- g. structural stability

- h. spray on fire proofing
- i. masonry units
- j. concrete
- k. concrete design mix
- l. concrete test cylinders
- m. smoke test, fireplaces

Q. VIOLATIONS

1. Elevators: As of June 21, 2000 there are 2 open elevator violations for 62 Cooper Sq. and no open elevator violations for 52-54 Cooper Sq. These elevators will be demolished.

R. DWELLING UNITS**62 Cooper Square**

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
2		6,299	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	1	6,299	
OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
3	A	2,533	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	2,968	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	C	1,603	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	3	7,104	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
4	A	2,533	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	2,968	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	C	1,603	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	3	7,104	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
5	A	2,548	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	4,961	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	2	7,509	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
6	A	2,533	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	3,073	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	C	1,603	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	3	7,209	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
7	A	2,548	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	4,961	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	2	7,509	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area	Unit Description

		(SF)	
8		6,804	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	1	6,804	

OPEN PLAN DWELLING UNITS

Floor	Unit	Unit Area (SF)	Unit Description
9	A	2,160	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	B	2,618	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	C	1,452	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	3	6,230	

OPEN PLAN DWELLING UNITS

Floor	Unit	Unit Area (SF)	Unit Description
10	A	4,849	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
	C	1,639	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	2	6,488	

OPEN PLAN DWELLING UNITS

52-62 Cooper Square, New York, NY

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Floor	Unit	Unit Area (SF)	Unit Description
11		6,801	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	1	6,801	

OPEN PLAN DWELLING UNITS

Floor	Unit	Unit Area (SF)	Unit Description
Penthouse	A	3,429	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen 1 2,002 s.f. terrace
	B	5,358	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen 1 1,080 s.f. terrace
Subtotal	2	8,787	

52-54 Cooper Square

OPEN PLAN DWELLING UNITS

Floor	Unit	Unit Area (SF)	Unit Description
2	1	2,751	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen 1 1,285 s.f. terrace
Subtotal	1	2,751	

OPEN PLAN DWELLING UNITS

Floor	Unit	Unit Area (SF)	Unit Description
3	1	3,079	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen
Subtotal	1	3,079	

OPEN PLAN DWELLING UNITS			
Floor	Unit	Unit Area (SF)	Unit Description
Penthouse	1	4,506	1 open liv/din/sleeping area 1 3-fix bthrm 1 open kitchen 1 1,904 sf terrace
Subtotal	1	4,506	

TOTAL	26	88,180	
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S. FINISH SCHEDULE

1. Dwelling unit finish schedule

62 Cooper Square

Liv/Dining/Ktchn	Floor	Base	Walls	Ceiling
Floors 2,8,11	F2	B5	W2	C1
Floors 3,6,9 – A, B, C	F2	B1	W1	C7
Floors 5,7 – A, B,	F2	B1	W7	C7
Floor 10-A,C	F2	B1	W7	C7
Penthouse – A, B	F3	B1	W1	C4

Bathroom	Floor	Base	Walls	Ceiling
Floors 2,8,11	F6	B3	W8	C4

Floors 3,6,9 – A, B, C	F6	B3	W8	C4
Floors 5,7 – A, B	F6	B3	W8	C4
Floor 10-A, C	F6	B3	W8	C4
Penthouse – A, B	F6	B3	W8	C4

52-54 Cooper Square

Liv/Dining/Ktchn	Floor	Base	Walls	Ceiling
Floors 2,3,4	F3	B1	W3,W6	C7
Penthouse	F3	B1	W3	C4

Bathroom	Floor	Base	Walls	Ceiling
Floors 2,3,4	F6	B3	W8	C4

2. Common Space finish schedule

62 Cooper Square

Cellar	Floor	Base	Walls	Ceiling
Corridor	F1	B2	W3,W4	C2
Storage	F2	B1	W1,W2	C1
Sub-Cellar Mechanical	F2	B1	W2	C1

Ground Floor	Floor	Base	Walls	Ceiling
Lobby	F4	B4	W3,W5	C5
Mailbox	F4	B4	W3,W5	C4
Corridor	F4	B4	W3	C6

2nd –12th Floor	Floor	Base	Walls	Ceiling
Elevator Lobby	F5	B6	W3	C4,C8
Corridor	F5	B6	W3	C4,C8
Rubbish clst.	F5	B2	W3	C3
Penthouse – A, B	F3	B1	W1	C4

52-54 Cooper Square

Cellar	Floor	Base	Walls	Ceiling
Corridor	F1	B2	W3,W4	C2
Storage	F2	B1	W1,W2	C1

Finish Key:

F1: Clean existing concrete and paint 2 coats deck paint

- F2: Existing concrete to remain
- F3: New exposed concrete
- F4: 3/8" custom epoxy terrazzo
- F5: Shot blast existing concrete, grind and polish, 3 coats sealer
- F6: 2" x 2" unglazed ceramic tile
- B1: No base at gypsum board wall
- B2: 4" vinyl base at gypsum board wall
- B3: 6" Glazed ceramic tile base
- B4: 3/4" Stone slab
- B5: Existing base to be painted
- B6: 10" high molded painted wood base
- W1: 1 Coat prime new gypsum board or existing walls
- W2: Existing or new walls unpainted
- W3: Painted gypsum board
- W4: Unpainted new concrete block
- W5: 12" x 18" marble tile
- W6: Exposed brick
- W7: Spray painted gypsum, masonry and/or plaster walls
- W8: Painted gypsum board with 4" x 4" wainscot at plumbing wall
- C1: Existing concrete or plaster to remain
- C2: Painted concrete beams and mechanical lines
- C3: Painted concrete and underside of stairs, stringers and landings
- C4: Painted gypsum board soffit and existing concrete
- C5: Painted restored plaster and moldings
- C6: Sandblasted concrete
- C7: Spray paint all gypsum board, concrete and plaster
- C8: Painted gypsum board soffit

3. Dwelling appliances and fixtures:

- a. kitchen sink and faucet: Elkay Celebrity #ECC-2522, Symmons-Symetrix #S-23-2
- b. stove: Premier SCK 100W gas
- c. bath lavatory and faucets: Toto – 21x18 #LT307.4, Symmons-Symetrix #S-20-2
- d. toilet: Toto – 12" Rough #MS714114
- g. shower and fittings: Praxis Ind. Inc. Aquaris #G-6036, Symmons Temptrol #BP-56-1-X

T. SAFETY AND WARNING DEVICES

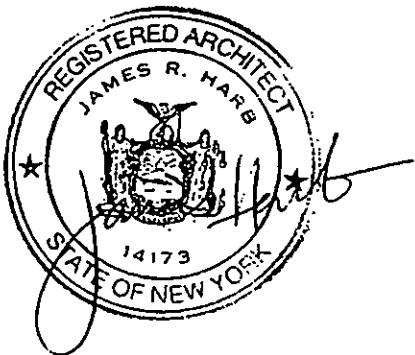
1. Dwelling units have hard wired area smoke detectors and automatic sprinkler systems, as required by law.
2. In common areas a smoke/sprinkler fire alarm system has been provided which includes sprinkler water flow switches and tamper switches, area smoke detectors in mechanical and electrical rooms and elevator machine rooms, tied into fire department via a central station communicator, as required by law.

U. FLOOR PLANS, DWELLING UNIT PLANS, SQUARE FOOTAGE, CEILING HEIGHTS

1. See attached drawing for Open Plans and Partition Plans.
2. See attached drawings for floor plans showing Residential, Retail & Common Condominium areas.

V. ASBESTOS

1. See attached report.

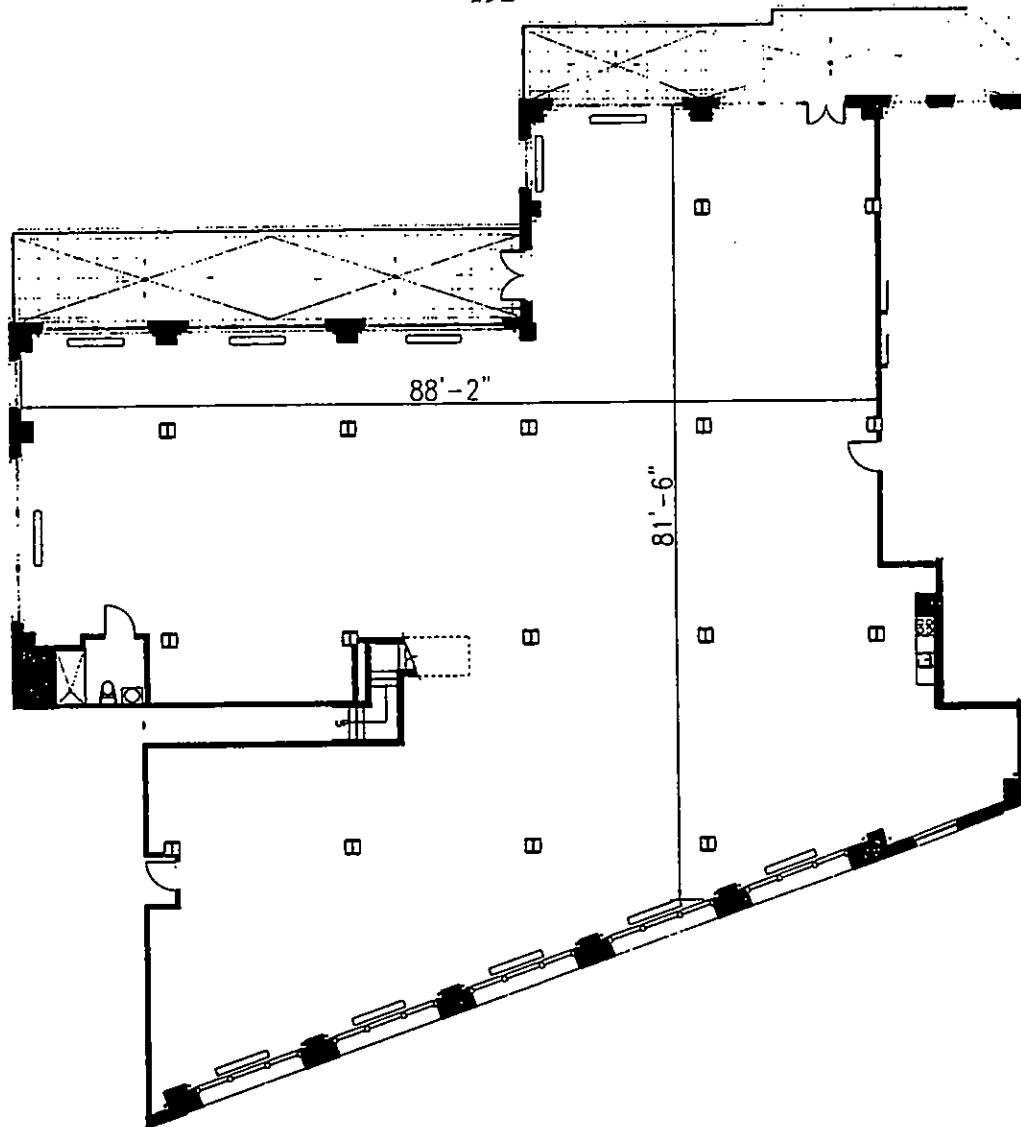


FLOOR PLANS

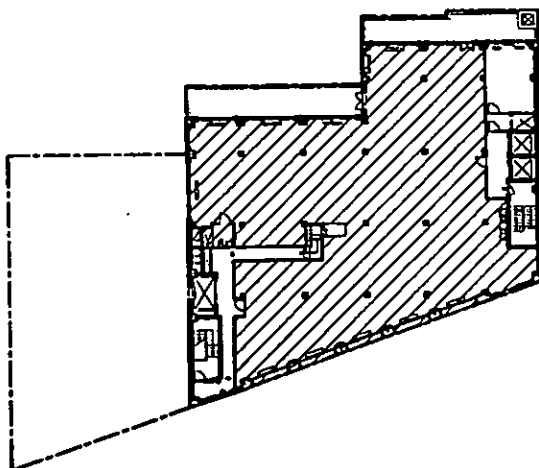
All dimensions are approximate. Actual dimensions may vary from the dimensions shown in the floor plans due to field conditions. Please refer to Article 7 of the Declaration of Condominium for the method by which the Units are measured.

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS

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0 5' 10' 20'

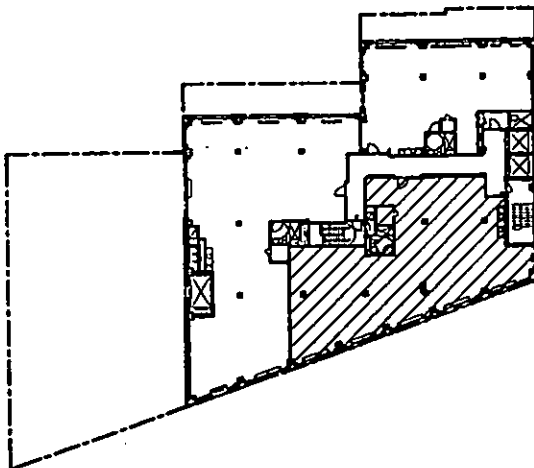
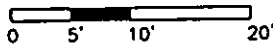
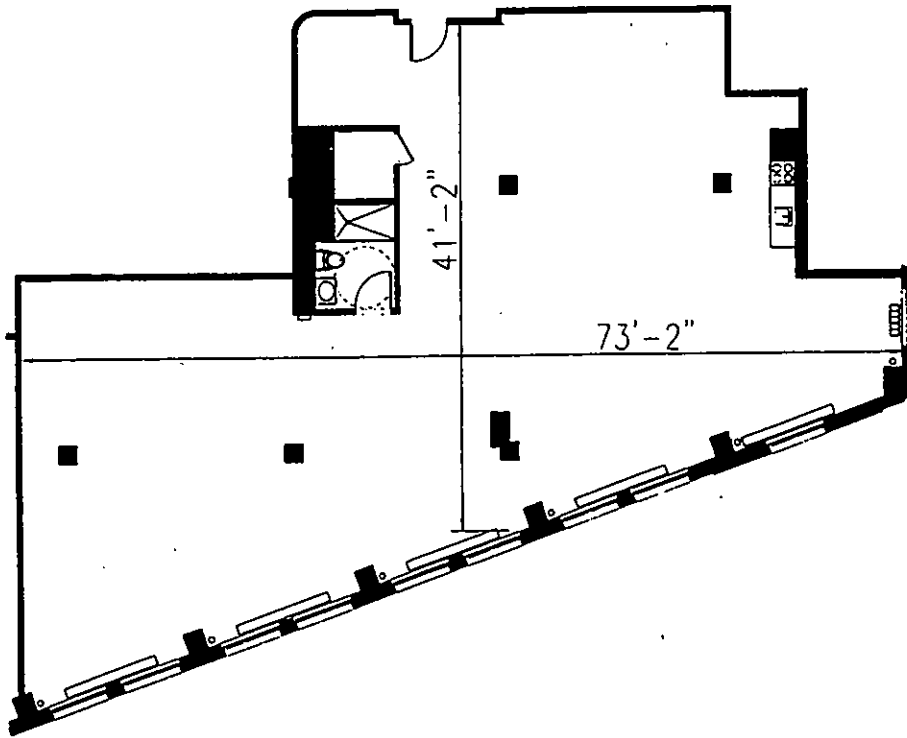


OPEN PLAN
UNIT 2A

UNIT	AREA (SF)
2A	6705

TERRACE: 950 SF

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

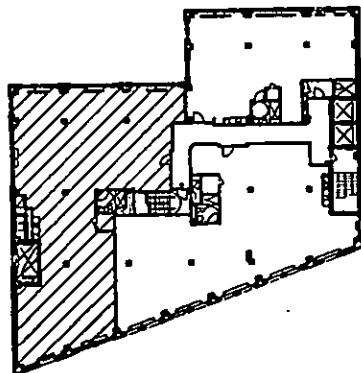
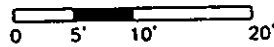
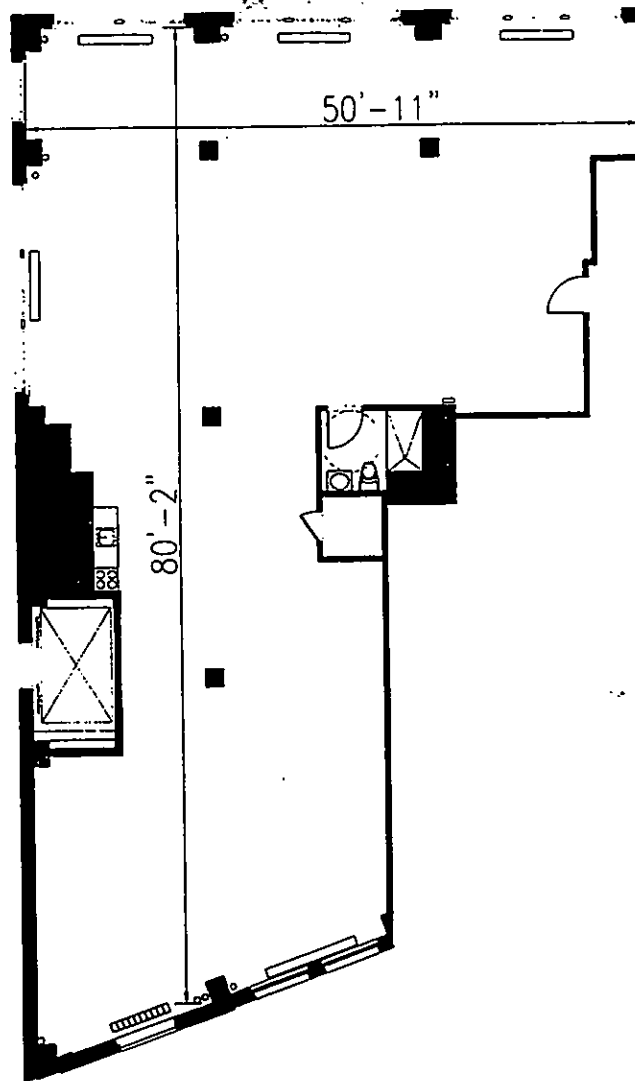


OPEN PLAN
UNIT 3A, 4A, 6A

UNIT	AREA (SF)
3A	2571
4A	2571
6A	2571

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

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FLOOR PLANS
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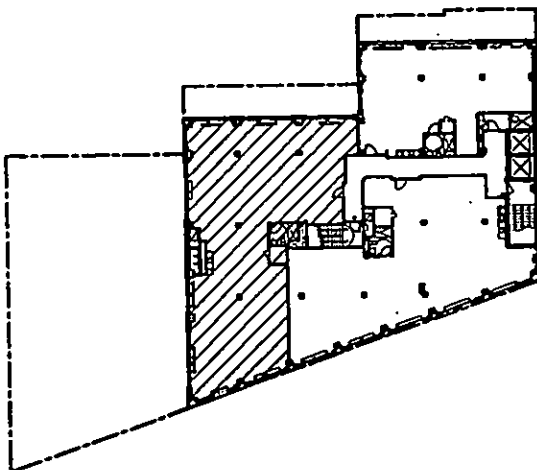
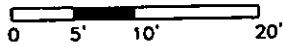
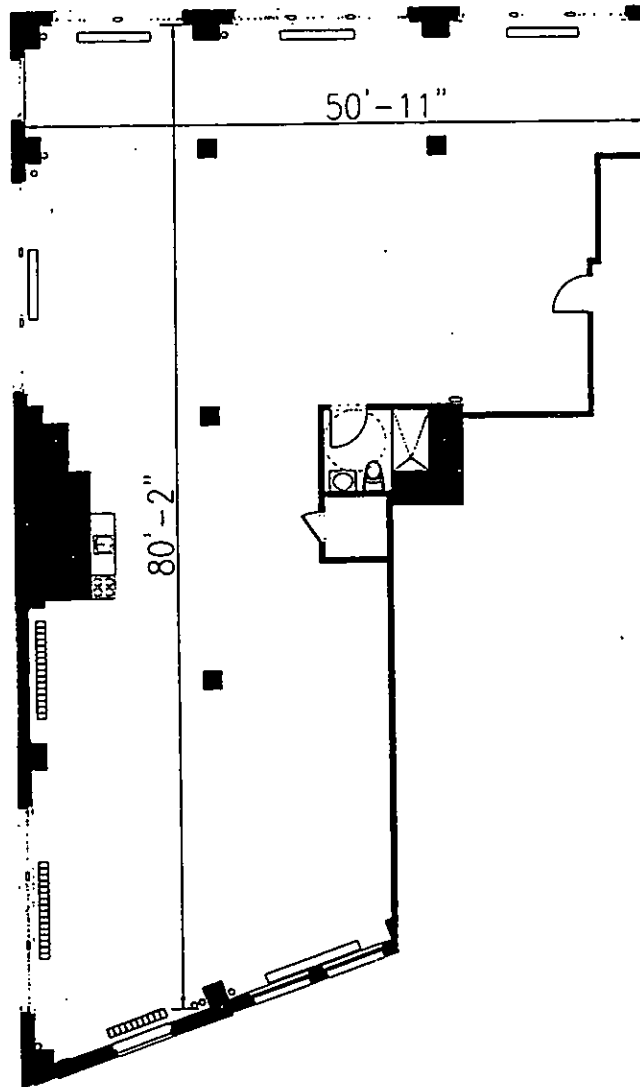
OPEN PLAN
UNIT 3B, 4B

UNIT	AREA (SF)
3B	2968
4B	2968

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

NOTE: WINDOW CONFIGURATIONS MAY VARY

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FLOOR PLANS
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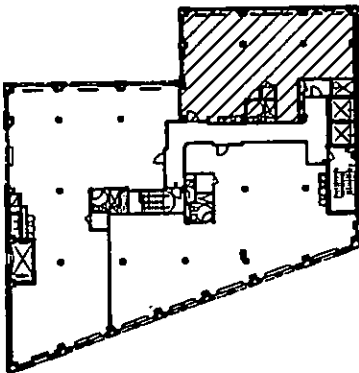
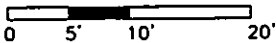
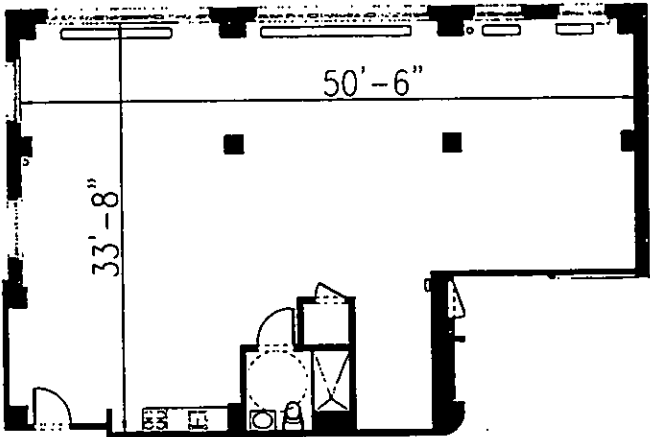
OPEN PLAN
UNIT 6B

UNIT	AREA (SF)
6B	3073

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

NOTE: WINDOW CONFIGURATIONS MAY VARY

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS
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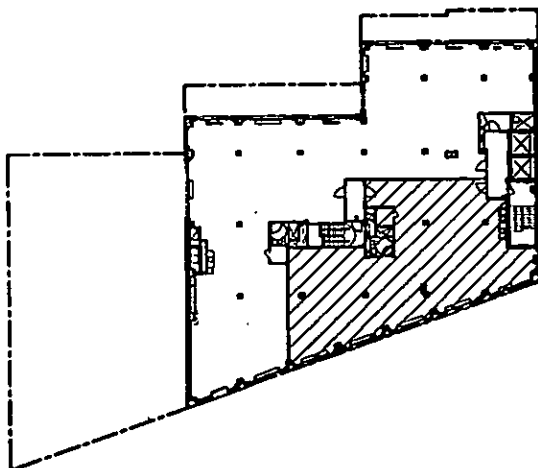
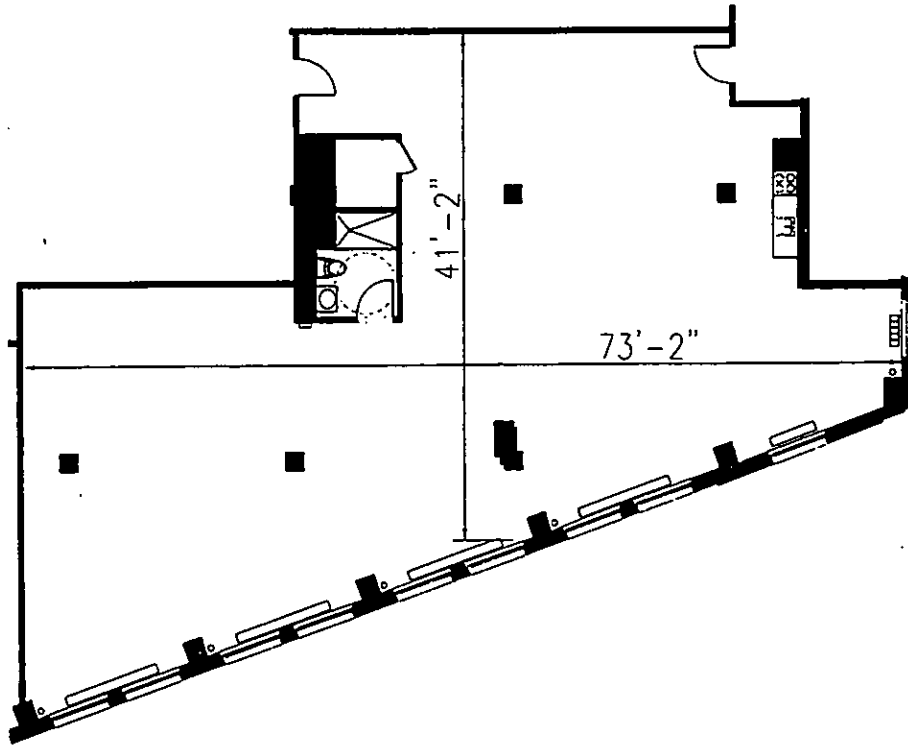


OPEN PLAN
UNIT 3C, 4C, 6C

UNIT	AREA (SF)
3C	1603
4C	1603
6C	1603

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

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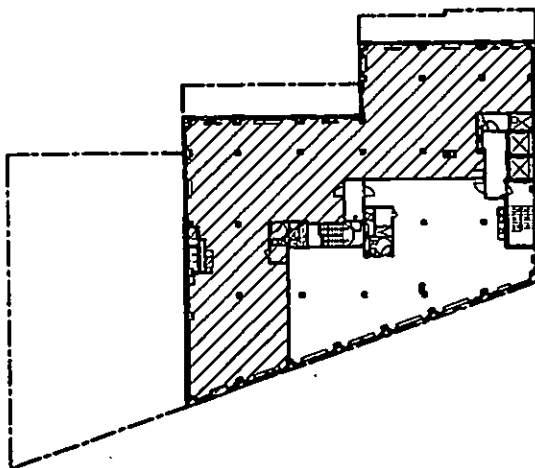
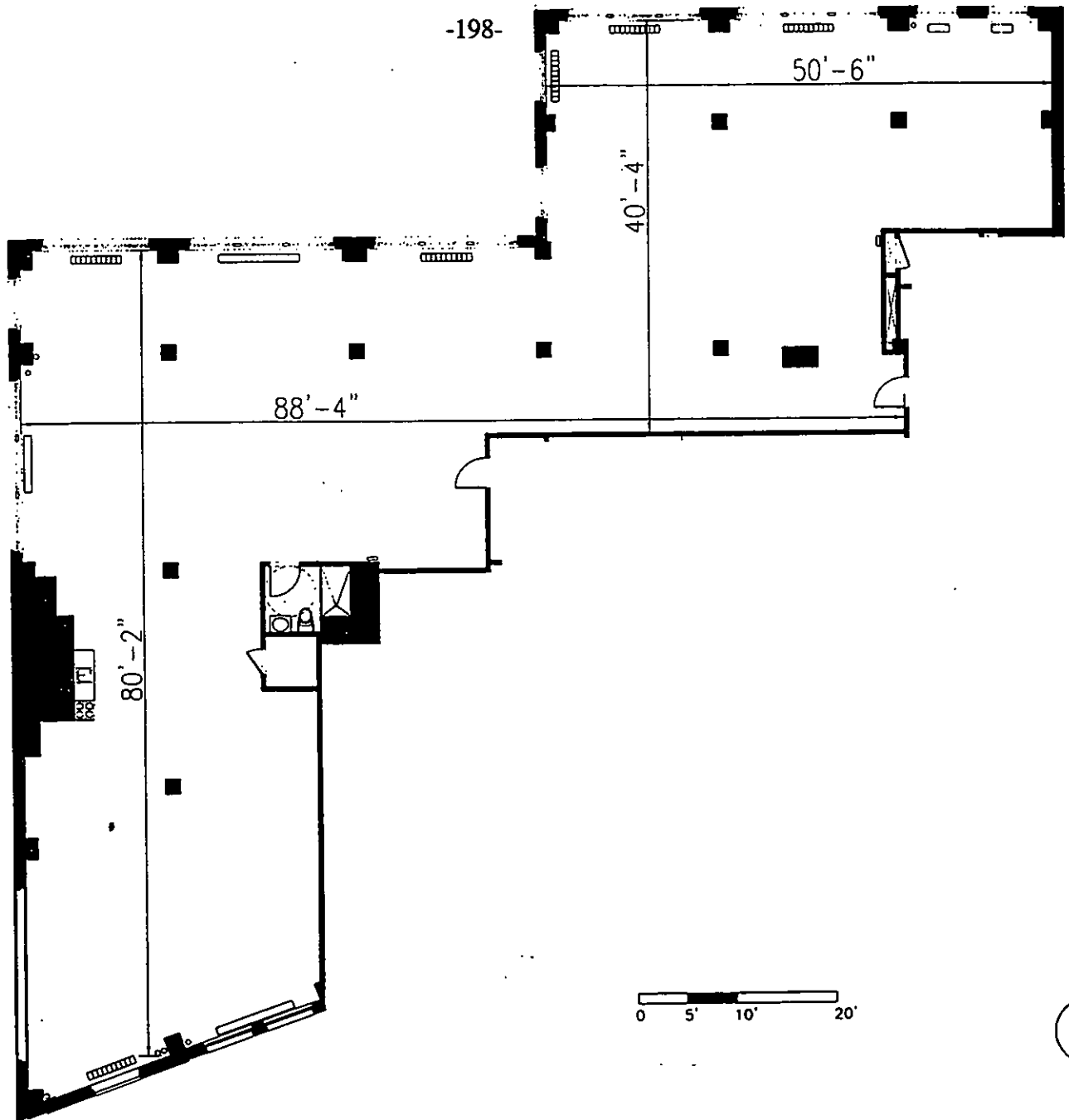
OPEN PLAN
UNIT 5A, 7A

UNIT	AREA (SF)
5A	2548
7A	2548

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

NOTE: WINDOW CONFIGURATIONS MAY VARY

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



OPEN PLAN
UNIT 5B

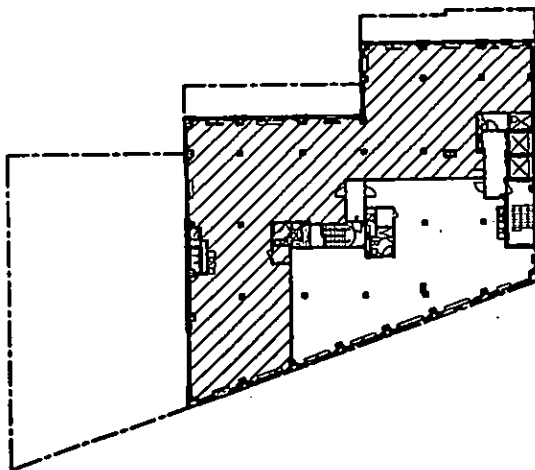
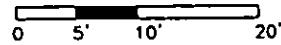
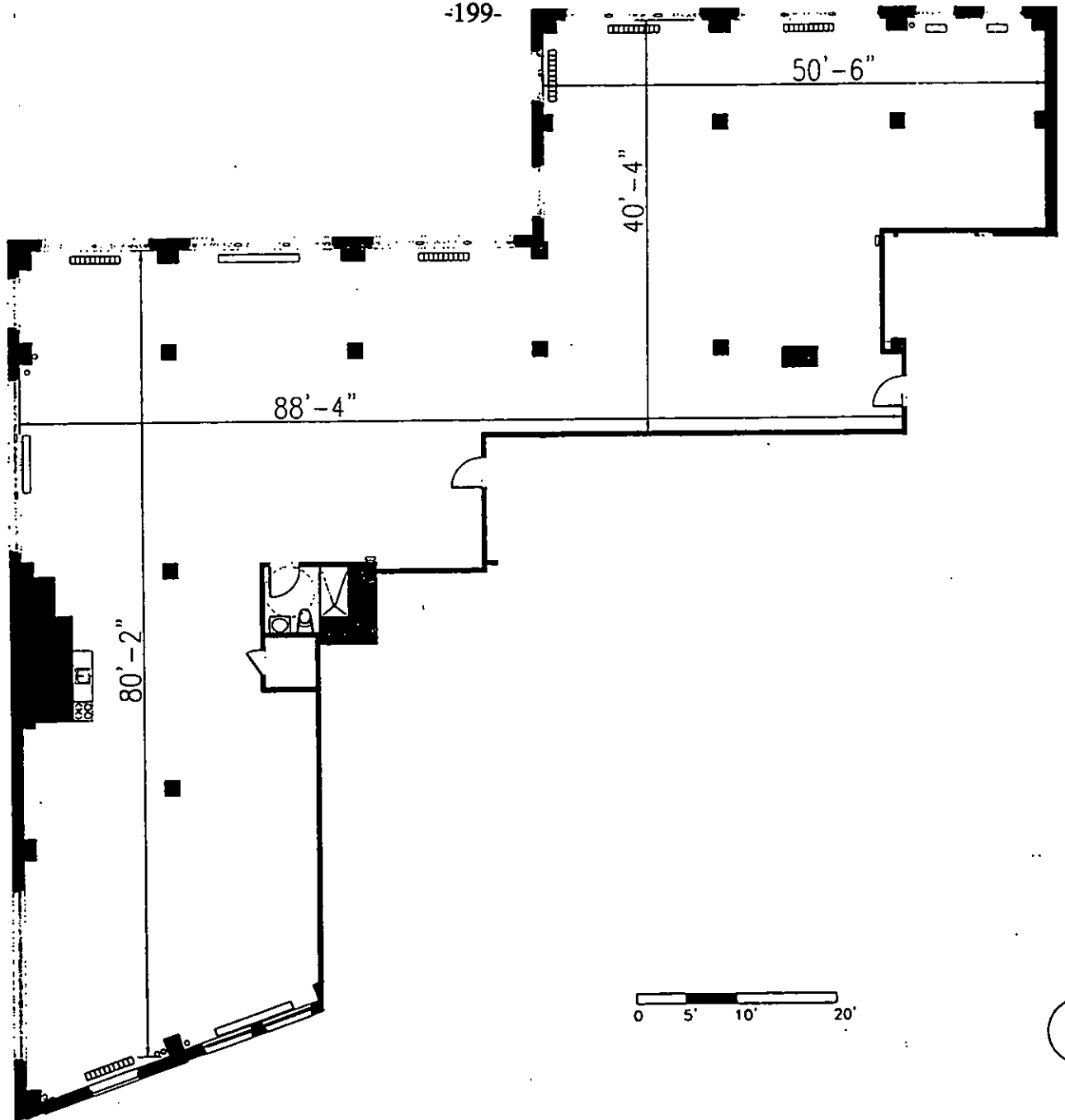
UNIT	AREA (SF)
5B	4952

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

NOTE: WINDOW CONFIGURATIONS MAY VARY

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS

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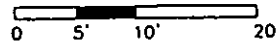
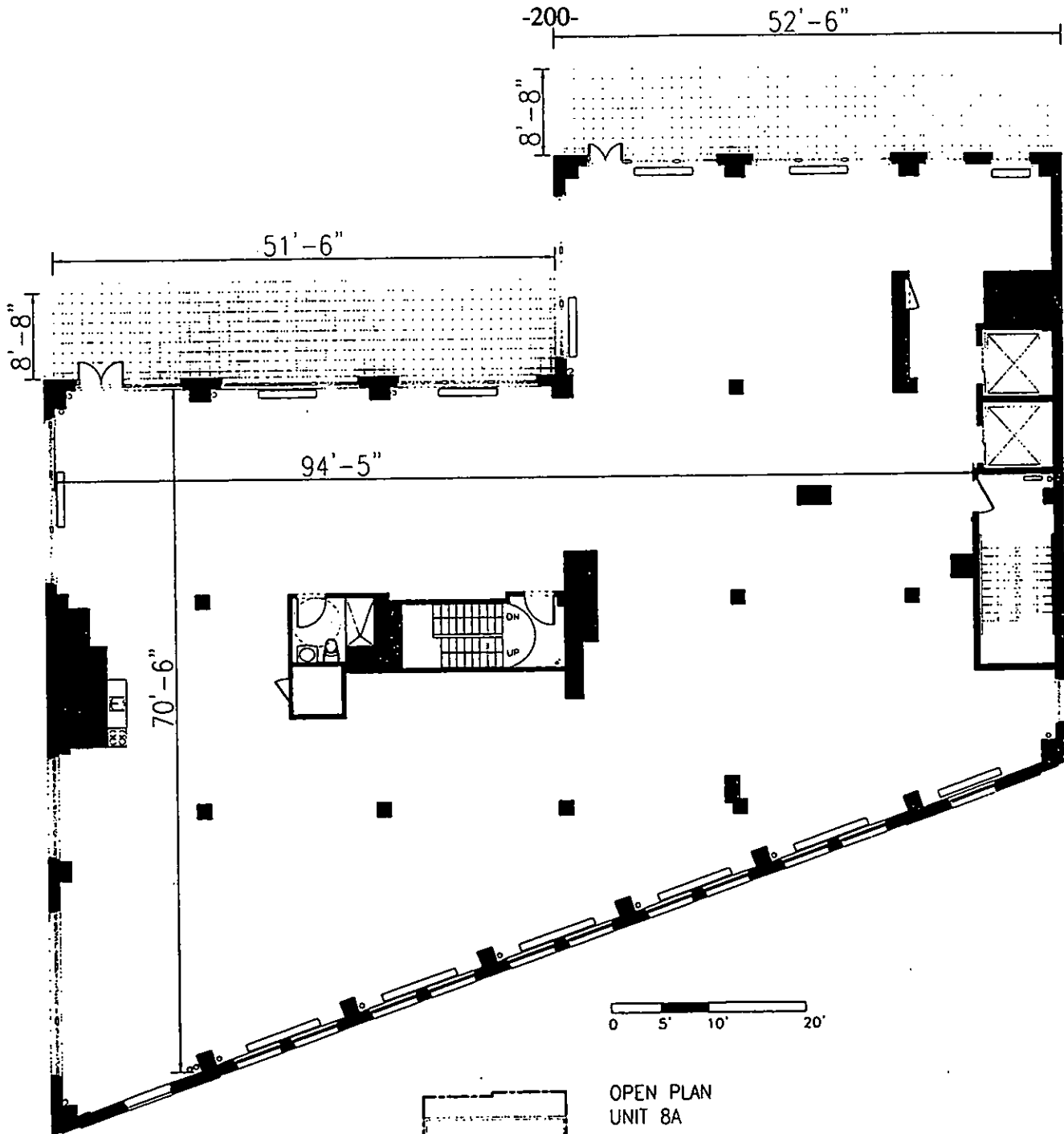
OPEN PLAN
UNIT 7B

UNIT	AREA (SF)
7B	4961

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

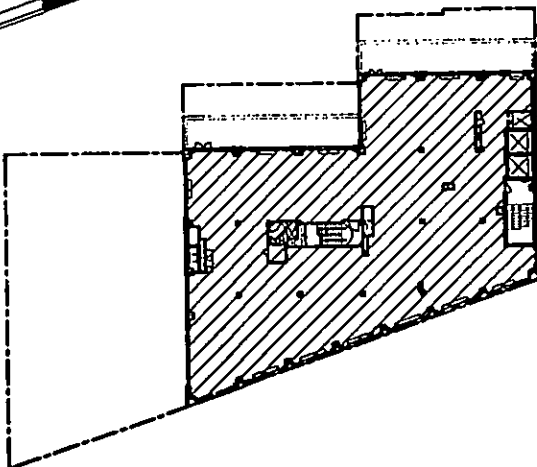
NOTE: WINDOW CONFIGURATIONS MAY VARY

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



OPEN PLAN
UNIT 8A

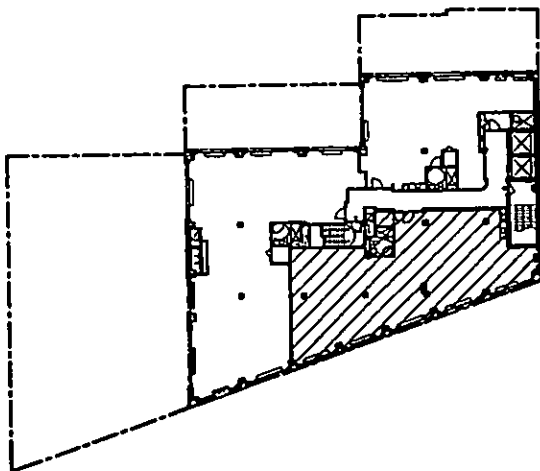
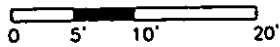
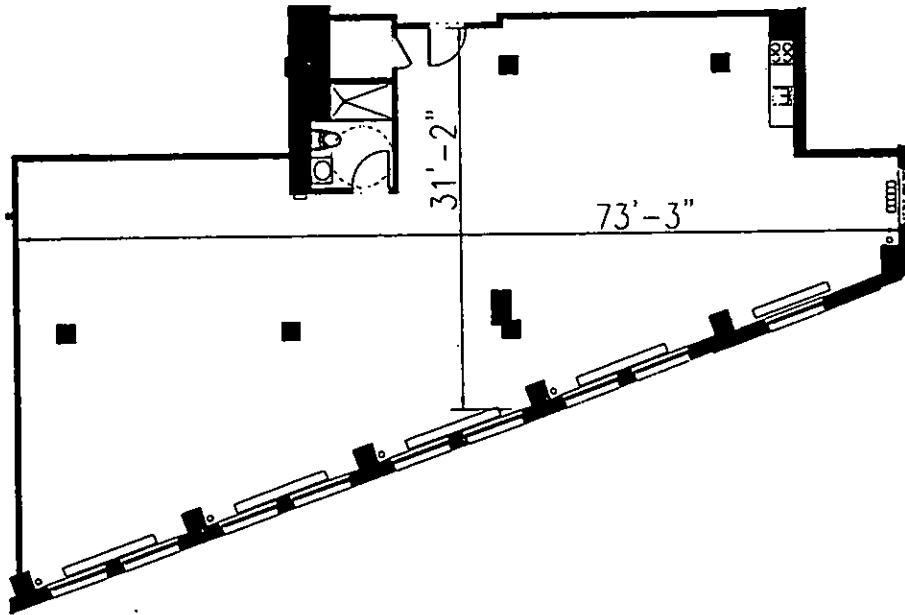
UNIT	AREA (SF)
8A	6762



TERRACE: 1024 SQ. FT.

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS
-201-

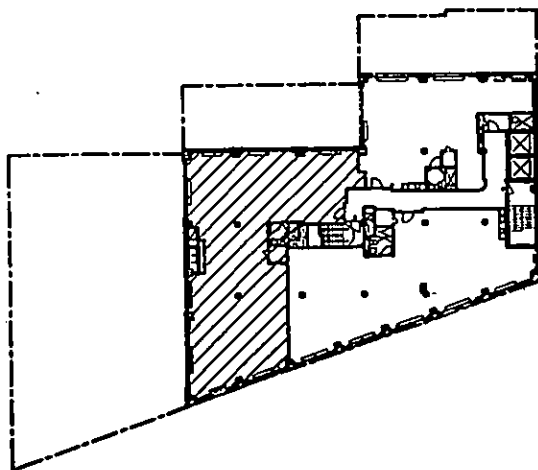
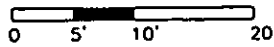
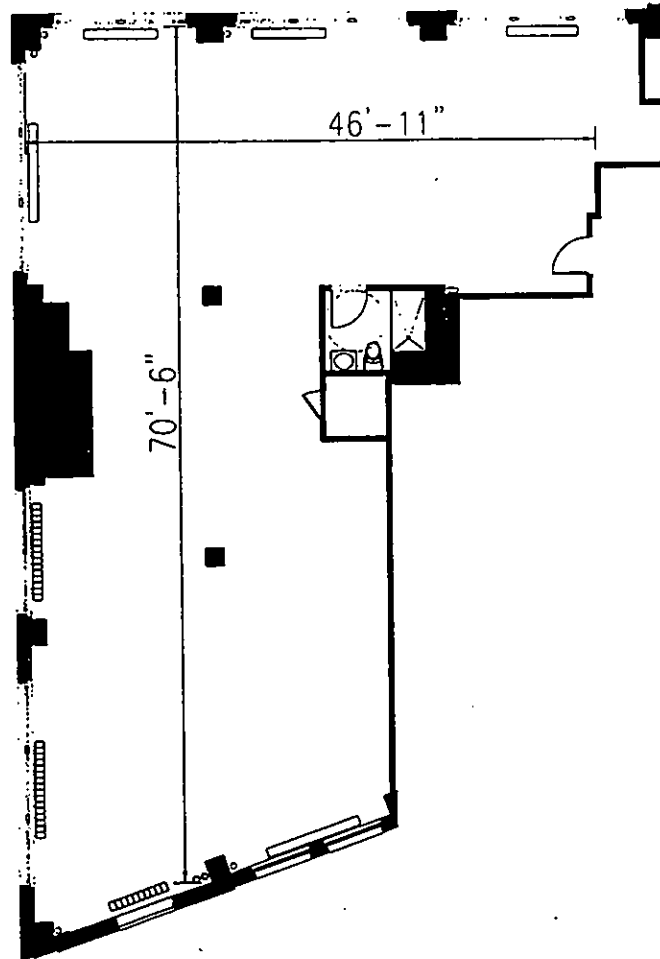


OPEN PLAN
UNIT 9A

UNIT	AREA (SF)
9A	2181

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

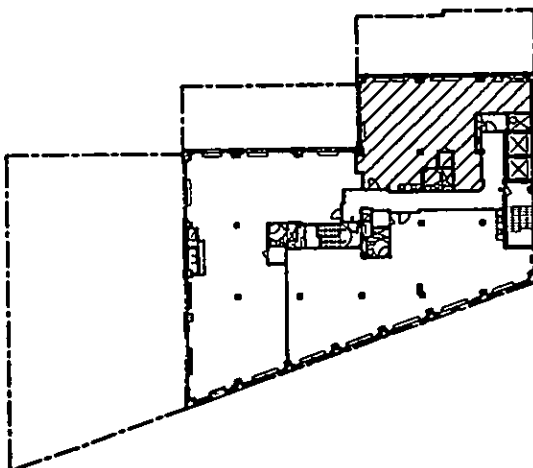
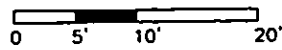
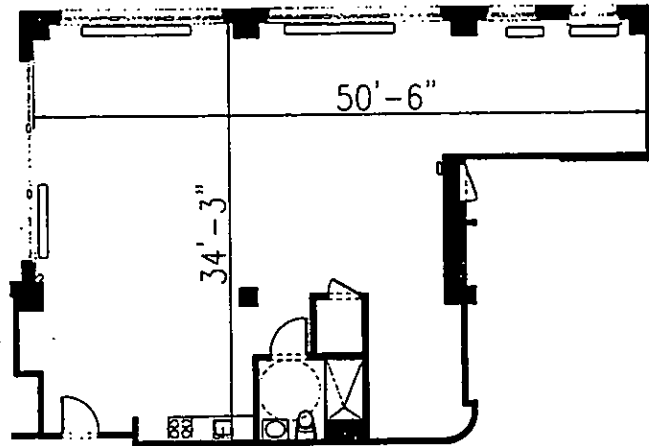
56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS
-202-



OPEN PLAN
UNIT 9B

UNIT	AREA (SF)
9B	2618

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"



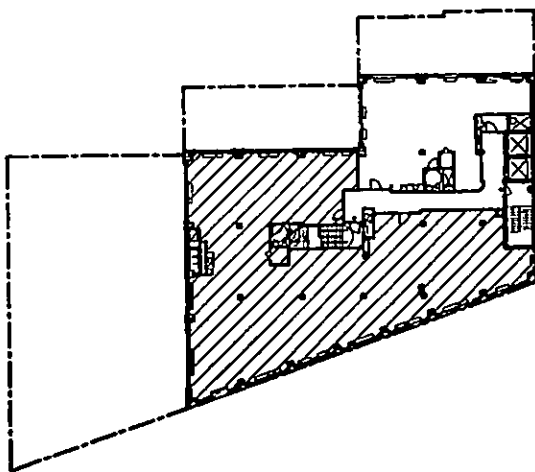
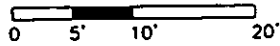
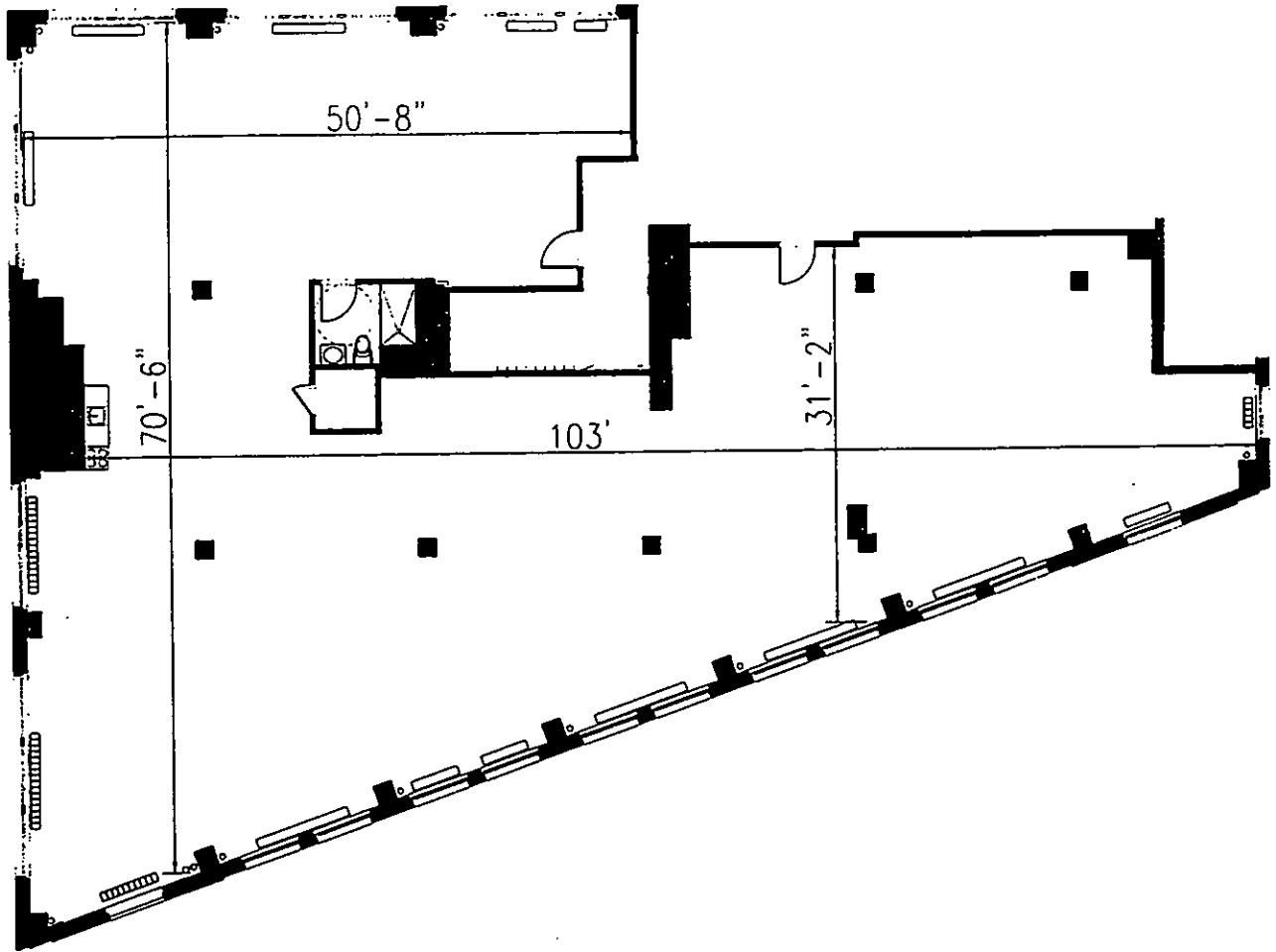
OPEN PLAN
UNIT 9C

UNIT	AREA (SF)
9C	1452

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"



-204-

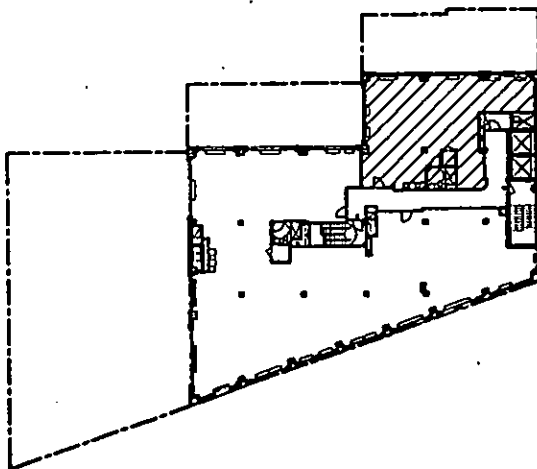
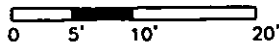
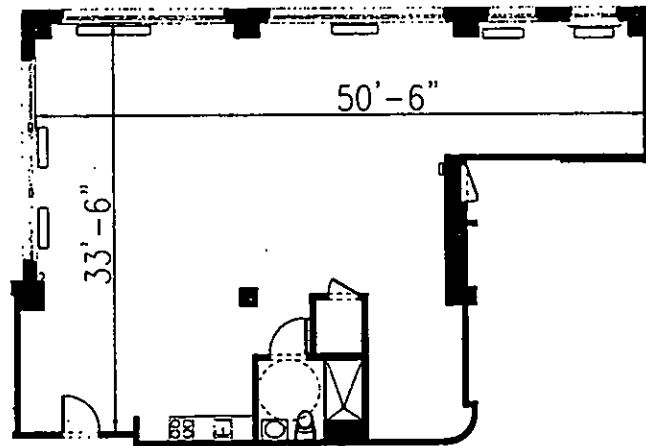


OPEN PLAN
UNIT 10A

UNIT	AREA (SF)
10A	4785

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

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FLOOR PLANS
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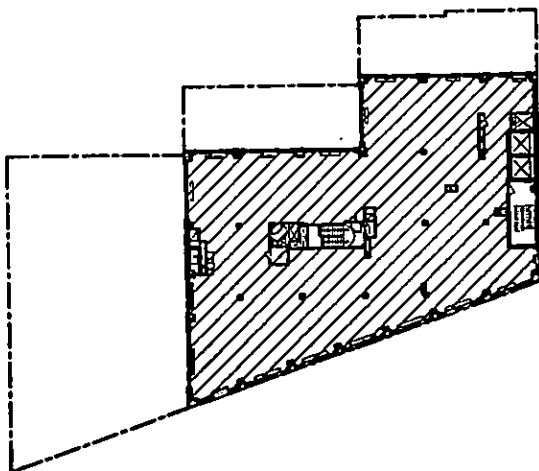
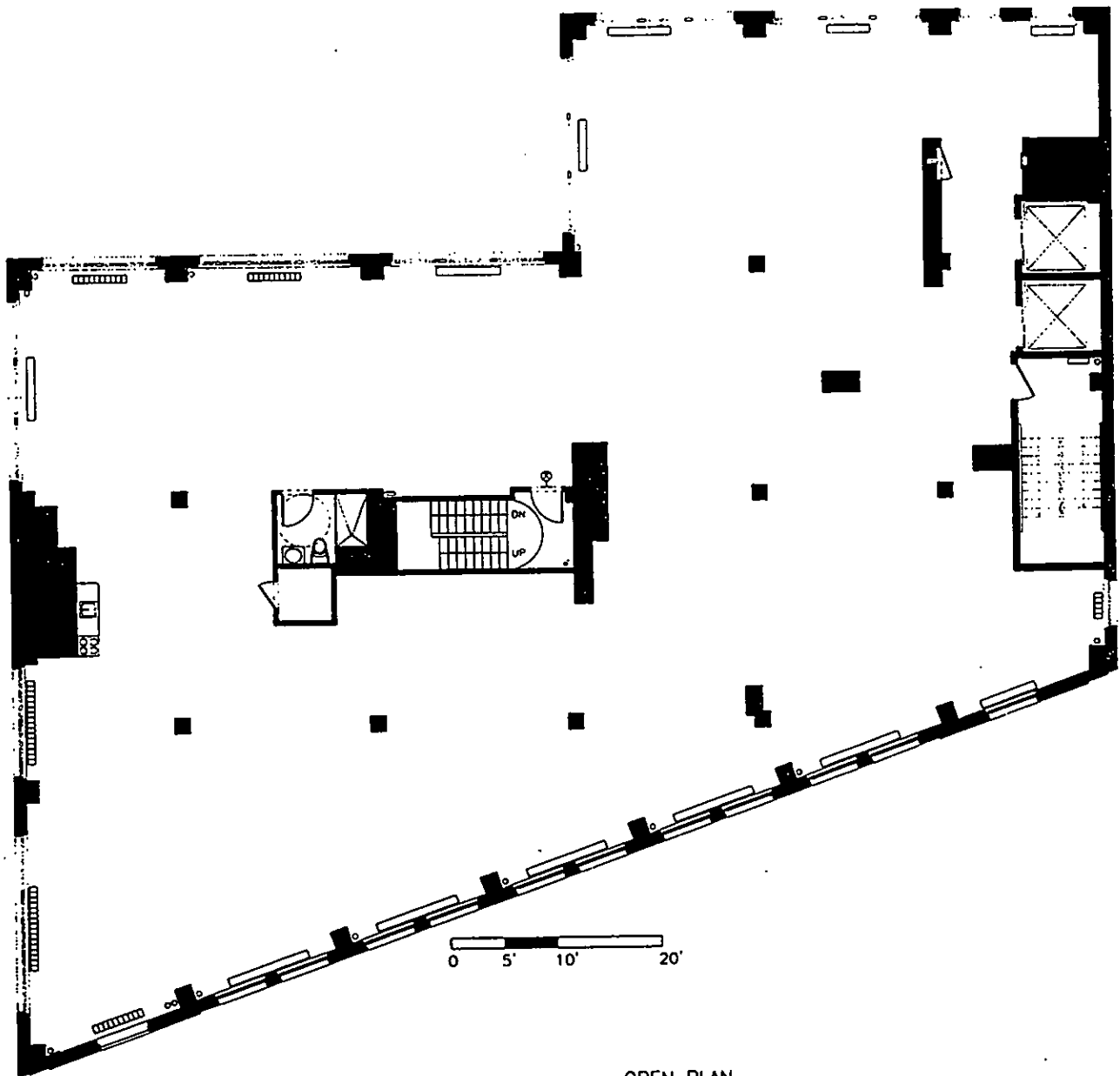


OPEN PLAN
UNIT 10C

UNIT	AREA (SF)
10C	1467

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

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FLOOR PLANS
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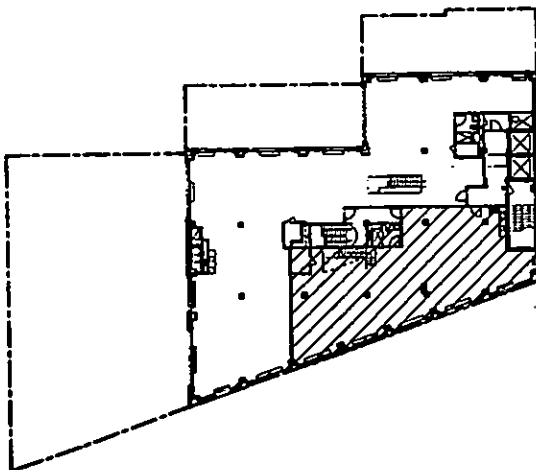
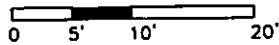
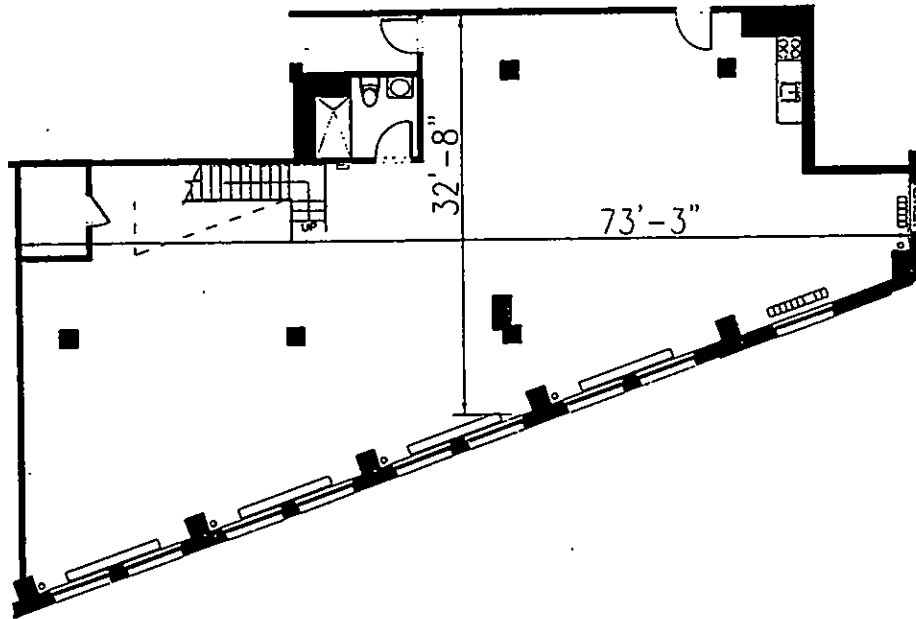


OPEN PLAN
UNIT 11A

UNIT	AREA (SF)
11A	6759

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

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FLOOR PLANS
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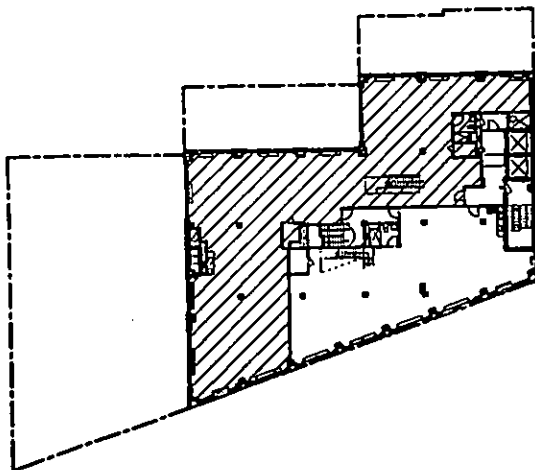
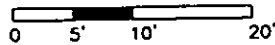
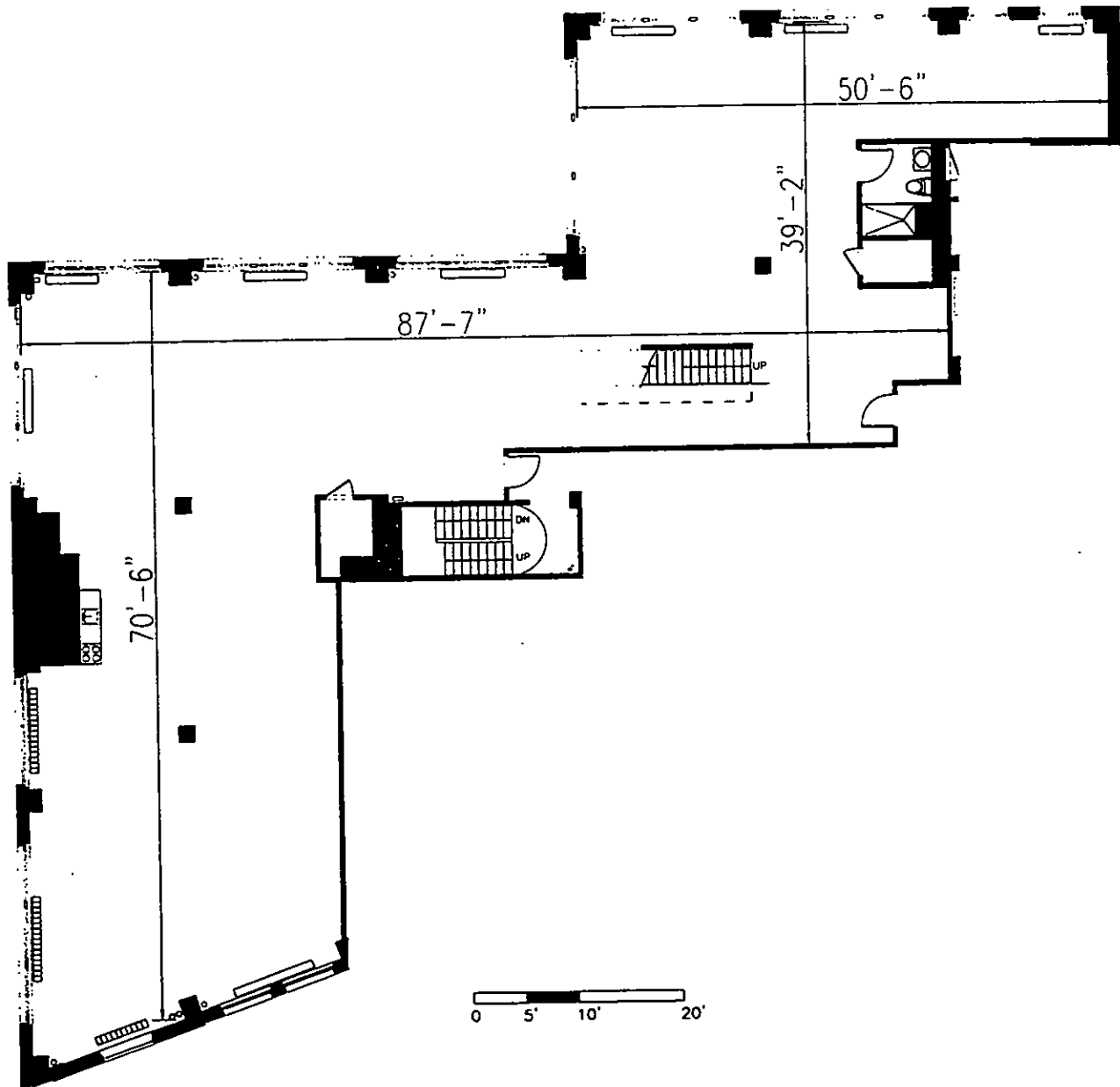


OPEN PLAN
UNIT 12A

UNIT	AREA (SF)
12A	2176

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS
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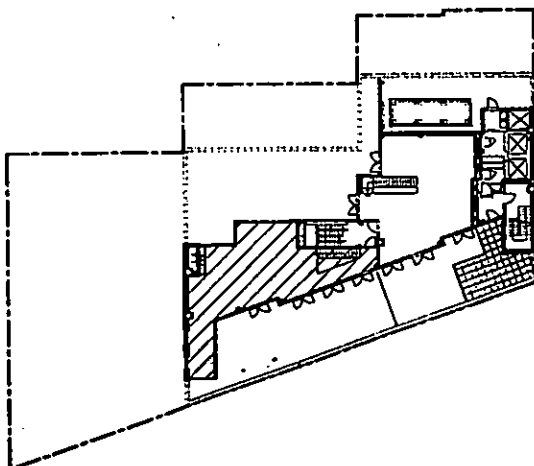
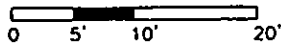
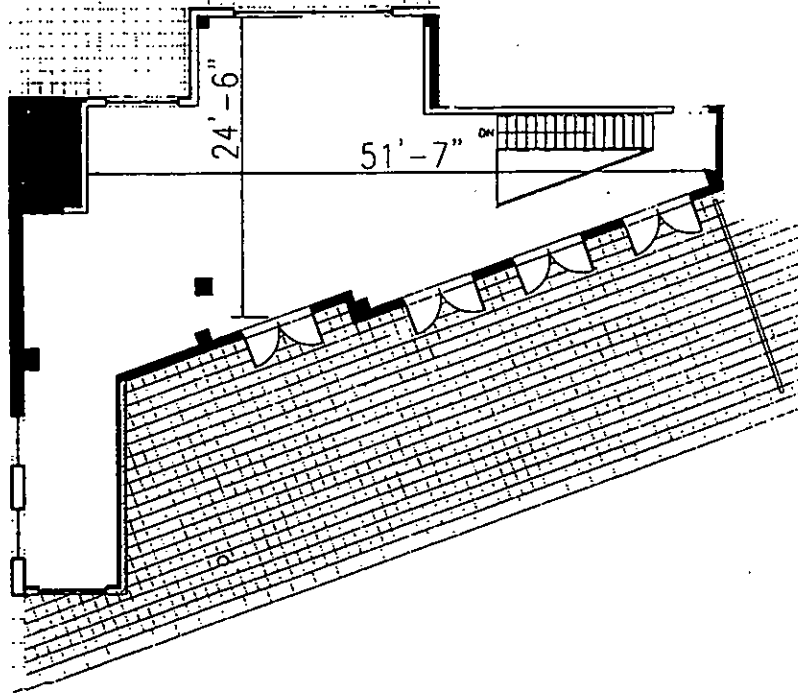


OPEN PLAN
UNIT 12B

UNIT	AREA (SF)
12B	4248

FOYER CLG. HT.: FULL HT. (EXPOSED)
KITCHEN SOFFIT: FULL HT. (EXPOSED)
BATHROOM CLG.: 9'-0"

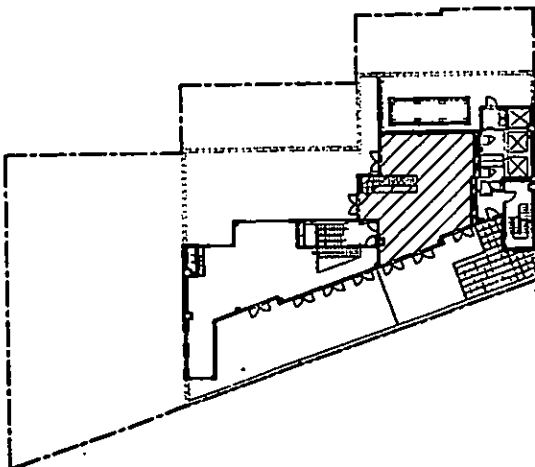
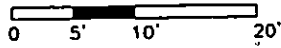
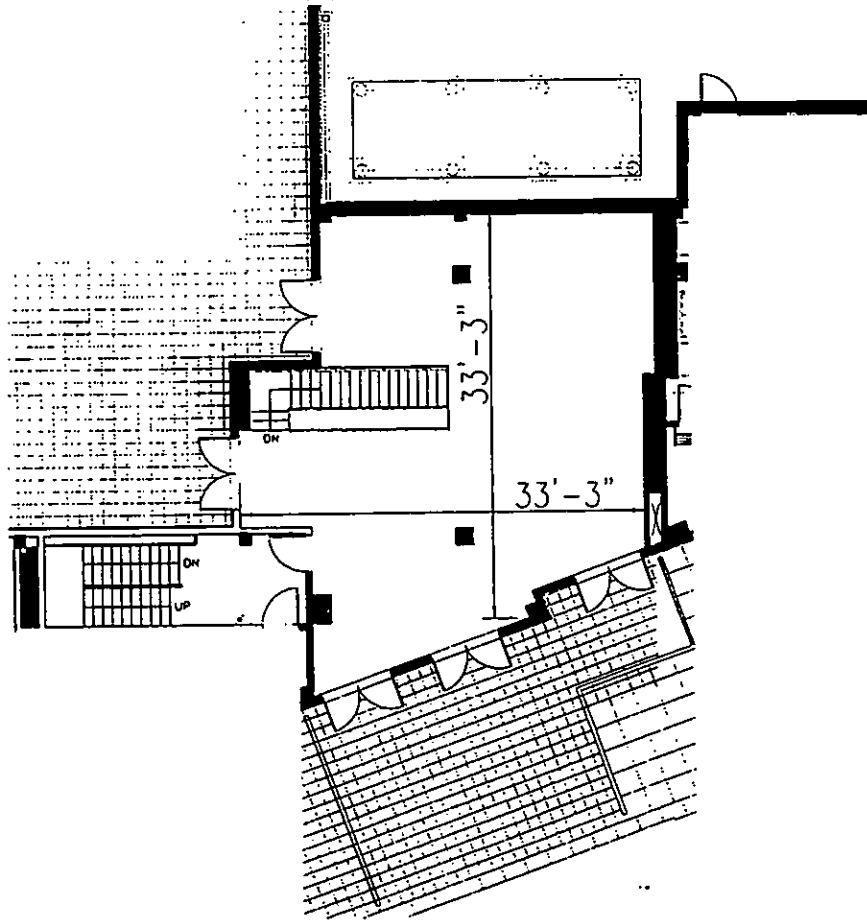
-209-
56-62 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



OPEN PLAN
UNIT PHA
TERRACE: 2002 SF

UNIT	AREA (SF)
PHA	1216

FOYER CLG. HT.: FULL HT. (EXPOSED)

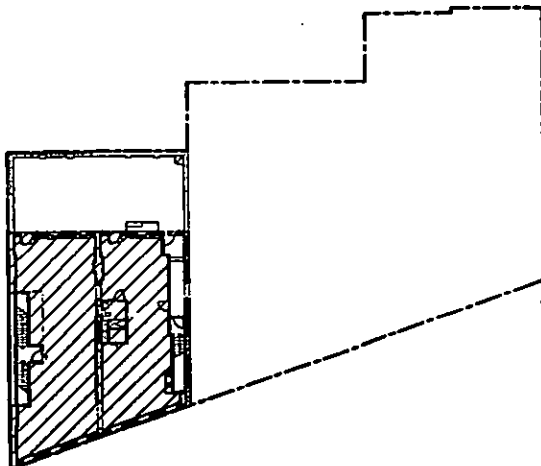
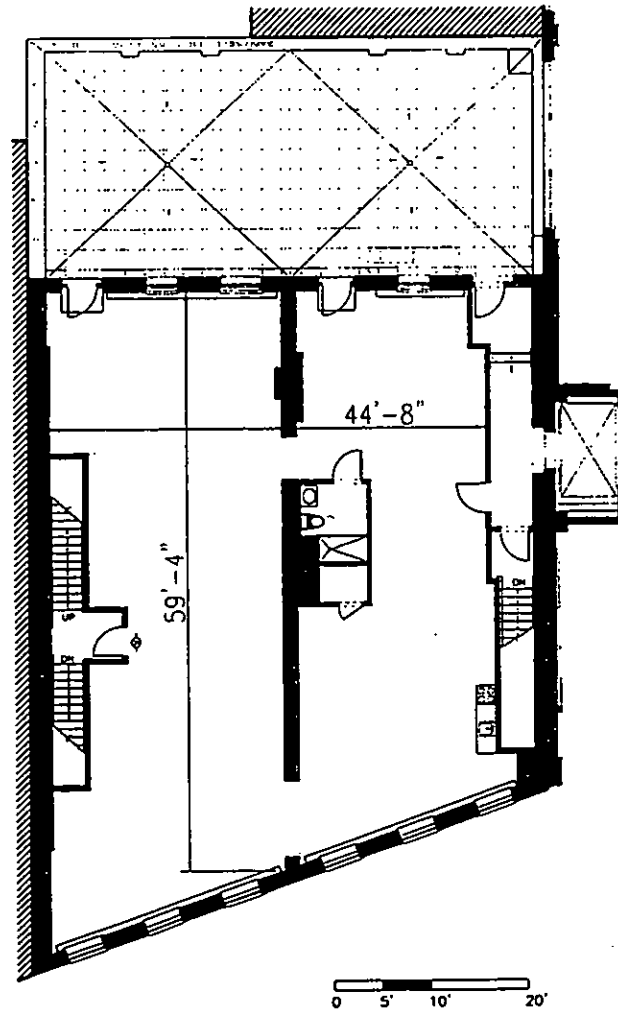


OPEN PLAN
UNIT PHB
TERRACE: 1080 SF

UNIT	AREA (SF)
PHB	1108

FOYER CLG. HT.: FULL HT. (EXPOSED)

-211-
52-54 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS

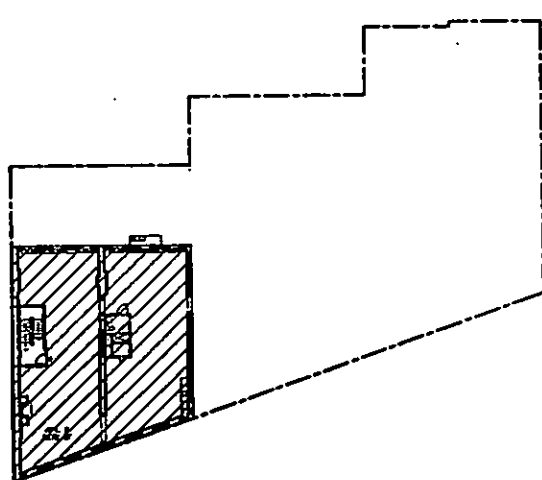
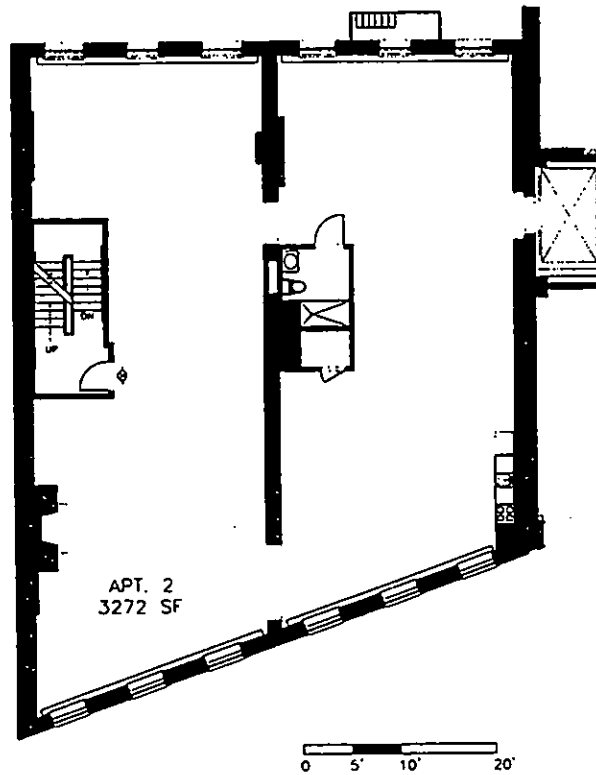


OPEN PLAN
UNIT 1
TOTAL UNIT AREA: 2751 SF
TERRACE: 1285 SF

FLOOR TO CLG. HT.: 12'-2"
FOYER CLG. HT.: FULL HT.
KITCHEN SOFFIT: FULL HT.
BATHROOM CLG.: 9'-0"



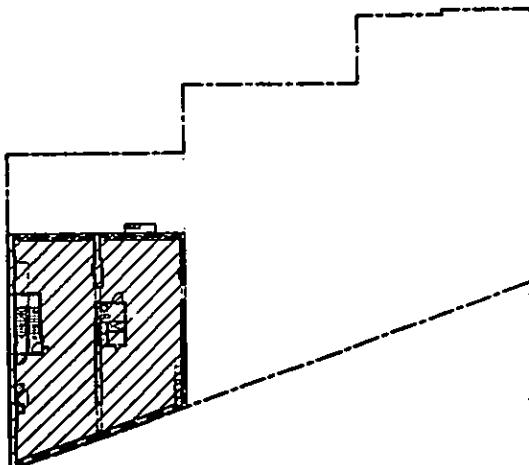
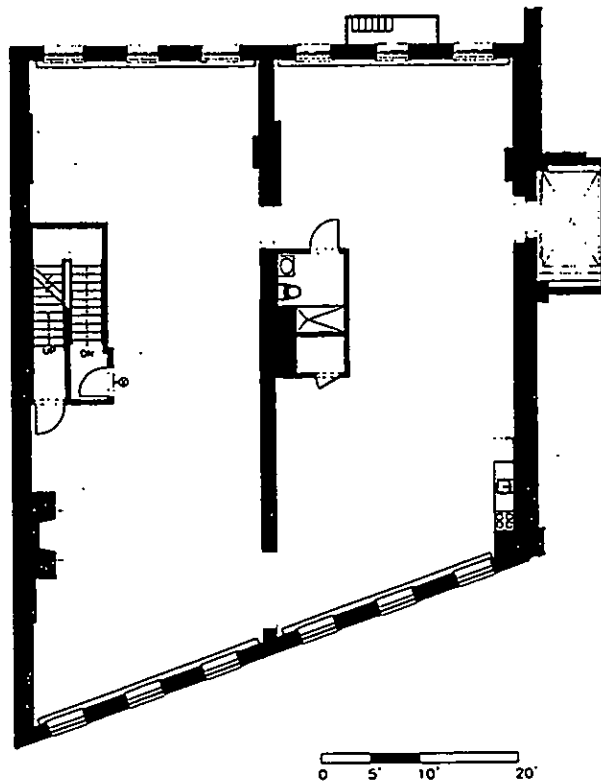
-212-
52-54 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



OPEN PLAN
UNIT 2
TOTAL UNIT AREA: 3079 SF

FLOOR TO CLG. HT.: 11'-4"
FOYER CLG. HT.: FULL HT.
KITCHEN SOFFIT: FULL HT.
BATHROOM CLG.: 9'-0"

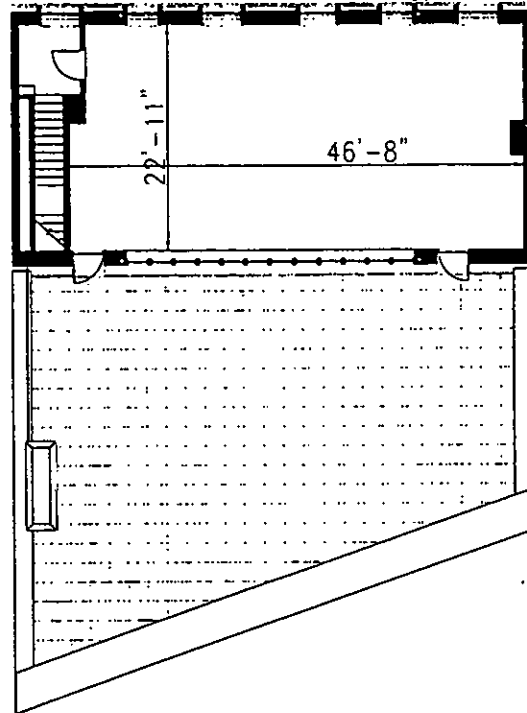
-213-
52-54 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



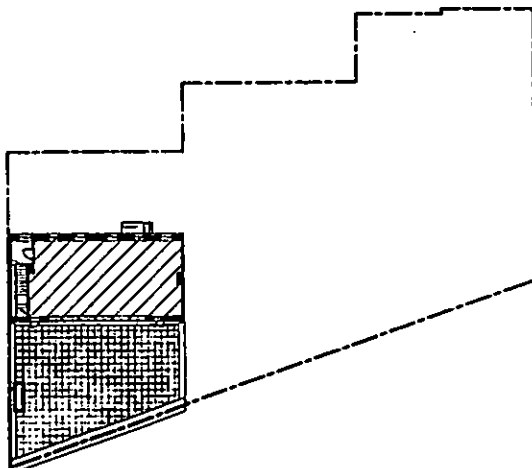
OPEN PLAN
UNIT 3
TOTAL UNIT AREA: 3113 SF

FLOOR TO CLG. HT.: 14'-0"
FOYER CLG. HT.: FULL HT.
KITCHEN SOFFIT: FULL HT.
BATHROOM CLG.: 9'-0"

214
52-54 COOPER SQUARE, NEW YORK, NY 10005
FLOOR PLANS



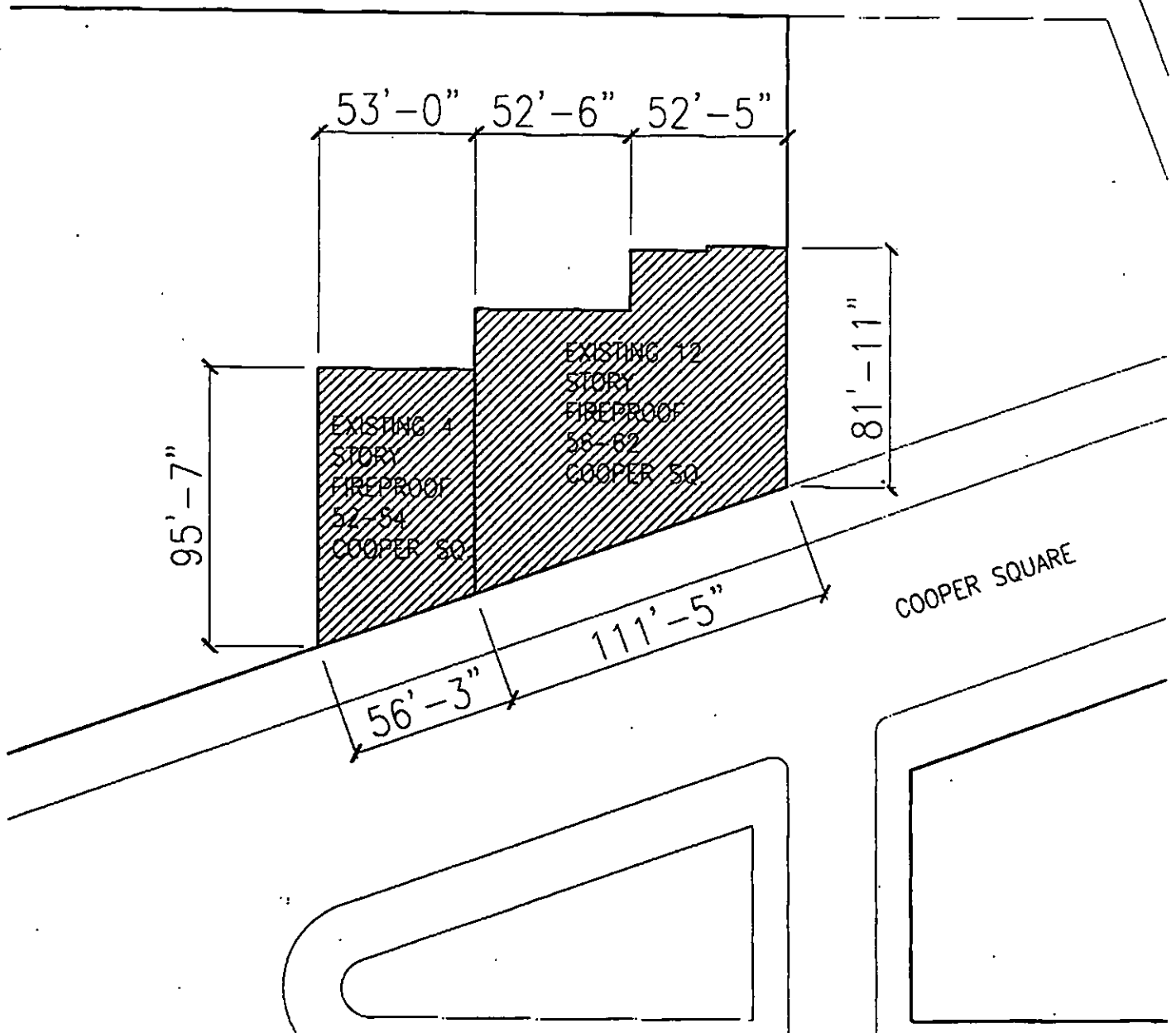
0 5' 10' 20'



OPEN PLAN
UNIT 3 PENTHOUSE
TOTAL UNIT AREA: 1393 SF
TERRACE: 1904 SF

FLOOR TO CLG. HT.: 10'-6"
FOYER CLG. HT.: FULL HT.

PLOT PLAN



1 SITE PLAN
SCALE: 1/32" = 1'-0"



ADDRESS : 52-54 COOPER SQ.
MANHATTAN BLOCK: 544
LOT: 36-37
ZONING MAP: 12C
ZONING DISTRICT: M1 - 5B
CONSTRUCTION CLASSIFICATION: II B

ADDRESS : 56-62 COOPER SQ.
MANHATTAN BLOCK: 544
LOT: 32
ZONING MAP: 12C
ZONING DISTRICT: M1 - 5B
CONSTRUCTION CLASSIFICATION: I B

ASBESTOS REPORT

Advanced Environmental Corp.

June 6, 2000

Mr. John Connelly
Humphreys and Harding Inc.
755 Second Avenue - 2nd Floor
New York, NY 10017

Re: Asbestos Abatement Air Monitoring Compliance Documentation Report, Carl Fischer Building, 52-62 Cooper Square, New York

Dear Mr. Connelly:

Enclosed please find Advanced Environmental Corp.'s (AEC) Asbestos Abatement Air Monitoring Compliance Documentation Report the above referenced project.

1. SUMMARY OF ABATEMENT WORK

Humphreys and Harding Inc. retained the services of AEC to provide asbestos abatement air monitoring services during the removal of asbestos-containing roof flashing, door/window caulking, thermal system insulation, vinyl flooring and associated mastic located at the Carl Fischer Building, 52-62 Cooper Square, New York, NY. Please see Appendix E for a copy of the asbestos survey report prepared by Clean Air Testing Labs, Inc.

DEGMOR, Inc. filed notifications with the US-EPA, New York State Department of Labor (NYS-DOL), and New York City Department of Environmental Protection informing them of the size, scope, start and completion dates of the project. AEC provided DEGMOR with an ACP-5 for the removal of floor tile and roofing in accordance with NYC-DEP and NYS-DOL regulations. A copy of the notifications are provided in Appendix D.

The asbestos abatement was performed in accordance with the NYS-DOL Industrial Code Rule 56 (ICR 56) and the Rules of the City of New York Volume 5, Environment, Titles 15-16 dated 5/31/98. Asbestos abatement began on March 27, 2000 and was completed May 6, 2000. DEGMOR performed all abatement work utilizing full containment engineering controls and tent procedures.



I. PROTECTIVE CONTROLS FOR THE WORK AREAS FOR FLOOR TILE REMOVAL VIA ACP-5

- A. Installation of a decontamination facility (DF) attached to the work area where all persons were required to discard all disposable suits and decontaminate (wash) thoroughly before exiting the work area. The DF consisted of three adjoining rooms that were separated with air locks as follows: Clean room at the entrance followed by a shower room followed by an equipment room leading to the work area. All disposable protective clothing were discarded and disposed of as asbestos waste every time the wearer exited from the workspace to the outside through the decontamination facility.
- B. Full containment engineering controls were utilized during asbestos removal. Sealing of all doorways and openings into the work areas (i.e., doors, windows, etc.,) using hard barriers, duct tape, 6-mil fire retardant polyethylene (poly) sheeting, and appropriate signage
- C. Isolation of HVAC and air intakes in the work areas, using plywood sheeting and/or poly.
- D. Installation and use of temporary GFCI electrical power.
- E. Pre-cleaning of all surfaces using HEPA-vacuums and wet cloths. All fixed equipment and objects were wiped down prior to installation of specified polyethylene layers. Installation of a minimum of 2 layers of 6-mil poly sheeting on any fixed items in the work areas as well as floors and walls.
- F. The use of High Efficiency Particulate Air (HEPA) filtered exhaust air filtration equipment to control airborne fiber concentrations in the work areas and emissions outside the work areas
- G. Continuous wetting of the ACMs during removal to reduce airborne fiber concentrations.
- H. Final cleaning was followed by an inspection of the work areas by AEC to verify removal of all asbestos containing materials.
- I. Worker protection: During work area preparations and cleaning procedures half face negative pressure respirators were worn. During asbestos removal all workers wore Powered Air Purifying Respirators. During all phases workers wore full body disposable



II. PROTECTIVE CONTROLS FOR LARGE WORK AREAS (> 160 SF / 260 LF)

- A. Installation of a decontamination facility (DF) attached to the work area where all persons were required to discard all disposable suits and decontaminate (wash) thoroughly before exiting the work area. The DF consisted of three adjoining rooms that were separated with air locks as follows: Clean room at the entrance followed by a shower room followed by an equipment room leading to the work area. All disposable protective clothing were discarded and disposed of as asbestos waste every time the wearer exited from the workspace to the outside through the decontamination facility.
- B. Full containment engineering controls were utilized during asbestos removal. Sealing of all doorways and openings into the work areas (i.e., doors, windows, etc.) using hard barriers, duct tape, 6-mil fire retardant polyethylene (poly) sheeting, and appropriate signage
- C. Isolation of HVAC and air intakes in the work areas, using plywood sheeting and/or poly.
- F. Installation and use of temporary GFCI electrical power.
- G. Pre-cleaning of all surfaces using HEPA-vacuums and wet cloths. All fixed equipment and objects were wiped down prior to installation of specified polyethylene layers. Installation of a minimum of 2 layers of 6-mil poly sheeting on any fixed items in the work areas as well as floors and walls.
- F. The use of High Efficiency Particulate Air (HEPA) filtered exhaust air filtration equipment to control airborne fiber concentrations in the work areas and emissions outside the work areas
- G. Continuous wetting of the ACMs during removal to reduce airborne fiber concentrations.
- H. Final cleaning was followed by an inspection of the work areas by AEC to verify removal of all asbestos containing materials.
- I. Worker protection: During work area preparations and cleaning procedures half face negative pressure respirators were worn. During asbestos removal all workers wore Powered Air Purifying Respirators. During all phases workers wore full body disposable



III. PROTECTIVE CONTROLS FOR SMALL WORK AREAS (<160 SF / 260 LF)

- A. Installation of a remote decontamination facility (DF) adjacent to the work areas. The DF consisted of a decontamination chamber where all persons were required to discard all disposable suits and decontaminate (wash) thoroughly before exiting the work site.
- B. Tent procedures were utilized during pipe insulation removal. This included sealing of all areas where abatement took place, to produce an airtight seal, using duct tape, 6-mil poly sheeting and appropriate signage.
- C. Isolation of any HVAC and air intakes in the work areas was accomplished by sealing all HVAC ducts and diffusers outside the tent enclosure.
- D. Installation and use of temporary GFCI electrical power outlet boxes.
- E. The use of High Efficiency Particulate Air (HEPA) filtered exhaust air filtration equipment to control airborne fiber concentrations in the work areas and emissions outside the work areas.
- F. Continuous wetting of the ACMs during removal to reduce airborne fiber concentrations.
- G. Final cleaning was followed by an inspection of the work areas by AEC to verify removal of all asbestos containing materials.
- H. Worker protection: During work area preparations through final clearance in each work area, the asbestos handlers involved in the removal wore two (2) disposable suits, including gloves, hoods, footwear, and appropriate respiratory protection equipment (half face negative pressure respirators). All street clothes shall were removed and stored in a clean room within the work site. The double layer personal protective equipment was used throughout the removal procedure. The worker's HEPA vacuumed, wet cleaned and removed the outer disposable suit inside the tent before leaving the work area. The suit was then placed in a plastic bag labeled for asbestos waste. The worker then proceeded to the on-site remote decontamination (shower) facility.



IV. WASTE DISPOSAL METHODS AND DOCUMENTATION

- A. Initially asbestos-containing waste was placed in 6-mil polyethylene bags with OSHA, EPA, DOT, and NYC-DEP labels. Asbestos waste consisted of asbestos containing duct insulation pipe insulation, floor tiles, and contaminated protective polyethylene and disposable contractor equipment.
- B. All asbestos waste was wetted prior to and during packaging procedures. Bags were taken into the DF and washed, placed into another clean 6-mil labeled bag, and then sealed using duct tape. Waste bags were then removed from the DF through the clean room and taken to the street, where the waste transport vehicle was located.
- C. Waste Manifests were completed and signed by both the Owner's agent and the waste transporter prior to the removal of waste containers from the site. All waste transport haulers were licensed by NYS-DEC.

V. AIR MONITORING PROGRAM - ASBESTOS-CONTAINING MATERIALS

A. General

Phase Contrast Microscopy (PCM) air monitoring was conducted before and during abatement activities in accordance with regulatory guidelines. Samples were collected and analyzed according to NIOSH Method 7400, using the "A" counting rules. This optical microscopy method can not differentiate between asbestos and non-asbestos fibers. Therefore, all fibers as defined within the "counting rules" that are observed by the analyst are counted and reported. All PCM air samples were analyzed by EMSL Analytical Inc.'s NYS-ELAP accredited laboratory # 11506.

Samples were collected on 0.8 micron pore size, 25mm mixed cellulose ester filter/support pad cassettes, with 10mm electrostatic cowls. High volume sampling pumps were used to collect the samples, with the time recorded and flow rate measured, using a calibrated rotameter, before and after each test.

B. Abatement Activity Air Monitoring

Sampling during abatement activities was performed to comply with section 1-41-1-44 of RCNY Volume 5, Environment, Titles 15-16 dated 5/31/98 and NYS DOL ICR 56.

Background samples were collected before abatement work to establish ambient fiber concentration.

Air monitoring for airborne fibers was conducted by AEC during the abatement to ensure that no fibers migrated from the containment to outside occupied areas, and that the proper removal procedures and engineering controls were being utilized during asbestos removal activities. Area air samples were collected daily. Samples were taken within ten feet of the isolation barriers and in the entrance to the DF.

Samples were taken during the work, until at least 560 liters of air were collected. Sample flow rates were fixed at between 5 to 15 liters per minute,

C. Post Abatement Clearance Air Monitoring

PCM post abatement clearance air monitoring was performed in the work areas as prescribed in NYC Title 15, Section 1-43. After passing a visual inspection for ACM debris or residuals, waiting periods were observed and aggressive air clearance testing techniques were employed. Five (5) PCM samples were taken in each full containment work area for final clearance. Three (3) PCM samples were taken in each tent containment work area for final clearance.

Work area clearance testing was considered complete when:

- 1) The cleaning sequences and removal of all specified ACM materials had been completed.
- 2) The fiber concentrations of the PCM samples collected inside the work areas after the asbestos abatement were at or below 0.01 f/cc.
- 3) Verification of the ACM removal was made by AEC's on-site inspector

Complete copies of all air sampling results are provided in Appendix A

D. Personal Air Monitoring

The contractor was responsible for having OSHA personal air monitoring performed by a responsible person on a daily basis to conform with the requirements of 29 CFR 1958.26(F).

VI. COMMENTS AND FOLLOW-UP ACTIONS

1. The specified asbestos-containing materials were removed, and work proceeded as specified.
2. Compliance documents from DEGMOR are not included. These documents include waste manifests, OSHA personal air monitoring results, and worker documentation.

Should you have any questions or require further information, please feel free to contact our office

Sincerely,

Advanced Environmental Corp.



Edward Namath
Principal

Enclosure

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Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel./Fax: (516) 546-2640

ASBESTOS INSPECTION REPORT

PROJECT LOCATIONS:

CARL FISCHER BUILDING
52-62 COOPER SQUARE
NEW YORK, NY

.. PREPARED FOR:

ENVIRONMENTAL WASTE
MANAGEMENT ASSOCIATES
100 MISTY LANE
P.O. BOX 5430
PARSIPPANY, NJ 07054

PREPARED BY:

CLEAN AIR TESTING LABORATORIES
1111 STEELE BLVD
BALDWIN, NEW YORK, 11510
(516) 546-2640

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11610
Tel./Fax: (516) 546-2640

DATE OF INSPECTION: 01/12/00

PROPERTY

Clean Air Testing Labs was retained to conduct an asbestos inspection.

The property inspected is the Carl Fischer Building, located at 52-62 Cooper Square, New York, NY. The entire structure, including the roof was inspected.
This is a representative sampling of the building.

An on-site assessment of the premises was done on 01/12/00.

This assessment resulted in the following determination for asbestos abatement and the owner's responsibilities for the same.

INSPECTORS QUALIFICATIONS

This investigation was performed by Richard Maniscalco who is an investigator for Clean Air Testing Labs and is licensed by the NY State Department of Labor (License # AH-91-03836), NY City Department of Environmental Protection (License # 76108).

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel/Fax: (516) 546-2640

PROCEDURE

Suspect material was sampled and brought back to the laboratory for analysis. Laboratory analysis of suspected materials was performed by Polarized Light Microscopy in accordance with "EPA Interim Method for the Determination of Asbestos in Bulk Insulation Samples" (EPA-600/M4-82-020). The primary analysis method for asbestos uses polarized light microscopy (PLM) which normally only resolves fibers thicker than 0.25 μm . Because asbestos fibers are often too thin to be resolved by a light microscope, transmission electron microscopy (TEM) should be used to analyze samples determined to be negative by PLM. Interfering materials must first be removed quantitatively from the sample using a matrix reduction process. Ashing removes organic components such as plastics or cellulose and acid treatment removes components such as carbonate fillers. The remaining inert material is then evaluated for asbestos content.

In New York State, non-friable organically bound (NOB) materials determined to be negative ($< 1\%$ asbestos) by PLM must be analyzed by TEM before the sample can be officially considered as non-asbestos containing material (ACM). EPA recommends that floor tile reported as negative by PLM should be analyzed by a new EPA method utilizing TEM.

Clean Air Testing Labs, Inc., uses ELAP method 198.1 (PLM) and 199.4 (TEM) for New York samples. Samples from other areas are evaluated by a similar modified Chatfield, TEM protocol that is pending ASTM Committee D22.05.07.007 approval (submitted by Eric Chatfield, 1988). The method leads to the identification of any asbestos minerals (fibers) present within the sample, as well as giving the weight percent. All asbestos minerals are identified on the basis of fiber morphology, energy dispersive x-ray spectrometry (EDS), and selected area electron diffraction (SAED).

Following the matrix reduction digestion procedure, floor tile inert residue usually contains only pigments such as titanium dioxide and/or iron oxides, fillers such as silicate or aluminosilicate minerals and asbestos if present. Other bulk materials may contain additional inert materials. A modified method of the aforementioned is used when analysis is required of non-friable materials.

The laboratory has been approved to analyze these samples by the NY State Department of Health Environmental Laboratory Approval Program (ELAP) Laboratory ID # 11242.

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel./Fax: (516) 546-2640

SUMMARY OF FINDINGS:

Asbestos Detected (Non-Friable & Friable)

- Roof Flashing - approximately 450 square feet
- Roof Door Caulking - approximately 10 square feet
- Roof Window Caulking - approximately 5 square feet
- Roof Patio Flashing - approximately 180 square feet
- Roof Elevator Room Pipe Insulation - approximately 210 linear feet
- Roof Elevator Room Elbow Insulation - approximately 20 joints
- 12th Floor Elbow Insulation - approximately 30 joints
- 12th Floor Pipe Insulation - approximately 200 linear feet
- (9th Floor Wall Pipe Insulation Room - approximately 30 linear feet
- 9th Floor Wall Pipe Insulation Room - approximately 15 linear feet
- 9th Floor Wall Pipe Insulation - 1 linear foot
- 9th Floor Floor Tile Office - approximately 100 square feet
- 9th Floor Elbow Insulation Men's Room - approximately 3 joints
- 8th Floor Floor Tile Office - approximately 450 square feet
- 8th Floor Pipe Insulation Men's Room - approximately 30 linear feet
- 8th Floor Pipe Elbow Men's Room - approximately 8 joints
- 7th Floor Pipe Insulation Bathroom & Open Area - approximately linear
Feet
- 7th Floor Pipe Elbow Insulation Bathroom & Open Area - approximately 8
joints
- 6th Floor Pipe Insulation Bathroom - approximately 40 linear feet

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel/Fax: (516) 546-2640

SUMMARY OF FINDINGS:

Asbestos Detected (Non-Friable & Friable)

- 6th Floor Floor Tile Hall - approximately 120 square feet
- 5th Floor Black Floor Tile East Room - approximately 120 square feet
- 5th Floor Gray Floor Tile East Room - approximately 120 square feet
- 5th Floor Tile Mastic East Room - approximately 120 square feet
- 5th Floor Floor Tile Open Area - approximately 90 square feet
- 5th Floor Tile Mastic Open Area - approximately 90 square feet
- 5th Floor Pipe Insulation Bathroom - approximately 45 linear feet
- 4th Floor Floor Tile East Room - approximately 650 square feet
- 4th Floor Tile Mastic East Room - approximately 650 square feet
- 4th Floor Pipe Elbow Insulation Bathroom - approximately 4 joints
- 4th Floor Pipe Insulation Bathroom - approximately 20 linear feet
- 3rd Floor Floor Tile East Office - approximately 600 square feet
- 3rd Floor Tile Mastic East Office - approximately 600 square feet
- 2nd Floor Floor Tile Hall & West Rooms - approximately 1000 square feet
- 2nd Floor Tile Mastic Hall & West Rooms - approximately 1000 square feet
- Boiler Room Block Insulation Behind Boiler - approximately 10 square feet
- Boiler Room Pipe Insulation On Top Boiler - approximately 60 linear feet
- Boiler Room Boiler Insulation Small Boiler - approximately 20 Square feet

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel./Fax: (516) 546-2640

SUMMARY OF FINDINGS:

Asbestos Detected (Non-Friable & Friable)

Electrical Wire Insulation - Assumed Positive - Unable to sample

Pipe Chase - 6 Vertical Pipes in Chase - 100 Linear Feet per Floor
12 Floors plus Basement - 1300-1500 Linear Feet

Additional Bldg. Basement - Pipe Insulation - 350 Linear Feet

Material Labeled Not Sampled (Visually estimated by CAT)

Basement - Pipe Insulation & Joints - Approx. - 1200 Linear Feet

Pump Room - Pipe Insulation & Joints - Approx. - 225 Linear Feet

Oil Tank Room - Pipe Insulation & Joints - Approx. - 140 Linear Feet

Boiler Room - Pipe Insulation & Joints - Approx. - 300 Linear Feet

Breeching - Approx. - 345 Square Feet

Boiler 1 - Approx. - 160 Square Feet

Boiler 2 - Approx. - 160 Square Feet

Notation on Analysis:

All samples were analyzed by the PLM method stated above. The test result sheets from the laboratory are included. See Appendix A

Disclaimer:

Polarized-light microscopy is not consistently reliable in detecting asbestos in floor coverings and similar non-friable organically bound materials. Quantitative transmission electron microscopy is currently the only method that can be used to determine if this material can be considered or treated as non-asbestos containing.

Clean Air Testing Labs, Inc.

1111 Steele Blvd.
Baldwin, New York 11510
Tel/Fax: (516) 546-2640

RECOMMENDATIONS

There are locations on the property that contain non-friable and friable asbestos. All quantities are estimated and should be confirmed by any asbestos contractor who is bidding for the abatement portion of the job. Any asbestos containing materials that would potentially be disturbed must be removed prior to the commencement of any renovations. The proper filing of any federal, state and local documents must be submitted to the proper agencies before any work begins. Asbestos Abatement and Air Monitoring, if necessary, must be performed in accordance with NYS Code 56 and any other Federal and Local regulations.

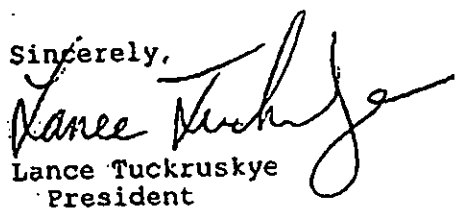
FINAL NOTES

This report represents the opinion of the reporting asbestos inspector at the time of the asbestos assessment survey.

All quantities of ACM are estimated for bidding purposes.

If you have any further questions or if additional information is needed please do not hesitate to call.

Sincerely,

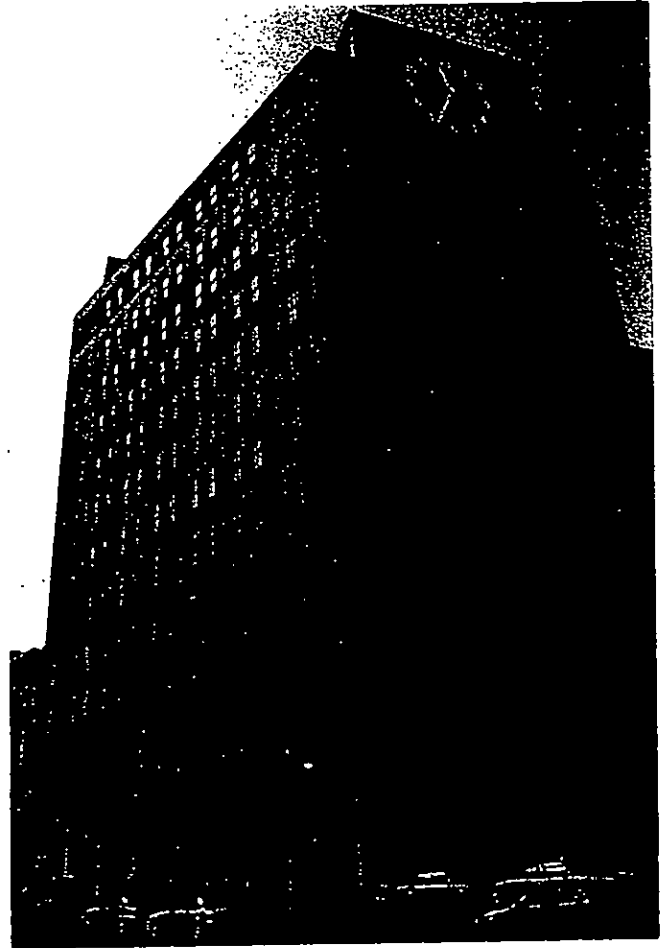

Lance Tuckrusky
President

LOCAL LAW 11 REPORT

**5th CYCLE REPORT
LOCAL LAW 11 of 1998**

**PERIODIC INSPECTION OF THE
EXTERIOR WALLS AND
APPURTENANCES:**

**62 Cooper Square,
New York, N.Y. 10012**



Prepared For:
COOPER SQUARE ASSOCIATES, LLC.
111 Wooster Street,
New York, N.Y. 10012

Prepared By:
HOWARD L. ZIMMERMAN, Architects, P.C.
11 West 30th Street
New York, New York 10001

Issue Date: 02-25-00

62 Cooper Square
New York, N.Y. 10012
Local Law 11 of 1998
Periodic Inspection Report

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Results of the Critical Examination
Outline of the Investigative Procedure

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Summary of Previous Work Records and Reports

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Brick Masonry
Decorative Stone work
Windows
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Conclusions
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SECTION 6

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62 Cooper Square
New York, N.Y. 10012
Local Law 11 of 1998
Periodic Inspection Report

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SECTION 1

Building Information

Building Address:	62 Cooper Square, New York, N.Y. 10012
Building AKA:	The Carl Fischer Building
Location From Nearest Cross Street:	At the corner of Cooper Square and Astor Place
Certificate of Occupancy #:	107123
Block and Lot #:	544 / 32
Height of Building:	120'- 0"
Number of Stories:	12
Use/Occupancy:	Residential and Commercial
Exterior Wall Type:	Brick with stone panels and decorative banding
Age:	Approximately eighty years old
Landmarks Status:	Landmarked Building
Plan Dimensions:	Approximately 80' by 60'
Building Owner's Name:	C-Square Wood, LLC.
Owner's Mailing Address:	111 Wooster Street, PHD, NY, NY, 10012
Owner's Telephone #:	203-966-7020
Managing Agent's Name:	C-Square Associates, LLC.
Manager's Telephone #:	212-219-1971
Superintendent:	
Superintendent's Telephone #:	212-529-9579

62 Cooper Square
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Periodic Inspection Report

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Critical Examination Procedures

Our inspections were conducted on February 17, 2000. The examination was conducted from the ground floor with the aid of telephoto camera lenses and binoculars. A close up visual inspection of a representative façade was conducted from a hanging scaffold at northeast corner of the Building.

SECTION 2

Outline Of Local Law 11 of 1998

Local Law 11 of 1998 (L.L.11/98) amends the prior Local Law 10 of 1980 (L.L.10/80). The purpose of both L.L.10/80 and L.L.11/98 is to insure that all building façades do not pose a threat to public health and/or safety from flawed, deteriorated or failed building components. This law pertains to all buildings taller than six (6) stories. L.L.11/98, 32-03(a) defines the inspection conditions:

- *Safe*
- *Unsafe*
- *Safe with a Repair and Maintenance Program*

A *Safe* condition is "a condition of a building wall, any appurtenances thereto or any part thereof not requiring repair or maintenance to sustain the structural integrity of the exterior of the building and that will not become *Unsafe* during the next five (5) years."

An *Unsafe* condition is a "condition of a building wall, any appurtenances thereto or part thereof that is dangerous to persons or property and requires prompt remedial action."

Safe with a Repair and Maintenance Program "means a condition of a building wall, any appurtenances thereto, or any part thereof that is *Safe* at the time of inspection, but requires repairs or maintenance during the next five (5) years in order to prevent its deterioration during that five (5) year period into an *Unsafe* condition."

In addition, any condition which was reported as *Safe with a Repair and Maintenance Program* in an earlier report and which is not corrected at the time of the current inspection shall be reported as an *Unsafe* condition. Walls exempt from critical examination include only those that are within 12" of adjacent premises.

Critical Examination Report

Howard L. Zimmerman, Architects, P.C. has been retained exclusively to perform a Critical Examination of the Building walls and appurtenances thereof, in conformance with New York City Local Law 11/98.

62 Cooper Square
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Local Law 11 of 1998
Periodic Inspection Report

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Our responsibility is limited solely to that of Critical Examination, preparation, and filing of the following Report. No statement is intended to extend our liability beyond that required by Local Law 11/98.

The Architect was not retained to file construction compliance documents, prepare design drawings and/or specifications, to supervise or observe the construction, to determine causes of conditions noted in the Report, or to provide any other services except as specifically noted above. The responsibilities of the Architect are limited solely to the Critical Examination, preparation and filing of this Report. Subject to the terms set forth herein, nothing in this Report shall be interpreted as extending the scope of the Architect's services and liability.

This Report renders an opinion concerning the condition of the exterior walls of the Building on the dates on which the examinations were conducted. The accuracy of this Report is limited to observations reasonably made from a swing stage scaffold or from the street, windows, roofs or setbacks of the subject Building or roofs or setbacks of adjacent buildings, using magnification equipment including telephoto camera lenses, telescopes or binoculars. Conditions not subject to visual review (backup masonry, structural steel framing, concealed clips, etc.) are beyond the scope of this Report.

Section 26-105.3 of the Administrative Code of the City of New York and the rules and regulations pertaining thereto, as of the date of this Report, allow as of right the use of telescopic and photographic techniques for the Critical Examination of the Building walls and appurtenances thereof, in addition to the use of rigging, platforms or scaffolding required by law. Accordingly, the accuracy of the Report is limited to that which might reasonably be expected under such circumstances, utilizing equipment commonly employed for similar work.

Conditions noted in this Report are as of the date of examination only. The condition of the Building will change over time and the rate of change will vary with the type of construction, history of maintenance and repair, and environmental conditions.

The Owner is hereby advised that any conditions noted as either *Unsafe* or *Hazardous* in the Report must be corrected immediately in order to comply with the requirements of Law.

The Owner must file or have filed with the Building Department, after completion of remedial construction, a document certifying that all required remedial work has been completed. The Owner must keep a copy of this Report for future use.

Statements made in this Report may not be used as a criticism of previous designers, contractors, or anyone responsible for the Building, or as the basis for any sale of the Building.

A copy of this Report has been given to the Owner prior to filing with the Building Department. This Report was prepared under the direction of Howard L. Zimmerman, A.I.A.

62 Cooper Square
New York, N.Y. 10012
Local Law 11 of 1998
Periodic Inspection Report

Page 5 of 8

Outline of Investigative Procedures

- Review of previous Local Law 10 filing. [Section 3]
- Review of previous records and reports of previous work. [Section 3]
- Physical inspection by scaffold on representative portion of primary façades. [Section 4]
- Inspection of all Building facades from the ground, Building terraces and roofs, and roofs of adjacent buildings, using high-powered binoculars or other telescopic equipment. Photographic records using telephoto lenses where appropriate. [Section 4]

SECTION 3

History of Past Repairs and Previous Local Law 10 Report and Filing

No information available regarding previous filing.

SECTION 4

Result of Critical Examination of Building

Brick Masonry

The overall condition of the face brick throughout the Building façades appears to be poor.

- 1) *Description:* Serious cracking is visible throughout the Building corners, which is causing substantial displacement of corner brick and substantial loss of mortar.
Condition: Unsafe
- 2) *Description:* Serious bulging is visible throughout the Building façades, most notable at the shelf angles and roof level spandrel beams.
Condition: Unsafe
- 3) *Description:* Severely spalled face brick.
Condition: Unsafe
- 4) *Description:* Loose face brick is evident throughout the Building façades, together with a substantial overall loss of mortar.
Condition: Unsafe
- 5) *Description:* Unidentified dark stain on brick masonry and at window sills.
Condition: Safe with repair and maintenance

62 Cooper Square
New York, N.Y. 10012
Local Law 11 of 1998
Periodic Inspection Report

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SECTION 5

Conclusions

62 Cooper Square, "the Building" is classified as **UNSAFE** per the criteria of Local Law 11 of 1998. The conditions cited in Section 4 as unsafe must be repaired immediately under the guidance of a Registered Architect of Professional Engineer.

Section 4. Brick Masonry. 1: Open cracks to conduct additional investigations; probes should be performed to determine their cause.

Section 4. Brick Masonry. 2: Bulging in shelf angle brickwork. Open shelf angle to conduct additional investigations; probes should be performed to determine the cause of this bulging brick.

Section 4. Brick Masonry. 3: Severely spalled and chipped face should be replaced with new brick to match existing.

Section 4. Brick Masonry. 4: Loose face brick should be replaced with new brick and mortar to match the existing material.

Section 4. Decorative Stone Work. 1: Probes should be undertaken to ascertain the cause of the deterioration of the stonework at the roof level. Steel lintels should be examined accordingly.

Section 4. Windows. 1: Windows should be surveyed and repaired or replaced as necessary.

Section 4. Window Lintels. 1: Probes should be undertaken to ascertain the cause of the deterioration of the lintel stonework. Steel lintels should be examined accordingly.

Section 4. Window Sills. 1: Together with the windows, the sills should be comprehensively surveyed. Based on the determination of the licensed professional, each sill should be repaired or replaced.

Additional items noted as *safe with repair and maintenance* must be addressed before they degenerate into unsafe conditions, before the next Local Law 11 inspection cycle.

Recommendations for Maintenance

- All exposed steel lintels should be scraped to a bright polish, and then coated with the appropriate materials before replacement of stone fascia pieces.

62 Cooper Square
New York, N.Y. 10012
Local Law 11 of 1998
Periodic Inspection Report

Page 8 of 8

- Hairline cracks in face brick: any cracked face brick should be patched if possible or replaced with new brick and mortar to match existing.
- Probes should be undertaken to ascertain the source of the stains. Stain should be removed with the proper cleaners.
- All decorative stonework must be properly maintained and cross-joints must be sealed.

Furthermore, the Building should be inspected periodically to monitor deteriorating or failing conditions. Qualified service personnel may be trained to perform appropriate inspections under the supervision of a Registered Architect or Professional Engineer. The interval between inspections should be not more than one year or not more than the interval required by any article of law, whichever is sooner, commencing with the date of the inspection last made in connection with this Report. The Owner should not allow the installation of any appurtenances (air conditioners, parapet liners, fences or railings at roofs, terraces or balconies, pavers, antennae, etc.) without first reviewing the proposed work and approving it in writing. To avoid the danger of falling objects the Owner is further advised to prohibit the placement of any objects on fire escapes, exterior windowsills, on parapets, etc. Roof and terrace drains should be monitored closely and kept clear at all times. The Owner is advised to maintain a log of all reported leaks into the Building as well as a record of all items of exterior work performed on the Building. The Owner is finally advised not to allow any repairs to the exterior walls of the Building or the appurtenances thereof without the guidance of a Registered Architect or Professional Engineer.

SECTION 6

Photographs

See attached photo sheet.



1. East Elevation
overall

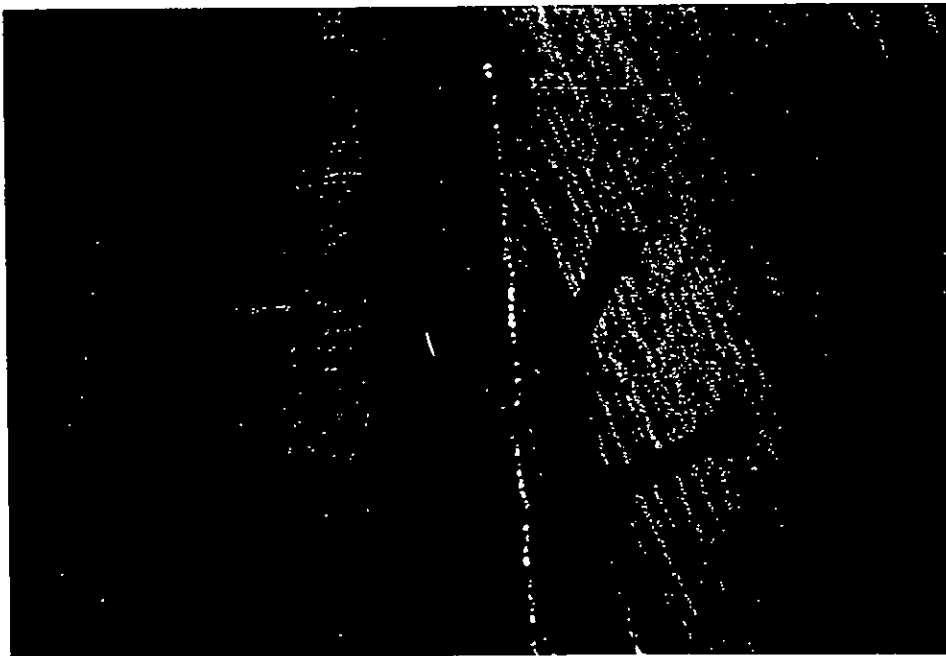


2. East Elevation
overall

Local Law 11/98 Report
62 Cooper square,
New York, NY 10012



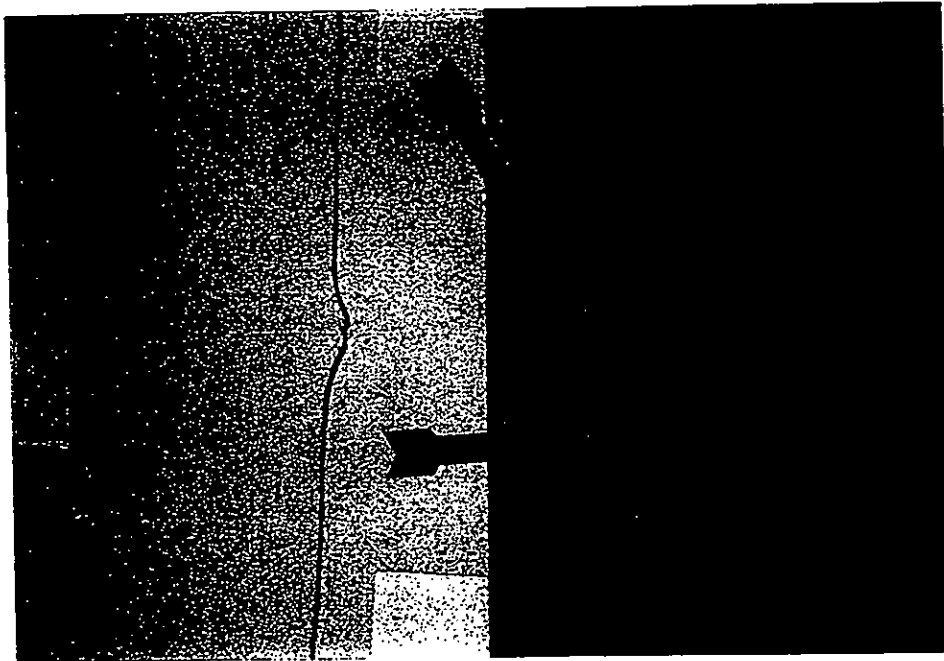
3. East Elevation Main
Entrance



4. Northeast corner
Elevation Displace
brick



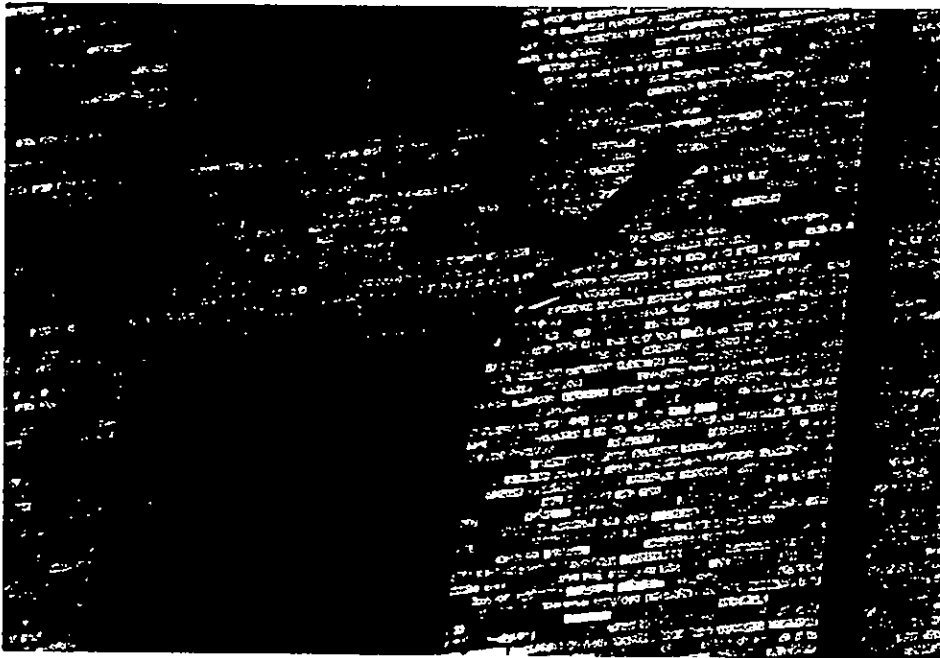
5. East Elevation
Crack in brick pier



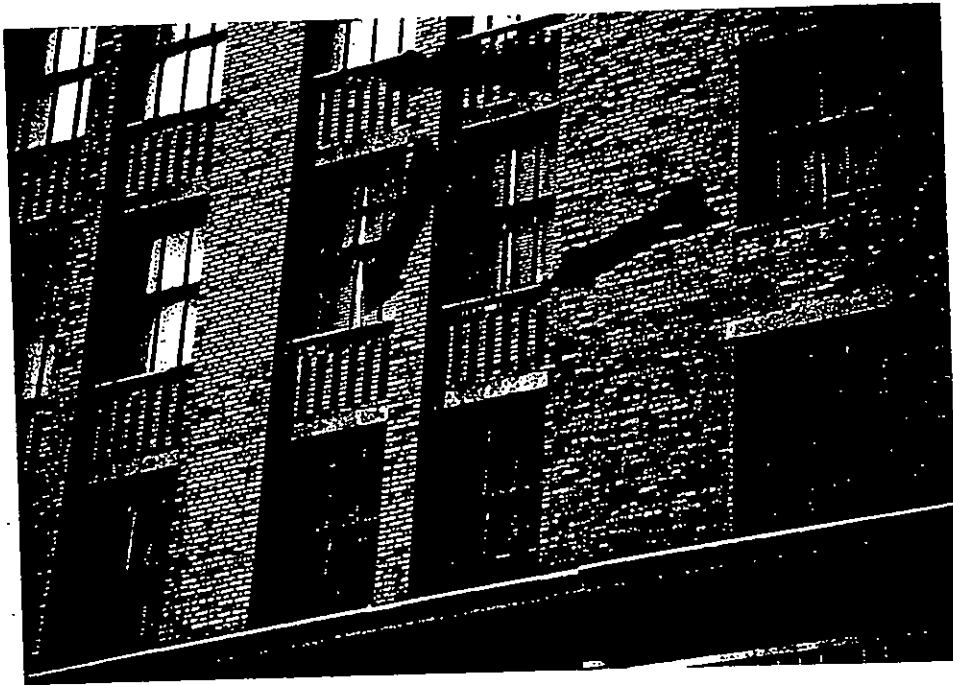
6. East Elevation
Crack in brick pier



7. East Elevation
Spalled lintels



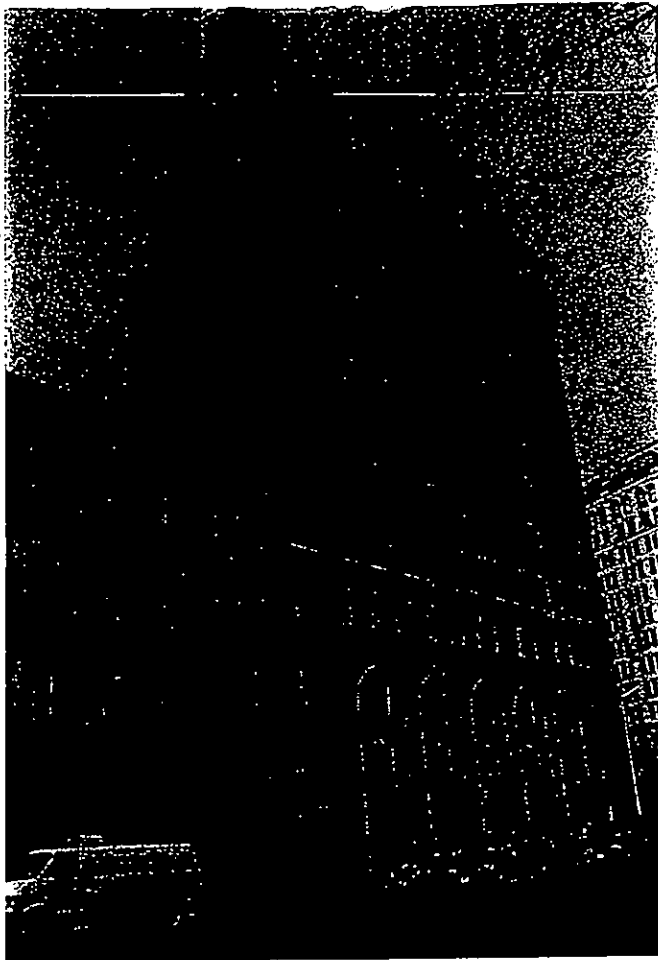
8. East Elevation
Spalled lintel



9. East Elevation
unidentified stain at
sills level

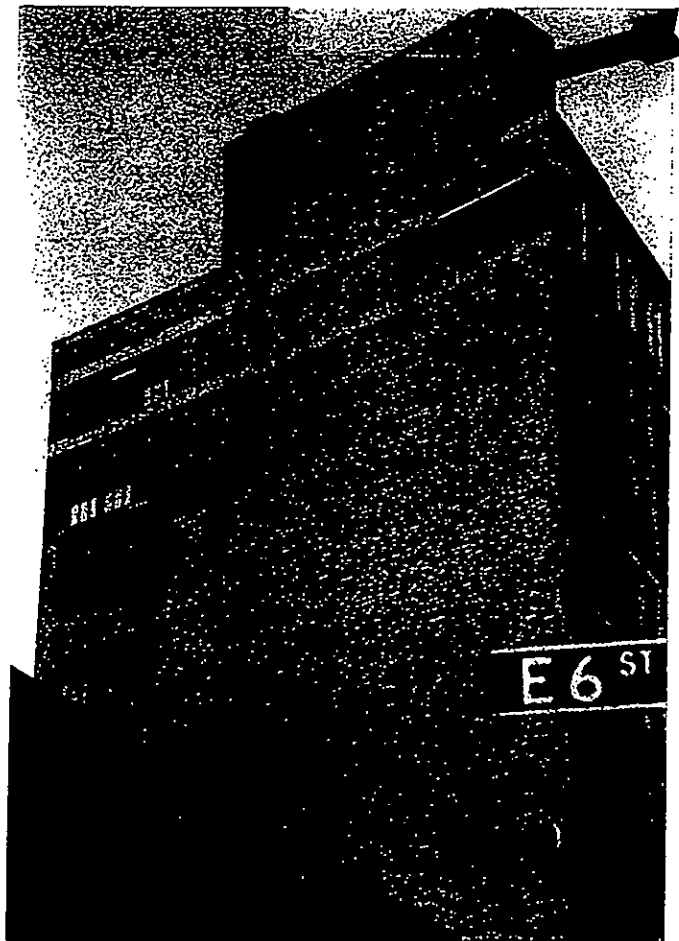


10. East Elevation
window condition

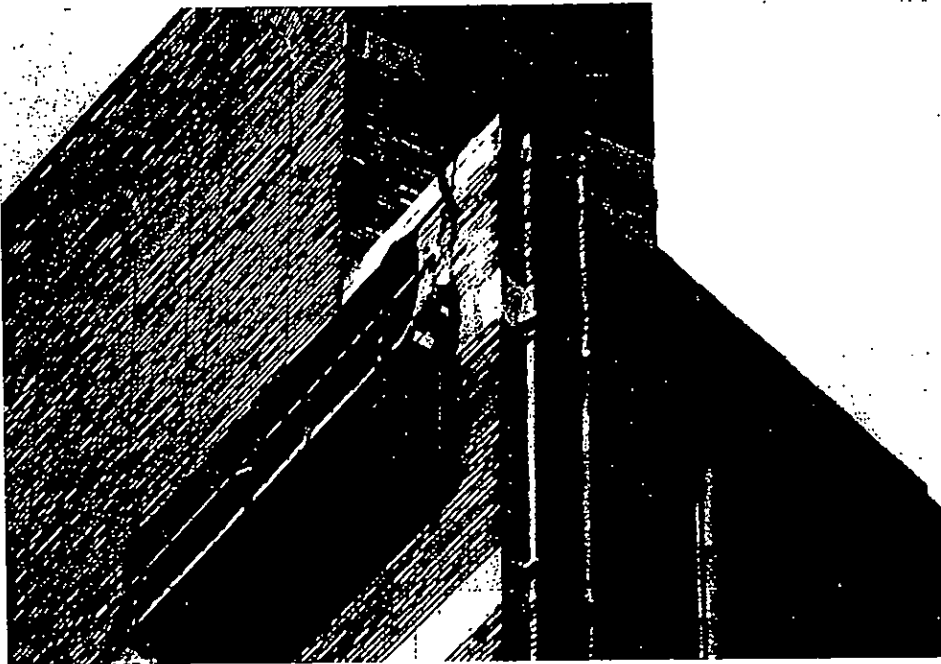


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62 Cooper square,
New York, NY 10012

11. South Elevation
overall



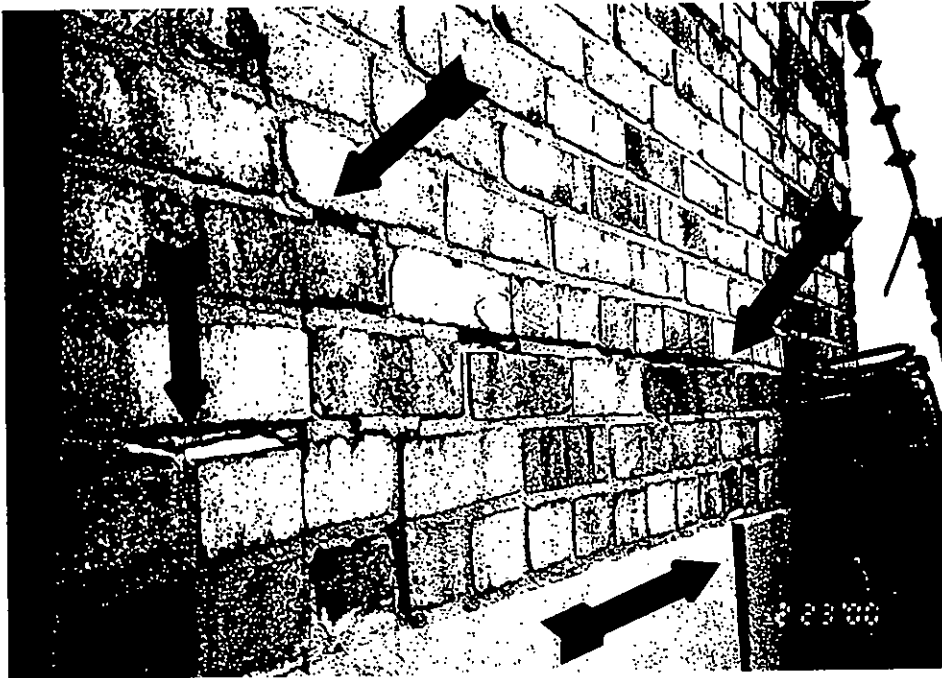
12. South Elevation
overall



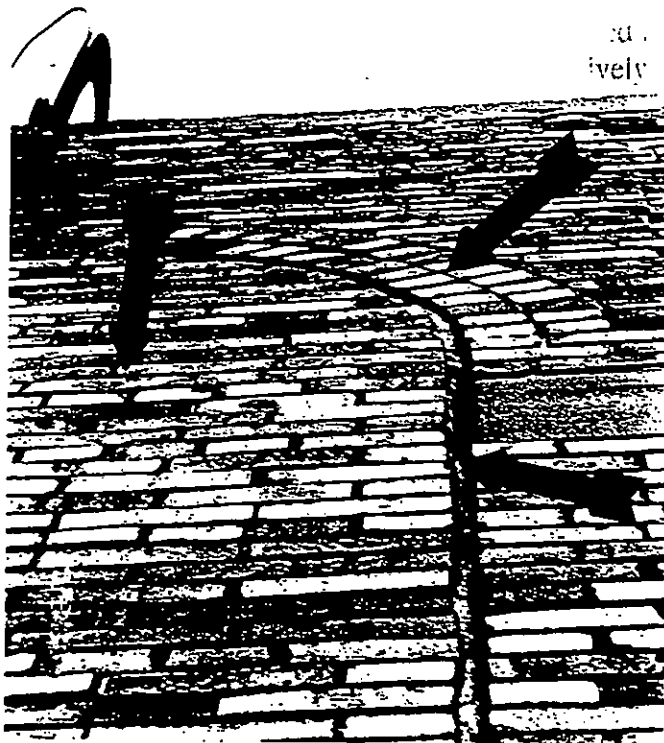
13. South Elevation
Close-up view of
scaffold



14. South Elevation At
east corner parapet
condition



15. South Elevation At
east corner parapet
condition



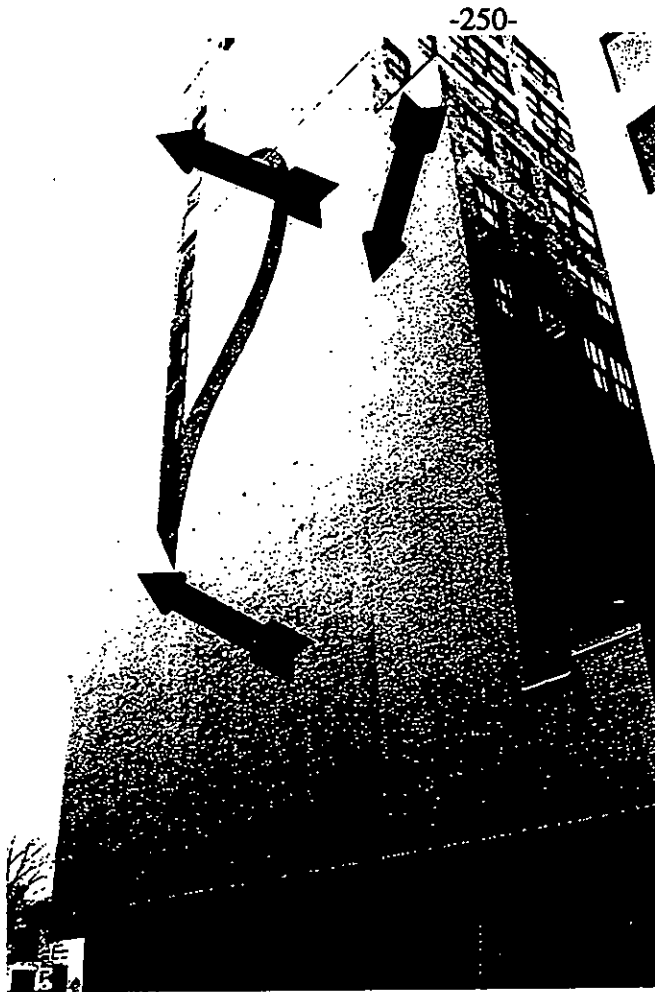
16. South Elevation At
east corner
bulkhead condition



17. South Elevation At
east corner
bulkhead condition

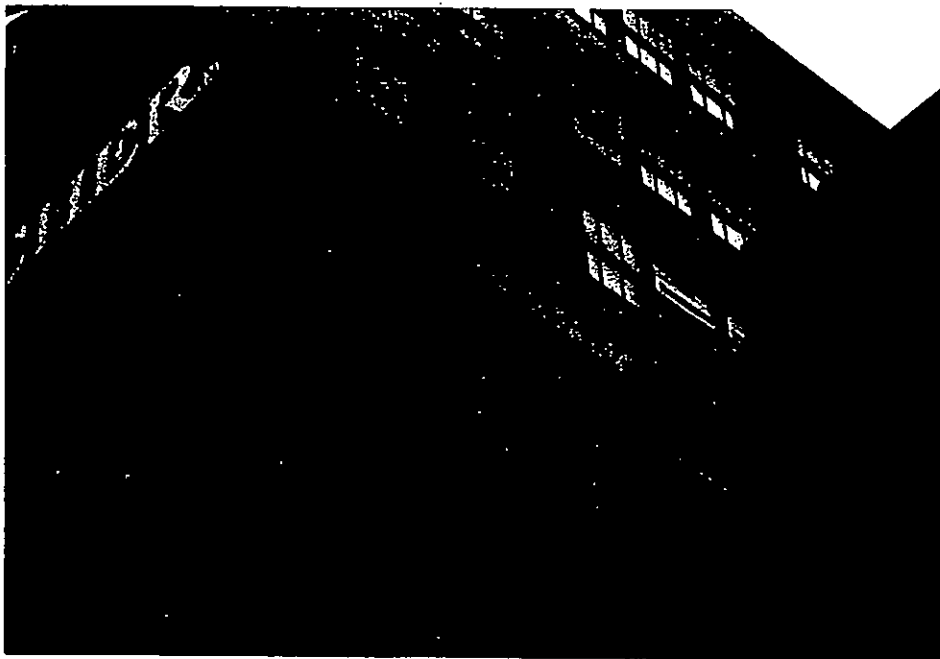


18. South Elevation At
east corner
bulkhead condition



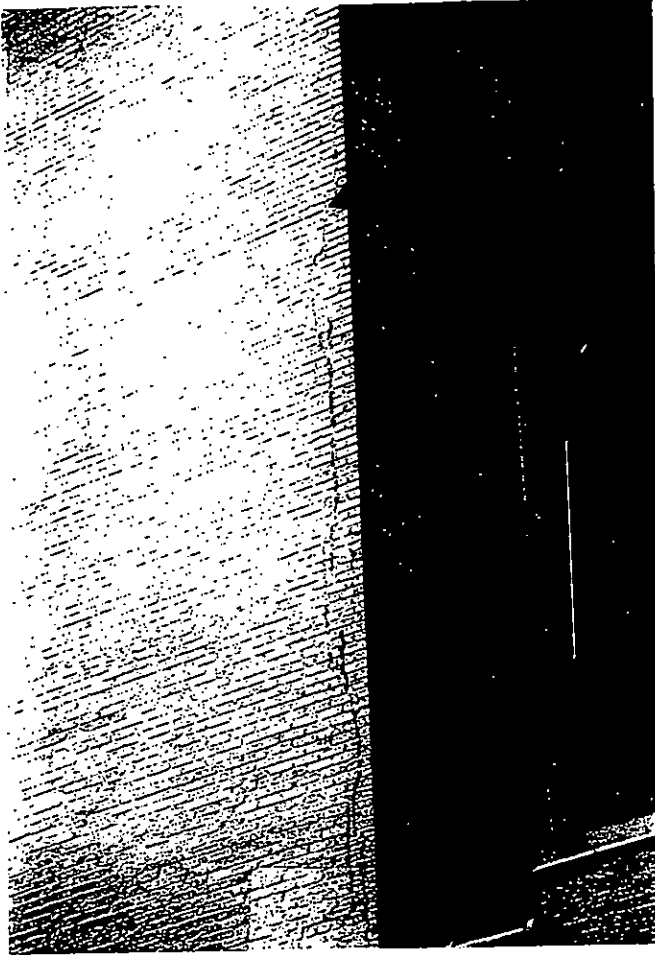
Local Law 11/98 Report
62 Cooper square,
New York, NY 10012

19. North Elevation
overall



20. Northwest corner
Elevation Crack
running from top
floor to 2nd floor

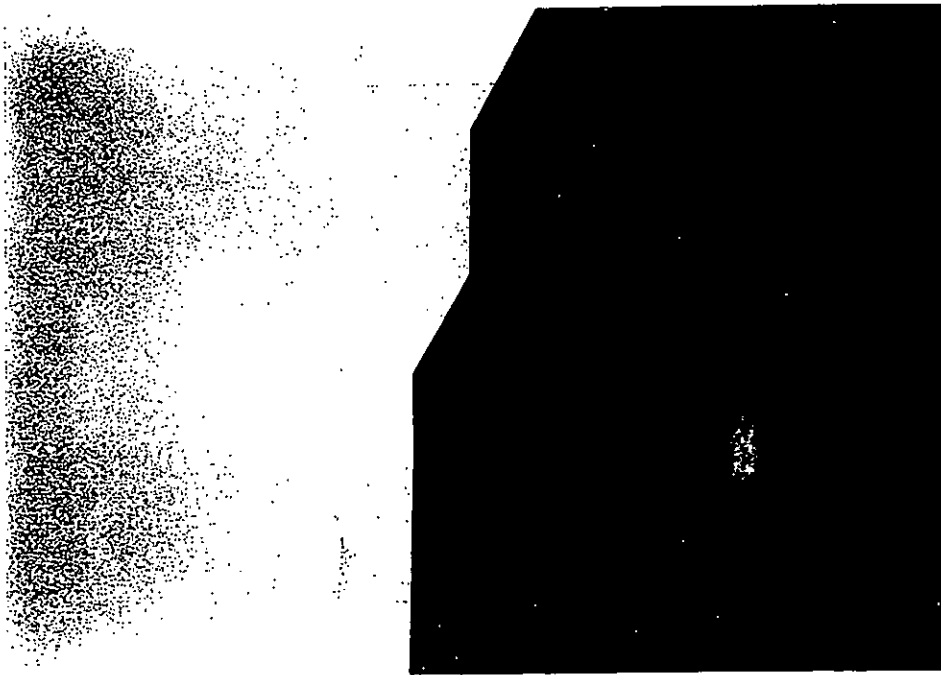
Local Law 11/98 Report
62 Cooper square,
New York, NY 10012



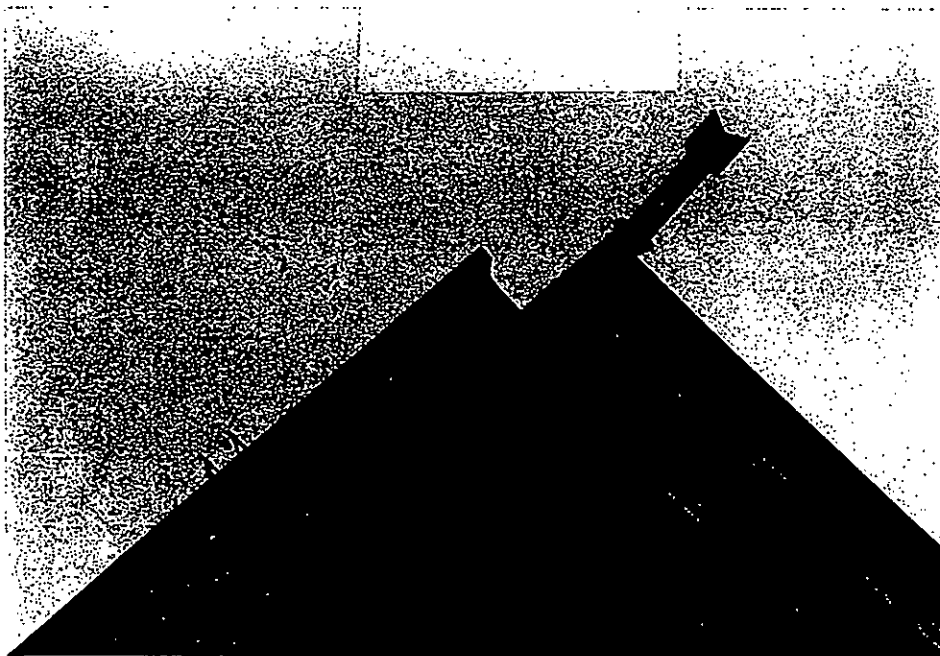
21. Northwest corner
Elevation Crack in
face brick



22. North Elevation
Bulging in face
brick

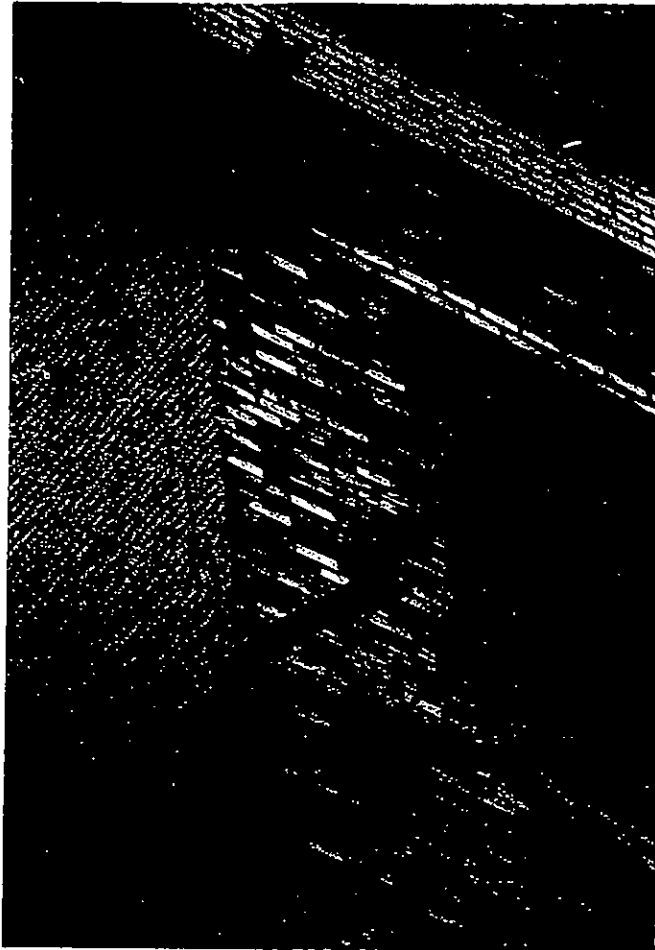


23. North Elevation
Bulging in face
brick



24. West Elevation
Spalled brick and
Hairline cracks

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62 Cooper square,
New York, NY 10012



25. West Elevation
Spalled brick and
Hairline cracks



26. West Elevation
Spalled stone lintel

Local Law 11/98 Report
62 Cooper square,
New York, NY 10012



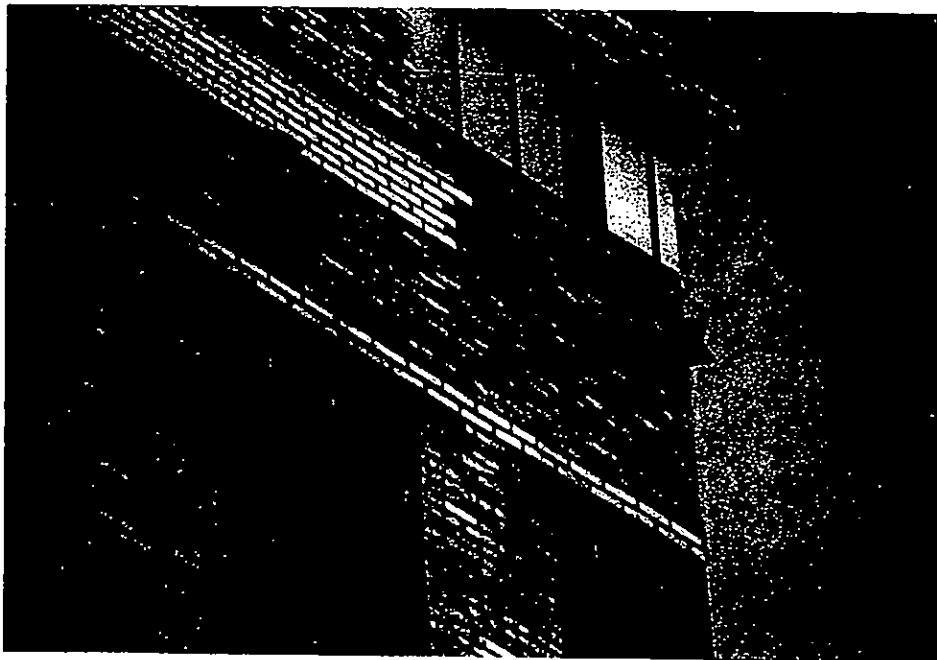
27. West Elevation
Spalled stone lintel



28. West Elevation
Step crack in brick
Masonry

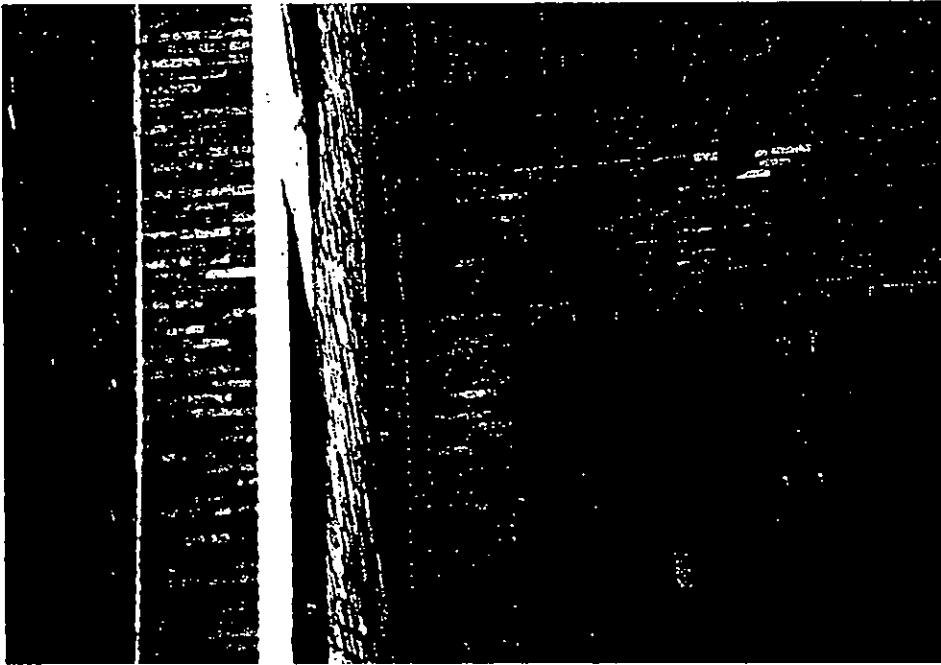


29. West Elevation
Step crack in brick
Masonry



30. West Elevation
Step crack in brick
Masonry

Local Law 11/98 Report
62 Cooper square,
New York, NY 10012



31. West Elevation
Step crack in brick
Masonry

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 52-62 Cooper Square, County of New York, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE 62 COOPER SQUARE CONDOMINIUM

DECLARANT: C-Squarewood LLC
52-62 Cooper Square
New York, New York 10003

es:

not

DATE OF DECLARATION: _____

The land affected by the within instrument lies in Section 2 in Tax Block 544 formerly known as Lots 32, 36, 37 now known as Lots ____ - ____ on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York.

Record and Return:

SEIDEN & SCHEIN, P.C.
Attorneys for Declarant
570 Lexington Avenue
New York, New York 10022
(212) 935-1400

INDEX TO DECLARATION

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Exhibits

- A. Description of the Land
- B. Description of the Units
- C. Definitions
- D. By-Laws

**DECLARATION
OF
THE 62 COOPER SQUARE CONDOMINIUM**

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

C-Squarewood, LLC, a Delaware limited liability company, having an office at 52-62 Cooper Square, New York, New York 10003 ("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 62 Cooper Square 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 or in the By-Laws shall have the meanings given to those terms in Exhibit C annexed hereto.

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, commonly known as 52-62 Cooper Square, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 13,860 square feet.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 are three (3) buildings (collectively the "Building") consisting of one (1) Commercial Unit (collectively referred to as the "Commercial Units" and individually, a "Commercial Unit"), and 26 Residential Units (collectively, the "Residential Units" and individually, a "Residential Unit"). The Commercial Units and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The Residential Units, together with the Residential Common Elements and the Residential Limited Common Elements (as hereinafter defined), are collectively referred to as the "Residential Section." The Commercial Units together with the Commercial Common Elements and the Commercial Limited Common Elements (as hereinafter defined) are collectively referred to as the "Commercial Section." 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 Commercial Unit at any time, or its designee, is herein called a "Commercial Unit Owner" and each of the owners of the Commercial Units shall collectively be called the "Commercial Unit Owners." The Residential Unit Owners and the Commercial Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner."

ARTICLE 5

THE BUILDING

The Building consists of three buildings, two of which (52-54 Cooper Square) have four (4) stories above grade, plus a fifth floor penthouse. The third building (62 Cooper Square) has twelve (12) stories above grade, plus a thirteenth floor penthouse. The Building is constructed of limestone and brick.

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 General 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 James Harb Architects and intended to be approved by the Real Property Assessment Bureau of the City of New York and filed in the Office of the Register of the City of New York, County of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, entrance doors to the Unit, the interior sheetrocked walls and partitions, non-structural flooring, floor coverings and plastered or sheetrocked ceilings affixed, attached or appurtenant to such Unit, 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 by a Unit Owner other than Declarant, to the extent located within a Unit from the panel and serving or benefitting only that Unit including, but not limited to, any freight elevators or freight entrances servicing a Commercial 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 Each Commercial Unit will include all elevators, stairs, if any, and all related Facilities exclusively serving that Commercial Unit including outdoor signage panels for the Commercial Unit.

6.4 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 consist of the area measured horizontally from the outer edge of the Unit side of the glass or the outer edge of the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the wall separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment or any Common Elements (as hereinafter defined) or the outer edge of the glass of the opposite exterior walls or the outer edge of the exterior walls. Each Unit will consist of the area measured vertically from the top of the concrete floor to the concrete underside of the ceiling.

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, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (b) one or more but not all of the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Limited Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the

General Common Elements. The General Common Elements are for the common use of all Unit Owners.

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, 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), 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, (except to the extent included in Sections 8.5 or 8.7), together with those portions of the exterior walls of the Building beyond the Commercial and Residential Unit side of the glass or concealed block work or concealed structural members of those walls.

8.4.3 The rooms and Facilities located as follows: one cooling tower above the 12th floor roof on 56-62 Cooper Square, one electric meter room, one telecommunication equipment room, one elevator machine room and one gas and water meter in the Cellar, the boiler room and the pump room in the Subcellar.

8.4.4 Any other Facilities in the Building which serve or benefit or are

necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.5 The Residential Common Elements consist of the following:

8.5.1 Any of the following: all columns, girders, floor slabs and ceilings, beams, and supports, and interior load bearing walls from above the slab over the first floor of the Building to the roof (except as otherwise provided in Section 8.7).

8.5.2 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter, and cables serving exclusively the Residential Section.

8.5.3 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts if any, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section.

8.5.4 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party.

8.5.5 The rooms and Facilities located as follows: Residential storage room located in the Cellar, compactor room located in the Cellar, the mechanical equipment rooms and areas located in the Cellar and Subcellar and the elevator machine rooms located on the roof, the Residential lobbies, mail room, interview vestibule, package room and vestibule, valet and concierge station all located on the Ground Floor.

8.5.6 The three (3) passenger elevators, Nos. 1,2,3 and their shafts, pits, machine rooms and Facilities.

8.5.7 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, Residential Limited Common Elements or part of the Commercial Units, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements.

8.5.8 Fire escape extending from the penthouse roof to the second floor terrace of the building known as 52-54 Cooper Square.

8.5.9 The roof including the Common Terrace, but excepting any tile or wood

decking on Terraces to which one or more Residential Units have exclusive access as set forth in the Floor Plans.

8.5.10 The windows in the Residential Section.

8.5.11 All other Facilities exclusively serving the Residential Section, excluding the Residential Units, the Residential Limited Common Elements, the Commercial Units, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.5.12 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the Residential Section's costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners. In addition, except as otherwise provided in Subsection 6.9.2.1 of the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Residential Common Element at their sole cost and expense.

8.6 The Residential Limited Common Elements consist of the following:

8.6.1 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 Residential Limited Common Element (subject to compliance with the Rules and Regulations of the Residential Section) and shall be responsible for its normal operation, maintenance and repair at such Residential Owner's sole cost and expense.

8.6.2 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 Residential Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner who is so served or benefited by such Residential Limited Common Element shall have the exclusive right to use such Residential Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.6.3 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Commercial Units, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.7 The Commercial Common Elements consist of the following:

8.7.1 Any of the following: all columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls located within any Commercial Unit.

8.7.2 Commercial electric meter, separate cold water meter, gas meter and other utility meters (if any) serving or available for the exclusive use of the Commercial Section.

8.7.3 Ductwork, and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section.

8.7.4 All windows in the Commercial Section other than windows which are part of the Commercial Units.

8.7.5 All remaining Facilities exclusively serving the Commercial Units, excluding the Commercial Units, the Commercial Limited Common Elements, the Residential Units, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Units.

8.7.6 Notwithstanding anything to the contrary in this Article 8, if a Commercial Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element at their sole cost and expense.

8.8 The Commercial Limited Common Elements consist of the following:

8.8.1 That portion of equipment, fixtures or Facilities serving or benefiting one Commercial 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 Commercial Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Commercial Unit Owner who is so served or benefited by such Commercial Limited Common Element shall have the exclusive right to use such Commercial Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.8.2 All other Facilities exclusively serving one or more but not all Commercial Units, excluding the Commercial Units, the Commercial Common Elements, the Residential Units, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Commercial Units.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws, Residential Units may be used only for Residential purposes as defined in Article 7-B of the Multiple Dwelling Law and Section 42-14(D) of the Zoning Code. A Residential Unit may also be used for any other lawful purposes (but not for retail use), subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building, (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, (4) compliance with the By-Laws and (5) the prior written permission of the Residential Board, which permission shall in no event be granted unless such Board affirmatively finds that the conditions in (1) through (5) above have been met.

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 Residential Board (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it for any 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 Residential 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 Commercial Units may be used for any lawful purposes, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

9.4 Vault space in the Cellar ("Vault Space") shall be available for the use of the Commercial Unit Owner as set forth on the Floor Plans and if so used the Commercial Unit Owner shall be responsible for vault taxes, if any, imposed as the result of the use of the Vault. If so used, routine maintenance and repair of the Vault Space, and the sidewalk hatch to the Vault, shall be the responsibility of the Commercial Unit Owner. However, the costs of any structural repairs, including repairs to the foundations or retaining walls adjacent to the Vault Space and the closing of the Vault Space, shall be a General Common Expense undertaken by the Condominium Board. The Commercial Unit Owner shall not use the Vault Space unless it has accepted the use thereof in a writing delivered or sent by certified mail, return receipt requested to the Condominium Board.

ARTICLE 10

CHANGES IN THE RESIDENTIAL SECTION

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms of any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential 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 Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion

of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a General Common Element, a Residential Common Element, Residential Limited Common Element, Commercial Common Element or a Commercial Limited Common Element as part of a newly created Residential Unit, Residential Limited Common Element, Commercial Unit, Commercial Common Element or Commercial Limited Common Element or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element or Commercial Limited Common Element; and (e) if appropriate, reapportion among the Unsold Residential 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 Residential Units (other than Unsold Residential 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 each 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 Residential 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 Residential 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 Residential 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 Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

ARTICLE 11

CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with Article 15 or the By-Laws or prohibited by law, each Commercial Unit Owner shall have the right, subject to the approval of the Commercial Board, which shall not be unreasonably withheld, but without the vote or consent of the Residential or Condominium Boards, other Unit Owners or the Commercial or Residential Mortgage Representatives, if any, to: (1) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit and the Commercial Limited Common Elements serving that Unit; (2) change the layout or number of rooms in the Commercial Units from time to time; (3) change the Commercial Units, by subdividing the same, into any desired number of Commercial Condominium Units, combining any of the Commercial Units or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Units, or otherwise; (4) designate a Residential Unit, a Residential Common Element, a Residential Limited Common Element, a General Common Element or a Commercial Limited Common Element as part of a newly created Commercial Condominium Unit or designate all or part of a Commercial Unit as a newly created Residential Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element; (5) reapportion among the newly created Commercial Units and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall 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, and provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units and/or Residential Units than existed for the original Commercial Units; and (6) change, alter or modify the facade and exterior portion of the Commercial Units provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Units owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom.

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, the Residential Section or the Commercial Section.

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.

13.2 The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the Common Interests of all Residential Units.

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, Residential Board or Commercial Board, as the case may be, or made by Declarant or its designee, or a Commercial 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, the Residential Board, the Commercial Board or their agents, to the extent such Boards are 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, to the extent practicable, as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entries shall be permitted on not less than three days' 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 Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and the General 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 Residential Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, an easement for the exclusive use of the Commercial Elements and an easement for the use of the General 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 Commercial Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency including but not limited to an easement by the Commercial Unit Owners for emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 The Residential Board shall have and each Residential Unit shall be subject to an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements, Residential Common Elements or Residential Limited 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 Residential Units, the General Common Elements, the Residential Common Elements; or the Residential Limited 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, to the extent practicable, with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements or the Commercial Limited 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 any Commercial Unit, the Commercial Common Elements or the Commercial Limited 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, to the extent practicable, with the use of the Commercial Units or Residential Units for their permitted purposes. Such entry shall be permitted on not less than three days' notice, except that no notice will be necessary in the case of an emergency.

16.6 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.

16.7 Declarant or its designee and their successors and assigns shall have an easement in gross in perpetuity to erect, maintain, repair and replace, at the cost and expense of the holder of such easement, from time to time, a sign or signs on the north-facing exterior wall of the building known as 56-62 Cooper Square, for the purpose of advertising pursuant to an instrument (to be recorded) which shall be superior to this Declaration. Declarant may convey, sell, lease, or assign its rights to paint, erect, maintain, repair and replace all or any portion of the sign space on the wall and may retain any and all profits derived therefrom.

16.8 Declarant or its designee and the Commercial Unit Owners and their successors 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 Residential Unit, the sale or lease of all or any portion of the Commercial Units and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be. Declarant and the Commercial Unit Owners 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 bottom of the second floor of the Building, with the consent of the Commercial Board but without the consent of the Residential Board or the Condominium Board, provided that such penetration does not materially weaken the structural soundness of the Building.

16.9 Declarant and the Commercial Unit Owners have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by law.

16.10 Declarant or its designee and the Residential Board with respect to the Residential Section, the Commercial Board with respect to the Commercial Section and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, telephone, Internet, cable, television, steam, ventilation or other easements for utilities or services or otherwise or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, the Residential Board, the Commercial Board 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 the Condominium Board shall not grant such additional easements within a Commercial Unit without the consent of the Commercial Unit Owner thereof and provided further that such additional utilities or relocation of existing utilities will not prevent or unreasonably interfere with the business of the tenants and occupants of the Commercial Units

or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's liens against any of the Units. Any company providing the utilities or services and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance aforementioned easements in order to install, maintain, operate, repair, replace and service such utilities and services 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 Commercial Units or with the use of the Residential Units for their permitted purposes.

16.11 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 roof and facade of the Building and elsewhere on the Common Elements and the conduit and Facilities relating thereto, other than those portions of the roof which constitute Residential Common Elements or Residential 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, 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 dish 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 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 Commercial Unit without the consent of the Commercial Unit Owner and provided further that access to a Unit or Common Element in furtherance of such easement shall be exercised in a manner so as to not unreasonably interfere with the normal conduct of business of the tenants and occupants the Commercial Section 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 is necessary in the case of an emergency.

16.12 Any rights of access to the Commercial Units granted pursuant to this Article or elsewhere in this Declaration and the By-Laws shall be exercised only upon reasonable notice, but in no event less than three (3) days' notice, except in cases of emergency. The Boards shall use best reasonable efforts to schedule access to the Commercial Units so as to minimize disruptions to the business operations of the occupants of such Units, but shall not be required to schedule their right of access at times when overtime or holiday wage rates shall be payable to employees or employees of contractors as a result of such scheduling.

16.13 The Condominium and the Building shall be designated and known as "The 62 Cooper Square Condominium." For so long as Declarant owns any Units in the Building, 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 Residential Unit Owner shall grant to the persons who shall from time to time constitute the Residential Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Residential Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential 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 Residential Board or its designee, corporate or otherwise, on behalf of all Residential 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 Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential 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 Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Residential Section which the Residential 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 Residential Section or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Residential Section or the Common Elements which the Residential Board deems necessary or appropriate.

17.2 Each Commercial Unit Owner shall grant to the persons who shall from time to time constitute the Commercial Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Commercial Board shall determine) following due authorization (if required) from the Commercial Unit Owners (a) to acquire or lease any

Commercial Unit or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined) 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 Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Commercial Unit or portion thereof so acquired, or to sublease any Commercial Unit or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owners, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Commercial Section which the Commercial 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 Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

17.3 Each Unit Owner shall grant to Declarant a power of attorney to amend the Condominium Declaration to effectuate the rights granted to Declarant under the Declaration.

ARTICLE 18

ACQUISITION OF UNITS BY BOARDS

18.1 If (a) any Residential Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential 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 Residential Section or 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 Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a

Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 If (a) any Commercial Unit Owner surrenders such Unit Owner's Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Common Elements, Commercial Limited Common Elements and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial 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 Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Commercial Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Commercial Board or its designee shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners in proportion to their respective interests in the Common Elements.

18.3 The Residential Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Residential 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 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 sub-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, subtenant, 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.

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 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 Residential Units, or the Commercial Units or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 80% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefitting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefitting, protecting or otherwise affecting only the Commercial Units or the Commercial Unit Owners 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 Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to any Commercial Units 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 Residential Units, or the Commercial Units or any Commercial Unit Owner, 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 Residential Mortgage Representatives and Commercial Mortgage Representatives (as defined in the By-Laws), if any and no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, and

Commercial Mortgage Representatives 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 or its designee, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) 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 or (2) the Residential Board as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (3) the Commercial Board as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by the Commercial Unit Owners so to act as their attorney-in-fact, as the case may be. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee, the Commercial Unit Owners and the Commercial Board 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) 85% in number and in Common Interest of all Unit Owners affected thereby, or if only the Commercial Units are affected, 85% in number and in Common Interest of such Commercial Unit Owners, or if only Residential Units are affected, 85% in number and in Common Interest of such Residential Unit Owners, approve such amendment, modification, addition or deletion in the manner set forth above.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential 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 any 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 Residential Unit or in the use, size and/or number of Unsold Residential 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 any 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 Residential 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 Residential (or 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 any 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 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Units belonging to the Owner causing such change is reapportioned among any newly created commercial condominium units resulting from any subdivision of the Commercial Units, any combining of the Commercial Units or of any units resulting from a subdivision, any alteration of the boundary walls between commercial condominium units, or otherwise, or (b) a Commercial Common Elements or Commercial Limited Common Elements is designated as part of a newly created commercial condominium unit or all or part of a Commercial Unit is designated as a newly created Commercial Common Elements or Commercial Limited Common Element, all in accordance with Article 11 hereof, then the Commercial Board (or the Commercial Unit Owners causing such changes) shall have the right to execute, or (upon request) to require any other Board or Unit Owner 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 (the Commercial Unit Owners or) the Commercial Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of the Commercial Units into separate commercial condominium units, the combination of the Commercial Units or of any newly created commercial condominium units resulting from a subdivision, the alteration of boundary walls between commercial condominium units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created commercial condominium units or (ii) such designation of a Commercial Common Element or Commercial Limited Common Element as part of a newly created commercial condominium unit or such designation of part of a Commercial Unit as a newly created Commercial Common Element or Commercial Limited Common Element, all without the approval of any Board, the 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.

20.4 Amendments, modifications, additions or deletions of or to this Declaration, the

By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or with the subdivision, combination or alteration of the Commercial Units, or of any newly created commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units. In connection therewith, the Commercial Board, (or, when permitted, the Commercial Unit Owners) will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

20.5 The provisions of Sections 20.1 and 20.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or 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 Commercial Board.

20.6 Amendments, modifications, additions or deletions of or to this Declaration are subject in all respects to Section 13.2 of the By-Laws which is incorporated by reference herein.

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 and Commercial 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 Residential Units and Commercial 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 payments 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.

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 Sections 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 any 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, any 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 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party. For purposes of this Section 26.2, the Commercial Board shall be deemed to represent the Residential Board, the Residential Board shall be deemed to represent the Commercial Board, and the Residential and/or Commercial Board shall be deemed to represent the Condominium Board.

26.3 If any Unit Owner, any 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 delivery 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 (not including Residential Purchasers of Units pursuant to the Plan), or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial 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 Residential 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 as Exhibit D; and (v) 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 ____ 2000.

C-Squarewood LLC

By: SOFI-V Cooper, L.L.C., Manager

By: Starwood Opportunity Fund V, L.P., its General Manager

By: SOFI V Management L.L.C, its General Partner

By: Starwood Capital Group, L.L.C., its General Manager

By: _____

ACKNOWLEDGMENTS

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A TO DECLARATION
DESCRIPTION OF LAND

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the westerly side of Cooper Square, distant 159 feet 5 inches southerly, measured along the same, from the southwesterly corner of Astor Place, and Cooper Square;

RUNNING THENCE westerly along a line if extended, would intersect the easterly side Lafayette Street, at a point distant 108 feet 10 inches southerly from the southeasterly corner of Lafayette Street, and Astor Place, 81 feet 7 inches;

THENCE southerly parallel with the easterly side of Lafayette Street 25 feet 6 inches;

THENCE easterly at right angles with the easterly side of Lafayette, 1 foot 5-1/2 inches;

THENCE southerly parallel with the easterly side of Lafayette Street 25 feet 6 inches;

THENCE easterly at right angles with the easterly side of Lafayette, 20 feet 6 inches;

THENCE southerly parallel with the easterly side of Lafayette Street, 52 feet 6 inches;

THENCE easterly at right angles with Lafayette Street 20 feet 1-1/2 inches;

THENCE southerly along an independent wall 52 feet 7 inches;

THENCE easterly along an independent wall 95 feet 8-1/2 inches;

THENCE northerly, along the westerly side of Cooper Square, 167 feet 3-3/4 inches to the point or place of BEGINNING.

EXHIBIT B TO DECLARATION

DESCRIPTION OF UNITS

EXHIBIT B
TO THE DECLARATION OF
THE 62 COOPER SQUARE CONDOMINIUM
52-62 Cooper Square
New York, New York

Unit Description	Percentage of Common Interest		Tax Lot #	Approximate Square Foot Area	Location	Common Elements to which Unit has Immediate Access
	% of Residential Int.	% of Total Interest				
Joint Live-Work Units						
2nd Fl-52-54 Cooper	3.1876 %	2.5686 %	1001	2,751		
2-T	7.3012 %	5.8833 %	1002	6,705		
	3.4922 %	2.8140 %	1003	3,079		
3rd Fl-52-54 Cooper	2.9729 %	2.3956 %	1004	2,571		
3A	3.3787 %	2.7226 %	1005	2,968		
3B	1.9833 %	1.5982 %	1006	1,603		
3C	2.9729 %	2.3956 %	1007	2,571		
4A	3.3787 %	2.7226 %	1008	2,968		
4B	1.9833 %	1.5982 %	1009	1,603		
4C	2.9494 %	2.3766 %	1010	2,548		
5A	5.4069 %	4.3569 %	1011	4,952		
5B	2.9729 %	2.3956 %	1012	2,571		
6A	3.4861 %	2.8091 %	1013	3,073		
6B	1.9833 %	1.5982 %	1014	1,603		
6C	2.9494 %	2.3766 %	1015	2,548		
7A	5.4069 %	4.3569 %	1016	4,961		
7B	7.3619 %	5.9323 %	1017	6,762		
8	2.5742 %	2.0743 %	1018	2,181		
9A	3.0209 %	2.4343 %	1019	2,618		
9B	1.8290 %	1.4738 %	1020	1,452		
9C	5.2362 %	4.2194 %	1021	4,785		
10A/B	1.8443 %	1.4861 %	1022	1,467		
10C	7.2644 %	5.8537 %	1023	6,759		
11	5.1456 %	4.1464 %	1024	4,506		
Penthouse-52-54 Cooper	3.9226 %	3.1608 %	1025	3,392		
Penthouse A	5.9955 %	4.8312 %	1026	5,356		
Penthouse B						
<u>Commercial Unit (A):</u>						
A	n/a	19.4192 %	1000	32,805		

EXHIBIT C TO DECLARATION

DEFINITIONS

EXHIBIT C

DEFINITIONS

"Board of Managers" or "Condominium Board" -	The overall board of managers of the Condominium composed of representatives of the Residential Board and of the Commercial Board.
"Building" -	The structures located at 52-62 Cooper Square, New York, New York.
"Commercial Board" -	The board of managers comprised of representatives of the Commercial Unit Owners.
"Commercial Common Charges" -	Assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.
"Commercial Common Expenses" -	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.
"Commercial Common Elements" -	Those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.
"Commercial Limited Common Elements" -	Those Commercial Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.
"Commercial Section" -	The Commercial Units and the Commercial Common Elements.
"Commercial Unit" -	Any Unit designated as a Commercial Unit in the Declaration and all such Commercial Units are collectively referred to as the "Commercial Units."

- "Commercial Unit Owners" - The owner or owners of the Commercial Units.
- "Common Charges" - Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
- "Common Elements" - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
- "Common Expenses"- Refers to the General Common Elements, the Residential Common Expenses and the Commercial Common Expenses.
- "Common Interest" - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
- "Declaration" - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- "First Unit Closing" - The first closing of title with a bona fide Purchaser of a Unit.
- "Floor Plans" - The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
- "General Common Charges" - Assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.
- "General Common Elements" - The Land and all parts of the Building, including its foundations, roofs and support, other than the Units, the Residential Common Elements, the Residential limited Common Elements and the Commercial Common Elements.
- "General Common Expenses" - Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and

any alteration, addition or improvement to, the General Common Elements.

- "Insurance Trustee" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.
- "Land" - All that certain tract, plot, piece and parcel of land situate, lying and being in the City of New York, New York, County, State of New York, as more particularly described in Schedule A to the Declaration.
- "Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
- "Open Space Areas" - The common terrace areas on the roof and on the second floor.
- "Permitted Mortgage"- Refers to a mortgage placed on a Unit made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee or the Seller of the Unit.
- "Permitted Mortgagee"- Refers to the holder of a Permitted Mortgage.
- "Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
- "Residential Board" - The board of managers representing the Residential Unit Owners.
- "Residential Common Charges" - Assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting (a) the cost of the Residential Common Expenses and (b) each Residential Unit Owner's pro rata share of the General Common Expenses.

- “Residential
Common Elements”** - Those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.
- “Residential
Common Expenses”** - The costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration, improvement, alteration and addition to the Residential Common Elements and/or the Residential Limited Common Elements (to the extent that such expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which the Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefitting the Residential Section or the Residential Unit Owners.
- “Residential
Common Interest”** - The proportionate undivided interest, expressed as a numerical percentage, in the Residential Common elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner’s liability for a share of the Residential Common Expenses.
- “Residential
Limited Common
Elements”** - Those Residential Common Elements which serve or benefit exclusively one or more but not all the Residential Units and/or the Residential Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units.
- “Residential
Section”** - The Residential Units, the Residential Common Elements and the Residential Limited Common Elements.
- “Residential
Unit”** - Any of the twenty-six (26) units located on floors 2-5 in the building known as 52-54 Cooper Square and on floors 3-12 in the building known as 56-62 Cooper Square. The term “Residential Units” shall mean more than one or all of the Residential Units, as hereinabove described, all of which Units are permitted to be occupied only as joint living-work quarters for artists.
- “Residential**

- Unit Owner”** - Any owner of a Residential Unit, and all such owners are, collectively, referred to as “Residential Unit Owner.”
- “Rules and Regulations”** - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
- “Unit”** - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a terrace.
- “Unit Owner”** - The person or persons, or entity owning a Unit in fee simple absolute.
- “Unsold Units”** - Any Unit owned by Sponsor or its designee at the time in question.

**EXHIBIT D TO DECLARATION
BY-LAWS
OF THE 62 COOPER SQUARE CONDOMINIUM**

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EXHIBIT D

**BY-LAWS
OF THE 62 COOPER SQUARE CONDOMINIUM**

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 62 Cooper Square Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 13,860 square feet of land (the "Land") which forms a part of Block 544 of Section 2 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 including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

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 as they may be amended from time to time, are accepted and ratified.

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

BOARDS OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meetings of Residential Unit Owners and Commercial Unit Owners as provided in Section 3.1, the Residential Board shall consist of five (5) persons elected by the Residential Unit Owners, subject to Declarant's Subsection 3.9.3 rights and the Commercial Board shall consist of two (2) persons for a total of seven (7) persons. The Condominium Board, the Commercial Board, and the Residential Board, are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board and of the Commercial Board except for the first Boards as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and Commercial Unit Owners, respectively, 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 (a) all members of the Residential Board shall be either Residential 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 Residential Units, Permitted Mortgagees, or family members of any of the foregoing, and (b) all members of the Commercial Board shall be either a Commercial Unit Owner or officers, directors, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Commercial Unit or a managing agent for such Commercial Unit Owner or an employee thereof, Permitted Mortgagees of the Commercial Units, lessees of the Commercial Units or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. 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 Boards shall collectively 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 Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial

Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Board with respect to whether the Residential Board or the Commercial Board shall be entitled to make any determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within 10 business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Commercial Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium. As used herein the term "Arbitration" means arbitration conducted in accordance with the provisions of Article 11 and the term "adversely affect" shall mean the uses prohibited by Section 6.16.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof the Boards shall each have all powers and duties expressly set forth elsewhere in the Declaration and By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration and By-Laws.

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, keeping up, maintaining, repairing and replacing of the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of General Common Charges (as hereinafter defined.)

2.2.2.1(c) Employing and dismissing personnel necessary for the maintenance and operation of the General Common Elements.

2.2.2.1(d) Adopting, amending or adding to, the General Rules and Regulations (as hereinafter defined).

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements.

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners, the Commercial Board and the Residential Board.

2.2.2.1(h) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the General Rules and Regulations (any such fines shall constitute General 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 both the Residential Section and the Commercial Section or the General 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 General 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) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable.

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(n) 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.

2.2.2.1(o) 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(p) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2.

2.2.2.1(q) 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.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Residential Section, including contracts for utilities, services and supplies.

2.2.2.2(b) Determining the amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.2(c) Collecting Residential Common Charges from Residential Unit Owners.

2.2.2.2(d) Employing and dismissing personnel necessary for the maintenance and operation of the Residential Section, including the building superintendent.

2.2.2.2(e) Adopting, amending or adding to the Residential Rules and Regulations (as hereinafter defined).

2.2.2.2(f) Subject to Section 8.2. of the By-Laws, purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease or surrendered by their owners to the Residential Board.

2.2.2.2(g) Purchasing Residential Units or Commercial Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units acquired by, and subleasing Residential Units leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements.

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards.

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied).

2.2.2.2(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.2(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in Section 6.2.

2.2.2.2(o) Borrowing money on behalf of the Residential Section 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 Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in Section 8.6 of the By-Laws, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$150,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(k)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (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, and (iii) the Commercial Unit Owners will not be liable for repayment of any

portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential 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 Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit.

2.2.2.2(p) Bringing actions on behalf of the Residential Unit Owners, as their interests may appear, with respect to any cause of action relating to the Residential Section, as the Residential Board deems advisable.

2.2.2.2(q) Organizing corporations or limited liability companies to act as designees of the Residential Board with respect to such matters as such Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners.

2.2.2.2(r) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential 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 Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section which the Residential Board deems necessary or appropriate.

2.2.2.2(s) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units 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 Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.2(t) Operating, maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements.

2.2.2.2(u) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

2.2.2.2(v) Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be

imposed upon the Declarant.

2.2.2.2(w) 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.

2.2.2.3 The Commercial Board shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operating, caring for, keeping up, maintaining, repairing and replacing the Commercial Section, including contracts for utilities, services and supplies.

2.2.2.3(b) Determining the amount of Commercial Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.3(c) Collecting Commercial Common Charges from Commercial Unit Owners.

2.2.2.3(d) Employing and dismissing personnel necessary for the maintenance and operation of the Commercial Section.

2.2.2.3(e) Adopting, amending and adding to, the Commercial Rules and Regulations (as hereinafter defined).

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Commercial Unit Owners to sell, lease, mortgage, subdivide or combine portions of their individual Units.

2.2.2.3(g) Making additions and improvements to or alterations of the Commercial Common Elements or the Commercial Limited Common Elements.

2.2.2.3(h) Making repairs to and restorations of the Commercial Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.3(i) Enforcing obligations of the Commercial Unit Owners and the Boards.

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor.

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Commercial Section as set forth in Section 6.2.

2.2.2.3(l) Borrowing money on behalf of the Commercial Section 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 Commercial Section or otherwise in connection with any permitted action or activity of the Commercial Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Commercial Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$75,000 (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(l)), in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (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, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Commercial Board pursuant to the authority contained in this subparagraph 2.2.2.3(l) is not repaid by said Board, a Commercial 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 Commercial Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Commercial Unit Owner's Unit.

2.2.2.3(m) Bringing actions on behalf of the Commercial Unit Owners, as their interests may appear, with respect to any cause of action relating to the Commercial Section, as the Commercial Board deems advisable.

2.2.2.3(n) Organizing corporations or limited liability companies to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine.

2.2.2.3(o) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Commercial Section which the Commercial 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 Commercial Section, (ii) any consent, covenant, restriction, easement or declaration affecting only the

Commercial Section which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

2.2.2.3(p) Purchasing, leasing and otherwise acquiring in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners, the Commercial Units or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board.

2.2.2.3(q) Purchasing the Commercial Units or portions thereof at foreclosure or other similar sales, in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(r) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Units or portions thereof acquired by, and subleasing the Commercial Units or portions thereof leased by, the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(s) Operating, maintaining and supervising of all Commercial Common Elements and the Commercial Limited Common Elements.

2.2.3 Any act with respect to a matter determinable by any Board and deemed necessary or desirable by such Board in connection therewith shall be done or performed by such Board or shall be done on its behalf and at its direction by the agents, employees or designees of such Board.

2.2.4 For convenience of operation of the Condominium, any Board may designate another Board to act as its agent with respect to any matters the determination of which is entitled to be made by such designating party and in connection with such designation may execute, acknowledge and deliver any application, instrument or document, including, without limitation, any power of attorney or indemnification from liability that such designated party may require or request.

2.2.5 Any action required or permitted to be taken pursuant to the provisions of these By-Laws or the Declaration by either the Residential Board or the Commercial Board may, if required, be taken by either the Residential Board or the Commercial Board in the name of the Condominium Board which shall, upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection therewith; provided, however, that the party desiring to take such action shall, subject to the provisions of Section 2.15, indemnify and hold harmless the other and, in the case of action taken by the

Commercial Board, the Commercial Board shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

2.2.6 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 Residential Board or Residential Unit Owners shall be deemed to adversely affect in any way the Commercial Section or the use of the Commercial Units for their permitted purposes and thus shall not require the consent or approval of the Commercial Board pursuant to Subsection 2.2.1 unless the use of any portion of the Residential Section would result in or involve a violation of the provisions of Section 6.16, (b) no action which is taken or omitted to be taken by or on behalf of the Commercial Board or Commercial Unit Owners shall be deemed to adversely affect in any way the Residential Section or the use of Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board pursuant to Subsection 2.2.1 unless the use of any portion of the Commercial Section would result in or involve a violation of the provisions of Section 6.16, and (c) no penetration of the General Common Elements located between the Commercial Section and any property adjoining the Land to effectuate the provisions of any easement granted by the Commercial Unit Owners under Section 2.2-2.3(n) shall be deemed to adversely affect in any way the Residential Section or the use of Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board or the Residential Unit Owners unless such penetration would materially weaken the structural soundness of the Building.

2.2.7 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own Condominium Units equaling at least ten (10%) percent of the total Common Interest of the Condominium, but in no event later than five years from the First Closing of a sale made under an Offering Plan, neither the Condominium Board nor the Residential Board may, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Residential Section of the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section 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 or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Declarant will consent to replacements to the contingency fund provided in schedule b of the Offering Plan to the extent that the aggregate of such fund does not exceed 5% of the budgeted annual expenses of the Condominium; or (vi) exercise a right of first refusal to lease or purchase a

Residential 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 or Residential Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

2.2.8 Notwithstanding any other provision of the Declaration or of these By-Laws, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit or if one Owner owns all of the Commercial Units, is designated by the Commercial Board to perform all of the duties, and is empowered with the powers otherwise granted herein to the Commercial Board, and in such matters shall act for and on behalf of itself and the Board in the same manner and with the same authority as the Board and, if required, in the name and stead of the Board, in connection with the operation of the Condominium. In so acting, the Commercial Unit Owner, if there is, or is deemed to be, only one Commercial Unit, and all Persons acting for and on behalf of the Commercial Unit Owner in such capacities shall be indemnified to the same extent as the Board and its members and officers are otherwise indemnified hereunder or otherwise, without limitation of any indemnification of such Commercial Unit Owner as an Owner.

2.3 Managing Agents and Managers. With respect to matters the determinations concerning which any Board is entitled to make, such Board may employ a managing agent and/or a manager at a compensation established by such Board to perform such duties and services as such Board shall authorize. Each Board may delegate to such managing agent or manager other powers granted to such Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (m), (n), (o) and (p); 2.2.2.2(b), (e), (f), (o), (p), (q) and (r); 2.2.2.3 (b), (e), (f), (l), (m) and (n). Subject to the limitations set forth in this Section 2.3, the Commercial Board, the Condominium Board and the Residential Board may by mutual agreement employ one managing agent and/or manager to jointly act on their respective behalves and the costs of which shall be a General Common Expense, provided, however, that notwithstanding anything to the contrary contained herein, any decision with respect to whether or not to so employ one managing agent or manager shall not be the subject of Arbitration.

2.4 First Boards. The Condominium Board shall initially consist of the two (2) persons designated by Declarant to initially comprise the Residential Board and the one (1) person designated by Declarant to initially comprise the Commercial Board. The various Board members shall be deemed to have been "elected" as members of such Boards for the purposes of these By-Laws. Within 180 days after the date of the First Closing the Residential and Commercial Boards will call for the first annual meetings of Residential Unit Owners and Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of Section 3.1. The terms of each such member of the

Residential Board and the Commercial Board shall expire annually.

2.5 Resignation and Removal. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board from which such member is resigning. 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, any Residential Board or Commercial Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners or Commercial Unit Owners, as the case may be, present in person or by proxy at a regular or special meeting of Residential Unit Owners or Commercial Unit Owners, as the case may be, at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Residential or Commercial 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 Residential Board or Commercial Board for whatever reason shall be filled by the members of the Residential or Commercial Board then in office, at a special meeting of such Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting of the Residential Unit Owners or Commercial Unit Owners, as the case may be, 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 any Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such 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 Residential and Commercial Boards. The first meetings of the Residential Board and the Commercial Board following each annual meeting of each of the Residential Unit Owners and Commercial Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Boards. Regular meetings of the Residential Board and Commercial 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 in the case of the Residential Board, 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 Boards. Special meetings of the Residential Board and Commercial Board may be called by the respective President or Vice President of the Residential Board or Commercial Board by giving five business days' prior notice to each member of such 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 Residential Board or of the Commercial Board shall be called in like manner and on like notice on the written request of at least two members of the Residential Board or one member of the Commercial Board, respectively.

2.10 Resolutions of Boards. The Residential Board and the Commercial Board shall each 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 Residential Board or the President of the Commercial Board by giving five business days' prior notice to each member of such 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.

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 Boards; Quorums.

2.13.1 Except as otherwise set forth in Subsection 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Commercial, Condominium, or Residential

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 such Board.

2.13.2 When the Residential Board and the Commercial Board, with each acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.13.3 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.

2.13.4 Members of any 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 any Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 Compensation. No member of any Board shall receive any compensation for acting as such.

2.15 Liability of Boards and Unit Owners.

2.15.1 To the extent permitted by applicable law, no member of any Board shall have any personal liability with respect to any contract, act or omission of any Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited 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 any Board or by any managing agent or manager thereof shall state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, 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 the Residential or Commercial Section, as the case may be, or any Limited 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, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant 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 to such Unit Owner for such Board 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 Residential or Commercial 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. Any Board may contract or effect any transaction with any 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 No Board or 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, such 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 such 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 General or Limited Common Element.

2.16 Fidelity Bonds. Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, 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 or insurance shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.17 Committees. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making

such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Commercial Board. For so long as Declarant is entitled to designate members to any Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.18 Principal Offices of Boards. The principal offices of the Boards 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 such Boards.

2.19 Status of Boards. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards 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 any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.20 Incorporation of Boards. To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that any 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 such 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 Boards as Agents of Unit Owners. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such 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 Commercial Unit Owners shall be called on no more than 180 days after the First Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date.

At such meeting, the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect or designate the Commercial Board's two (2) members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these by-laws. Within 10 days following each annual meeting, the Commercial Board shall elect or designate in accordance with Section 2.1 and these By-Laws two representatives to the Condominium Board. On or no more than 180 days after the recordation of the Declaration, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of three members. Thereafter, annual meetings of Residential 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 Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Commercial Unit Owners shall be required to be held unless otherwise required by law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 Place of Meetings. Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 Special Meetings. The President of the Residential or Commercial Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by not less than 25% in Common Interest of Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 25% in Common Interest of Residential Unit Owners or 66-2/3% in Common Interest of Commercial Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of

record entitled to vote thereat. 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 thirty (30) business 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 appropriate 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 joint or separate 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.

3.7 Title to Units.

Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, 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 Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate 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. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such 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.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

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 Residential or Commercial Board, respectively, 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 Subsection 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 Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it. Declarant shall hold a majority of seats on the Residential Board until the earlier to occur of five (5) years from the date of the First Closing or (ii) the date upon Declarant shall own Unsold Residential Units having a Percent Interest in the Residential Section in the aggregate of twenty five (25%) percent or less. In addition, for so long as Declarant owns Unsold Residential Units having a Percentage Interest in the Residential Section in the aggregate of at least fifteen (15%) percent as the case may be, (a) Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it to designate at least two members of the Residential Board or one less than a majority of the Residential Board as the case may be and (b) for so long as Declarant owns at least one of the Unsold Residential Units as the case may be, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it to designate at least one member of the Residential Board. For so long as Declarant owns at least one of the Unsold Residential Units, the number of members of the Residential Board may not be increased without the consent of Declarant.

3.10 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of Commercial Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than 50% of the total authorized votes of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of Section 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 (a) Residential Unit Owners owning more than 50% of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) Commercial Unit Owners owning more than 50% of the Common Interests attributable to all Commercial Unit Owners shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning more than 50% of the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right to require an adjournment of such joint meetings for not longer than 30 days unless an emergency exists.

3.12 Majority Vote. Except where otherwise provided by law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Commercial Unit Owners, the affirmative vote of a

Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 Determination of Unit Owners. When the Residential Unit Owners and Commercial Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and the Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be (a) for the Residential Section, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Residential Board, (b) for the Commercial Section, a President, Vice-President, Secretary and Treasurer thereof, all of whom shall be elected by the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Section. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Commercial Section and any officer or director of the Commercial Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Commercial Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 Election of Officers. The officers of the Residential Board and the Commercial Board shall be elected annually by the members of the Residential Board and the Commercial Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Commercial Board shall be elected, respectively, by the initial Residential Board members and the initial Commercial Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

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 Board which elected such officer. 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 Board electing him, any officer may be removed, either 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.

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 of the Residential Section shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Commercial Section shall be the chief executive officer thereof and shall preside at all meetings of the Commercial Board and the Commercial Unit Owners. Each of said Presidents 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 or Residential Unit Owners or Commercial Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Commercial Section, as the case may be.

4.5 Vice Presidents. Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Section, the Commercial Section, or the Condominium are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each 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 under whom such Vice President serves.

4.6 Secretaries. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Section shall keep the minutes of the meetings of the Commercial Board and the Commercial Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such Secretary serves 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. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial or the Residential Section, as the case may be, 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. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such 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 or of the Residential or Commercial Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any Board can, by resolution, determine that an expenditure in excess of a specified amount by said Board must be countersigned by two members of said Board.

4.9 Compensation of Officers. Except as otherwise provided by the Board for which such officer serves, 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 any Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and to all Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Residential Unit Owner or Commercial Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owner or Commercial 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 and the Commercial or Residential 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, Commercial Board and the Residential 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 General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by the Residential Board and the Commercial Board. General Common Expenses shall also include all such other

items provided for in the Declaration or these By-Laws to be General Common Expenses. General 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 replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners and the Commercial Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and Commercial Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation, charges as set forth in the Plan) ("General Common Charges") to meet General Common Expenses. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General 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 set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the services or number of building employees servicing the Commercial Units in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners. To the extent practicable, the Condominium Board shall allocate costs based upon metered or submetered usage.

6.1.2 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to, Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests. Notwithstanding anything to the contrary in this Subsection 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefitting Residential Unit Owner bears to the Common Interest of all benefitting Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements and the rental or purchase of an apartment to be used as the residence of the Building resident manager and all costs and expenses associated therewith. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Residential Common

Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges. From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Residential Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential 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 law. The Residential Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners and Permitted Mortgagees thereof. 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 Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, Commercial Common Elements or Commercial Limited Common Elements ("Commercial Common Expenses") shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners. Notwithstanding anything to the contrary in this Section 6.1.3, if a Commercial Common Element or Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefitting Commercial Unit Owner bears to the Common Interest of all benefitting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element or Commercial Limited Common Element at their sole cost and expense. Commercial Common Expenses shall also include such amounts as the Commercial Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Commercial Board as may be required for the purchase, lease or

sublease by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Commercial Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Commercial Board deems appropriate. In addition to basing charges on Common Interests, the Commercial Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, 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 law. The Commercial Board shall advise all Commercial Unit Owners promptly in writing of the amount of Commercial Common Charges payable by each of them and shall furnish copies of each budget on which such Commercial Common Charges are based to all Commercial Unit Owners and Permitted Mortgagees thereof.

6.1.4 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 General 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, or forming a part of or included in any Residential or Commercial Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Commercial Board if a Commercial Common Element is involved, as agent for and on behalf of the Commercial 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.

6.1.5 Common Expenses shall include real estate taxes and other taxes and assessments on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

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, each of the Boards 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 all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. For so long as the Unsold Residential Units and Commercial Units are owned by Declarant, the Condominium Board shall also maintain war risk insurance, to the extent obtainable from the United States of America or any agency thereof at reasonable rates, flood insurance and insurance against loss or damages from leakage of sprinkler systems, steam boilers, air conditioning equipment, pressure vessels or similar apparatus or such other insurance as may be required by a Permitted Mortgagee holding a mortgage on the Unsold Units. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Commercial Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the 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. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

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. The Condominium Board shall provide copies of insurance certificates to any Permitted Mortgagee upon request.

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 such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Commercial Unit Owners, and its managing agent or agents, (iii) Declarant and its members and the officers of its members, and (iv) Residential Unit Owner, except that such policy will not cover liability of a Residential Unit Owner arising from occurrences within such Residential Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Residential Unit Owner's Unit. The Condominium Board shall review such limits 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 such 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 80% or more of the Building is destroyed or substantially

damaged and 80% of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Residential Board with respect to any damage to or destruction of the Residential Section, the Commercial Board with respect to any damage to or destruction of the Commercial Section, and the Condominium Board with respect to any damage to or destruction of the General Common Elements, will arrange for the prompt repair and restoration thereof and the applicable 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. If only the Commercial Section (including the Commercial Common Elements or the Commercial Limited Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Units to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their 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, the Residential Board or the Commercial Board as provided in Subsection 6.3.1. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Board of Managers 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 80% or more of the Building is destroyed or substantially damaged and

if 80% 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.

6.3.4 Any dispute between or among any Boards arising under this Section 6.3 shall be determined by Arbitration.

6.4 Payment of Common Charges.

6.4.1 The Residential Unit Owners and the Commercial Unit Owners shall be obligated to pay to the Condominium Board the General 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. All Residential Unit Owners and Commercial Unit Owners shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Residential and Commercial Boards pursuant to the provisions of Section 6.1 at such time or times as such Boards determine. The Boards may jointly determine to cause the Condominium Board to act as their respective agent to collect Residential Common Charges and Commercial Common Charges as applicable. Unless otherwise determined by the Board to which they are payable, 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 Residential or Commercial Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, 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 Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by law, the Commercial Board, on behalf of all Commercial Unit Owners, shall have a lien on each Commercial Unit for unpaid Commercial Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on all Residential Units, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owners, together with interest thereon, on the Commercial Units, in proportion to their respective Common Interests.

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 Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a 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 such 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. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty days after the due date for payment thereof. In the event that any 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 costs and expenses, including, without limitation, attorneys' fees paid or incurred by any 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, costs and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each 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 any 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 Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit, and the Commercial Board, acting on behalf of all Commercial Unit Owners, shall have the power to purchase any such Commercial 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 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, the Residential Board and the Commercial Board, at the request of Declarant or a Commercial Unit Owner, will enter into a non-disturbance agreement with any tenant with which Declarant or a Commercial Unit Owner has entered into a lease for any of the Commercial Units. Under the terms of the non-disturbance agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle the Declarant, the Commercial Unit Owners 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 Boards' lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial 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 Boards, or, in case any Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if any Board or any other party succeeds to the interests of the Declarant or Commercial Unit Owner under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord.

6.8 Statement of Common Charges. Each Board shall promptly provide the other Boards and 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, (b) in or to the General Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, (c) in or to the Residential Common Elements or the Residential Limited Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Commercial Common Elements or the Commercial Limited Common Elements shall be made by the Commercial Board and the cost and expense thereof shall be charged to all Commercial Unit Owners as a Commercial 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, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, (c) the Commercial Board, the entire cost thereof shall be charged to all Commercial Unit Owners as a Commercial Common Expense, or (d) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Residential 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 Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Residential Board may require a Residential Unit Owner to remove plants and other installations placed on Terraces said Residential Unit Owners if the Residential Board determines, in its reasonable discretion, that such plants and other installations adversely affect the integrity of the roof. The Residential Board may establish such other rules and regulations it deems necessary to protect the Residential Common Elements and the Residential Units and the Condominium Board may 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 Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Units shall be washed and cleaned by the Commercial Unit Owner or occupant thereof at such Commercial Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of the them as a result of a violation of the aforesaid, laws, ordinances, regulations or rules.

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 Residential Board.

6.9.2.5 Any repairs or maintenance work performed with respect to the incremental HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board.

6.9.2.6 Except as otherwise provided in Section 9.4 of the Declaration, routine maintenance and repair of the vault space in the Cellar shall be the obligation of the Commercial Unit Owners having the exclusive use thereof. The costs of any structural repairs, including repairs to the foundations or retaining walls adjacent to the vaults and the closing of the vaults, shall be performed by the Condominium Board and the cost therefor shall be a General Common Expense.

6.9.2.7 It shall be the obligation of the Condominium Board to clean the sidewalks surrounding the Building and to remove the snow therefrom. The cost of repairing and replacing the sidewalks shall be a General Common Expense. The cost of cleaning the sidewalks adjacent to the Commercial Units shall be borne by the Commercial Unit Owners as a Commercial Common Expense. The cost of cleaning the sidewalks adjacent to the entrances to the Residential Section shall be borne by the Residential Unit Owners as a Residential Common Expense.

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) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or 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 the Common Elements shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) each Board with respect to such

parts of the Building required to be maintained by it; (b) 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. Nothing contained herein shall be deemed to limit, in any way, the Commercial Unit Owners with respect to window treatments or entranceways into such Units or the use of windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in their respective Commercial Units,

6.9.4 Notwithstanding anything to the contrary set forth in this Declaration or the By-Laws, the Condominium Board shall not, without the consent of the Declarant and the Commercial Unit Owners, decrease the level of services available to the Commercial Units as of the date of the filing of the Declaration, including, but not limited to, heat and cooling which shall be made available to the Commercial Units 365 days a year (or 366 in a leap year), 24 hours a day.

6.9.5 In the event 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) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.9.6 Units 3-A, 4-A, 5-A, 6-A, 7-A, 8-A, 9-A, 10-A, 11-A and 12-A in 52-62 Cooper Square will contain lotline windows on the north-facing wall of the Building. Unit PH-A will contain windows (not lotline) which face to the north. In addition, in the event a building is constructed on the adjacent lot within a distance of less than sixty (60) feet in a direct line (whether horizontally, vertically or diagonally) of any of the lotline windows, the Building Code requires that the lotline window openings be closed. If the Building Code requires that some or all of the lotline window openings be closed, the cost to close such window openings will be borne by the Residential Section of the Condominium, as a Common Expense of the Residential Section.

6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Residential Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its 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 Residential Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential 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

Residential Board, together with 10% for overhead and interest thereon at the rate of 2% per month from the date on which such 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 Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2. In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the maintenance, repair or replacement of such Unit Owner's portion of the Commercial Units, the Commercial Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Commercial Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the Commercial Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within ten (10) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute 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 Commercial Board, together with 10% for overhead, interest thereon at the rate of 2% per month from the date on which the Commercial Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law) shall be payable by such Commercial Unit Owner to the Commercial Board and shall, for all purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Commercial Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Commercial Board was reasonable. Any repair or replacement performed by the Commercial Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Commercial Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Commercial Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Residential 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 Residential Board. No Commercial 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 Commercial Board which shall not be

unreasonably withheld. Such Boards 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 such 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, each 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 such 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. A Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this Subsection 6.11.1, 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 any Board for any structural alteration, addition, improvement or repair in or to Unsold Residential Units including without limitation the installation of mezzanines in Unsold Residential Units, to the extent permitted by law and applicable governmental regulations, or the Commercial Unit or to enter into any alteration agreement with respect thereto.

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 agreed, to hold each 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 appropriate 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, material man, 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 Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial 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 appropriate 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 shall 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.

6.11.5 Until such time as the initial construction of the Building is complete, including the completion of "punch list" work, no Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing the construction of the Building on behalf of Declarant. In addition, the prosecution of the work necessary to complete initial construction of the Building, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Building.

6.11.6 Under no circumstances shall a Unit Owner be granted written approval by the Residential Board to make any alteration, addition, or improvement that would require a construction permit issued by the NYC Department of Buildings in or to such Unit Owner's Unit during the period from July 1, 2002 to December 31, 2002. Any Unit Owner who does not properly complete construction work and obtain all necessary sign-offs in accordance with approved plans not later than June 30, 2002, who performs any construction without a required Construction permit or who otherwise performs construction during the period commencing July 1, 2002 and ending December 31, 2002, shall be liable to the Sponsor, the Condominium Board and to all other Residential Unit Owners for any costs, expenses and liabilities due to the delay in the issuance of a permanent Certificate of Occupancy for the Residential Section, arising therefrom. Without prejudice to any other rights, the Condominium Board will have the right to charge any Unit Owners who violate this requirement a fee of \$400.00 per day for each and every day they are not in compliance subsequent to June 30, 2002. Such fee shall, for all purposes constitute Common Charges payable by such Unit Owner.

6.11.7 The Owner of the Penthouse Unit in the building known as 52-54 Cooper Square shall have the right, at his or her sole cost and expense, to install an awning or privacy shield to the extent permitted by law and applicable governmental regulations without the consent of the Board. The installation of any such awning or privacy shield shall be performed in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof.

6.11.8 All structural alterations, additions, improvements and repairs in or to a Residential Unit shall be done in compliance with the Unit Construction Procedures attached hereto as Schedule B.

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 General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, to all Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Residential Board, the Commercial Board or the Condominium Board, as the case may be, 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 Residential Unit Owners, a Majority of Commercial Unit Owners, or a Majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives (as hereinafter defined), if any, with respect to alterations, additions, improvements or repairs made by the Residential Board and with the consent of any Permitted Mortgagee holding a mortgage on a Commercial Unit. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, 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 any 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 any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such 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.

6.13.3 A Commercial Unit Owner shall be entitled, at its sole cost and expense to make any alteration, addition, improvement or repair in or to the Commercial Common Elements or Commercial Limited Common Elements, or the exterior facade of the Building adjacent to such Unit Owner's Unit at such Unit Owner's cost and expense, with the prior written approval of the Commercial Board, which shall not be unreasonably withheld.

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 only in conformity with the provisions of the New York City Zoning Resolution and Multiple Dwelling Law regarding Joint Living-Work Quarters for Artists.

6.14.1.1 Notwithstanding the foregoing, the Residential Board, may, in its discretion, grant permission for the use of a Residential Unit for any other purpose (but not for retail use), 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 Residential 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 Residential Board before using such Residential Unit for any purpose other than stated in Subsection 6.14.1.

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) 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 Boards 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 Residential Board, (a) grant permission for the

use of any Unsold Residential Unit 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 Residential 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 Residential 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. No Commercial Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, except 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.

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 General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as Storage Bins, without the prior consent of the Residential Board as to the Residential Common Elements, the Commercial Board as to Commercial Common Elements or Commercial Limited Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator designated by the Residential 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 Commercial Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Commercial Units and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Units. In furtherance thereof, the Condominium Board

agrees to consult with the Commercial Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Commercial Unit Owners to install, as a General Common Expense, signs upon the sidewalk bridge and scaffolding. Any sidewalk bridge or other scaffolding installed shall be a "two-story" structure with adequate lighting.

6.15.5 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Commercial Board'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 General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owners including, but not limited to, the tenants and occupants of any portion of the Commercial Units or their respective licensees or invitees.

6.15.6 The owner of any two or more Residential Units, which Units are serviced or benefitted 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 Residential 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 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 Residential 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 Residential 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 Residential Section nor shall any use or practice be allowed in the Residential Section 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 nuisance, immoral, improper or offensive use (whether or not unlawful) and no unlawful use shall be allowed in the Residential Section 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 Boards, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration, the Commercial Section may be used for any lawful purpose including, without limitation, department and other retail stores, health clubs, theaters, banks, restaurants, commercial and professional offices; and no sale, lease, sublease or use of all or any portion of the Commercial Section shall be deemed to adversely affect the Residential Section.

6.17 Right of Access.

6.17.1 Each Residential Unit Owner grants a right of access to such Unit Owner's Unit to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Commercial Unit Owners, upon the same terms and conditions as set forth in Subsection 6.24.1, and the Residential Unit Owners grant a right of access to their respective Units to each of the Boards, 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 General or Limited 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 General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited 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 three (3) days 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 Commercial 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 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective 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 Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Residential Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Residential Unit Owners. The Commercial Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations as they concern the use of the Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements, except that a Majority of Commercial Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition and provided further that the Commercial Unit

Owners having exclusive access to the Commercial Limited Common Elements, may overrule said board with respect to any adoption, modification, amendment or addition affecting such Commercial Unit Owners. The Condominium Board may adopt and from time to time, modify, amend or add to the Rules and Regulations concerning the use of the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

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 Commercial Board shall collect such charges from the Commercial Unit Owners which may be based on separate submetering of such Units, and will remit such amount to the Condominium Board. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. Until the Units are separately assessed for real estate tax purposes, the Residential and Commercial 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 all Residential Units or Commercial Units, as the case may be, 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 Residential Unit, the Residential Board, on request of the selling Residential 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 such 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 Gas. Gas for the Residential Section will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge. Gas consumed in the Commercial Section will be separately metered and billed directly to each Commercial Unit Owner utilizing gas.

6.21 Electricity. Electricity for each Residential and Commercial Unit (including tenants occupying portions of the Commercial Units) shall be separately metered or submetered 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 directed by such Board except that in the event that the Residential Units or Commercial Units are submetered, such Unit Owner shall be required to pay bills for electricity consumed or used in such Unit Owner's Unit either to the appropriate Board or to the utility company or company engaged by the Residential Board to perform such services as directed by such Board. The

Residential Common Expenses shall include fees for administering and servicing the submeters. In the event that a Residential Unit Owner fails to pay for its submetered electricity, the Residential Board shall be obligated therefor and such electricity charges shall be deemed Common Charges allocable to the defaulting Residential Unit Owner for which the Residential Board shall have a lien as provided in Section 6.6. of these By-Laws. Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Residential Board and will be borne by the Residential Unit Owners as Residential Common Charges.

6.22 Utilities Serving the General Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefitting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23.1 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 (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Commercial Board with respect to matters affecting the Commercial Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Commercial Unit or General or Limited 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 such 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.

6.23.2 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 Boards. A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a

Residential Unit or the Commercial Board in the case of all or a portion of any Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. 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 applicable Board and shall file a conformed copy of the satisfaction of mortgage with such Board. Each of such Boards 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 Residential Board with respect to Permitted Mortgagees of Residential Units and the Commercial Board with respect to Permitted Mortgagees of any Commercial Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws of which such Board may have received notice. Each 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. Any Permitted Mortgagee holding a mortgage on an Unsold Residential Unit or a Commercial Unit shall be deemed to have requested the notice referenced in the first sentence of this Section.

7.3 Performance by Permitted Mortgagees. The Residential Board, Commercial Board or Condominium Board, as the case may be, 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, in which event the Permitted Mortgagee shall be subrogated to the rights and interests of the Condominium Board, the Residential Board or the Commercial Board as the case may be upon such payment or performance.

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 Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) 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 Residential 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 "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, investment or finance company, mortgage trust or entity which is in the business of providing loans secured by condominium units, 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 appropriate 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.

7.5.3 In the manner more particularly set forth in Subsection 7.5.4, the holders of Institutional Commercial Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Commercial Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Commercial Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Commercial Mortgage Representatives are so designated and notice thereof is given to the Commercial 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 Commercial Mortgages. As used herein, the term "Institutional Commercial Mortgage" means an Institutional Mortgage (defined below) covering a Commercial 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, investment or finance company, mortgage trust or entity which is in the business of providing loans secured by condominium units, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.4 Any designation of a Commercial Mortgage Representative made by the holders of Institutional Commercial Mortgages, constituting a majority in principal amount of all Institutional Commercial Mortgages shall be binding upon the holders of all Institutional Commercial Mortgages. Any such designation of any Commercial 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 appropriate Board. Unless otherwise required by law, all Permitted Mortgagees other than holders of an Institutional Commercial Mortgage, shall have no right to participate in the selection of Commercial

Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Commercial Mortgage Representatives pursuant to the Declaration or these by-laws.

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 any 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 Residential 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 such Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by such 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 Residential 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 Residential 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 Residential 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 Residential 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 Residential 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 Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or 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 Residential Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Residential 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 Residential 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 Residential Board of its election to accept the aforesaid offer, the Residential 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 down payment 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 Residential Board referred to in Subsection 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 Residential 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 Residential 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.

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 Residential 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 Residential Board and that the Residential 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 Residential 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 Residential Board. Any lease executed by the Residential Board as tenant shall provide that the Residential 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 Residential Units (including the lease of a Residential Unit to Declarant or its designee) or the Commercial Units (or any Commercial condominium units into which the Commercial Units may hereafter be divided). Declarant or its designee, and the Commercial Unit Owners shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Units, as the case may be, without having to first offer the same for sale or lease to any Board.

8.2 Consent of Residential Unit Owners to Purchase or Lease of Residential Units by Residential Board. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without the prior approval of a Majority of Residential Unit Owners. However, the Residential Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

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 Residential Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Residential Board only in the manner provided in Section 8.5. In the event the Residential 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 Residential Section 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 Residential Board, and that as a result thereof the rights of the Residential 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 Residential Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Residential 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 Residential Units by Residential Board. The purchase of any Residential Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an assessment against each Residential Unit Owner in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the Residential 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, domestic partner, 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 Residential Board, (d) any proper officer 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 Commercial 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 Residential Board and if the Residential Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Residential 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 Residential 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 Residential 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 Residential 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 Residential Units by Declarant or its designee, or to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Residential 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 Power of Attorney required by Article 17 of the Declaration.

8.12 Notices Concerning Residential Unit Occupancy. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit 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.

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 Residential Board or the Residential Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Residential 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 appropriate 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 to a Permitted Mortgagee, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify in writing the appropriate Board of the making of such mortgage.

8.16 Lease or Purchase of Residential Unit or Other Apartment for Superintendent's Residence. The Residential Board or the Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the residence of the superintendent 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 General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such 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 repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Residential Unit Owners in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Residential Unit Owners, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited

Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; (d) borne and shared by all Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests, and (e) borne and shared by all Commercial Unit Owners having exclusive access to the Commercial Common Elements with respect to any taking of the Commercial Limited Common Elements pro rata in accordance with respective interest in such Commercial Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 80% or more of all Residential Unit Owners and/or 80% of all Commercial Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 80% or more of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General 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 the same manner as is set forth in (a), (b) and (c) above, 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. Any dispute between any Boards under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential 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 (a) the Residential Board to all Residential Unit Owners, (b) the Commercial Board to all Commercial Unit Owners, and (c) the Condominium Board to the Residential Board and the Commercial Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Commercial Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Commercial Board as a General 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 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 having jurisdiction over the matter. 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 unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such disputant's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board, the Residential Board or the Commercial Board, as the case may be, in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses, Residential Common Expenses or Commercial Common Expenses, as the case may be.

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.

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 General 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 Residential Units then owned by Declarant or its designee, as the case may be (but not to Purchasers of Residential Units pursuant to the Plan). The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial 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 any 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, 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, 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, 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. For purposes of this Subsection 12.7.2, the Commercial Board shall be deemed to represent the Residential Board, the Residential Board shall be deemed to represent the Commercial Board, and the Residential and/or Commercial Board shall be deemed to represent the Condominium Board.

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 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, then Declarant, a Commercial Unit Owner or their respective designees or tenants, are 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. In the event repairs to the condenser water system is not made by the Condominium Board within twenty-four hours of notification of such needed repairs, the Commercial Unit Owner or its designee is hereby expressly authorized to make such repairs. The Commercial Unit Owner shall be authorized to offset any costs incurred hereunder against Common Charges due from the Commercial Unit Owner to the Condominium Board or the Commercial Board.

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 Residential Units, or the Commercial Units or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 80% 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, (b) any provision of these By-Laws benefitting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners 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 Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefitting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners 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 Commercial Unit Owners taken in accordance with the provisions of these By-Laws. 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 Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Board, as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by such Commercial Unit Owners to act as their attorney-in-fact or (3) the Condominium Board, as attorney-in-fact for all 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 Residential Units, the Commercial Section or the Commercial 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 Residential Mortgage Representatives and Commercial Mortgage Representatives, if any, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, (iii) no amendment modification, addition or deletion pursuant to the provisions of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Commercial Mortgage Representatives, if any, and (iv) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives and Commercial 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 Commercial 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 Residential 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 Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Residential Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential 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 Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential 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 Residential Unit or Commercial 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 Residential Unit or Residential Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial 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 Sections 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.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and it is contemplated that in connection therewith the Commercial Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Commercial Section and Commercial Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A

RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential 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 Residential Section, 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 Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface and drains 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 Residential Board.

6. No window guards, window shades 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 Residential Board or the managing agent of the Residential Section. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements. No window frames or mullions may be removed, altered or replaced without the written consent of the Residential Board.

7. No radio, television aerial, satellite dish or similar device shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the

Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be required by law.

8. No heat, ventilator or air conditioning device or window fan shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential 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 Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential 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 Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles or other equipment, furniture or other personal articles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, 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 Residential Section. No Residential 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 Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential 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 Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board in its sole discretion, at any time. In no event shall any Residential Unit Owner maintain more than two (2) pets in a Residential Unit (other than fish) without the consent of the Residential Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, 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 Residential Section 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 Residential Board setting forth such other rules regarding pets as the

Residential 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 Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the Residential Section 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.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. 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 Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed 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 Residential 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 Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

17. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

18. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

19. Water-closets and other water apparatus in the Residential Section 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 Residential Unit shall be repaired and paid for by the

Owner of such Unit.

20. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

21. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's Prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential 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 Residential Unit for its permitted purposes.

22. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

23. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Resident Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential 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 such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such 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).

24. No vehicle belonging to a Residential Unit Owner or to a member of the family guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to or prevent ready access to any entrance to or exit from the Building by another vehicle.

25. Complaints regarding the services of the Residential Section shall be writing to the Residential Board or to the managing agent of the Residential Section.

26. 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 Residential Board at any time by resolution of the Residential Board. Further, any such consent or approval of the discretion of the Residential Board, be conditional.

27. Residential 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 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; (g) observe all Laws regarding recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

28. Except as permitted under the Declaration and By-Laws, Residential 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.

29. Residential 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 or any public portions of the Building.

30. No Residential 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.

31. If any key or keys are entrusted by a Residential 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 Residential Board or the managing agent of the Residential Section, 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 Residential Board nor the managing agent of the Residential Section shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

32. Nothing shall be done or kept in any Residential Unit or in the General or Limited 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 Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited 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 General or Limited Common Elements.

33. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

34. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of Residential Board or the managing agent of the Residential Section.

35. Unless expressly authorized by the Residential 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.

36. There will be no barbecuing or cooking in the Open Space Areas.

37. Residential Unit Owners may use the Open Space Areas only between the hours of 10 A.M. and 7 P.M.

38. No Residential 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 the Open Space Areas.

39. The Residential 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 Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

40. 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.

41. Plantings on any Terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace, but shall stand on supports at least two inches above the surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

42. No Residential Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Residential Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Residential Limited Common Elements.

DECLARATION OF EASEMENT

DECLARATION
OF
EASEMENT

Date: November __, 2000

Premises: 56-62 Cooper Square
New York, New York

Block: 544

Lot: 32

County: New York

Record and Return to: Seiden & Schein, P.C.
570 Lexington Avenue
New York, New York 10022

DECLARATION OF EASEMENT

Declaration of Easement (this "Declaration of Easement") dated November ____, 2000 of C-Squarewood LLC, a limited liability company, having an office at 62 Cooper Square, New York, New York 10003, being the owner of the premises at 56-62 Cooper Square, New York, New York, hereinafter referred to as the "Declarant":

WHEREAS, Declarant is the record owner in fee (hereinafter in such context sometimes referred to as the "Fee Owner") of the land known as 56-62 Cooper Square in the Borough of Manhattan, City and State of New York more particularly described in Schedule A attached to and made a part hereof (hereinafter, the "Premises") and the existing buildings on the Premises (the "Building"); and

WHEREAS, Declarant desires to create and reserve an easement for the purpose of permitting Declarant (hereinafter in such context sometimes referred to as the "Benefitted Party"), and Benefitted Party's heirs, legal representatives, designees, successors and/or assigns, to paint, affix, install, erect, maintain, repair and/or replace an advertising sign or signs or other advertising displays (collectively, the "Signage") on the entire north-facing exterior wall of the Building (such wall, excluding, for so long as such windows remain, any portion thereof now containing windows, the "North Wall");

NOW THEREFORE, Declarant for itself, its heirs, its legal representatives, its designees, its successors and/or assigns hereby declares:

1. **Creation of Easement.** A permanent easement granting (a) exclusive use of the entire North Wall and (b) access to and from the North Wall, including, without limitation, access from the Building's roof, for the purpose of painting, affixing, installing, erecting, maintaining, repairing and/or replacing the Signage is hereby created and reserved to the Benefitted Party.
2. **Signage Income.** Subject to the rights of the holder of any mortgage lien on the Premises, the Benefitted Party shall have the exclusive right to collect and keep any and all of the rents, profits, license fees or other income from the Signage.
3. **Maintenance of Signage.** The Benefitted Party shall, at its sole cost and expense, erect, maintain, repair and keep in good order any Signage, and shall repair any and all damage to the North Wall and/or the Building caused by any act, omission or negligence of the Benefitted Party, or its officers, directors, members, partners, employees, agents or contractors. The maintenance of the Signage shall include, without limitation, compliance with: (a) any applicable laws or governmental ordinances, orders or requirements or (b) any notes or notices of violations of law or governmental ordinances, orders or requirements noted or issued by any governmental department, agency or bureau having jurisdiction, with respect to the Signage or the use thereof, except to the extent that such compliance is necessitated by the activities of Fee Owner.

4. Maintenance of North Wall. The Fee Owner shall, at its sole cost and expense, maintain the structural integrity of the North Wall and keep the North Wall in good order and repair, which maintenance shall include the repair or replacement of all masonry and mortar joints, as necessary, and compliance with: (a) any applicable laws or governmental ordinances, orders or requirements or (b) any notes or notices of violations of law or governmental ordinances, orders or requirements noted or issued by any governmental department, agency or bureau having jurisdiction, with respect to the North Wall, except to the extent that such compliance is necessitated by the Signage or the use thereof or the activities of the Benefitted Party. Fee Owner shall, at its sole cost and expense, repair any and all damage to any Signage caused by any act, omission or negligence of the Fee Owner, or its officers, directors, members, partners, employees, agents or contractors. The Fee Owner shall not demolish the North Wall nor create or permit to be created any new window openings or other openings in any part of the North Wall (provided that Fee Owner may install new windows in seven (7) existing window openings but may not enlarge the window openings) nor shall the Fee Owner take any other action which would impair the use of the North Wall for the Signage, except as may be required by law or necessitated by its obligations under this Paragraph 4. Notwithstanding the foregoing, if the North Wall is damaged by fire or other casualty, the Fee Owner shall have no obligation to restore the North Wall, provided, however, that in the event that Fee Owner elects to restore the North Wall, at its sole cost and expense, this Declaration of Easement shall apply with the same force and effect to any such replacement wall exclusive of windows.
5. Maintenance of the Building. To the extent necessary to permit access to the Signage, the Fee Owner shall maintain the roof, the means of roof access and the parapet walls of the Building in good repair, at its sole cost and expense, except that Fee Owner shall have no obligation to repair any damage to the extent the same has been caused by the negligence or wilful misconduct of Benefitted Party or its officers, directors, members, partners, employees, agents, contractors or representatives and Benefitted Party shall repair any such damage.
6. Access Rights.
 - (a) Benefitted Party and its officers, directors, members, partners, employees, agents, contractors and representatives shall have access to and from the North Wall from the Building's roof for the purpose of painting, affixing, installing, erecting, maintaining, repairing and/or replacing the Signage. Fee Owner shall not impair access to the North Wall from the roof by the Benefitted Party, except in an emergency or in connection with the performance of maintenance of the Building (which shall be performed with due diligence), or if such access is restricted by applicable law. Any access by the Benefitted Party to the Building, shall require reasonable advance notice to Fee Owner, except that in the case of emergency, only such notice as shall be reasonable under the circumstances will be required, and, if required by Fee Owner, accompanied by a representative of Fee Owner. In addition, at reasonable times and upon reasonable notice, the Benefitted Party shall be permitted to hang temporary scaffolding from the roof and/or parapet walls as may be required to access the North Wall in connection with the installation or repair of the Signage and in compliance with all applicable laws and regulations, and, except for the Signage, Benefitted

Party shall have no other right to erect any structures on the Premises or the Building. Nothing contained in this Declaration of Easement shall be construed to convey a general public right of access to or use of the Building. Any access by Benefitted Party to the Building, including the North Wall, shall be performed with due diligence, in accordance with all applicable laws and regulations and in a manner so as to minimize any interference with the use or enjoyment of the Building by Fee Owner and the occupants of the Building. Benefitted Party shall take reasonable steps to restore any portions of the Building damaged by Benefitted Party or its representatives, agents, contractors or employees, to its prior condition upon the completion of its activities. The access and ingress and egress easements granted by this Declaration of Easement shall be limited to only those areas reasonably required for ingress and egress through the Building to the Signage and the areas of the Building, including the roof and parapets thereof, reasonably required to access the Signage.

(b) Fee Owner and its officers, directors, members, partners, employees, agents, contractors and representatives shall have access to the Signage for the purpose of maintaining, repairing and/or replacing all or any portion of the Building, including the North Wall, including, without limitation, the right to temporarily remove the Signage in connection therewith, provided that Fee Owner reinstalls the Signage and repairs any damage thereto caused by such removal and reinstallation. Benefitted Party shall not impair access to the North Wall by Fee Owner, except in connection with the performance of maintenance of the Signage (which shall be performed with due diligence). In connection with such maintenance or repair of the Building, at reasonable times and upon reasonable notice, except in an emergency when no prior notice shall be required, the Fee Owner shall be permitted to hang scaffolding from the roof and/or parapet walls as may be required to access the North Wall. Any access by Fee Owner to the Signage shall be performed with due diligence and in a manner so as to minimize any interference with Benefitted Party's use and enjoyment of the Signage and in accordance with all applicable laws and regulations. Fee Owner shall take reasonable steps to restore any portions of the Signage damaged by Fee Owner to its prior condition upon the completion of its activities.

7. **Failure to Perform.** In the event that either party fails to perform any maintenance or repair which it is required to perform under this Declaration of Easement, either party may give notice to the other party and if such other party does not commence such repair or maintenance within ten (10) business days after receipt of such written notice, the party requesting the performance of such work may give a second notice to the party, and, if after an additional five (5) days, the party fails to commence such repair or maintenance, the party requesting the performance of such work may perform such repair or maintenance.
8. **Superior to Declaration.** The rights and obligations of the Benefitted Party under this Declaration of Easement are separate and distinct from the rights and obligations of Declarant as the owner in fee of the Premises, and shall not be deemed to have been conveyed upon the transfer of fee title of all or any portion of the Premises and shall also survive the recording of, and be superior to, any declaration of condominium for the Premises (the "Declaration").

9. **Landmarks.** The rights and obligations of the Benefitted Party pursuant to this Declaration of Easement are subject to the special restrictions upon the construction, alteration, demolition or reconstruction as such activities affect the external structure of the Building, as provided in New York City Charter, Chapter 8-a Section 205-10 to Section 207-21.0.0 and as may hereafter be amended. The Benefitted Party shall make the appropriate applications to the Landmarks Preservation Commission, at its sole and expense, if and when required by the referenced Charter provisions. The Fee Owner shall execute and deliver any such application which it is required to execute by applicable law promptly after demand is made therefore by the Benefitted Party, provided that the information contained therein is accurate.
10. **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given (a) on the date of service if served personally (or when delivery is refused), (b) on the third business day after mailing if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or (c) one day following the date of delivery to an overnight air courier if sent by overnight air courier, in each case, to the addresses set forth above for the parties. Each party and their respective attorneys shall have the right to change its address for the receipt of notices, upon the giving of proper notice to the other party in accordance with the terms of this Paragraph.
11. **Indemnity.** Each party shall save, defend, indemnify and hold harmless the other party and its officers, directors, members, partners, employees and agents from any losses, costs, claims, damages, fines, penalties, liens or judgments resulting from (a) any physical damage to person or property as a result of any act, omission or negligence of such party or its officers, directors, members, partners, employees, agents or contractors in connection with any entry upon the Building and any activities conducted in connection therewith, and (b) any mechanic's lien filed against the Premises or the Building, or the Signage, as the case may be, for work claimed to have been done or materials claimed to have been furnished to the indemnifying party. Whenever a party (such party and each of its affiliates which is entitled to indemnification pursuant to any provision of this Declaration of Easement, an "**Indemnified Party**"), shall learn of a claim that, if allowed (whether voluntarily or by judicial or quasi-judicial tribunal or agency), would give rise to an obligation of the other party (the "**Indemnifying Party**") to indemnify the Indemnified Party under any provision of this Declaration of Easement, before paying the same or agreeing thereto, the Indemnified Party shall promptly notify the Indemnifying Party in writing of all such facts within the Indemnified Party's knowledge with respect to such claim and the amount thereof (a "**Notice of Claim**"). If, prior to the expiration of fifteen (15) days from giving of a Notice of Claim, the Indemnifying Party shall request, in writing, that such claim not be paid, and agree to undertake the defense thereof, the Indemnified Party shall not pay the same, provided the Indemnifying Party proceeds promptly, at its own expense (including employment of counsel reasonably satisfactory to the Indemnified Party), to settle, compromise or litigate, in good faith, such claim provided that any such settlement or compromise shall require the consent of the Indemnified Party, not to be unreasonably withheld or delayed. After notice from the Indemnifying Party requesting the Indemnified Party not to pay such claim and the Indemnifying Party's assumption of the defense of such claim at its expense, the Indemnifying Party shall not be liable to the Indemnified Party for any legal or other expense subsequently incurred by the Indemnified Party in connection

with the defense thereof so long as the Indemnified Party continues to diligently defend the claim. However, the Indemnified Party shall have the right to participate at its expense and with counsel of its choice in such settlement, compromise or litigation. Notwithstanding anything to the contrary contained herein, the Indemnified Party shall not be required to refrain from paying any claim which has matured by a court judgment or decree, unless an appeal is duly taken therefrom and execution thereof has been stayed, nor shall the Indemnified Party be required to refrain from paying any claim where the delay in paying such claim would result in the foreclosure of a lien upon any of the property or assets then held by the Indemnified Party. The failure to provide a timely Notice of Claim as provided in this Paragraph shall not excuse the Indemnifying Party from its continuing obligations hereunder; however, the Indemnified Party's claim shall be reduced by any loss or cost to the Indemnifying Party resulting from the Indemnified Party's delay or failure to provide a Notice of Claim as provided herein.

12. Further Assurances. The parties agree to execute, acknowledge and deliver all instruments and assurances and to take all such further action as shall be reasonably necessary or desirable to fully carry out this Declaration of Easement and to fully consummate and effect the transactions contemplated hereby; provided, however, that any further act, instrument or assurance shall not adversely affect the economic position, or create any potential liability on the part of the party requested to furnish such further act, instrument or assurance.
13. No Third Party Benefits. This Declaration of Easement is for the sole and exclusive benefit of the parties hereto, and their respective successors and assigns, and no other party is intended to or shall have any rights hereunder.
14. Entire Agreement. This Declaration of Easement constitutes the entire agreement between the parties relating to the subject matter hereof and all prior understandings relating to the subject matter hereof are hereby terminated, superceded or merged herein and the parties agree that no representations or statements, verbal or written, have been made modifying, adding to, or changing the terms of this Declaration of Easement which are not contained herein.
15. Enforcement. In the event of any violation of the terms and conditions of this Declaration of Easement, either party may institute any proceedings to enforce the terms and conditions contained herein, including the institution of suit to enjoin such violations and to compel compliance. The prevailing party in any suit brought hereunder shall be entitled to recover its court costs and reasonable attorneys' fees incurred.
16. Insurance. Fee Owner and Benefitted Party shall maintain such types and amounts of insurance with respect to the Premises and the Building, or the Signage, as applicable, as are commercially reasonable.
17. Liens. Benefitted Party covenants that it shall not permit the filing of any lien against the Premises or the Building and to promptly discharge any such lien. Notwithstanding the foregoing, in the event that any mechanic's lien is filed against either the Premises or the Building, or the Signage, as the case may be, for work claimed to have been done or materials claimed to have been furnished to the Fee Owner or the Benefitted Party, as the

case may be (the "Remedying Party"), the Remedying Party shall discharge such lien or provide such reasonably satisfactory security to the other party to protect such other party against loss in connection with such mechanic's lien within forty-five (45) days after the Remedying Party is notified of such filing, at the Remedying Party's expense, by payment or otherwise. The Remedying Party shall provide satisfactory proof of such discharge or such other security to the other party within such forty-five (45) day period, and if the Remedying Party fails to do either then the other party may, but shall not be obligated to, discharge such mechanic's lien, by payment or otherwise, or provide another reasonably satisfactory remedy to protect such other party against loss in connection with such mechanic's lien, and the cost of the discharge or such other remedy shall be paid by the Remedying Party.

18. Amendments. This Declaration of Easement may be amended, modified, altered, supplemented or terminated only by a written agreement, signed by each party affected by such changes.
19. Governing Law. The validity of this Declaration of Easement and the rights, obligations and relations of the parties hereunder shall be construed and determined in accordance with the laws of the State of New York.
20. Assignment. This Declaration of Easement shall run with the land and be binding upon and inure to the benefit of the Declarant as the Benefitted Party hereunder and as the Fee Owner hereunder, and to the respective heirs, legal representatives, successors and/or assigns of the Fee Owner and Benefitted Party. In furtherance of the foregoing, and not in limitation thereof, subject to the rights, if any, the holder of any mortgage lien against the Premises, the rights and obligations of the Benefitted Party pursuant to this Declaration of Easement may be sold, assigned, leased and/or licensed by the Benefitted Party regardless as to whether Declarant continues to be the fee owner of the Premises.

C-SQUAREWOOD LLC

By: SOFI-V Cooper, L.L.C, Its Manager

By: Starwood Opportunity Fund V, L.P.,
Its General Manager

By: SOFI V Management L.L.C.,
Its General Partner

By: Starwood Capital Group, L.L.C.,
Its General Manager

By: _____
Name: James G. Babb, III
Title: Senior Vice President

STATE OF)
) ss.:
COUNTY OF)

On the ____ day of November in the year 2000 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

RPL §339-kk

§ 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 once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments 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.

GBL §777-a

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

CERTIFICATIONS

**CERTIFICATION OF SPONSOR
AND PRINCIPALS OF SPONSOR**

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Attn: Real Estate Financing Bureau

Re: Condominium Offering Plan
The 62 Cooper Square Condominium
52-62 Cooper Square
New York, New York

The undersigned certify as follows:

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that all 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 we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

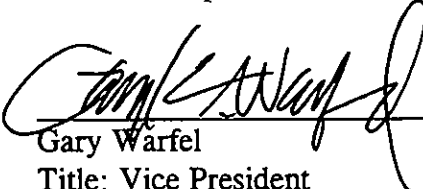
Dated: November 15, 2000

SPONSOR:

C-Squarewood LLC

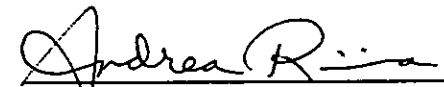
By: SOFI-V Cooper, L.L.C., Manager

By:


Gary Warfel

Title: Vice President

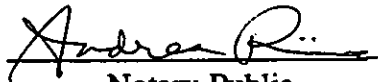
Sworn to before me this
15th day of November, 2000


Notary Public

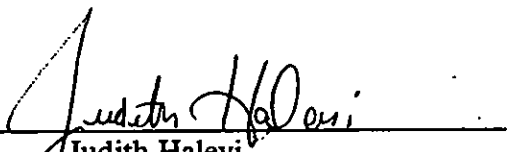
ANDREA RIINA
NOTARY PUBLIC, State of New York
No. 02R15059491
Qualified in Kings County
Commission Expires April 29, 2002

PRINCIPALS OF SPONSOR:

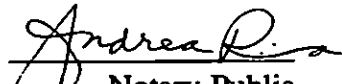
Sworn to before me this
15th day of November, 2000


Notary Public

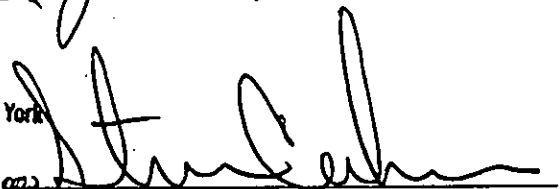
ANDREA RIINA
NOTARY PUBLIC, State of New York
No. 02R15059491
Qualified in Kings County
Commission Expires April 29, 2002


Judith Halevi

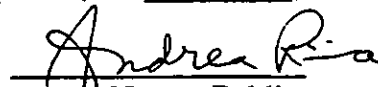
Sworn to before me this
15th day of November, 2000


Notary Public

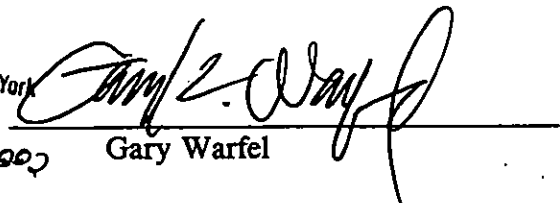
ANDREA RIINA
NOTARY PUBLIC, State of New York
No. 02R15059491
Qualified in Kings County
Commission Expires April 29, 2002


Steven Cohen

Sworn to before me this
15th day of November, 2000


Notary Public

ANDREA RIINA
NOTARY PUBLIC, State of New York
No. 02R15059491
Qualified in Kings County
Commission Expires April 29, 2002


Gary Warfel

CERTIFICATION OF SPONSOR'S
ARCHITECT PURSUANT TO PART 20
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW
ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Att.: Real Estate Financing Bureau

Re: Condominium Offering Plan
The 62 Cooper Square Condominium
52-62 Cooper Square
New York, New York

The Sponsor of the offering to convert the captioned property to condominium ownership property retained our firm to prepare a report describing the renovation of the property when completed ("the Report"). We visually inspected the existing portions of the renovated property on June 20, 2000. We prepared the building plans and specifications dated September 25, 2000 and prepared the Report dated November 17, 2000, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

The undersigned is an architect registered in New York State.

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 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

- (i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of the renovation provided that the renovation is in accordance with the plans and specifications that we prepared;
- (ii) in our professional opinion affords potential investors, purchasers and participants an

adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we prepared;

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report 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.

JAMES HARB ARCHITECTS

By: 

Sworn to before me
this 17 day of November, 2000


Notary Public

ANDREA RIINA
NOTARY PUBLIC, State of New York
No. 02R15059491
Qualified in Kings County
Commission Expires April 29, 2002

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

April 17, 2000

Re: **52-62 Cooper Square**
New York, New York

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes current management of the operation of 200 comparable condominium and cooperative buildings in Manhattan. We have experience in this field for over 70 years. Brown Harris Stevens is a full service real estate company serving both the residential and commercial markets in New York City.

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 20 insofar as they are applicable to Schedule B.

We have prepared the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

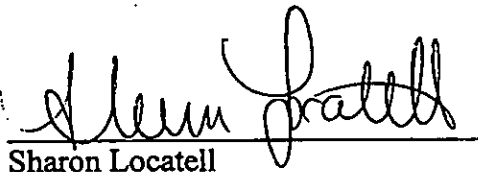
- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

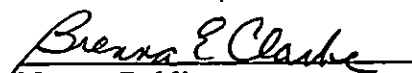
We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses of the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

By:


Sharon Locatell

Sworn to before me
this 17th day of April, 2000


Notary Public

BRENN A. E. CLARKE
Notary Public, State of New York
No. 01CL503953
Qualified in Westchester County
Commission Expires Sept. 26, 2005

Board of Managers
The Carl Fischer Building and
52-54 Cooper Square Condominium
C/o Ms. Judith Halevi
C-Square Associates
111 Wooster Street
New York, New York 10012

April 17, 2000

**Re: Certification by Expert on
Adequacy of Common Charges
Payable by the Commercial Unit Owners**

The Carl Fischer Building and 52-54 Cooper Square Condominium, the Sponsor of the Condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owners of the commercial unit(s). Our experience in this field includes management and sales in over 200 properties over the past 70 years. Brown Harris Stevens is a full service real estate company serving both the residential and commercial markets in New York City.

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 20 insofar as they are applicable to the commercial unit(s) listed in Schedule B.

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 also have relied on our experience in managing residential buildings.

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.

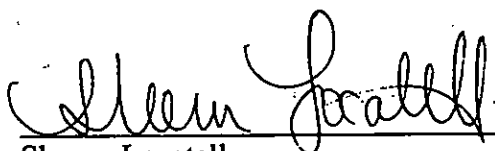
We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

- (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 judgment concerning the common charges payable by the owners of the commercial units;
- (iii) do not omit any material facts;
- (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 representation or statement 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 condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

By: 
Sharon Locatell

Sworn to Before me this
17th day of April, 2000


Notary Public

BRENN A. E. CLARKE
Notary Public, State of New York
No. 01CL001153
Qualified in Westchester County
Commission Expires Sept. 26, 2000