
THIS PLAN HAS BEEN AMENDED. SEE INSIDE FRONT COVER.

**CONDOMINIUM OFFERING PLAN
FOR THE SALE OF UNITS
IN A CONDOMINIUM KNOWN AS**

THE KEYSTONE BUILDING

Located at
38-44 Warren Street
New York, New York 10007

24 RESIDENTIAL UNITS	\$27,231,500
3 Commercial Units	Not currently offered for sale

<i>Name and Address of Sponsor:</i>	<i>Name and Address of Selling Agent:</i>
East Tribeca Associates LLC c/o Alchemy Properties, Inc. 600 Third Avenue, 25 th Floor New York, NY 10016	Alchemy Properties Inc. 600 Third Avenue, 25 th Floor New York, NY 10016

Name and Address of Sponsor's Attorney:
Sonnenschein, Sherman & Deutsch, LLP
888 Seventh Avenue, Suite 501
New York, NY 10106

The Approximate Date of the First Offering Plan to the Public is January 18, 2001.
The Offering Plan May not be Used After January 17, 2002 Unless Extended By Amendment.

THIS 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 AGENT HAS APPROVED THIS OFFERING.

THIRD AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR THE KEYSTONE BUILDING CONDOMINIUM

The Offering Plan for The Keystone Building Condominium for premises located at 38-44 Warren Street, New York, New York 10007 dated January 18, 2001 as previously amended (collectively, the "Plan"), is hereby further amended as follows:

1. The Plan Declared Effective. The Plan was declared effective by notice dated November 21, 2001, copies of which were presented to all purchasers. The Sponsor has accepted Purchase Agreements for twelve (12) Units. Annexed hereto as Exhibit A is the affidavit of the Sponsor in support of declaring the Plan effective. Annexed to such affidavit is a list of the Units for which Purchase Agreements have been received and counted toward effectiveness.

Of the twenty-four (24) Units which are the subject of the offering, twelve (12) Purchase Agreements have been received from *bona fide* purchasers and have been counted toward effectiveness. These twelve Purchase Agreements comprise fifty (50%) percent of the Units which are the subject of the offering.

Purchasers will, by separate notice, be notified of the closing date and the deadline to pay the balances of their purchase prices. That notice may be presented together with this Amendment.

2. Updated Budget for First Year of Condominium Operation. The first year of Condominium Operation is projected to commence May 1, 2002. Annexed hereto as Exhibits B, C and D are an updated Schedule B to the Plan setting forth the Condominium's projected budget as of such date, certifications of the budget and an updated Schedule A to the Plan setting forth each Unit's projected common charges and projected real estate taxes as of such date. Projected common charges have decreased slightly.

3. Revision to By-Laws. The By-Laws of the Condominium, set forth as Exhibit G in Part II of the Plan, are hereby amended to exempt transfers to trusts, corporations, partnerships and other entities controlled by the Unit Owner from the requirement that a Residential Unit Owner obtain the consent or waiver from the Board of Managers of its right of first refusal prior to selling or leasing a Residential Unit. Annexed hereto as Exhibit E is Section 7 of Article VIII of the By-Laws of the Condominium reflecting such amendment (the revision is set forth in subparagraph a thereof).

4. No Other Material Changes. Except as disclosed in this Amendment, the Plan and prior amendments, there have been no other material changes with respect to this offering.

Dated: New York, New York
December 28, 2001

EAST TRIBECA ASSOCIATES LLC
Sponsor

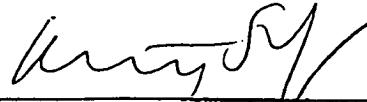
Exhibit A

[illegible]

KENNETH S. HORN, being duly sworn, deposes and says:

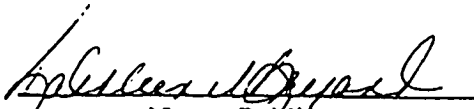
1. I am the manager of KJ Warren Associates LLC, Operating Member of East Tribeca Associates LLC ("Sponsor"), a limited liability company organized under the laws of the State of New York and Sponsor of the condominium offering plan (the "Plan") for premises known as The Keystone Building Condominium, 38-44 Warren Street, New York, New York.
2. The Plan is a new construction condominium plan promulgated pursuant to Section 352-e of the General Business Law of the State of New York and Part 20 of the Attorney General's Regulations. The plan was accepted for filing by the Department of Law on January 18, 2001 under File No. CD-000139.
3. The Plan is hereby declared effective based upon the receipt and acceptance of twelve (12) purchase agreements from *bona fide* purchasers, which represent 50% of the Units being offered for sale under the Plan.
4. All purchasers counted for purposes of declaring the Plan effective:
 - a. Are *bona fide* purchasers;
 - b. Are not purchasing as an accommodation to or for the account or benefit of Sponsor or principals of Sponsor;
 - c. Have duly executed Purchase Agreements and have paid their full downpayment as required by the terms of the Plan.
5. There are no material changes to the projected budget for the first year of condominium operation which have not been disclosed in the Plan as amended.
6. No purchaser counted for purposes of declaring the Plan effective is Sponsor's selling agent or managing agent, or is a principal of Sponsor's selling agent or managing agent, or is related to Sponsor's selling agent or managing agent or to any principal of Sponsor's selling agent or managing agent by blood, marriage or adoption, or is a business associate, employee, shareholder or a limited partner or Sponsor.
7. Annexed hereto as Schedule A is a schedule of Units and purchase agreements which are being counted toward declaring the Plan effective.

8. I hereby submit this affidavit to the Department of Law in support of declaring the Plan effective and make the above statements, knowing that the Department of Law will rely on such representations in order to accept for filing the Amendment declaring the Plan effective.



Kenneth S. Horn

Sworn to before me this
21st day of November, 2001.


Notary Public

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2008

SCHEDULE A

THE KEYSTONE BUILDING CONDOMINIUM
38-44 WARREN STREET, NEW YORK, NEW YORK

Unit Number	Date of Purchase Agreement
2A	03/20/01
2B	04/05/01
3A	06/12/01
3B	04/02/01
4A	04/04/01
4B	03/19/01
4C	07/17/01
5A	07/23/01
5B	04/23/01
5C	08/06/01
6A	06/21/01
7A	06/21/01

REVISED
SCHEDULE B
PROJECTED BUDGET

The Keystone Building Condominium
38-44 Warren Street, New York City
Estimated Schedule of Receipts and Expenses
for First Full Year of Operation
Beginning May 1, 2002

RECEIPT

Residential Common Charges (1)	\$177,448.00
Commercial Common Charges (1)	\$ 4,365.00

EXPENSES

Payroll (Superintendent) (2)	\$ 25,225.00
Employee Benefits (2)	\$ 2,000.00
Gas (3)	\$ 4,000.00
Electricity (4)	\$ 20,130.00
Water & Sewer Vault Tax (5)	\$ 15,000.00
Repairs, Supplies & Maintenance (6)	\$ 30,000.00
Service Contracts (7)	\$ 16,300.00
Insurance (8)	\$ 17,908.00
Management Fee (9)	\$ 20,000.00
Administration (10)	\$ 12,750.00
Other (11)	\$ 3,500.00
Capital Reserve Fund (12)	\$ 5,000.00
Contingency (13)	\$ 10,000.00

TOTAL:	\$181,813.00
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The Notes to Schedule B below are in integral part of this Schedule and should be read in conjunction herewith.

(1) Common Charges - The expenses for the projected first year of Condominium operation were allocated among the Residential Units and Commercial Unit #1 based on the actual usage of the services and facilities of the Condominium by each type of Unit Owner. No Common Charges have been allocated to Commercial Units #2 and #3 since these units do not utilize any common services or facilities. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing May 1, 2002

If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right, for a specified, reasonable period of time of not less than fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded.

(2) Payroll & Employee Benefits - The Building staff will consist of one part-time non-union resident superintendent. Such level of staffing complies with all applicable housing and labor laws and the level of payment will meet state minimum wage laws. The following expenses are mandated by law for each employee:

Salary	\$22,000.00
FICA Employer	7.65%
N. Y. State Unemployment	7.00%
Federal Unemployment	0.80%
State Disability Insurance	\$35.70
Worker's Compensation	5.486%

TOTAL: \$25,225.00

Since the Commercial Unit owners will not utilize the services of the Superintendent, the above is an expense of Residential Unit Owners only.

(3) Gas (Heating) - The hallways will be heated by natural gas provided by Consolidated Edison to heat the Building. The budgeted amount also includes the cost of gas to heat the rooftop boilers supplying hot water to the Residential Units, and gas for cooking. The Mechanical Engineer, Irwin Associates, with an office at 227 West 29th Street, New York, New York 10001 has estimated that consumption of natural gas fuel for the year commencing May 1, 2002 through April 30, 2003 will be 530,000 cubic feet (\$0.1182 per cubic foot of gas for the first 300 cubic feet and 0.0081 per cubic foot thereafter).

Residential Unit Owners will not pay separately for gas consumption in individual Units.

The budget amount for gas is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison, increased by ten percent (10%) and rounded.

Total = \$4,000.00

It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of gas during the first year of operation. However, no warranty is made that the projection for gas will be in accordance with the actual cost of the same during the first year of condominium operation.

(4) Electricity - Includes the cost of electricity for the common areas. It does not include the cost of electricity to individual Residential Units. The Residential Unit's elevator electric is included in the Common Area electric. Each Residential Unit Owner will be responsible for electricity to her or his own Unit including appliances, air conditioning and the heat pump fans. Each Unit will be metered separately and billed by Consolidated Edison, based on the same consumption. The Mechanical Engineer, Irwin Associates, has estimated that consumption of electricity for the common areas for the twelve (12) month period commencing May 1, 2002 will be 130,000 kilowatts.

The budget amount for electricity is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison (\$0.15 per kilowatt in commercial areas and \$0.15 per kilowatt in residential areas), increased by ten percent (10%).

Commercial Unit #1 will be separately metered.

Total = \$20,130.00

Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of electricity during the first year of operation. However, no warranty is made that the projection for electricity will be in accordance with the actual cost of the same during the first year of condominium operation.

(5) Water & Sewer - The budget amount is predicated on a projected increase of 7% over the actual water charges and sewer rent for the twelve months ending with October 31, 2001 and is based on the experience of the Sponsor's principals with other similar loft building conversions in Manhattan.

Commercial Unit #1 will be separately metered.

Total = \$15,000.00

(6) Repairs, Supplies & Maintenance - Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the

individual Residential Unit Owners. The budgeted figure is based upon an estimation of repairs to the interior of the Building, the roof, the exterior of the Building (including walls), the plumbing and electrical systems, painting of public areas, foundations, the heating system (including pipes and control devices regulating distribution in the Building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies). No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the Building. The budgeted amount is based on the Managing Agent's experience in operating newly constructed buildings of comparable size and quality.

Plumbing	\$ 4,000.00
Electrical	\$ 4,000.00
Air Conditioning	\$ 4,000.00
Painting Common Areas	\$ 3,000.00
Exterior Repairs	\$ 2,000.00
Interior Repairs	\$ 3,000.00
Heating	\$ 5,000.00
Supplies	\$ 5,000.00

Total = \$30,000.00

A portion of the exterior repairs only is allocated to Commercial Unit #1.

(7) Service Contracts - Includes the cost for the following service contracts:

Elevator Service \$5,715.60 per annum pursuant to a proposal from Staley Elevator to the Condominium for service of the elevator. The proposal is for \$440.00 per month plus 8.25% sales tax.

Extermination service \$3,637.20 per annum pursuant to a proposal from Pest Away Exterminating, Inc. to the Condominium for exterminator's service. The proposal is for \$280.00 per month plus 8.25% sales tax.

Fire Protection Systems Service: \$3,029.00 per annum pursuant to a five (5) year contract for AFA Protective Systems, Inc. for the central station alarm system.

Sprinkler Inspection Service: \$3,897.00 per annum pursuant to a contract with VIP Fire Sprinklers Inc. The proposal is for \$300.00 per month plus 8.25% sales tax.

Total = \$16,278.80

The Sponsor has reserved the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium on commencement of operation. However, the Sponsor may not enter into any binding service or maintenance contract that will materially increase the first year's Common

Expenses or that would be binding on the Condominium for more than two (2) years, unless disclosed in this Plan or in an amendment thereto.

For further details, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

Since none of these services pertain to Commercial Unit #1, no portion is allocated to that unit's Common Charges.

(8) Insurance - Insurance is projected on the basis of an estimate of insurance costs provided by the Owens Group, 619 Palisade Avenue, Englewood Cliffs, New Jersey dated as of November, 2001.

Commercial Package Policy - Includes the following:

I. Real Property Building: Fire, Extended Coverage and "all risk" (subject to company form) on a newly rehabilitated residential condominium with some commercial situated at 38-44 Warren Street, New York, New York in an Agreed Amount of \$12,585,000 on the Building and \$400,000 on the loss of rents. Coverage includes Replacement Cost/Agreed Value with a \$ 1,000 Deductible

II. Commercial General Liability Insurance subject to a limit of \$1,000,000 per occurrence and \$2,000,000 Annual Aggregate for Bodily Injury, Personal Injury and Property Damage. Coverage includes \$1,000,000 Non Owned & Hired Auto Liability, \$1,000,000 Water Damage Legal Liability.

III. \$1,000,000 Directors & Officers Liability, with a deductible of \$2,500.00 and 1% retention.

IV. Employee Dishonesty - \$100,000 Commercial Blanket Bond with a deductible of \$1,000.00, including the Managing Agent Rider.

V. Umbrella Liability subject to a limit of \$200,000,000 and in the aggregate annually excess of the underlying coverage.

VI. Boiler & Machinery - \$5,000,000 blanket limit for Direct Damage, Business Interruption and Extra Expense subject to a \$1,000 deductible for Direct Damage and a 12 Hour Waiting Period for Business Interruption and Extra Expense.

The terms of the fire, casualty and general liability insurance will provide (i) that each Unit Owner is an additional insured, (ii) that there will be no cancellation without prior notice to the Board of Managers, (iii) a waiver of subrogation, (iv) a waiver of invalidity because of the acts of the insured and Unit Owners and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause which meets the co-insurance requirement.

A portion of the insurance expenses is allocated to the Commercial Unit #1 in accordance with its interest in the common elements.

In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals its then estimated replacement cost.

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first closing of title to a Unit, a fire and liability binder or policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit.

Total = \$17,908.00

See the Subsection of the Offering Plan entitled "Insurance", in the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

(9) Management Fee- Based on a proposed agreement with Taube Management for a term of two (2) years. The services of the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the second anniversary of such date. The annual management fees will be \$20,000.00. This management fee reflects the prevailing cost for similar services. It is based on the size of the building and number of Residential Units.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$20,000.00

For further details as to the responsibilities of the managing agent, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

(10) Administration - All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant.

Audit: Goldstein, Golub & Kessler
Légal (See explanation below)

\$7,500.00
\$5,000.00

Goldstein Golub & Kessler is located at c/o American Express Tax & Business Services, Inc., 1185 Avenue of the Americas, New York, NY 10036-2602.

Legal includes general business matters.

This estimate is based on a proposal from Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY. However, it is anticipated that the Condominium Association shall choose their own legal counsel.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$12,500.00

(11) Other- Other Expense covers the ongoing need for telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, and annual meetings. It has been estimated at \$3,500.00 for the year.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$3,500.00

(12) Capital Reserve Fund - Amounts set aside in this fund should be sufficient to pay for major capital repairs or replacement items which may be needed within the first five (5) years of condominium operation.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$5,000.00

(13) Contingency - This fund may be used at the discretion of the Board of Managers toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the Contingency Fund is intended to provide for any unanticipated expenses or unanticipated increase in projected expenses. The Contingency fund is separate and distinct from the Working Capital Fund (see the section of the Plan entitled "Working Capital Fund ") and from the "Capital Reserve Fund" (see above).

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$7,500.00

In the opinion of Taube Management Inc., Licensed Real Estate Broker (Annexed to this Third Amendment), the projected receipts appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable Units similarly situated) to meet the estimated expenses for the first year of operation, assuming such first year to be the year commencing May 1, 2002. The foregoing budget, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual Common Charges or other receipts or expenses for the first or any subsequent year of operation of the Property by

the Condominium will be as set forth in said projected budget. It is likely that the actual expenses for the first year of operation will vary from the amounts shown in the projected budget.

**SCHEDULE B-1
ESTIMATED UNIT ELECTRICAL COSTS**

A. AIR-CONDITIONING

Estimated air conditioning costs per year have been calculated estimating a usage of 1000 hours of air conditioning per year a \$0.14 per kilowatt in residential units:

- 1) Common Area (All Floors) = \$3401
- 2) First floor commercial=uses own equipment
- 3) Floor 2
Unit A = \$543
Unit B = \$592
Unit C = \$770
- 4) Floor 3 through 5
Unit A = \$688
Unit B = \$592
Unit C = \$770
- 5) Floor 6 through 9
Unit A = \$367
Unit B = \$535
Unit C = \$507

B. LIGHTING AND POWER

Common areas:

Estimated electrical costs per year have been calculated estimating a usage of 4 watts per square foot at \$0.15 per. 2 watts for lighting and 2 watts for mechanical equipment.

Common Area Lighting = \$10,065
(All floors)

Mechanical Equipment = \$10.065

Electrical costs of common areas = \$20,130/yr
First floor commercial = uses own equipment

Apartments:

Estimated electrical costs per year have been calculated estimating a usage of 1 watt per square foot at \$0.15 per. Does not include air conditioning.

Floor 2

Unit A = \$2,605
Unit B = \$2,840
Unit C = \$3,699

Floor 3 through 5

Unit A = \$3,300
Unit B = \$2,841
Unit C = \$3,699

Floor 6 through 9

Unit A = \$1,758
Unit B = \$2,569
Unit C = \$2,431

The estimated electrical costs have been prepared by Irwin Associates (Mechanical Engineer) and are based on current consumption data received from the Consolidated Edison Company.

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT

THE KEYSTONE CONDOMINIUM
38-44 WARREN STREET
NEW YORK, NEW YORK

First Year of Condominium Operation
Estimated to be May 1, 2002 through April 30, 2003

Unit Number (1)	Approx. Area (2)	Purchase Price (3)	Percentage Interest in the Common Elements (4)	Percentage of Interest in Residential Common Elements	Estimated Common Charges For 1st Year		Estimated Real Estate Taxes For 1st Year		Total Estimated Carrying Charges for 1st Year (Common Charges and Real Estate Taxes)		Bedrooms/ Bathrooms
					Monthly (5)	Annual (5)	Monthly (6)	Annual (6)	Monthly (7)	Annual (7)	
Commercial Units		NOT FOR SALE	17.46%		\$363.75	\$4,365.00					
2A	2,149	\$696,500	3.54%	4.28%	\$649.05	\$7,601.63	\$1,038.45	\$12,461.37	\$1,687.50	\$20,249.99	1/2.0
2B	2,162	\$795,000	3.56%	4.31%	\$652.98	\$7,647.61	\$1,044.73	\$12,536.76	\$1,697.71	\$20,372.49	2/2.5
2C	2,815	\$1,185,000	4.63%	5.61%	\$850.20	\$9,957.46	\$1,360.27	\$16,323.30	\$2,210.48	\$26,525.70	3/2.5
3A	2,632	\$1,180,000	4.33%	5.25%	\$794.93	\$9,310.14	\$1,271.84	\$15,262.14	\$2,066.77	\$24,801.29	3/2.5
3B	2,162	\$870,000	3.56%	4.31%	\$652.98	\$7,647.61	\$1,044.73	\$12,536.76	\$1,697.71	\$20,372.49	2/2.5
3C	2,815	\$1,250,000	4.63%	5.61%	\$850.20	\$9,957.46	\$1,360.27	\$16,323.30	\$2,210.48	\$26,525.70	3/2.5
4A	2,632	\$1,200,000	4.33%	5.25%	\$794.93	\$9,310.14	\$1,271.84	\$15,262.14	\$2,066.77	\$24,801.29	3/2.5
4B	2,162	\$940,000	3.56%	4.31%	\$652.98	\$7,647.61	\$1,044.73	\$12,536.76	\$1,697.71	\$20,372.49	2/2.5
4C	2,815	\$1,270,000	4.63%	5.61%	\$850.20	\$9,957.46	\$1,360.27	\$16,323.30	\$2,210.48	\$26,525.70	3/2.5
5A	2,632	\$1,260,000	4.33%	5.25%	\$794.93	\$9,310.14	\$1,271.84	\$15,262.14	\$2,066.77	\$24,801.29	3/2.5
5B	2,162	\$975,000	3.56%	4.31%	\$652.98	\$7,647.61	\$1,044.73	\$12,536.76	\$1,697.71	\$20,372.49	2/2.5
5C	2,815	\$1,335,000	4.63%	5.61%	\$850.20	\$9,957.46	\$1,360.27	\$16,323.30	\$2,210.48	\$26,525.70	3/2.5
6A (Int.)	1,248	\$865,000	2.05%	2.49%	\$376.93	\$4,414.53	\$603.06	\$7,236.76	\$979.99	\$11,759.88	2/2.0
6A (Ext.)T	1,153										
6B (Int.)	1,955	\$1,485,000	3.22%	3.90%	\$590.46	\$6,915.40	\$944.70	\$11,336.43	\$1,535.16	\$18,421.93	2/2.5
6B (Ext.)T	790										
6C (Int.)	1,850	\$1,365,000	3.04%	3.69%	\$558.75	\$6,543.98	\$893.96	\$10,727.57	\$1,452.71	\$17,432.52	2/2.0
6C (Ext.)T	736										
7A	1,248	\$735,000	2.05%	2.49%	\$376.93	\$4,414.53	\$603.06	\$7,236.76	\$979.99	\$11,759.88	2/2.0
7B	1,955	\$1,225,000	3.22%	3.90%	\$590.46	\$6,915.40	\$944.70	\$11,336.43	\$1,535.16	\$18,421.93	2/2.5
7C	1,850	\$1,165,000	3.04%	3.69%	\$558.75	\$6,543.98	\$893.96	\$10,727.57	\$1,452.71	\$17,432.52	2/2.0
8A	1,248	\$835,000	2.05%	2.49%	\$376.93	\$4,414.53	\$603.06	\$7,236.76	\$979.99	\$11,759.88	2/2.0
8B	1,955	\$1,295,000	3.22%	3.90%	\$590.46	\$6,915.40	\$944.70	\$11,336.43	\$1,535.16	\$18,421.93	2/2.5
8C	1,850	\$1,195,000	3.04%	3.69%	\$558.75	\$6,543.98	\$893.96	\$10,727.57	\$1,452.71	\$17,432.52	2/2.0
9A (Int.)	1,248	\$1,175,000	2.05%	2.49%	\$376.93	\$4,414.53	\$603.06	\$7,236.76	\$979.99	\$11,759.88	2/2.0
9A(Ext.)T	648										
9B (Int.)	1,955	\$1,795,000	3.22%	3.90%	\$590.46	\$6,915.40	\$944.70	\$11,336.43	\$1,535.16	\$18,421.93	2/2.5
9B(Ext.)T	712										
9C(Int.)	1,850	<u>\$1,895,000</u>	<u>3.04%</u>	<u>3.69%</u>	<u>\$558.75</u>	<u>\$6,543.98</u>	<u>\$893.96</u>	<u>\$10,727.57</u>	<u>\$1,452.71</u>	<u>\$17,432.52</u>	2/2.0
9C(Ext.)T	1,001										
TOTAL:	50,165	\$27,986,500	100.00%	100.00%	\$15,151.08	\$181,813.00	\$24,240.92	\$290,891.00	\$39,392.00	\$472,704.00	



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

November 9, 2001

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

RE: The Keystone Condominium
38-44 Warren Street
New York, NY

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. Taube Management Corp., licensed Real Estate Broker, began operations approximately 25 years ago.

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 Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules 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 Schedules B and B-1 appear reasonable and adequate under existing circumstance, 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 Schedules:

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the first year of condominium operation;
- (iii) does not omit any material fact;

TAUBE

MANAGEMENT

c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

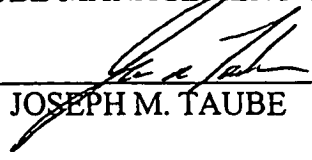
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does 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 as a guarantee or warranty of the income and expenses 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.

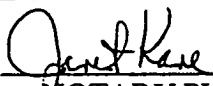
We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

TAUBE MANAGEMENT CORP.

BY: 
JOSEPH M. TAUBE

Sworn to before me this

12th day of November, 2001.


NOTARY PUBLIC

JANET KANE
Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2003



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

November 9, 2001

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

RE: The Keystone Condominium
38-44 Warren Street
New York, NY

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial units. Approximately 10 of the cooperative and condominiums that we manage contain commercial space. Taube Management Corp., licensed Real Estate Broker, began operations approximately 25 years ago.

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 units listed in Schedules A&B.

We have reviewed Schedules A&B as they impact the commercial units and investigated the facts underlying them with due diligence in order to form a basis for this certification. We also have relied in our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of 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.



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

- (i) sets forth in detail the projected common charges for the commercial units(s) for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the common charges payable by the owners of the commercial units(s);
- (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 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.



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

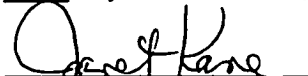
We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

TAUBE MANAGEMENT CORP.

BY:


JOSEPH M. TAUBE

Sworn to before me this
12th day of November, 2001


NOTARY PUBLIC

JANET KANE
Notary Public, State of New York
No 01KA462615
Qualified in New York County
Commission Expires March 30, 2003

EXHIBIT E

ARTICLE VIII: SALES, LEASES AND MORTGAGES OF RESIDENTIAL UNITS

SECTION 7 - EXCEPTIONS

Section 7 - Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with the Appurtenant Interests, by (a) the Unit owner thereof to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust corporation, partnership, limited liability company or other non-individual entity controlled by or affiliated with the Unit Owner. "Controlled" or "affiliated" shall be deemed to mean that the Unit Owner owns more than 50% of the legal and beneficial ownership of such entity, (b) the Sponsor or its designee, (c) a Commercial Unit Owner, (d) the Board of Managers, (e) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering the Unit or delivering a deed in lieu of foreclosure, or (f) a mortgagee authorized herein who shall acquire title to such Unit by foreclosure of a mortgage or by a deed in lieu of such foreclosure; provided, however, that any purchaser of such Unit from such mortgagee shall be bound by, and his Unit subject to, the provisions of this Article

SECOND AMENDMENT TO THE OFFERING PLAN
FOR THE KEYSTONE BUILDING CONDOMINIUM PREMISES AT
38-44 WARREN STREET, NEW YORK, NEW YORK 10007

The Condominium Offering Plan dated January 18, 2001 for premises known as The Keystone Building Condominium, 38-44 Warren Street, New York, New York, is hereby amended by this Second Amendment as follows:

I. Price Increases for Certain Units. Annexed hereto as Exhibit A is a revised schedule of purchase prices for certain units of the condominium.

II. No Other Material Changes. There are no other changes of fact or circumstances materially affecting the property or the Plan which have not been disclosed in this or in previous amendments.

Dated: New York, New York
August 16, 2001

East Tribeca Associates, LLC
Sponsor

EXHIBIT A

<u>Unit #</u>	<u>New Price</u>
2C	\$1,185,000
3C	\$1,250,000
6B	\$1,485,000
6C	\$1,365,000
7B	\$1,225,000
7C	\$1,165,000
8A	\$ 835,000
8B	\$1,295,000
8C	\$1,195,000
9A	\$1,175,000
9B	\$1,795,000
9C	<u>\$1,895,000</u>

FIRST AMENDMENT TO OFFERING PLAN
FOR THE KEYSTONE BUILDING CONDOMINIUM
PREMISES AT 38-44 WARREN STREET, NEW YORK, NEW YORK 10007

The Condominium Offering Plan dated January 18, 2001 for premises known as The Keystone Building Condominium, 38-44 Warren Street, New York, New York, is hereby amended by this First Amendment as follows:

I. Purchase Agreement May Be Conditional on Financing. A Purchase Agreement for a Unit of The Keystone Building Condominium may be, upon negotiation, conditioned upon the issuance of a commitment by an Institutional Lender (as defined below) for a Mortgage Loan (also as defined below) provided and on condition that the Purchaser applies for a Mortgage Loan through either (i) IPI Skyscraper Mortgage Corp., 120 West 45th Street, 2nd Floor, New York, New York 10036, Att: Iris Bikel, phone 212/354-2525 x 270 or (ii) The Kingsford Corporation, 171 Madison Avenue, Suite 1300, New York, New York 10016, Att: Michael Kingsford, phone 212/696-2100, both New York State licensed mortgage brokers (referred to herein individually and jointly as the "Mortgage Brokers"). The following paragraphs summarize a Purchaser's obligations with respect to an application for a Mortgage Loan and the Purchaser's rights to terminate the Purchase Agreement if the Purchaser does not receive a written commitment for a Mortgage Loan (a "Commitment"). The provision of the Purchase Agreement permitting a Purchaser to terminate the Purchase Agreement if a Mortgage Loan is not obtained by a date certain is called a "Mortgage Contingency" and is contained in Schedule D to the Purchase Agreement, set forth as an exhibit to this Amendment.

A Purchaser may seek financing from any lender or mortgage broker other than the Mortgage Brokers, either solely or parallel with the application to one of the Mortgage Brokers, but the Mortgage Contingency shall only apply if an application was timely made to one of the Mortgage Brokers. Therefore, refusal by any other lender or mortgage broker to issue a loan commitment or to make a mortgage loan to Purchaser will not entitle the Purchaser to cancel the Purchase Agreement or receive a refund of Purchaser's down payment.

The term "Institutional Lender" means a commercial bank, savings bank, trust company, savings and loan association, an insurance company, an educational institution, a federal, state, municipal or similar public employee's welfare, pension or retirement fund system, credit union of which the Purchaser is a member, or a state or an agency thereof and a political subdivision of a state or an agency thereof.

The term "Mortgage Loan" means a first mortgage loan on the Unit and its percentage interest in the Common Elements, other than a VA, FHA or other governmentally insured loan, in an amount not exceeding ninety (90%) percent of the purchase price of the Unit at the prevailing fixed rate or adjustable rate of interest for a term of at least fifteen (15) years and on other customary commitment terms, whether or not conditioned upon any factors other than an appraisal satisfactory to the Institutional Lender.

In order to have the benefit of a Mortgage Contingency, a Purchaser must (i) make an application to one of the Mortgage Brokers for a Mortgage Loan within seven (7) business days after

Upon a termination of the Purchase Agreement under the circumstances described above, the Down Payment, with interest, earned thereon, if any, shall be returned to the Purchaser within twenty (20) thereafter, except for 100% of the cost of optional extras, upgrades or special work ordered and any installation costs connected therewith, if any, as incurred, which Sponsor shall retain from the Down Payment.

Notwithstanding the foregoing, if a Commitment is not issued as a result of the Purchaser's failure to furnish or delay in furnishing the information and data or fees and/or charges required by the Mortgage Broker or the Institutional Lender, such failure or delay will constitute a default under the Purchase Agreement. In that event, Sponsor may send notice to the Purchaser of the Sponsor's election to deem the Purchase Agreement in default, in which event, the Down Payment will be forfeited to the Sponsor as set forth in the "Procedure to Purchase" section of the Plan.

If a Purchaser obtains a Commitment for a Mortgage Loan (from any broker or lender including a Mortgage Broker or Institutional Lender designated by the Sponsor) and the Commitment expires before the scheduled closing of the Unit and Purchaser incurs additional costs or fees in order to extend the Commitment, Sponsor shall not be responsible for any of such costs or fees and Sponsor shall not be obligated to reimburse Purchaser for any such costs or fees even if the Purchaser's inability to close prior to the expiration of the Commitment resulted in whole or in part from Sponsor's inability to deliver the Unit to Purchaser prior to such expiration.

If a Purchaser's Commitment expires because of Purchaser's refusal to close or Purchaser's delay in closing, or if the terms of the Commitment are changed, or the Commitment is revoked by the Institutional Lender because of Purchaser's acts or omissions, or if Purchaser fails to make a timely written request for a renewal or extension of the Commitment or fails to pay any required extension fees, the Purchase Agreement will remain in full force and effect and Purchaser must pay the balance of the Purchase Price at closing or be in default.

II. Financing Contingency Rider to Purchase Agreement. Annexed hereto as Exhibit A is revised Schedule D to the Purchase Agreement set forth in Part II of the Plan, pertaining to the financing contingency for qualified Purchasers as described in this Amendment.

III. Clarification of Description of Unit Dimensions. Footnote 2 to Schedule A of the Plan, which sets forth the method by which the approximate square footage of the Units other than Commercial Unit 1 is calculated, is hereby amended to clarify that calculation, to read as follows:

Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions of the Unit. Square footage as calculated herein reflects the area measured horizontally from the inside face of the glass and/or the center line of the concealed blockwork of the exterior walls and/or the center line of the concealed concrete structural members (perimeter and interior mechanical pipes and shafts are not deducted) to the center line of the corridor walls and to the center line of demising partitions between Units and to the center line of a concrete or masonry wall and mechanical shafts

separating a Unit from fire stairs or elevators, or other Common Elements. These dimensions exclude the area of any balconies and terraces. They exceed the usable net floor area of each Unit and exceed the aggregate dimensions of the individual rooms within each Unit as shown on the Unit floor plans set forth in Part II of the Plan.

IV. Amendment to Unit Description in Declaration. Article 5 of the Amended and Restated Declaration will be amended to reflect the revised Unit description set forth in the footnote to Schedule A set forth in Paragraph III above. Article 5 shall read in its entirety as follows:

ARTICLE 5

DIMENSIONS OF UNITS

5.1 There are a total of three (3) Commercial Units and twenty-four (24) Residential Units as shown on the revised Floor Plans for the Building.

The dimensions of the Units, other than Commercial Unit 1, shall consist of the area enclosed by the inside face of the glass and/or the center line of the concealed blockwork of the exterior walls and/or the center line of the concealed concrete structural members (perimeter and interior mechanical pipes and shafts are not deducted) to the center line of the corridor walls and to the center line of demising partitions between Units and to the center line of a concrete or masonry wall and mechanical shafts separating a Unit from fire stairs or elevators, or other Common Elements. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the Unit which open either onto a Common Element or the exterior of the property, the Unit shall be defined by the exposed face of the Unit side of such door.

The dimensions of Commercial Unit 1 shall consist of similarly defined areas as for the other Units, and, in addition, windows, doors and glass storefront construction in or appurtenant to the Unit shall be included in the Unit and shall be defined by the exposed face of the exterior side of such windows, doors or glass storefront.

V. Amendment to Unit Description in Plan. The "Unit Description" set forth in Part II of the Plan is hereby amended to conform to the revision to Article 5 of the Amended and Restated Declaration as set forth in Paragraph IV above, and shall read in its entirety as follows:

UNIT DESCRIPTION

The dimensions of the Units, other than Commercial Unit 1, shall consist of the area enclosed by the inside face of the glass and/or the center line of the concealed blockwork of the exterior walls and/or the center line of the concealed concrete structural members (perimeter and interior mechanical pipes and shafts are not deducted) to the center line of the corridor walls and to the center line of demising partitions between Units and to the center line of a concrete or masonry wall and mechanical shafts separating a Unit from fire stairs or elevators, or other Common Elements. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the Unit which open either onto a Common Element or the exterior of the property, the Unit shall be defined by the exposed face of the Unit side of such door.

The dimensions of Commercial Unit 1 shall consist of similarly defined areas as for the other Units, and, in addition, windows, doors and glass storefront construction in or appurtenant to the Unit shall be included in the Unit and shall be defined by the exposed face of the exterior side of such windows, doors or glass storefront.

VI. Amendment description of General Common Elements in Declaration. Article 6, Section (a) of the Amended and Restated Declaration shall be amended to read in its entirety as follows:

(a) The General Common Elements consist of the entire Property described in Article 2 of this Amended and Restated Declaration and that portion of the Building not incorporated into or which does not exclusively service a particular Unit or which is not part of a Limited Common Element pursuant to Paragraph (b) of this Article 6, and will include, without limitation, the following:

- (i) the Land, including without limitation, the portions of the Land on which the Building is erected, the sidewalks and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;
- (ii) all foundations, columns, girders, beams, joints, supports, bearing walls, staircases, subfloors and roofs, except for portions of the roofs and staircases specifically designated

on the revised Floor Plans as Limited Common Elements; those portions of the exterior walls beyond the center line of such walls; those portions of the walls and partitions dividing the Units from corridors, stairs, elevators and other Common Elements located beyond the center line of the concrete or masonry wall enclosing the Unit, those portions of the walls and partitions dividing Units located between the unexposed faces of both wallboard walls enclosing the Units;

(iii) the water and sewer pipes from the City water main and public sewer line to the meters servicing the Residential and Commercial Units, respectively.

(iv) all other apparatus and installations existing in the Building for the common use or necessary or convenient to the existence, maintenance or safety of the Building.

VII. No Other Material Changes. Other than as set forth herein, there are no material changes in the Offering that have not been disclosed in this Amendment or in the Plan.

Dated: New York, New York
April 25 , 2001

East Tribeca Associates, LLC
Sponsor

SCHEDULE D
Financing Contingency Rider

The Keystone Building Condominium
Unit _____

This Agreement and Purchaser's obligation to close is conditioned on Purchaser obtaining a mortgage loan commitment for a first mortgage loan in an amount which is not more than ninety (90%) percent of the Purchase Price at the prevailing fixed or adjustable rate of interest for a term of at least fifteen (15) years from an institutional lender obtained through either IPI Skyscraper Mortgage Corp., 120 West 45th Street, 2nd Floor, New York, New York 10036, Att: Iris Bikel, phone 212/354-2525 x 270 or The Kingsford Corporation, 171 Madison Avenue, Suite 1300, New York, New York 10016, Att: Michael Kingsford, phone 212/696-2100), New York State licensed mortgage brokers (referred to herein jointly and collectively as the "Mortgage Brokers") within forty-five (45) days after Purchaser or Purchaser's attorney receives a fully executed copy of this Agreement. Any written commitment from an institutional lender which meets the financial terms described in this Agreement shall be deemed to have met the mortgage contingency whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. Purchaser understands that Purchaser is free to seek financing from any other lender or mortgage broker, either solely or parallel with the application to one of the Mortgage Brokers, but the mortgage loan contingency shall only apply to an application made to one of the Mortgage Brokers. Therefore, refusal by any other lender or mortgage broker to make a mortgage loan to Purchaser will not entitle Purchaser to cancel this Agreement or receive a refund of Purchaser's Down Payment. Purchaser agrees to apply to such Mortgage Broker within seven (7) business days of Purchaser's or Purchaser's attorney's receipt of a fully executed copy of this Agreement and furnish to the Mortgage Broker truthful, accurate and complete information, data and documents on Purchaser and co-Purchaser and his or her family members as required, and within seven (7) days of any request, submit such further information, data and documents requested by the Mortgage Broker and pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Mortgage Broker to the end of securing the mortgage loan and comply with all requirements of any mortgage loan commitment (whether or not obtained through the Mortgage Broker). FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

Purchaser must furnish Sponsor with a copy of any commitment within five (5) days after Purchaser's receipt of such commitment or must notify Sponsor of the lender's rejection of Purchaser's application for such loan commitment within five (5) days after Purchaser's receipt of notice of such rejection, time being of the essence as to Purchaser's obligations. At the sole and absolute option of the Sponsor, if the lender (directly or through the Mortgage Broker) fails or refuses to issue the required commitment to Purchaser for any reason within forty-five (45) days of Purchaser's or Purchaser's attorney's receipt of an executed copy of this Agreement from the Sponsor, either (i) this Agreement shall be cancelled by the Sponsor and Sponsor shall return Purchaser's Down Payment, with interest, if any, earned thereon, within twenty (20) days thereafter (except for 100% of the cost of optional extras, upgrades, or special work ordered and any installation costs connected therewith, if any, as incurred, which Sponsor shall retain from the Down Payment), or (ii) Seller shall direct Purchaser to make prompt application to another institutional lender or mortgage broker designated by the Sponsor for the required mortgage loan within five (5) days from the date Sponsor receives notice from the Purchaser that a commitment was not issued to the Purchaser. If within forty-five (45) days after the date on which Sponsor notifies Purchaser of Sponsor's election to require the Purchaser to make a second application, the required mortgage loan commitment has not been obtained, the Purchaser may cancel this Agreement on written notice to the Sponsor given by certified mail, return receipt requested or facsimile transmission with confirmation of such transmission within five (5) days of the expiration of such forty-five (45) day period, time being of the essence as to Purchaser's obligation. If the Purchaser fails to notify the Sponsor of such intended cancellation within such five (5) day period, then Sponsor, at its sole and absolute option, may notify Purchaser or Purchaser's attorney within three (3) business days thereafter that Sponsor declares this Agreement to be null and void. If the Sponsor does not provide such notice, the Mortgage Contingency shall be deemed waived and the Purchaser will not be relieved from Purchaser's obligations under this Agreement.

This Agreement is contingent upon the issuance of a loan commitment, not upon the funding of such loan by the lending institution. The withdrawal by such lending institution of its loan commitment for any reason, including, but not limited to, a change in Purchaser's financial condition, Purchaser's inability to obtain an extension of such commitment or refusal by Purchaser to pay an extension fee, shall not relieve Purchaser of his or her obligations under this Agreement. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Sponsor.

Purchaser

Co-Purchaser

Sponsor

East Tribeca Associates LLC

By: KJ Warren Associates LLC

By: _____

PART I

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EXHIBIT L	-	Application to Attorney General for Determination on the Disposition of Down Payments

PART I

I. SPECIAL RISKS

A. Although Sponsor is obligated to complete the Units and the Common Elements, as described in this Offering Plan, and to obtain a permanent Certificate of Occupancy for the Building, each Purchaser shall be obligated to close on the purchase notwithstanding that on the Closing Date Sponsor has not obtained a permanent certificate of occupancy for the Building or completed construction of (a) details of the Unit or the Property, (b) other Units, or (c) the Common Elements which do not prevent Purchaser's use of the Unit and Purchaser's access to the Unit, provided that Sponsor has obtained a temporary certificate of occupancy with respect to the Unit and all required services are being reasonably supplied or furnished to the Unit. Sponsor represents that currently its assets and funding sources are sufficient to meet its obligations under the Offering Plan, including, but not limited to, its obligation to complete the Building and obtain a permanent certificate of occupancy for the Building. Except upon issuance of a temporary certificate of occupancy and the closing of the first Unit, in which event a bond or escrow deposit in the amount estimated by the Architect as necessary to obtain the permanent certificate of occupancy will be provided, no bond or other security will be given to secure Sponsor's obligations to complete construction and perform its other obligations, including but not limited to its obligation to pay Common Charges, assessments and real estate taxes with respect to Unsold Units under this Plan. See "Rights and Obligations of Sponsor."

B. Sponsor reserves the right to make changes to the Plans and Specifications, provided that any substitution of materials, equipment, appliances, or equipment shall be of substantially equal or better quality than the item substituted for and any necessary approval of any governmental authority shall have been first obtained, if required. Sponsor may not make a material adverse change in the size, layout or location of any Unit or other improvements or the quality of Common Elements if such change materially and adversely affects the percentage of Common Interest or materially and adversely affects the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected contract vendees are offered a right of rescission. See "Description of Property and Improvements," and "Rights and Obligations of Sponsor."

C. Although the estimate of NYC Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made by the City Of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation are to be considered well-founded opinions and are not intended, and should not be construed as warranties as to future assessed valuations. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if any assessed valuation, when actually made, is lesser or greater than that predicted herein or if the administrative code and the applicable rules and regulations of the City of New York are in the future changed. Please refer to Schedule A for more details.

D. The purchase agreement is not contingent upon the purchaser obtaining financing. Although a Purchaser is free to apply to any lender Purchaser chooses for any financing, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit

from a lender and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to seizure of Purchaser's down payment. Time is of the essence with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Plan. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, and Sponsor shall not be responsible for paying any of such costs, fees or expenses. See "Procedure to Purchase".

E. In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit, and does not close on the purchase of the Unit before the expiration of the commitment and incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date, Sponsor, its principals, selling agents and counsel shall not be responsible for the payment of any of such fees or costs incurred by or imposed upon the Purchaser, even if Purchaser's inability to close pursuant to the commitment resulted in whole or in part from Sponsor's inability to deliver the Unit to Purchaser prior to the expiration of the commitment.

F. Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close on the conversion with fewer than the minimum number of sales, if Purchasers counted toward effectiveness default under their Purchase Agreement or otherwise do not ultimately close thereunder. Purchasers should note that banks and other lenders impose various restrictions on mortgage loans secured by condominium units. Such restrictions usually include a requirement that a certain percentage of the condominium units in a building be sold before the lender will make or 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 particular lender's minimum requirements. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

G. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Residential Units. Although the Sponsor represents that it has the financial resources to meet its obligations to the Condominium, no bond or security has been posted nor will be posted to secure these obligations. See "Rights and Obligations of the Sponsor"

H. Each Purchaser shall be responsible for additional costs and expenses at closing including but not limited to: a legal fee of \$1,500.00 payable to Sponsor's attorney if the closing is held at the office of Sponsor's attorney. An additional fee of \$1,000.00 shall be due and payable by Purchaser if a title abstract or title company other than that designated by Sponsor is used; and if the closing takes place other than at the office of the Sponsor's attorney, an additional \$750.00 will be due and payable by the Purchaser. If the Purchaser requests that the name(s) of the grantee(s) on the deed and other conveyance documents be changed from the name(s) on the Purchase

Agreement, and such change is not requested in writing from Sponsor's attorneys at least five business (5) days prior to the scheduled closing date, an additional \$300 fee will be due and payable to Sponsor's attorneys. If the Purchaser does not pay the balance of the purchase price on time and is not held in default by the Sponsor, a fee equal to 0.08% of the purchase price for each day that the closing is adjourned shall be due and payable by the Purchaser. Purchaser shall be obligated to pay (i) the New York City Real Property Transfer Tax and any filing fee for the filing of the transfer tax return, and (ii) the New York State Real Estate Transfer Tax, and any new or additional taxes which may be imposed by law. The New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax are each calculated on an adjusted total purchase price. The adjusted total purchase price is obtained by calculating the taxes on the purchase price, then adding the taxes to the purchase price to obtain the adjusted total purchase price. (See "Closing Costs And Adjustments"). The Sponsor reserves the right to modify any of the foregoing in its sole discretion in any Purchase Agreement.

I. Payments made for special work, upgrades or extras ordered by Purchasers, if any, must be initially placed in the escrow account held by Sponsor's attorneys; any such funds shall be in addition to the downpayment required in the Purchase Agreement. However, these funds may be released from escrow so long as the Sponsor uses these funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission of the Purchase Agreement, the Purchaser will not receive a refund of any funds used for the upgrades or extras. See "Procedure to Purchase".

J. Sponsor makes no warranties other than as expressly set forth in "Rights and Obligations of Sponsor".

K. Sponsor reserves the right to withhold from selling one or more Units at any time at its sole discretion. Sponsor shall offer for sale such Units as it determines to sell at its sole discretion.

L. Application may be made by the Condominium for partial abatement from real estate taxes on Units pursuant to Section 11-243 (formerly Section J-512.5) of the Administrative Code of The City of New York. The Sponsor will not apply for any such benefits, and shall have no obligation to so apply, but if the Condominium desires, it may apply for partial abatement. There can be no assurances of the amount of the abatement, when such abatement will become effective (the abatement may not be effective upon the Closing of a Unit), whether and to which Units any such abatement will apply, or that such application will be granted. If such application is not granted, there will be no abatement from real estate taxes on Units and Purchasers will have no right to rescind their Purchase Agreements as a result.

M. Prior to the Closing, the Purchase Agreement prohibits a Purchaser from listing the Unit with any broker, advertising, publicizing, or otherwise offering the availability of the Unit for sale. See "Procedure to Purchase".

N. Federal bank deposit insurance covers deposits (including interest earned thereon) to a maximum of \$100,000 per deposit. Downpayments tendered by Purchasers in excess of \$100,000 (and any interest earned thereon) will not be federally insured in excess of \$100,000.

O. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that Purchaser has thirty (30) days from the mailing date or 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 such thirty (30) day period. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement, and, in such event, the monies held by the Escrow Agent, but not more than ten (10%) percent of the Purchase Price, and the actual costs incurred for any special work ordered by Purchaser (even though the total amount of liquidated damages thereby exceeds ten (10%) percent 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. Additionally, if a Purchaser fails for any reason, other than due to Sponsor, to close title to a Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of such default, the apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date and Purchaser will be required to pay to Sponsor an amount equal to 0.08% of the Purchase Price for each day that the Closing is adjourned. See "Closing of Title to Units". The Sponsor reserves the right to modify any of the foregoing, in its sole discretion, in any Purchase Agreement.

P. Sponsor shall have control of the Board of Managers for up to five (5) year after the first Unit closing or until more than seventy-five (75%) percent of the Common Interests in the Condominium have been sold. Therefore, while Sponsor is in control of the Board, Sponsor will have control of the maintenance and operation of the Condominium and will, as controlling party on the Board of Managers, determine the Common Charges to be paid for all Unit Owners (including Sponsor); provided, however, Sponsor shall vote to authorize the expenditures set forth in Schedule B of this Plan or any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. See "Control by Sponsor".

Q. Until Sponsor or a Sponsor-designee has conveyed title to Units representing seventy-five (75%) percent of the Common Interests, but in no event later than five (5) years after the First Unit Closing, whichever shall first occur, the Board may not amend the Declaration or the By-Laws nor take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make or allow any addition, alteration or improvement to the Common Elements unless required by law, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Unit Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit, or, (g) reduce any services; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no

other alternative is available, to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; or (ii) interfere with the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary for construction, renovation, repair, or correction of the Property as required by Sponsor or a Sponsor-designee, as the case may be. See "Control by the Sponsor".

R. Sponsor makes no representation or warranty that any noise, odors or vibrations, if any, emanating from the Commercial Units or from mechanical equipment belonging to the Commercial Units located on portions of the roofs or other Common Elements of the Condominium will not disturb occupants of the Residential Units and shall have no liability for any such disturbance. Furthermore, the Commercial Unit Owners have the right to combine, alter or subdivide the Commercial Units without requiring consent of the Board of Managers or anyone else, subject to applicable governmental regulations and the provisions of the Declaration and By-Laws of the Condominium.

S. All dimensions shown on floor plans are approximate and subject to square footage and construction variations. Square footage as calculated in Schedule A is described in "Footnotes to Schedule A."

T. It should be noted that the Building partially consists of an 88 year-old former industrial building and retail building, and there remains a likelihood of some uneven floors. Sponsor makes no warranty regarding levelness of floors.

U. Following is a disclosure required by Federal law: Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the purchaser of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. In accordance with Section 44 of the Purchase Agreement (see Exhibit D of Part II of this Plan), each Purchaser will be entitled to obtain a lead paint risk assessment or inspection of the subject Unit within ten (10) days of entering into the Purchase Agreement.

V. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion

dates set forth herein. During the first year of condominium operation, 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, ventilating and elevators, may require more than a year after any unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the first closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the building, including, but not limited to, installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her other Units during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations and odors may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the building.

W. The windows on the west side of Units 7B, 8B and 9B will be lot line windows, which are fire rated fixed units with wireglass. The lot line windows may be covered should the building on the adjacent lot be altered.

X. A Purchaser may not 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, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Purchaser (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages.

OFFERING PLAN FOR THE KEYSTONE BUILDING CONDOMINIUM

INTRODUCTION

EAST TRIBECA ASSOCIATES, LLC, a New York Limited Liability Company (the "Sponsor"), with an office c/o Alchemy Properties, Inc., 600 Third Avenue, New York, New York 10016, presents this Offering Plan (the "Plan") of residential condominium units located in the building at 38-44 Warren Street, also known as 140-144 Church Street, New York, New York 10007 (the "Building") and the land upon which the Building stands (the "Land"). The Land, Building and appurtenances are hereinafter sometimes referred to as the "Property" and/or the "Condominium". The name of the condominium will be The Keystone Building Condominium.

The purpose of this Plan is to set forth all the material terms of the offer. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all Purchasers and Unit Owners unless the Department of Law consents to service on a specified class of offerees.

The Sponsor is offering twenty-four (24) residential condominium apartment units located on the second through ninth floors of the Building. There will be three (3) commercial Units, located on the cellar and first floor of the Building as set forth in Part II of this Plan. Commercial Unit 1 is currently owned by Warren Street Associates, LLC, Commercial Unit 2 is currently owned by JEM Associates, LLC, and Commercial Unit 3 will be owned by the Sponsor or an affiliated entity. The residential condominium apartments are referred to individually as a "Residential Unit" or collectively as the "Residential Units," and the commercial units are referred to as the "Commercial Units". The Residential Units and the Commercial Units are collectively referred to as the "Units". A general description of the Units is set forth in Part I of the Plan. Legal descriptions of the Units and the Common Elements are found in the Declaration contained in Part II. The floor plans showing the approximate layout and dimensions of the Residential Units are also set forth in Part II of this Plan.

All Units are being offered in accordance with the schedule of sales prices (Schedule A) contained herein. As of the date of this Plan, the Commercial Units are not being offered for sale; however, they may be offered in the future by duly filed amendment to the Plan. **These prices have been set by the Sponsor alone and are not subject to review or approval by the Department of Law or any other governmental agency.**

The Plan, contains all of the material terms of the Sponsor's offer of condominium Units. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with filing the Plan will be available for inspection by prospective Purchasers, without charge, and for copying, at a reasonable charge, at the sales office located on the Property whenever it is open and at the office of the Sponsor, during normal business hours, and at the Department of Law.

Warren Street Associates, LLC, the current owner of Commercial Unit 1, acquired the Land and the Building erected thereon by deed from Fee Buyer, L.P. dated September 26, 1997 and recorded on December 3, 1997 in Reel 2519 Page 1301 in the New York County Office of the Register of the City of New York (the "Register's Office"). On December 12, 1997, Warren Street Associates, LLC filed a Declaration of Condominium (the "Original Declaration") submitting the property to the New York Condominium Act and establishing the Church Street Commons Condominium consisting of three commercial units. The Original Declaration was recorded in the Register's Office on February 17, 1998 in Reel 2546 Page 1068 and was amended by the First Amendment dated August 20, 1999 and recorded on September 30, 1999 in Reel 2964 Page 1605. On February 1, 1999, the Sponsor acquired a Unit which was designated in the Original Declaration as Commercial Unit 3 and such Unit's percentage interest in the Common Elements of the Condominium by deed from Warren Street Associates, LLC. The Sponsor is renovating that Unit and constructing and creating additional Residential Units to be designated as Units 2A through 9C in this Plan, and Commercial Unit 3. The Sponsor will cause to be executed and recorded a Second Amendment to the Original Declaration of Condominium which will, *inter alia*, change the name of the Condominium to The Keystone Building Condominium and contain an Amended and Restated Declaration of Condominium and Amended and Restated By-Laws in substantially the form set forth in Part II of this Plan prior to the conveyance of a Unit to a Purchaser. References made hereafter in this Plan to "Declaration", "By-Laws", and "Floor Plans" shall mean the Amended and

Restated Declaration and Amended and Restated By Laws of The Keystone Building Condominium and the revised Floor Plans to be filed by the Sponsor, unless otherwise indicated. Reference made hereafter in this Plan to "Sponsor" shall mean East Tribeca Associates, LLC, and its successors, assigns and designees.

Features of Condominium Ownership

An Owner of a Condominium Unit owns the Unit outright, in fee, and is entitled to the exclusive possession of that Unit. The Unit Owner is also the owner, in common with the owners of all the other Units, of all parts of the Property other than the Units themselves (the "Common Elements", as hereinafter defined) and to use the Common Elements. Certain of the Common Elements have exclusive advantages or substantially exclusive advantages which are enjoyed by one or more but less than all Unit Owners, and are known as "Limited Common Elements". An example of Limited Common Elements are the terraces appurtenant to certain Units. The Common Elements and Limited Common Elements are described in Article 6 of the Declaration, found in Part II.

The owner of a Residential Unit can sell or lease the Unit, without restriction or limitation, subject only to a right of first refusal in favor of the Board of Managers of the Condominium exercisable at the same price offered to the Unit Owner (see the section of the Plan entitled "Sale or Lease of Units by Unit Owners"). The Commercial Units are not subject to a right of first refusal.

Unit Owners may decorate the interior of the Unit in any way that they desire. Unit Owners are obligated to pay the cost of interior decoration and repair after closing. Residential Unit Owners are responsible for maintenance and repairs to the Unit (excluding entrance doors and windows, unless the repair is necessitated by the Unit Owner's negligent act or omission) and to electrical and plumbing installations and fixtures (other than electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units which are the responsibility of the Board of Managers). Unit Owners are responsible for repair or replacement of appliances, including clothes washers and clothes dryers in individual Units, and repair or replacement of the units that will provide individually controlled heat and air conditioning within the Units.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. However, with respect to the roof terraces with direct access from Units 6A, 6B, 6C, 9A, 9B, and 9C, the maintenance and repair responsibility of the Unit Owner is limited to the concrete pavers over the roofing material, and all railings, fencing, installations, planters, etc. unless there is damage to the roofing material caused by the Unit Owner, in which event the Unit Owner shall be responsible for the repair of same. No planters may be placed on the terraces or roof penthouses that exceed the weight and pottage limits prescribed in the applicable municipal codes and regulations. The owner of Commercial Unit 1 is responsible for the repair and maintenance of Limited Common Elements appurtenant to that Unit, removal of snow and ice from the sidewalk adjacent to that Unit, utility lines and installations and sprinkler system servicing that Unit, the mechanical equipment located on the second floor roof, the entrance and exit doors leading to the street, any other Commercial Limited Common Elements shown on the Floor Plans and said Commercial Unit's proportionate share of repairs and

maintenance to the General Common Elements described in the Declaration. With respect to the Residential lobby and lobby entrance doors, the common roof terrace and utility installations servicing the Residential Units only, among other items which are Limited Common Elements for the exclusive use of the Residential Unit Owners, the responsibility of the Unit Owners is for repair, replacement and ongoing maintenance which will be provided by the Board of Managers and charged to all Residential Unit Owners only as a Common Expense.

Unit Owners may mortgage their Units in any amount. No Unit will be subject to the lien of any mortgages placed by other Owners on their Units.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and Unit Owners will not be responsible for taxes on Units other than their own. In the opinion of Sponsor's counsel, as set forth in this Plan, under present tax laws a Unit Owner may deduct the real estate taxes assessed against the Unit, and paid by the Unit Owners, from his or her income for income tax purposes, and, in the case of a primary residence, subject to the limitations set forth in the opinion, the interest paid on the mortgage encumbering the Unit.

Although the Board of Managers will carry fire insurance covering the Building and public liability insurance, Unit Owners are encouraged to carry insurance covering the interiors of their Units, their furniture and furnishings and personal property. The Owners of the Commercial Units will pay their proportionate share of fire and multi-peril insurance policy premiums and be responsible for any increase in insurance costs to the particular Condominium resulting from the use of a Commercial Unit.

Managing the affairs of the Condominium will be the responsibility of its Board of Managers. Subject to the rights of the Sponsor and certain Commercial Unit Owners as described in this Plan, the members of the Board of Managers are elected by the Unit Owners. The Board of Managers will assess charges against each Unit Owner ("Common Charges"), in proportion to the respective interests in the Common Elements (or, with respect to the Commercial Units, as set forth in the Declaration), for the maintenance of the Common Elements and for the operating costs of the Property ("Common Expenses"). A budget containing estimates of Common Expenses for the first year of condominium operation is contained in Schedule B. Unit Owners are obligated to pay their Common Charges in accordance with Sections 339(i) and 339(m) of the New York Condominium Act.

Each Unit Owner will pay for all electricity which is consumed within a Residential Unit for air conditioning, lighting and appliances. Those charges will be separately submetered and billed directly to the Unit Owner by the applicable utility. The Condominium will pay the gas and electric charges for heating, cooking and to heat the hot water utilized by the rooftop boilers supplying the individual Unit heat pumps and for the Common Elements (including the hallways and elevator) as part of the Common Expenses, and each Residential Unit Owner will pay his or her proportionate share as part of the Common Charges. See Schedule B for estimates of common electric and gas costs and Schedule B-1 for estimates of individual unit electric and gas costs.

The Commercial Unit Owners will pay gas and electric charges by direct meter from the utility company and water charges to the extent utilized by the Commercial Unit Owners as determined by direct meters.

Legal Documents

The agreement to purchase a Unit is called a "Purchase Agreement". A Purchase Agreement for Residential Units is set forth in full in Part II of this Plan as Exhibit D.

The Declaration and By-Laws which will govern the operation of the Condominium are set forth in Part II as Exhibits F and G respectively. Each Unit Owner is required to comply with the Declaration, the By-Laws, and the rules and regulations thereunder and any other requirement of the Condominium's Board of Managers. They are summarized in Part I in the section entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Copy of the Plan

To accommodate prospective Purchasers who desire to purchase a Unit but who are not ready to execute a Purchase Agreement, a prospective Purchaser may request a copy of the Plan from the Selling Agent. Such person shall tender a check made payable to "Alchemy Properties, Inc.", in the amount of \$100. The deposit assures the return of the copy of the Plan to the Selling Agent in good condition. If, within thirty (30) days of collection of the aforesaid check, a prospective Purchaser enters into a Purchase Agreement or returns the copy of the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will not bear interest. After the expiration of such thirty (30) day period, if the copy of the Plan is not returned in good condition or the prospective Purchaser has not entered into a Purchase Agreement, then the aforesaid deposit will be released to the Sponsor.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property

The Property is located on the north side of Warren Street at the corner of Church Street with a frontage of approximately 100 feet along Warren Street and approximately 100 feet along Church Street.

The Building

The Building consists of a subcellar, cellar, ground or first floor and nine (9) stories above the lobby floor and will include a roof above the ninth floor. There will be twenty-four (24) Residential Units located on floors two through nine and a common roof terrace for use by Residential Unit Owners, and there are three Commercial Units on the cellar and first floors, described in the section of the Plan entitled "The Commercial Units." The subcellar contains individual storage areas for use by Residential Unit Owners, accessible by stairs (but not by elevator) from the cellar level.

The Residential Units

There will be twenty-four (24) Residential Units. The Residential Units will each contain a gas range, refrigerator, dishwasher, combination clothes washer/dryer, microwave oven and wine chiller. See Exhibit A in Part II of the Plan for more detail.

Each Residential Unit will have individual heat pumps providing individually controlled heating and incremental console-type units for air conditioning. The Units will be pre-wired for data, telephone and cable service. Units 6A, 6B, 6C, 9A, 9B and 9C will each have a private roof terrace with direct access from the Unit, which terraces are Limited Common Elements for the use of the respective Owners of said Units. It will be the responsibility of such Unit Owners to maintain the concrete pavers on the surface of the roof terrace covering the roofing material, and any installations, planters, railings, fencing, etc. and to make any and all repairs of damage caused by any plantings or other installations placed by the Unit Owner on such roof terrace.

The windows on the west side of Units 7B, 8B and 9B will be lot line windows, which are fire rated fixed units with wireglass. The lot line windows may be covered should the building on the adjacent lot be altered.

Part II sets forth a description of the Building and Units, including the equipment supplied by Sponsor which is included in the Purchase Price, and any optional extra features which may be available. Purchasers should review the general description and outline of the specifications for the Building and the Units that appears in Part II as Exhibit E, "Description of Property and Specifications".

The Units and Building containing them will be renovated substantially in accordance with the plans prepared by Nicholas Tjartjalis, Architect, and the specifications thereon, copies of which are available in the office of the Sponsor, and will conform to all applicable rules, regulations, laws and other requirements of all

governmental authorities having jurisdiction thereof, including those governing zoning and construction. These authorities are the New York State Building Code as applied and interpreted by the New York State Code Commission and the Building Department of the City of New York, the Board of Fire Underwriters and the Board of Health. The Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications, and the plans and specifications shall be amended accordingly.

Sponsor has projected the First Closing of a Residential Unit for November 1, 2001 based upon the current construction and permit approval schedule. The actual date for the First Unit Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other prerequisites to closing of title. Construction may be delayed by the late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. The Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor. Except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Unit Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

Building Services and Facilities

Staffing: There will be a part-time superintendent seven days per week who will be on call in accordance with guidelines set forth by the Managing Agent.

Recreation Facilities: Recreation facilities within the Building which may be used by Residential Unit Owners at no additional charge will consist of a common roof terrace above the ninth floor.

Laundry: All Residential Units will be equipped with individual combination gas washers and dryers.

Telecommunications Service: Each Unit will be pre-wired to receive cable television, multi-line telephone, and internet services. Unit Owners will contract individually to purchase cable service, telephone and internet service.

Trash Removal: There will be a trash room in the cellar with compactor servicing the Residential Units, connected to refuse chutes on each residential floor.

Mailboxes: The mailboxes for Residential Units will be located in the Residential lobby. A U.S. Postal Service employee will deliver incoming mail.

Elevator Service: The Residential Units will be served by one automatic passenger/service elevator. The elevator will service the cellar through the ninth floors of the Building.

Storage Area: There will be a room at the subcellar level for Residential Units storage. Individual areas within the storage area will be allocated by the Sponsor, in its sole discretion, to Purchasers of Units, at the time of closing of the Unit, regardless of the size or percentage interest in Residential Common Elements. One area will be designated for each Residential Unit.

Fire Protection: Hard-wired smoke detectors will be provided in each Residential Unit in accordance with applicable code. A combined sprinkler standpipe is located in each stairwell, and there will be sprinklers located throughout the building.

Intercom System and Door Monitoring System: Each Residential Unit will be equipped with an intercom providing two-way private voice and video communication from the Residential Unit to the lobby of the Building and a buzzer system allowing Unit Owners to admit visitors.

Snow Removal: The Condominium will be responsible for the removal of snow and ice from the sidewalks adjacent to the Building's residential entrance on Warren Street. The Owner of Commercial Unit 1 will be responsible for the removal of snow and ice from the sidewalks adjacent to Commercial Unit 1 on Warren Street and Church Street.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is situated in the Borough of Manhattan in the City of New York.

New York City is one of the leading cultural centers of the world with some of the finest universities, museums, libraries, theaters and cultural institutions. It is renowned as a medical center and is a popular national and international tourist attraction. New York City is also one of the nation's leading business centers. New York City is the home of the New York and American Stock Exchanges and the National Over the Counter Stock Market. It is headquarters to many of the country's "Fortune 500" companies, largest commercial banks, leading investment banks, largest law firms, and large accounting firms.

New York City is one of the nation's center for communications, publishing, advertising, legal and financial services, business consulting and public relations. It is also a center for visual and performing arts and the fashion industry. Virtually every industrial, technical, commercial and professional skill is available in the City's vast labor pool. In addition, New York City is the home of the United Nations and associated international consulates and missions. It is a major sports city with professional basketball, baseball and hockey franchises.

The New York City area is well served by transportation facilities of every kind. Taxi and limousine service is readily available. Railroad service is provided by Long Island Railroad and Metro North. Passenger railroad service is provided from Grand Central Station and Pennsylvania Station. The subway rail systems and bus routes afford travel throughout Manhattan, Brooklyn, Queens and the Bronx. New York City is served by three (3) major airports, Kennedy International and LaGuardia in New York and Newark International in Newark, New Jersey. These three (3) airports, provide air service to nearly all major destinations in the United States and the world.

New York City is also a recognized center for culture. Its vast number of museums and institutions for the performing arts make it one of the great cultural capitals of the world.

Police, Fire, Water, Snow Removal & Road Maintenance

The Property is located within blocks from a police station, a fire station, shopping facilities, public transportation and public recreation. Police and fire protection and road maintenance services (including snow removal from the street but excluding snow removal from the sidewalk) are provided by the City of New York. Water charges for the Residential Units will be paid by Residential Unit Owners as a Residential Common Expense of the Condominium.

Medical, Educational and Religious Facilities

The area served by several hospitals, and numerous private physicians and dentists have offices in the locale of the Condominium.

Numerous private schools, public schools and parochial schools on the elementary, middle school and high school levels are located within a short distance of the Condominium.

There are houses of worship of most major denominations in the vicinity of the Condominium.

SCHEDULE A
PURCHASE PRICE AND OTHER FINANCIAL DETAILS FOR EACH UNIT
THE KEYSTONE BUILDING CONDOMINIUM

First Year of Condominium Operation
Estimated to be November 1, 2001 through October 31, 2002

Unit Number (1)	Approx. Area (2)	BR/ Bath	Purchase Price (3)	Percentage Interest in the Common Elements (4)	Percentage of Interest in Residential Common Elements	Estimated Common Charges For 1st Year		Estimated Real Estate Taxes For 1st Year		Total Estimated Carrying Charges for 1st Year (Common Charges and Real Estate Taxes)	
						Monthly (5)	Annual (5)	Monthly (6)	Annual (6)	Monthly (7)	Annual (7)
Comm Unit 1	11,782	N/A	N/A	13.40%	0	\$363.75	\$4,365.00				
Comm Unit 2	3,595	N/A	N/A	4.04%	0	\$0.00	\$0.00				
Comm Unit 3	146	N/A	N/A	0.02%	0	\$0.00	\$0.00				
2A	2,149	1/2.0	\$696,500	3.54%	4.28%	\$670.36	\$7,857.29	\$957.35	\$11,488.25	\$1,627.71	\$19,532.53
2B	2,162	2/2.5	\$795,000	3.56%	4.31%	\$674.41	\$7,904.82	\$963.15	\$11,557.75	\$1,637.56	\$19,650.69
2C	2,815	3/2.5	\$1,095,000	4.63%	5.61%	\$878.11	\$10,292.36	\$1,254.05	\$15,048.59	\$2,132.16	\$25,585.89
3A	2,632	3/2.5	\$1,180,000	4.33%	5.25%	\$821.02	\$9,623.26	\$1,172.53	\$14,070.30	\$1,993.55	\$23,922.58
3B	2,162	2/2.5	\$870,000	3.56%	4.31%	\$674.41	\$7,904.82	\$963.15	\$11,557.75	\$1,637.56	\$19,650.69
3C	2,815	3/2.5	\$1,190,000	4.63%	5.61%	\$878.11	\$10,292.36	\$1,254.05	\$15,048.59	\$2,132.16	\$25,585.89
4A	2,632	3/2.5	\$1,200,000	4.33%	5.25%	\$821.02	\$9,623.26	\$1,172.53	\$14,070.30	\$1,993.55	\$23,922.58
4B	2,162	2/2.5	\$940,000	3.56%	4.31%	\$674.41	\$7,904.82	\$963.15	\$11,557.75	\$1,637.56	\$19,650.69
4C	2,815	3/2.5	\$1,270,000	4.63%	5.61%	\$878.11	\$10,292.36	\$1,254.05	\$15,048.59	\$2,132.16	\$25,585.89
5A	2,632	3/2.5	\$1,260,000	4.33%	5.25%	\$821.02	\$9,623.26	\$1,172.53	\$14,070.30	\$1,993.55	\$23,922.58
5B	2,162	2/2.5	\$975,000	3.56%	4.31%	\$674.41	\$7,904.82	\$963.15	\$11,557.75	\$1,637.56	\$19,650.69
5C	2,815	3/2.5	\$1,335,000	4.63%	5.61%	\$878.11	\$10,292.36	\$1,254.05	\$15,048.59	\$2,132.16	\$25,585.89
6A (Int.)	1,248	2/2.0	\$865,000	2.05%	2.49%	\$389.30	\$4,563.01	\$555.97	\$6,671.63	\$945.27	\$11,343.23
6A (Ext.)T	1,153										
6B (Int.)	1,955	2/2.5	\$1,425,000	3.22%	3.90%	\$609.84	\$7,147.98	\$870.93	\$10,451.15	\$1,480.77	\$17,769.24
6B (Ext.)T	790										
6C (Int.)	1,850	2/2.0	\$1,295,000	3.04%	3.69%	\$577.09	\$6,764.07	\$824.15	\$9,889.84	\$1,401.24	\$16,814.88
6C (Ext.)	736										
7A	1,248	2/2.0	\$735,000	2.05%	2.49%	\$389.30	\$4,563.01	\$555.97	\$6,671.63	\$945.27	\$11,343.23
7B	1,955	2/2.5	\$1,140,000	3.22%	3.90%	\$609.84	\$7,147.98	\$870.93	\$10,451.15	\$1,480.77	\$17,769.24
7C	1,850	2/2.0	\$1,095,000	3.04%	3.69%	\$577.09	\$6,764.07	\$824.15	\$9,889.84	\$1,401.24	\$16,814.88
8A	1,248	2/2.0	\$790,000	2.05%	2.49%	\$389.30	\$4,563.01	\$555.97	\$6,671.63	\$945.27	\$11,343.23
8B	1,955	2/2.5	\$1,245,000	3.22%	3.90%	\$609.84	\$7,147.98	\$870.93	\$10,451.15	\$1,480.77	\$17,769.24
8C	1,850	2/2.0	\$1,145,000	3.04%	3.69%	\$577.09	\$6,764.07	\$824.15	\$9,889.84	\$1,401.24	\$16,814.88
9A (Int.)	1,248	2/2.0	\$1,115,000	2.05%	2.49%	\$389.30	\$4,563.01	\$555.97	\$6,671.63	\$945.27	\$11,343.23
9A(Ext.)T	648										
9B (Int.)	1,955	2/2.5	\$1,725,000	3.22%	3.90%	\$609.84	\$7,147.98	\$870.93	\$10,451.15	\$1,480.77	\$17,769.24
9B(Ext.)T	712										
9C(Int.)	1,850	2/2.0	\$1,850,000	3.04%	3.69%	\$577.09	\$6,764.07	\$824.15	\$9,889.84	\$1,401.24	\$16,814.88
9C(Ext.)T	1,001										
TOTAL:	50,165		\$27,231,500	100.00%	100.00%	\$15,648.42	\$187,781.00	\$22,347.92	\$268,175.00	\$37,996.33	\$455,956.00

THE KEYSTONE BUILDING CONDOMINIUM
FOOTNOTES TO SCHEDULE A

1. Floor plans depicting the layouts of typical Residential Units are contained in Part II of this Plan. All dimensions shown on such plans are approximate and subject to construction variances and square footage variations. Plans and dimensions may also contain minor variations from floor to floor. The notation "T" refers to a Residential Unit which has an adjoining terrace which is a Limited Common Element.
2. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions of the Unit. Square footage as calculated herein reflects the area measured horizontally from the inside face of the glass and/or the inside face of the concealed blockwork of the exterior walls and/or the inside face of the concealed concrete structural members (perimeter and interior mechanical pipes and shafts are not deducted) to the center line of the corridor walls and to the centerline of demising partitions between Units and to the concealed face of a concrete or masonry wall separating a Unit from fire stairs or elevators. These dimensions exclude the area of any balconies and terraces. They exceed the usable net floor area of each Unit.
3. These prices have been set by Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of the Plan entitled "Changes in Prices and Units". Prices and other terms of the sale are negotiable; see the Section of this Plan entitled "Changes in Prices and Units". For closing costs payable by Purchasers (in addition to the price) and adjustments at closing, see the section of the Plan entitled "Unit Closing Costs and Adjustments".

Purchasers are responsible for the payment of the New York State and New York City Real Property Transfer Taxes (the "Real Property Transfer Taxes") and the \$25.00 filing fee for the New York City tax due on the transfer of Residential Units to the Purchasers by the Sponsor. **THESE ARE STATUTORY OBLIGATIONS OF A SELLER OF REAL PROPERTY, AND THE SHIFTING OF THE OBLIGATION FROM THE SPONSOR AS SELLER TO THE PURCHASER IS DEEMED ADDITIONAL TAXABLE CONSIDERATION TO THE SELLER.** Thus, the New York State Real Estate Transfer Tax, which is currently .4% of the purchase price of a single Residential Unit, when paid by the Purchaser is increased to approximately .4016%. The New York City Real Property Transfer Tax, which is currently 1% of the purchase price where the purchase price of a single Residential Unit is \$500,000 or less and 1.425% of the purchase price where the purchase price is more than \$500,000 is increased to approximately 1.01% and 1.4453%, respectively. Purchasers shall execute the required Real Property Transfer Tax Returns in connection with the payment of the foregoing taxes and other transfer taxes which are imposed by law on purchasers of certain Residential Units.

The Sponsor may be entitled to credits for the amount of Real Property Transfer Taxes paid by Purchasers upon the conveyance of the Units; these credits shall inure to the benefit of the Sponsor and shall at each Unit's closing be adjusted in its favor.

4. The allocation of common interests is based upon method (iv) contained in Section 339-i of the New York Condominium Act—that is, 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.
5. The Projected Common Charges are based upon the “Projected Schedule of Receipts and Expenses for the First Year of Condominium Operation” (Schedule B). The figures shown do not include the cost of electricity consumed within Residential Units for air conditioning, lighting and appliances, the cost of telephone or cable television service or the costs to maintain the interior of the Unit or the limited common elements appurtenant thereto. See Schedule B-1 for projected individual utility costs. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay the debt service on that mortgage and all accompanying expenses associated with such mortgage including real estate tax escrows and insurance escrows.
6.
 - a. The estimated taxes for Residential Units are based on fiscal year commencing November 1, 2001 since the anticipated commencement date (anticipated date of first Unit closing) is November 1, 2001.
 - b. The real estate tax amount due for fiscal year commencing November 1, 2001 includes a portion of the 2001/2002 fiscal year (November 1, 2001 to June 30, 2002) and a portion of 2002/2003 fiscal year (July 1, 2002 to October 31, 2002);
 - c. The taxable assessed value for the 2001/2002 fiscal year is \$1,219,488 and the current (2000/2001) applicable tax rate is 9.768% (applicable to non-residential Class 4 properties), so that the taxes for the fiscal year equals approximately \$119,120;
 - d. The taxable assessed value for all of the Residential Units in the aggregate for the 2001/2002 fiscal year is estimated to be \$2,190,758 (based on the current assessed value plus 45% (the equalization rate) of the estimated value of renovations and improvements made through January 5, 2001) and an anticipated tax rate of 9.768%, the current (2000/2001) tax rate applicable to Class 4 commercial properties, so that the real estate taxes for eight months of the 2001/2002 fiscal year are anticipated to be approximately \$142,662;
 - e. The taxable assessed value for all of the Residential Units in the aggregate for the 2002/2003 fiscal year is estimated to be \$3,471,363 (based on the current assessed value plus 45% (the equalization rate) of the estimated total value of renovations and improvements) and an anticipated tax rate of 10.847%, the current (2000/2001) tax rate applicable to Class 2 residential properties (which should become the new classification for the subject property), so that the real estate taxes for the four months of the 2002/2003 fiscal year are anticipated to be approximately \$125,513;
 - f. The total taxes anticipated to be payable for the fiscal year commencing November 1, 2001 therefore equal approximately \$268,175; and

g. It is anticipated that upon completion of the renovation of the property that the assessed valuation will be \$3,611,880 and that taxes for the year after the budget year are estimated to be approximately \$391,781. The Residential Units should be divided into separate tax lots for the 2002/2003 fiscal year resulting in separate tax bills.

The estimates of real estate taxes set forth in Schedule A have been calculated based upon each Unit's respective percentage interest in the common elements multiplied by the total anticipated taxes payable (\$268,175). The Sponsor does not represent or guarantee that this method of allocation will be utilized by the City of New York in allocating taxes to the Residential Units of the Condominium as separate tax lots.

After the Residential Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that The City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interests. If it does not, Owners of Units having the same Common Interest will pay different amounts of real estate taxes.

If the first Unit Closing occurs prior to the separate assessment of the Residential Units of the Condominium, and there is still only a single real estate tax bill with respect to all of the Residential Units in the aggregate, then each of the Residential Unit Owners shall be obligated to pay to the Condominium Board a pro rata share of the full tax bill for all of the Residential Units based on the Unit's percentage interest in the Residential Common Elements. The Condominium Board shall pay the single tax bill, and if in fact the separate assessments for the various Residential Units are made other than in accordance with the relative percentage of Residential Common Interest, then subsequent adjustments shall be made among the Unit Owners. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account.

Although the estimate of NYC Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made by the City Of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation are to be considered well-founded opinions and are not intended, and should not be construed as, warranties as to future assessed valuations or of the actual real estate taxes to be assessed. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to Taxes - Deductions to Unit Owners for more details.

7. Real estate taxes are deductible for income tax purposes for Unit Owners who itemize deductions in accordance with current IRS regulations. The deductible amount of real estate taxes may vary due to changes in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in

a change in real property taxes or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by a Purchaser who obtains mortgage financing for his or her Unit and designates same as a primary qualifying residence, although not shown in this column, is also deductible for tax purposes by a person who itemizes deductions in accordance with current IRS regulations. The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage or the allocation of constant debt service payments between interest and principal.

8. This column represents the total of Projected Monthly Real Estate Taxes and Projected Monthly Common Charges.

**SCHEDULE B
PROJECTED BUDGET**

**The Keystone Building Condominium
38-44 Warren Street, New York City
Estimated Schedule of Receipts and Expenses
for First Full Year of Operation
Beginning November 1, 2001**

RECEIPT

Residential Common Charges (1)	\$183,416.00
Commercial Common Charges (1)	\$ 4,365.00

EXPENSES

Payroll (Superintendent) (2)	\$ 25,225.00
Employee Benefits (2)	\$ 2,000.00
Gas (3)	\$ 4,000.00
Electricity (4)	\$ 20,130.00
Water & Sewer Vault Tax (5)	\$ 15,000.00
Repairs, Supplies & Maintenance (6)	\$ 30,000.00
Service Contracts (7)	\$ 16,000.00
Insurance (8)	\$ 24,176.00
Management Fee (9)	\$ 20,000.00
Administration (10)	\$ 12,750.00
Other (11)	\$ 3,500.00
Capital Reserve Fund (12)	\$ 5,000.00
Contingency (13)	\$ 10,000.00

TOTAL: **\$187,781.00**

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

(1) Common Charges - The expenses for the projected first year of Condominium operation were allocated among the Residential Units and Commercial Unit #1 based on the actual usage of the services and facilities of the Condominium by each type of Unit Owner. No Common Charges have been allocated to Commercial Units #2 and #3 since these units do not utilize any common services or facilities. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing November 1, 2001.

If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right, for a specified, reasonable period of time of not less than fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded.

(2) Payroll & Employee Benefits - The Building staff will consist of one part-time non-union resident superintendent. Such level of staffing complies with all applicable housing and labor laws and the level of payment will meet state minimum wage laws. The following expenses are mandated by law for each employee:

Salary	\$22,000.00
FICA Employer	7.65%
N. Y. State Unemployment	7.00%
Federal Unemployment	0.80%
State Disability Insurance	\$35.70
Worker's Compensation	5.486%

TOTAL: \$25,225.00

Since the Commercial Unit owners will not utilize the services of the Superintendent, the above is an expense of Residential Unit Owners only.

(3) Gas (Heating) - The hallways will be heated by natural gas provided by Consolidated Edison to heat the Building. The budgeted amount also includes the cost of gas to heat the rooftop boilers supplying hot water to the Residential Units, and gas for cooking. The Mechanical Engineer, Irwin Associates, with an office at 227 West 29th Street, New York, New York 10001 has estimated that consumption of natural gas fuel for the year commencing November 1, 2001 through October 31, 2002 will be 530,000 cubic feet (\$0.1184 per cubic foot of gas for the first 300 cubic feet and 0.0071 per cubic foot thereafter).

Residential Unit Owners will not pay separately for gas consumption in individual Units.

The budget amount for gas is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison, increased by ten percent (10%) and rounded.

Total = \$4,000.00

It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of gas during the first year of operation. However, no warranty is made that the projection for gas will be in accordance with the actual cost of the same during the first year of condominium operation.

(4) Electricity - Includes the cost of electricity for the common areas. It does not include the cost of electricity to individual Residential Units. The Residential Unit's elevator electric is included in the Common Area electric. Each Residential Unit Owner will be responsible for electricity to her or his own Unit including appliances, air conditioning and the heat pump fans. Each Unit will be metered separately and billed by Consolidated Edison, based on the same consumption. The Mechanical Engineer, Irwin Associates, has estimated that consumption of electricity for the common areas for the twelve (12) month period commencing November 1, 2001 will be 130,000 kilowatts.

The budget amount for electricity is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison (\$0.15 per kilowatt in commercial areas and \$0.15 per kilowatt in residential areas), increased by ten percent (10%).

Commercial Unit #1 will be separately metered.

Total = \$20,130.00

Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of electricity during the first year of operation. However, no warranty is made that the projection for electricity will be in accordance with the actual cost of the same during the first year of condominium operation.

(5) Water & Sewer - The budget amount is predicated on a projected increase of 7% over the actual water charges and sewer rent for the twelve months ending with October 31, 2000 and is based on the experience of the Sponsor's principals with other similar loft building conversions in Manhattan.

Commercial Unit #1 will be separately metered.

Total = \$15,000.00

(6) Repairs, Supplies & Maintenance - Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Residential Unit Owners. The budgeted figure is based upon an estimation of repairs to the interior of the Building, the roof, the exterior of the Building (including walls), the plumbing and electrical systems, painting of public areas, foundations, the heating system (including pipes and control devices regulating distribution in the Building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies). No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the Building. The budgeted amount is based on the Managing Agent's experience in operating newly constructed buildings of comparable size and quality.

Plumbing	\$ 4,000.00
Electrical	\$ 4,000.00
Air Conditioning	\$ 4,000.00
Painting Common Areas	\$ 3,000.00
Exterior Repairs	\$ 2,000.00
Interior Repairs	\$ 3,000.00
Heating	\$ 5,000.00
Supplies	\$ 5,000.00

Total = \$30,000.00

A portion of the exterior repairs only is allocated to Commercial Unit #1.

(7) Service Contracts - Includes the cost for the following service contracts:

Elevator Service \$5,520.72 per annum pursuant to a proposal from Staley Elevator to the Condominium for service of the elevator. The proposal is for \$425.00 per month plus 8.25% sales tax.

Extermination service \$3,637.20 per annum pursuant to a proposal from Pest Away Exterminating, Inc. to the Condominium for exterminator's service. The proposal is for \$280.00 per month plus 8.25% sales tax.

Fire Protection Systems Service: \$3,029.00 per annum pursuant to a five (5) year contract for AFA Protective Systems, Inc. for the central station alarm system.

Sprinkler Inspection Service: \$3,572.28 per annum pursuant to a contract with VIP Fire Sprinklers Inc. The proposal is for \$275.00 per month plus 8.25% sales tax.

Total = \$15,759.20

The Sponsor has reserved the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium on commencement of operation. However, the Sponsor may not enter into any binding service or maintenance contract that will materially increase the first year's Common Expenses or that would be binding on the Condominium for more than two (2) years, unless disclosed in this Plan or in an amendment thereto.

For further details, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

Since none of these services pertain to Commercial Unit #1, no portion is allocated to that unit's Common Charges.

(8) Insurance - Insurance is projected on the basis of an estimate of insurance costs provided by the Tannenbaum Harbor Co. Inc., 320 West 57th Street, New York, NY dated as of September, 2000.

Commercial Package Policy - Includes the following:

I. Real Property Building: Fire, Extended Coverage and "all risk" (subject to company form) on a newly rehabilitated residential condominium with some commercial situated

at 38-44 Warren Street, New York, New York in an Agreed Amount of \$12,585,000 on the Building and \$400,000 on the loss of rents. Coverage includes Replacement Cost/Agreed Value with a \$ 1,000 Deductible

II. Commercial General Liability Insurance subject to a limit of \$1,000,000 per occurrence and \$2,000,000 Annual Aggregate for Bodily Injury, Personal Injury and Property Damage. Coverage includes \$1,000,000 Non Owned & Hired Auto Liability, \$1,000,000 Water Damage Legal Liability.

III. \$1,000,000 Directors & Officers Liability, with a deductible of \$2,500.00 and 1% retention.

IV. Employee Dishonesty - \$100,000 Commercial Blanket Bond with a deductible of \$1,000.00, including the Managing Agent Rider.

V. Umbrella Liability subject to a limit of \$200,000,000 and in the aggregate annually excess of the underlying coverage.

VI. Boiler & Machinery - \$5,000,000 blanket limit for Direct Damage, Business Interruption and Extra Expense subject to a \$1,000 deductible for Direct Damage and a 12 Hour Waiting Period for Business Interruption and Extra Expense.

The terms of the fire, casualty and general liability insurance will provide (i) that each Unit Owner is an additional insured, (ii) that there will be no cancellation without prior notice to the Board of Managers, (iii) a waiver of subrogation, (iv) a waiver of invalidity because of the acts of the insured and Unit Owners and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause which meets the co-insurance requirement.

A portion of the insurance expenses is allocated to the Commercial Unit #1 in accordance with its interest in the common elements.

In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals its then estimated replacement cost.

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first closing of title to a Unit, a fire and liability binder or policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit.

Total = \$24,176.00

See the Subsection of the Offering Plan entitled "Insurance", in the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

(9) Management Fee- Based on a proposed agreement with Taube Management for a term of two (2) years. The services of the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the second anniversary of such date. The annual management fees will be \$20,000.00. This management fee reflects the prevailing cost for similar services. It is based on the size of the building and number of Residential Units.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$20,000.00

For further details as to the responsibilities of the managing agent, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

(10) Administration - All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant.

Audit: Goldstein, Golub & Kessler	\$7,500.00
Legal (See explanation below)	\$5,000.00

Goldstein Golub & Kessler is located at c/o American Express Tax & Business Services, Inc., 1185 Avenue of the Americas, New York, NY 10036-2602.

Legal includes general business matters.

This estimate is based on a proposal from Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY. However, it is anticipated that the Condominium Association shall choose their own legal counsel.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$12,500.00

(11) Other- Other Expense covers the ongoing need for telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, and annual meetings. It has been estimated at \$3,500.00 for the year.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$3,500.00

(12) Capital Reserve Fund - Amounts set aside in this fund should be sufficient to pay for major capital repairs or replacement items which may be needed within the first five (5) years of condominium operation.

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$5,000.00

(13) Contingency - This fund may be used at the discretion of the Board of Managers toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the Contingency Fund is intended to provide for any unanticipated expenses or unanticipated increase in projected expenses. The Contingency fund is separate and distinct from the Working Capital Fund (see the section of the Plan entitled "Working Capital Fund ") and from the "Capital Reserve Fund" (see above).

These fees are not included in the Common Charges for Commercial Unit #1.

Total = \$7,500.00

In the opinion of Taube Management Inc., Licensed Real Estate Broker (Annexed to the Offering Plan in section titled "Certification of Sponsor's Expert Concerning Adequacy of Budget"), the projected receipts appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable Units similarly situated) to meet the estimated expenses for the first year of operation, assuming such first year to be the year commencing November 1, 2001. The foregoing budget, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual Common Charges or other receipts or expenses for the first or any subsequent year of operation of the Property by the Condominium will be as set forth in said projected budget. It is likely that the actual expenses for the first year of operation will vary from the amounts shown in the projected budget.

Sponsor may not declare the Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

**SCHEDULE B-1
ESTIMATED UNIT ELECTRICAL COSTS**

A. AIR-CONDITIONING

Estimated air conditioning costs per year have been calculated estimating a usage of 1000 hours of air conditioning per year a \$0.14 per kilowatt in residential units:

- 1) Common Area (All Floors) = \$3401
- 2) First floor commercial=uses own equipment
- 3) Floor 2
Unit A = \$543
Unit B = \$592
Unit C = \$770
- 4) Floor 3 through 5
Unit A = \$688
Unit B = \$592
Unit C = \$770
- 5) Floor 6 through 9
Unit A = \$367
Unit B = \$535
Unit C = \$507

B. LIGHTING AND POWER

Common areas:

Estimated electrical costs per year have been calculated estimating a usage of 4 watts per square foot at \$0.15 per. 2 watts for lighting and 2 watts for mechanical equipment.

Common Area Lighting = \$10,065
(All floors)

Mechanical Equipment = \$10.065

Electrical costs of common areas = \$20,130/yr
First floor commercial = uses own equipment

Apartments:

Estimated electrical costs per year have been calculated estimating a usage of 1 watt per square foot at \$0.15 per. Does not include air conditioning.

- Floor 2
Unit A = \$2,605
Unit B = \$2,840
Unit C = \$3,699
- Floor 3 through 5
Unit A = \$3,300
Unit B = \$2,841
Unit C = \$3,699
- Floor 6 through 9
Unit A = \$1,758
Unit B = \$2,569
Unit C = \$2,431

The estimated electrical costs have been prepared by Irwin Associates (Mechanical Engineer) and are based on current consumption data received from the Consolidated Edison Company.

THE COMMERCIAL UNITS

The Building contains three Commercial Units, which may be used for any lawful purpose, other than Commercial Unit Prohibited Uses, as defined below.

Unit 1 is located on part of the cellar and most of the first or lobby floor, and has its own entrance from Church Street. The Unit is currently owned in fee simple by Warren Street Associates, LLC and is currently leased to Rite Aid of New York, Inc. Unit 1 is not offered for sale under this Plan.

Unit 2 is located on the cellar level of the building and is designated on the building's Certificate of Occupancy as storage. It is currently owned in fee simple by JEM Associates, LLC. This Unit is currently vacant and not offered for sale under this Plan.

Unit 3 is located in the northeast corner of the first or lobby floor with access to Church Street. It will be designated as commercial use on the Certificate of Occupancy and will be owned in fee simple by the Sponsor or an affiliated entity. This unit is not currently offered for sale under this Plan and will be utilized as the sales office by the Sponsor and Selling Agent, however, the Sponsor reserves the right to offer this Unit for sale in the future by duly filed amendment to the Plan.

The Commercial Units may be used for any lawful purpose provided such use is not (a) for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of the New York Penal Law; or (b) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning. Except as above set forth, a Commercial Unit Owner may use its Commercial Unit for any lawful purpose, at its sole discretion and without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws.

The Commercial Unit Owners can sell or lease the Commercial Units to anyone, without restriction or limitation and, unlike the Residential Units, the Commercial Units are not subject to a right of first refusal.

The Commercial Unit Owners have the right to combine, alter or subdivide the Commercial Units without requiring consent of the Board of Managers or anyone else, subject to applicable governmental regulations and the provisions of the Declaration and By-Laws of the Condominium.

The Commercial Unit Owners may install and maintain signage of a type and size customary for the use of the Commercial Units, provided that such signs comply with all applicable municipal codes. The costs for any such permitted signs and any necessary permits therefor will be the responsibility of the applicable Commercial Unit Owner.

The percentage of interest of the Commercial Units in the Common Elements is based, as in the case of the Residential Units, on method (iv) contained in Section 339-i of the New York Condominium Act, that is, 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 share of expenses attributable to the Commercial Units have been projected in accordance with each Commercial Unit's estimated usage of services and facilities of the Condominium, as provided in the New York Condominium Act. The Sponsor believes, as is confirmed by the Certification regarding the Commercial Units contained in Part II of this Plan, that the Common Charges payable by the Commercial Unit Owners are sufficient to cover the expenses fairly attributable to the Commercial Units.

In addition to paying Common Charges, the Owners of the Commercial Units will have the obligation to repair and maintain all windows and doors within or leading to the Units from common areas and all glass or other storefront construction, and will pay electric, water and gas charges for the Commercial Units if utilized by such Units. In addition, the Owner of Commercial Unit 1 will have the obligation to repair and maintain the sidewalk adjacent to such Unit, including, but not limited to, the removal of snow and ice therefrom.

If the cost of insurance on the Building is increased as a result of the particular use of a Commercial Unit, then the Commercial Unit Owner whose use has caused the increase will reimburse the Condominium the amount of such increased cost within thirty (30) days after demand by written notice from the Board to the Commercial Unit Owner.

CHANGES IN PRICES AND UNITS

The prices for the Units may be changed from those set forth in this Plan. Purchasers may pay different prices for similar Units. No price change which (a) is across-the-board or affects one or more lines or types of Units, or (b) is to be advertised, or (c) is a price increase, will be made except pursuant to a duly filed amendment to this Plan.

The Sponsor reserves the right to negotiate all aspects of the price of Units and other terms of sale with Purchasers, including, but not limited to (i) renovations or improvements to the Unit or the fixtures or equipment contained therein or credits or allowances therefor; (ii) reduced or increased Down Payment towards the Purchase Price; (iii) payment of all or part of the Purchaser's closing costs such as attorneys' fees, transfer taxes, financing costs, origination fees and/or commitment fees; (iv) extensions of time periods provided for in the Plan; (v) making the agreement conditioned upon financing (in Sponsor's sole discretion, based upon such factors as the number of Units closed and/or under contract at a particular time, purchase price for the particular Unit, credit history, Purchaser's income, prevailing interest rates, status of construction of the Units and Common Elements, among other factors); (vi) limiting Sponsor's rights on default of Purchaser; (vii) offering common charge rebates or other financial incentives; and (viii) any and all other expenses related to the costs of acquiring title to the Unit, without filing an amendment to this Plan. The Sponsor also reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

In the event that Sponsor decides to make a Purchase Agreement contingent upon financing, a Rider in the form annexed to the Purchase Agreement as Schedule D, set forth in Part II of this Plan, will be executed by Sponsor and Purchaser;

Notwithstanding any other provision of this Plan, the Sponsor is not obligated to offer any Unit for sale even though such Unit is listed on Schedule A. The Sponsor may, if it chooses, withhold one or more Units for future sale.

The Sponsor reserves the right to (i) change the layout of or number of rooms in any Unit, (ii) change the number of Unit types, (iii) reverse the layout of a Unit from that shown on the Floor Plans, and (iv) change the size and/or number of Units, including subdividing one or more Units into separate Units, combining separate Units into one or more Units or altering the boundary walls of Units (provided, in each case, that any approval if required of all governmental authorities having jurisdiction is first obtained). In that event, the Sponsor will have the right to reapportion among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided that unless the affected Purchaser is offered the right to rescind his or her Purchase Agreement, no material change will be made in the Unit size, location, layout or percentage of Common Interest allocated to any Unit for which a Purchase Agreement has been accepted and is not then in default. Unless all Unit Owners consent in writing, and all affected contract vendees are offered a right of rescission (which consent shall not be withheld, delayed or conditioned) no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements. A change in the size or number of Units and/or their respective percentages of Common Interest, and a material change in the size or quality of common elements (other than the alteration of interior partitions) will be reflected by a duly filed amendment to this Plan and if required, by a duly recorded amendment to the Declaration.

The Sponsor reserves the right to make changes in any and all architectural, structural, mechanical or electrical plans and specifications provided that prior approval is first obtained from the municipal agencies having jurisdiction, and further provided that any such material changes are made with the approval of an architect or professional engineer, and are reflected by a duly filed amendment to this Plan. No such change, if material and adverse, shall be made with respect to any Unit for which a Purchase Agreement has been executed and is in effect and the Purchaser is not in default thereunder unless the Purchaser consents in writing. As long as the layout and dimensions of a Residential Unit conform substantially to the Floor Plans, a Purchaser will not be excused from performing under a Purchase Agreement, and will have no claim against Sponsor by reason of any variance in such layout or dimensions.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute four (4) copies of a Purchase Agreement in the form set forth in Part II of this Plan, and to return it to the Selling Agent, Alchemy Properties, Inc., at the sales office located in the Building, or at its office located at 600 Third Avenue, New York, New York 10016, together with a check for the required down payment drawn on a New York City bank to the order of "Sonnenschein, Sherman & Deutsch, LLP, as Attorneys". The down payment will be 10% of the Purchase Price of the Unit. When (and only when) accepted in writing by

the Sponsor, the Purchase Agreement will be binding upon the Sponsor, subject to the Sponsor's rights to abandon this Plan, as set forth in the section of this Plan entitled "Effective Date of the Plan". The Sponsor shall have thirty (30) days within which to accept or reject any Purchase Agreement, during which time the Sponsor will return to Purchaser either a fully executed counterpart of the Purchase Agreement or a refund of the down payment previously tendered, without interest. Failure by the Sponsor to act within this thirty (30) day period shall be deemed a rejection of the Purchase Agreement.

Purchasers will be afforded not less than three business (3) days to review the Plan and all filed amendments before executing a Purchase Agreement.

The Purchase Agreement provides that the purchase of a Unit is not made contingent on the Purchaser obtaining financing. Purchasers who require financing and fail to obtain financing shall not be relieved of their obligations under the Purchase Agreement. In no event will Sponsor be liable for any costs, fees or expenses of Purchaser relating to or resulting from Purchaser's inability to obtain financing, delay in obtaining financing, or closing with such financing.

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt required, to the last address provided by the addressee. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the third (3rd) day after mailing, except that a notice of change of Purchaser's address shall be deemed given when actually received by Seller.

Upon the closing of title, the Purchaser will be required to (i) pay the balance of the purchase price of the Unit and all closing costs and charges in connection with the closing; (ii) execute a Power of Attorney in the form contained in Part II; and (iii) if a mortgage loan is being obtained by Purchaser (even though the Purchase Agreements are not contingent upon obtaining financing), execute the mortgage note or bond and mortgage and any other documents required by the mortgagee in connection with the loan. The Purchaser will then receive a deed substantially in the form set forth in Part II. At closing, or at such earlier time as Purchaser enters into possession of the Unit pursuant to a written agreement with the Sponsor, the risk of loss from fire or other casualty will pass from Sponsor to the Purchaser. The Sponsor is under no obligation to allow a Purchaser to take possession of a Unit prior to closing and a Purchaser has no right to do so, absent Sponsor's written agreement.

If a Purchaser (i) does not pay the balance of the Purchase Price when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement and/or this Plan, and if Purchaser does not remedy such default within thirty (30) days after written notice to the Purchaser, the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event, the down payment as described above, if any, with interest if earned, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the foregoing, the Sponsor may not retain as liquidated damages a sum in excess of ten (10%) percent of the Purchase Price plus interest, if any has been earned, plus 100% of the cost of optional extras and custom work ordered and any installation costs connected therewith, if any, as incurred.

After this Plan is declared effective, the Sponsor or Selling Agent will give written notices to each Purchaser fixing the closing date for such Purchaser, which shall be no sooner than thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The notice of closing date may also state when Common Charges will begin to be due and payable. The Sponsor may adjourn a closing date and reset it upon five (5) days' prior written notice. Any costs or expenses incurred by Purchaser as a result of any adjournment shall be payable solely by Purchaser. Sponsor shall not be responsible for any such costs or expenses.

Time is of the essence with respect to Purchaser's obligation to pay the balance of the Purchase Price and to pay or perform all of Purchaser's obligations under the Purchase Agreement after notice is given as provided above.

The Purchase Agreement provides that the Purchaser is purchasing the Unit without relying upon any warranties or representations as to financial data or estimated income tax deductions, except as specifically represented in this Plan and the Exhibits hereto.

The Purchase Agreement provides that if after the effective date of this Plan, title to a Unit for which a Purchase Agreement was executed prior to the date of the notice declaring the Plan effective, has not been conveyed to a Purchaser within twelve (12) months after the date of commencement of the first year of condominium operation set forth in Schedule B to this Plan, and as it may be amended, (except where such failure is due to the default of Purchaser) or any adjourned date which has been agreed upon by both Sponsor and Purchaser (except where such failure is due to the default of Purchaser), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must tender a written notice to the Sponsor during that thirty (30) day period and the Purchase Agreement will be deemed canceled at the end of the notice period, which shall be at least thirty (30) days from the sending of such notice (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return any monies paid under the terms of the Purchase Agreement, with interest earned, if any. (See the section of this Plan entitled "Escrow Funds").

Residential Units will be delivered at the closing of title free and clear of all leases, tenants and rights of occupancy.

The Sponsor reserves the right to lease Units that are not subject to a Purchase Agreement without limitation as to the term or rental. The Sponsor reserves the right for itself and its designee, without prior notice or amendment to the Plan, to use any unsold Units as sales offices and model units. If the Sponsor or its designee thereafter elects to sell any such unsold Unit, the Sponsor, or its designee, may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the Purchase Price for such Unit, such amounts for the furnishings, equipment or decorations as Sponsor or its designee may determine, which shall be more fully set forth in a Rider to the Purchase Agreement. The presence of any furniture, furnishings, equipment, cabinetry, appliances or decorations in any model Unit is for display purposes only and does not and will not imply or represent that any Unit will contain such furniture, furnishings, equipment, cabinetry, appliances or decorations. Model apartments do not necessarily represent the interior finishing or decoration of any Unit offered for sale.

Final Inspection of Unit

At least five (5) business days before the closing date, the Sponsor will notify the Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser will promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or his duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor, and shall complete, date and sign the Inspection Report (in the form set forth as Schedule B to the Purchase Agreement) and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. The failure of the Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said written notice or to so sign and deliver the completed Inspection Report, shall not excuse Purchaser from paying the balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. A Purchaser is obligated to pay the entire balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the construction items noted on Purchaser's Inspection Report, provided a temporary certificate of occupancy has been obtained for the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor."

Any inconsistency between the Purchase Agreement and this Plan will be resolved in favor of this Plan.

Neither the Plan nor the Purchase Agreement shall contain or be modified to contain any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his or her right to thirty (30) days written notice prior to closing of title to the Unit, or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the New York General Business Law.

Purchasers are prohibited from assigning Purchase Agreements without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and absolute discretion.

All Purchase Agreements will be subject to the provisions of the section of the Plan entitled "Escrow Funds" which provides for, among other things, Sponsor's compliance with the escrow and trust fund provisions of the General Business Law and Attorney General regulations.

ESCROW FUNDS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Lien Law Section 71(a)(3).

Any provision of any Purchase Agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment,

maintenance or defense of obligations arising from the handling or disposition of trust funds.

In accordance with Lien Law Section 71(a)(3), all deposits, Down Payments or advances made by Purchasers prior to closing of each sale of a Unit (the "Escrowed Funds"), whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, and provided the Purchaser's social security number has been supplied to the Escrow Agent, in a segregated special escrow account of Sonnenschein, Sherman & Deutsch, LLP (the "Escrow Agent"), whose address is 888 Seventh Avenue, Suite 501, New York, NY 10106 and whose telephone number is (212) 245-6754. The signatories on this account authorized to withdraw funds are any one of: Sander Srulowitz, Richard E. Feldman, Irving Sonnenschein and/or Alex Deutsch, all of whom are partners of the law firm that is the Escrow Agent.

The name of the account is "Sonnenschein, Sherman & Deutsch Attorney Escrow Account", and it is located at Chase Manhattan Bank at its branch at 969 Eighth Avenue, New York, NY 10019. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 for each individual deposit. If an individual makes a down payment in excess of \$100,000.00 for the purchase of a unit, **it is a special risk of this offering** that such deposit (and any interest thereon) will not be federally insured in excess of \$100,000.00.

The account will be an interest-bearing account and, unless the Purchaser defaults, interest will be credited or paid to the Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which currently is approximately 1-3/4% per annum, depending on the amount of the Down Payment. Interest will begin to accrue on the Down Payment in accordance with the bank's policy.

All checks and other instruments shall be made payable to or endorsed to the order of "Sonnenschein, Sherman & Deutsch, as Attorneys".

In accordance with Lien Law Section 71(a)(3) within ten (10) business days after tender of a Down Payment submitted with a Purchase Agreement, and return of a fully executed Purchase Agreement to Purchaser or his/her attorney, and provided Purchaser's social security number has been supplied to the Escrow Agent, the Escrow Agent is to notify the Purchaser or his/her attorney that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the Purchaser or his/her attorney does not receive notice of such deposit within fifteen (15) business days after tender of the Downpayment with Purchaser's social security number, the Purchaser may forward a notice of cancellation and cancel the Purchase Agreement within 90 days after tender of the Downpayment or may apply to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations. 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.

If insufficient funds are raised through this Plan, or otherwise, to effectuate the contemplated transaction, or if the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, then such monies will be fully

returned to the Purchaser, with interest earned, if any, after deducting monies paid toward special work or options which have been ordered or installed.

Since all Purchase Agreements are contingent upon the Plan's becoming effective, under no circumstances shall Sponsor have the right to release of the Escrowed Funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan is defined as declaration of effectiveness by the Sponsor and acceptance of the amendment by the Department of Law confirming the declaration of effectiveness. Consummation of the Plan will not relieve Sponsor of its obligations pursuant to General Business Law §352-h.

If, instead of closing, the Sponsor terminates the Purchase Agreement because of the Purchaser's default, as set forth above in the section "Procedure to Purchase", then the Escrowed Funds (but in no event more than ten (10%) percent of the Purchase Price plus interest, if any, plus the cost of optional extras and custom work ordered and any installation costs connected therewith if any, as incurred) will be released to the Sponsor by the Escrow Agent as liquidated damages.

Subject to the foregoing, the Escrow Agent will hold funds in escrow until the closing under the Purchase Agreement or until otherwise directed in

- (i) a writing signed by both the Sponsor and Purchaser (the issuance and acceptance of a deed and execution of closing documents shall be deemed such a writing); 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 Escrowed Funds are to be released from escrow and no closing under the related Purchase Agreement has occurred, and if there is no written agreement between the parties to release the Escrowed Funds, the Escrow Agent will not pay the Escrowed Funds to the Sponsor until the Escrow Agent has given the Purchaser at least ten (10) days prior written notice of the intended release. Thereafter, the Escrowed 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 dispute resolution 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;
- (ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

The Escrow Agent is acting as an accommodation to the Sponsor and will not be liable for any action taken or omitted under this Plan or any Purchase Agreement except for its negligence or willful misconduct. It will incur no liability to the Sponsor with respect to any action taken or suffered by it in reliance upon any notice, direction,

instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of the Escrowed Funds in accordance with the terms of the escrow agreement and this Plan, the Escrow Agent will be discharged from liability by the Sponsor.

Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

In the event of a dispute, Purchasers and the Escrow Agent may apply to the Attorney General for a determination of the disposition of the Escrowed Funds, and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute as to the disposition of the Escrowed Funds. A form for this purpose is included in Part II of this Plan. The party applying for such a determination must send a copy of the application to all other parties.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent will abide by any interim directive issued by the Attorney General. If the application permitting release of the Escrowed Funds is granted, the Escrowed Funds shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

A copy of the Escrow Agreement which incorporates the terms set forth above is included in Part II of this Plan.

If a conflict arises over the disposition of the Escrowed Funds, the attorneys serving as Escrow Agent may represent the Sponsor in such dispute.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of Escrowed Funds.

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

ASSIGNMENT OF PURCHASE AGREEMENTS

Prior to closing, purchasers are prohibited from assigning Purchase Agreements without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and absolute discretion. Purchasers may not list the Unit with any broker, advertise, publicize or otherwise offer the availability of the Unit for sale.

EFFECTIVE DATE OF THE PLAN

All Purchase Agreements are contingent upon the Plan being declared effective in compliance with the time periods and conditions set forth herein. The First Unit Closing may not occur before this Plan has been declared effective.

This Plan will become effective at Sponsor's option, but not before there are binding Purchase Agreements from bona fide Purchasers for 15% in number of all of the Residential Units of the Condominium. The Sponsor must declare this Plan effective when Sponsor has entered into valid and binding Purchase Agreements for 80% in number of the Residential Units of this Condominium. For the purpose of this Plan, a Purchase Agreement will be valid and binding if executed by both Purchaser and Sponsor.

For purposes of effectiveness, Purchase Agreements will not be included if (i) they were signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) the Purchaser was not afforded the protection required by Section 20.3(O)(10) of the Attorney General's Regulations; or (iii) they were signed by any Purchaser who is the Sponsor, the Selling Agent or the Managing Agent or who is a principal of any of them, or who is related to any of them by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner. Notwithstanding the foregoing, such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

This Plan may be abandoned by the Sponsor at any time before Sponsor has declared the Plan effective or before Sponsor has obtained valid and binding Purchase Agreements for 80% of the Residential Units. If the Plan is abandoned, all Purchasers will be promptly notified, and within twenty (20) days of such notification, Sponsor will refund all monies paid under the Purchase Agreements to Purchasers, with interest, if earned. The Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment together with form RS-3 or such other form as the Department of Law may require.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within five (5) 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. The closing of title to the first Unit will not occur until this Plan has been declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Sponsor may not abandon this Plan after it has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or which cannot be cured for less than \$136,157 for all Units, which is not less than one half of one (.005%) percent of the total amount of the offering; or (ii) substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than \$136,157; or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Except as specifically set forth above, Sponsor or its designee shall have no obligation to incur any expenses or engage in litigation to cure title defects. The figures computed for purposes of (i) and (ii) above shall not include attorneys' fees and title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record.

If requested, Sponsor will submit copies of all Purchase Agreements, and any amendments or modifications thereto, to the Department of Law within five (5) business days after a request is made.

TERMS OF SALE AND CLOSING OF TITLE TO UNITS

The closing of title to each Unit will take place only after or concurrently with the following events:

1. Sponsor's declaration of the Plan's effectiveness as described in the section of the Plan entitled "Effective Date";
2. Service on Purchaser of written notice of the Closing Date no less than thirty (30) days in advance of closing (unless such time period is waived in writing by Purchaser), giving Purchaser the opportunity to inspect the Unit and other property (the Common Elements) subject to the Declaration prior to Closing, provided that Purchaser shall be obligated to make an inspection appointment with the Sponsor or Selling Agent and shall be accompanied at all times by a representative of the Sponsor or Selling Agent;
3. Recording of the Amended and Restated Declaration and Amended and Restated By-Laws in the New York County office of the Register of the City of New York. In addition, to the extent required by law, a set of revised Floor Plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, with tax authority certification as conforming to the official tax lot number for each such Unit and 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 or to be built, will be filed in said office;
4. Issuance of a temporary or permanent Certificate of Occupancy for the entire Building, or, alternatively, the issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit under contract and being closed;
5. Release of the Unit to be closed and its undivided common interest as required by Section 339-r of the New York Condominium Act from the liens of all mortgages except the Purchaser's mortgage, if any, and free and clear of all other liens and encumbrances except those described in the section of this Plan entitled "Status of Title at Closing" and in the proposed Unit deed set forth in Part II;
6. Delivery to Purchaser of a Bargain and Sale Deed with Covenants against Grantor's Acts, in substantially the form as set forth in Part II of this Plan and in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;
7. Assignment to Purchaser of any manufacturer's warranties with respect to equipment and appliances installed in the Unit, and assignment to the Board of Managers of any warranties with respect to equipment and appliances installed in Common Elements. All personal property located within the Unit on the date of execution of the Purchase Agreement or located within the Common Elements on the date of recording of the Amended and Restated Declaration which is owned by the

Sponsor, is included in the conveyance unless specifically excepted herein and noted in the Purchase Agreement;

8. The execution by the Purchaser of a Power of Attorney in substantially the form contained in Part II, designating the Board of Managers as the Purchaser's attorney-in-fact, coupled with an interest, for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board on behalf of all Unit Owners or, in certain instances, on behalf of all Residential Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, to prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws. The Power of Attorney will not be effective for the election of managers.

9. At or prior to the first conveyance of a Unit, the holder of a mortgage encumbering the Unit to be conveyed will either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to unsold Units; or (b) release its lien on the Unit being conveyed.

10. The Purchaser's obligation for payment of the Common Charges and expenses applicable to such Purchaser's Unit will begin to accrue on the date on which title is closed unless otherwise provided in this Plan concerning closings adjourned by Purchaser, notwithstanding work which may remain to be completed in the Unit or Common Elements.

11. (a) The Purchaser shall not be entitled to possession of the Unit until the deed is delivered to Purchaser at Closing.

(b) All risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Amended and Restated Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect. In such an event, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board of Managers to complete, such repairs or replacements. Purchaser shall not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove or cause to be removed subsequent to Closing all violations of record it is obligated to correct.) Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board of Managers or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the three preceding sentences shall survive the Closing.

(c) In the event that Sponsor notifies the 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 By-Laws, the Purchase Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to the Purchaser all sums deposited, whereupon the parties shall be released and discharged from all obligations and liability hereunder including interest and under the Plan, except that, if Purchaser is then in default (beyond the applicable grace period, if any), Sponsor shall retain the Downpayment, together with sums received on account of special work to be performed by the Sponsor.

STATUS OF TITLE AT CLOSING

The deed conveying ownership of the Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law, and will convey title free and clear of all liens and encumbrances other than:

1. State of facts shown on survey made by Harwood Surveying P.C. dated March 7, 2000.
2. Any additional state of facts which an accurate survey would show since March 7, 2000 providing such additional facts do not render title unmarketable.
3. Zoning and building laws, 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 Building.
4. The Original Declaration as amended (including the Amended and Restated Declaration) and By-Laws (including the Amended and Restated By-Laws), revised Maps and revised Floor Plans to be recorded and filed in the New York County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of this Offering Plan and amendments thereto.
5. Power of Attorney from Purchaser to the Condominium Board of Managers.
6. Easement 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 of the Building, or which 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 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 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.

7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.

8. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.

9. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.

11. 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.

12. Easement Agreement dated as of February 1, 1999 and recorded on June 17, 1999 in Reel 2895, Page 2266, in the New York County Office of the Register of the City of New York which permits the Sponsor and its successors and assigns (including the Board of Managers) to install, maintain and have access to repair the elevator in a portion of Commercial Units 1 and 2.

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. Zoning Lot Description and Ownership Statement recorded May 1, 2000 in Reel 3094 Page 654 and Certification of Parties in Interest recorded May 1, 2000 in Reel 3094 Page 646.

15. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

16. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

17. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

18. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

19. Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board or another Unit Owner to correct.

20. Variations between tax map and premises described in Schedule A.

The Title Company will affirmatively insure that none of the foregoing easements or agreements will interfere with the projected use of the premises as a condominium.

In the opinion of counsel to the Sponsor, none of the foregoing exceptions to title will materially adversely affect the proposed uses of the Property as set forth in this Plan.

Any lien, encumbrance, or condition not included in the liens and encumbrances listed above (the "Non-Permitted Exceptions") shall not be an objection to title if: (i) the instrument required to remove it "as of record" has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees and a copy of said instrument is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); (ii) the Title Company is willing to insure (without additional premium) Purchaser against its collection or enforcement out of the Unit; or (iii) Sponsor, at its sole option, pays and discharges any lien or encumbrance upon the Property not provided in the Plan from monies paid by Purchaser at Closing.

Sponsor shall be entitled to adjourn the Closing to remove or correct any Non-Permitted Exception that cannot be dealt with as set forth above. However, if the Non-Permitted Exception existed at least 10 days prior to Closing and Purchaser or Purchaser's attorney failed to send to Sponsor's attorney, Sonnenschein, Sherman & Deutsch, LLP, at least 10 days in advance of the Closing, written notice of the Non-Permitted Exception, then for purposes of the Purchase Agreement, Purchaser shall be deemed at fault for not timely sending notice of the Non-Permitted Exception and if adjournment of the Closing is required to allow Sponsor to correct or remove the Non-Permitted Exception, such adjournment shall be considered at the request of Purchaser and not Sponsor and all adjustments to be made at Closing shall be made as of the initially scheduled closing date prior to the discovery by Purchaser of the defect.

Sponsor shall give, and Purchaser shall accept, such title as the Title Company will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the encumbrances listed above or the Non-Permitted Exceptions, provided that each Non-Permitted Exception has been resolved in the manner provided above. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender). However, should Purchaser wish to obtain title insurance from any title company or abstract company other than National Granite Title Insurance Agency, Inc., agent for the Title Company, Purchaser shall pay Sponsor an additional legal fee of \$1,000 for clearing title with such other company.

EASEMENTS AND DEVELOPMENT RIGHTS

Each Unit Owner shall have an easement in common with the Owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, the Owner of Commercial Units 1 and 2 granted to the Board of Managers and the Sponsor and their successors and assigns a perpetual easement in and over those Units for the foregoing purposes and for the installation, repair and replacement of an elevator, as set forth in the Easement Agreement referred to in Paragraph 12 of "Status of Title at Closing". In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any Common Element, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of the Building settling or shifting, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands.

The Board of Managers, through the managers, Managing Agent, or their employees shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

The Owner of Unit 1 shall not be permitted to install any mechanical equipment on the second floor roof beyond an area which is 50 feet west of the Church Street property line, except that the Unit Owner may replace the existing equipment with equipment of similar size and in the same location as the existing equipment and provided such replacement equipment does not make or generate more noise than the existing equipment or pose any health risk to Unit Owners.

The Sponsor reserves to itself, its designees and each of their successors, assigns, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements and Limited Common Elements consistent with the purposes of this Offering Plan and Sponsor's rights and obligations thereunder. Sponsor is obligated to repair any damage to Units and Common Elements caused by Sponsor's construction and renovation of the property. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. During the first year of condominium operation, it is anticipated that 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, ventilating and elevators, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the first closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the building, including, but not limited to, installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations and odors may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-

completion of any item of construction on any projected date, or any interruption of services in the building.

The Sponsor reserves to itself, its designees, and each of their successors and assigns, all air and development rights appurtenant to the Property, if any.

CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs

The estimated closing costs to be borne and paid by each Purchaser of a Unit are set forth below. Recording charges, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

1. The premium for fee title insurance, if ordered, from National Granite Title Insurance Agency, Inc., an agent for Fidelity National Title Insurance Company of New York (the "Title Company") or another title insurance company authorized to do business in New York, is, pursuant to the rate schedule filed with the New York State Department of Insurance, \$371 for the first \$35,000 of fee insurance, plus \$6.16 per \$1,000 of the purchase price or fraction thereof in excess of \$35,000 and up to \$50,000. Premiums then increase as follows:

Fee Amount	Premium
\$50,000-100,000	\$5.02/1,000
100,000-500,000	4.03/1,000
500,000-1,000,000	3.68/1,000
1,000,000-5,000,000	3.38/1,000

2. If the Purchaser elects to obtain both fee title insurance and mortgage title insurance simultaneously from the Title Company, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the fee policy is calculated at thirty (30%) percent of the regular scheduled rate for loan policies. For example:

Loan Amount	Premium
\$ 300,000	\$ 383
500,000	584
700,000	768
900,000	952

The premium for fee title insurance issued simultaneously is computed as in section 1 above.

3. Recording fee for recording the deed, power of attorney and other documents of \$17.00 for each instrument plus \$5.00 per page, and a service charge to the Title Company of approximately \$20.00 per instrument.

4. New York State Real Estate Transfer Tax, calculated at .4% of the purchase price, but when paid by the Purchaser is increased to approximately .4016% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional consideration to the Sponsor.

5. New York City Real Property Transfer Tax (RPT Tax), currently at the rate of 1% of the purchase price where the purchase price is \$500,000 or less, but when paid by the Purchaser is increased to approximately 1.01% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional consideration to the Sponsor, or at the rate of 1.425% of the purchase price where the purchase price is more than \$500,000 (1.445% when paid by Purchaser), plus a \$25.00 filing fee to the City of New York.

Where a Purchaser purchases two (2) or more Residential Units, the RPT Tax rate where the Purchase Price is \$500,000 or less will be 1.425%, and where the Purchase Price is in excess of \$500,000, the RPT Tax rate will be 2.625%; however, the lesser residential RPT Tax rate (1% where the Purchase Price is \$500,000 or less, and 1.425% for more than \$500,000) will apply if the certificate of occupancy of the Building shows the combined Units as one Unit or, according to informal confirmation from the Department of Finance of the City of New York, if there is included with the RPT form an affidavit stating that (a) the transfer involves the two or more Units combined into a single Unit, (b) the second kitchen has been eliminated, (c) the combination of Units has been approved by the Department of Buildings, and (d) the approval was issued pursuant to Technical Policy and Procedure Notice #3/97 of the Department of Buildings. There is also a \$25 filing fee imposed by the City upon the filing of the RPT tax form.

6. New York State Mansion Tax, which applies where the purchase price of a Residential Unit exceeds \$1,000,000.00, and is calculated at 1% of the purchase price, as increased by the New York State and New York City transfer taxes payable by the Purchaser.

7. If a Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage. The costs that will be charged by the Title Company are as follows. However, no Purchase Agreement is contingent upon obtaining such financing.

- a. Mortgage title policy, the rates for which are as indicated in paragraph 2 above;
- b. Mortgage tax, currently at the rate of one and three-quarters (1-3/4%) percent of the mortgage amount for those mortgages securing a loan of less than \$500,000, less \$25 and at the rate of one and seven eighths (1.875%) percent of the mortgage amount for those mortgages securing a loan of \$500,000.00 or more;

- c. Recording charges to record the mortgage at the rate set forth in paragraph 3 above; and

In addition, the Purchaser shall pay all other costs in connection with Purchaser's mortgage. These costs may include, but may not be limited to the following.

- a. Loan origination fee or "points";
- b. Charge for appraisal service and credit check;
- c. Legal fees of lender's attorney;
- d. Private mortgage insurance premium, if required by the Purchaser's lender.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or any costs or adjustments. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

8. The following closing fees of the Sponsor's attorneys:

- a. \$1,500.00 closing fee if the closing is held at the offices of Sponsor's attorneys, 888 Seventh Avenue, New York, New York;
- b. \$750.00 travel fee if the closing is held in another location in the City of New York, Borough of Manhattan (the closing shall not be held outside the Borough of Manhattan);
- c. \$300.00 if the Purchaser requests a change in the name(s) of the grantee(s) on the deed and other conveyance documents, and informs Sponsor's attorney of such change less than five business (5) days prior to the scheduled closing date; and
- d. \$1,000.00 if the Purchaser does not elect to order title insurance from National Granite Title Insurance Agency, Inc.

The costs in (8) are cumulative to the extent applicable to an individual closing.

If any of the costs in (1) through (8) above are advanced by Sponsor, Purchaser will reimburse Sponsor, at the Closing, for any costs so advanced.

The Sponsor has obtained a construction loan or a blanket mortgage for the construction of the Condominium and has paid a mortgage recording tax on that loan. Because of this, a mortgage recording tax credit will become available to the Purchaser. The Sponsor will be reimbursed by the Purchaser to the extent of any such mortgage

recording tax credit, and therefore, the Purchaser will not receive the benefit of any such credit. Such credit will not reduce the consideration paid for the Unit nor reduce any closing costs or adjustments.

A mortgage loan may require a Purchaser, as mortgagor, to make monthly deposits of one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against the Unit with the mortgagee, and at the closing of title Purchaser may be required to deposit a portion of the annual real estate taxes assessed against the Unit for the forthcoming period with the Purchaser's mortgagee.

9. At the closing of title, each Purchaser, except Sponsor and its designees will be required to pay a sum equal to two (2) months' Common Charges to the Board of Managers as an initial, non-reimbursable contribution to the Condominium's Working Capital Fund. The contribution to the Working Capital Fund will be in addition to, and not in lieu of, monthly payments of Common Charges and will not be credited against Common Charges payable with respect to the Unit.

In addition to the foregoing, a Purchaser will be required to pay other costs, such as costs relating to Purchaser's mortgage financing, if any and the Purchaser's own legal fees, if applicable. These will vary significantly among lenders and attorneys, and are therefore cannot be estimated by the Sponsor.

EXAMPLE OF ESTIMATED CLOSING COSTS FOR TYPICAL RESIDENTIAL UNIT

Unit 5B: Purchase Price \$975,000

Fee title insurance:	\$ 2,852.00
Recording deed and power of attorney:	\$ 119.00
NYC RPT Tax and filing fee:	\$14,116.00
NYS Real Estate Transfer Tax:	\$ 3,916.00
Fee of Sponsor's attorney (basic):	\$ 1,500.00
Working capital contribution:	\$ 1,348.82

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in paragraph 8 above, recording additional documents, penalty for late closing or apportionment of real estate taxes and insurance as described below.

Estimated Expenses and Adjustments

Each Purchaser will be required to pay Common Charges to the Board of Managers monthly in advance, even if work may remain to be completed in the Unit or Common Elements by the Sponsor. Common Charges assessed during the month in which title closes will be adjusted with the Sponsor as of the closing date, with the Purchaser paying common charges for the day on which the Closing occurs. The amount of Common Charges to be assessed against each Unit will be fixed by the Board of Managers.

Sponsor and Purchaser will apportion real estate taxes for the Unit for the tax year in which title closes, as of the date of closing of title. If, prior to the first closing of title to a Unit, the Residential Units have not been separately assessed for real estate tax purposes, the Sponsor will (i) create an escrow account in the name of the Board of Managers in an amount equal to the unpaid real estate taxes which will be levied against the Residential Units for the full tax year following the first closing of title, (ii) pay the real estate taxes from this escrow account when they become due and payable, and (iii) be reimbursed by Purchasers at their closings based upon the assessment for the land and the Building comprising the Condominium and the percentage of the Common Elements appurtenant to the Unit.

Each Purchaser will be required to reimburse the Sponsor, at closing for such Purchaser's pro rata share of the Condominium's insurance policy (as described in the footnotes to Schedule B) for the first year of operation of the Condominium, the premium for which will be prepaid by the Sponsor prior to the first closing of title to a Unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and the date of closing of title to the Unit. The actual reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's percentage interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

Penalty for Adjourned Closings

If, through no fault of the Sponsor, a Purchaser fails to close title to the Unit for any reason on the date originally scheduled for closing of title to the Unit and is not held in default by the Sponsor, (including, but not limited to, Purchaser's request to adjourn the closing date, Purchaser's failure to send timely notice of a Non-Permitted Exception to title, or the inability of Purchaser's lender to attend the closing on such scheduled date) then the Purchaser shall reimburse the Sponsor (for construction interest expenses incurred and/or loss of earnings on the Purchase Price as a result of the Purchaser's delay), an amount equal to 0.08% of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

The Sponsor has certain rights and obligations under this Plan and applicable law with respect to the offering, including, without limitation, the following:

1. The Sponsor will defend any suits or proceedings against the Condominium arising out of either the Sponsor's acts or omissions or representations made by Sponsor in this Plan, and it will indemnify the Board of Managers and the Unit Owners against liability imposed as a result of such suits or proceedings.
2. All obligations pursuant to the General Business Law and such additional obligations under this Plan which are to be performed subsequent to the closing of title to a Unit will survive delivery of the deed.

3. The Sponsor will pay all Common Charges, 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. The Sponsor currently has the financial resources to meet its obligations with respect to unsold Units. In the first instance, these obligations will be funded from projected sales. However, no bond or other security has been furnished or will be furnished to secure the performance of the Sponsor's obligations. The ability of the Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No representation can be made as to its financial ability to perform any such obligations.
4. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the Condominium, whichever is less, to a single entity or individual, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the Plan, applicable laws or regulations.
5. The Sponsor shall initially procure, on behalf of the Condominium, fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. The cost of such insurance shall be a Common Expense. See the Budget, Schedule B to the Offering Plan, and the footnote relating to insurance.
6. The Sponsor has obtained financing for the construction and marketing of the Residential Condominium units from Corus Bank N.A., 3959 N. Lincoln Avenue, Chicago, Illinois 60613. The lien of said mortgages will be released from each Unit prior to that Unit being conveyed to a purchaser.
7. The Sponsor will, at its sole cost and with reasonable diligence, complete the renovation of the Property substantially in accordance with the plans and specifications described in this Plan and its Exhibits, and with a quality of construction comparable to currently prevailing standards. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in the 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 equal or better quality and design without the consent of any Purchaser. Sponsor also reserves the right to make modifications of layout or design, as more fully set forth in the section entitled "Changes in Prices and Units".
8. If a permanent Certificate of Occupancy for the Building has not been issued at the time of closing of title to any Unit, the Sponsor will, at its sole cost and expense, do and perform or cause to be performed all work and will supply or cause to be supplied all materials necessary for its issuance, and will within two (2) years after closing, secure the permanent Certificate of Occupancy for the Unit, unless it is prevented from doing so by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations or any other reason not the fault of the Sponsor (including the performance of alterations or other work in a Unit by a Unit Owner prior to the issuance of such permanent Certificate of Occupancy, which work delays the Sponsor's completion or sign-offs of the Sponsor's work obligations). In any of

such events, the two (2) year period will be extended for a period equivalent to the period of such delay.

9. If a closing takes place prior to the issuance of a permanent Certificate of Occupancy for the entire Building or for an individual Unit, Sponsor will maintain in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law an amount the Sponsor's engineer or architect certifies as will be necessary to complete the work necessary to obtain a permanent Certificate of Occupancy for the Unit (and all sums exceeding the amount so certified by the Sponsor's engineer or architect may be released from or initially not deposited into escrow). Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan.
10. Notwithstanding Sponsor's obligation to correct original defects resulting from improper construction of the Units and Common Elements in violation of applicable building codes, Sponsor assumes no responsibility and will not be liable to repair or replace any of the following:
 - a. any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and shrinkage of the Building and/or Building materials; or
 - b. defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, slight scratches in plastic laminate, vitreous china, stainless steel, tile, porcelain or stone surfaces, bathroom finish, grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor;
 - c. normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building;
 - d. deviations in the level of ceilings, and imperfections in ceiling finishes;
 - e. imperfections in painting finishes;
 - f. deviations in the level of a floor, or buckling or sinking due to expansion or shrinkage;
 - g. alignment of bathroom finishes and variation in grouting thickness;
 - h. air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Condominium Standard A-Z;

- i. noise from normal plumbing, heating, ventilating and air conditioning operation, including rooftop boiler, cooling tower and other equipment;
- j. floor noises and creaking;
- k. carpet or floor discoloring or stretching;
- l. variations in width, length, thickness, finish or color range of wood flooring;
- m. minor chips, scratches, mars, breaks, dents, cracks, imperfections, or other defects in windows, window glass, frames and hardware; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, backsplashes and counter tops; vanity tops and cabinets; all tile, stone or marble floors; saddles; all appliances; woodwork, millwork and doors; mirrors; all hardware; appliance cabinets; ceilings and flooring;
- n. after the Unit Closing, paint touch-ups, repair dented appliances, or replace light bulbs;
- o. variations in tone or color of marble or stone or variations in tone or color of vanity tops or countertops or other marble or stone surfaces;
- p. leaching or color variation in exterior color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks and window surfaces;
- q. ponding and/or controlled drainage on the roof or terrace surface; or
- r. cracks in pressure-treated lumber or wood decking materials used or intended for use outside the Building if any; or
- s. television, radio or other telecommunications reception; or
- t. discoloration to hardware and plumbing finishes; or
- u. stains, runs, lumps, shags or imperfections in weave in fabric panels; or
- v. terrace tiles or decking not laid flat, or color variation in tiles or mortar, or stained tiles or wood; or
- w. any other imperfection or defect, except as expressly warranted pursuant to this Plan.

Sponsor shall have discharged its obligation to repair abnormal scratches in tile, stone, wood, marble, plastic laminate, vitreous china, porcelain and stainless steel surfaces by filling or refinishing and Sponsor shall not be obligated to replace such surfaces.

11. At the closing of title to each Unit, the Sponsor will assign to the Purchaser any assignable manufacturers' warranties relating to equipment and appliances

installed in the Unit, and prior to the closing of title to the first Unit, the Sponsor will assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers.

12. If any work still remains to be done to complete portions of the Condominium at the time of the first closing of title to a Unit, including completion of the Units and Common Elements, the Sponsor, at its own cost and expense, will perform or cause all such work to be performed and will supply or cause all such work to be supplied, will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium, and will discharge by bonding or otherwise all mechanics' liens which may have been filed as a result of the construction of the Units or Common Elements. Purchasers who close during the construction or renovation of other Units and Common Elements acknowledge that their enjoyment of their Units may be interrupted by construction, noise, vibrations and odors as is common in construction or renovation projects, and possible interruption in services.
13. The Sponsor will bear all costs and expenses incurred by Sponsor in connection with the creation of the Condominium and the initial sale of Units, including, but not limited to, selling expenses and commissions, if any, advertising and printing expenses, architect's fees, organization costs and engineering costs, whether incurred prior or subsequent to the effective date of the Condominium.
14. All references in this Plan to "plans and specifications" shall mean the plans for the Condominium filed with the appropriate governmental authorities, as the same have been amended or changed. After completion of the renovations and prior to the transfer of control of the Board of Managers to the Unit Owners, the Sponsor shall provide to the Board of Managers a copy of "as built" architectural plans as to the renovated portions of the Building.
15. Real Property Law Section 339-kk became law on July 22, 1998. The law is intended to provide financial protection for a condominium if a non-occupying owner fails to make required monthly payments for a dwelling unit which is sublet.

The law provides in pertinent part, as follows:

a. If a Unit Owner who does not occupy the Unit rents any dwelling unit and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period following the earliest date payment is due, then, upon notice from the Board of Managers as described below, all rental payments due from the tenant shall be payable directly to the condominium.

b. If common charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period following the earliest date they were due, the Board of Managers shall provide written notice to the tenant and to the non-occupying owner providing that commencing immediately, and continuing until such time as all payments for common charges, assessments and/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. Where a majority of the Board of Managers has been elected by

and from among the Unit Owners who are in occupancy of their Units, the Board may elect not to require that rental payments be made payable to the condominium.

c. 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 by the Board of Managers within three (3) business days to the rental tenant and non-occupying owner. Thereafter, all rental payments for the unit shall be made payable to the non-occupying owner or to said non-occupying owner's designated agent.

d. A non-occupying owner who disputes the Board of Manager's claim to a rental payment pursuant to this law 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 30 days of the date that the Board receives notice that the owner seeks to dispute such claim.

e. Payment by a rental tenant to the condominium made in connection with said section shall relieve the 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.

f. Nothing in the statute shall limit any rights of Unit Owners or the Board of Managers existing under any other law or agreement.

16. The Sponsor makes no representations or warranties except as provided in this Plan. Any claim based upon Sponsor's representations of the condition of the Building, the Units and their equipment or appliances or the Common Elements or upon Sponsor's obligations referred to in the Plan under "Rights and Obligations of Sponsor" must be presented by written notice to the Condominium Board and to Sponsor: (a) in the event of a defect concerning the Common Elements, one (1) year from the date earlier to occur of the issuance of a temporary or permanent Certificate of Occupancy for the building or the date of substantial completion of the portion(s) of Common Elements which is claimed to be defective; or (b) in the event of a defect concerning the Unit, within one (1) year from the date of issuance of a temporary or permanent Certificate of Occupancy for the Unit, unless such claim is based upon a defect which can be detected only by occupancy of the Unit, in which event such claim must be presented within one (1) year from the earlier of the Closing Date or the execution and delivery of an interim lease for the Unit. Sponsor shall not be liable to the Condominium Board or the Purchaser for any matter as to which an assignable warranty, guarantee or bond has been assigned to the Board or to Purchaser and, in such case, the sole recourse of the Board or Purchaser, as the case may be, shall be against the warrantor, guarantor or obligor, as the case may be, except that in the event that a contractor or subcontractor shall not be excused from its obligations enumerated in this section of the Plan. Nevertheless, Sponsor shall not, under any circumstances, be liable with respect to equipment as to which assignable warranties or guarantees are transferred to the Purchaser. Purchaser agrees: (i) to purchase the Unit, without offset or any

claim against, or liability of Sponsor, whether or not any layout or dimension of the Unit or any part thereof or of the Common Elements, as shown on the floor plans on file in Sponsor's office and filed in the City Register's Office, is accurate or correct provided the layouts and dimensions conform substantially to such Floor Plans; and (ii) that Purchaser shall not be relieved of any of Purchaser's obligations by reason of any minor inaccuracy or error in such Floor Plans.

17. Except as expressly set forth in this Plan, Sponsor has no obligation to correct or repair any other defect or conditions in the Unit, 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's obligation to correct, subject to the terms and conditions set forth above, is the sole and exclusive remedy for any defects. Sponsor makes no warranties other than as set forth in this Plan. The Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B) is not applicable to this offering.

Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations pursuant to this section of the Plan shall be to repair or replace, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship) subject to the terms and conditions (and within the time limits) set forth in this section of the Plan.

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 any insubstantial variations from the Plans and Specifications or the descriptions of the Building or a Unit set forth in the Plan or variations from the Plans and Specifications or description of the Building or a Unit set forth in the Plan which are neither in violation of applicable Law, provided such variations are of substantially similar or better quality.

The Condominium is required to maintain and manage the Building, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order, and to repair those portions of the Building which are not required to be maintained by the Unit Owners. Sponsor's warranty as set forth in this Plan will not be applicable to any defects caused by the negligence or lack of maintenance of the Units or Common Elements by the Unit Owners or the Condominium.

CONTROL BY THE SPONSOR

Title to all unsold Residential Units will remain with the Sponsor until such Units are sold by the Sponsor and a deed delivered to a Purchaser. Such a sale by the Sponsor does not and will not require the approval of, or a first offer to, or a right of first refusal by the Board of Managers. No fee or cost of any kind may be imposed by the Board of Managers upon the Sponsor or the Purchaser in connection with any such sale of an Unsold Residential Unit.

The Sponsor, as owner of unsold Residential Units, will have voting control of the Board of Managers, except that the Sponsor may not control the Board for more than five (5) years from the date of the first closing of title to a Residential Unit, or after the sale of Units representing, in the aggregate, 75% of the Common Interests, whichever occurs first. While in control of the Board, the Sponsor will designate three (3) of the members of the five (5) member Board, and one (1) member will be elected by the Commercial Unit Owners in the aggregate and one (1) member by the then Residential Unit Owners other than the Sponsor during the first sixty (60) days after the first closing of title to a Residential Unit. At the first annual meeting of Unit Owners during the period of the Sponsor's control, the member elected by the Unit Owners will resign and a new election will be held.

The first annual meeting of Unit Owners will be held within sixty (60) days following the first anniversary of the conveyance of title to the first Residential Unit.

Notwithstanding any contrary provision of this Plan, a special meeting of Unit Owners will be held on fifteen (15) days notice, within sixty (60) days of either the fifth anniversary of the date of the first closing of title to a Residential Unit, or the sale of Units representing, in the aggregate, 75% or more of the Common Interest, whichever first occurs. At such meeting, all the members of the Board of Managers shall resign and a new Board will be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, and assuming a five (5) member Board of Managers, so long as the Sponsor or its designee owns at least two (2) Residential Units, the Sponsor or its designee shall be entitled to designate one (1) member of the Board of Managers. The Commercial Unit Owners in the aggregate shall be entitled to designate one (1) member, and the Residential Unit Owners other than the Sponsor shall be entitled to designate three (3) members. If at any time it is determined to increase the size of the Board, the representation of the Sponsor shall be changed proportionately. At all times, the Commercial Unit Owners in the aggregate may designate one (1) member of the Board of Managers.

Notwithstanding the foregoing, so long as the Sponsor or its designee owns Units representing at least 25% of the Common Interests, but not longer than five (5) years from the first closing of title to a Residential Unit, the Board of Managers may not, without the Sponsor's or such designee's prior written consent: (i) make any addition, alteration or capital improvement to the Common Elements or to any Unit except those required by law; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (iii) increase or decrease the number or change the kind of employees in addition to or enter into any service or maintenance contract for work not required by law or contemplated by the Schedule of Projected Receipts and Expenses for the First Year of the Condominium's Operation set forth in the Plan; or (iv) borrow money on behalf of the Condominium, or (v) exercise a right of first refusal to lease or purchase a Residential Unit; or (vi) reduce services. As long as the Sponsor or its designee owns one or more Units, the Board of Managers may not amend the Amended and Restated Declaration or By-Laws of the Condominium except as specifically permitted by such document. However, the Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer.

All references to "Sponsor" in the foregoing section shall apply to Sponsor, its designees, successors and assigns.

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 not less than three (3) and not more than five (5) persons. Other than members designated by the Sponsor and Commercial Unit Owners and their designees, all members of the Board of Managers must be Unit Owners, spouses of Unit Owners or officers, directors, members or principals of a Unit Owner that is not a natural person.

The first Board of Managers will consist of the following five persons designated by the Sponsor and Commercial Unit Owners:

Kenneth S. Horn	-	principal of Sponsor
Joel Breittkopf	-	principal of Sponsor
Matthew Scherr	-	principal of the Owner of Commercial Unit 1
Brenna Fryer	-	employee of Alchemy Mortgage Finance, Inc.
Kathleen Bryant	-	employee of Selling Agent

One of these members will resign upon the election of the first Unit Owner representative to the Board at a meeting to be held within sixty (60) days after the first closing of title to a Residential Unit.

As provided in the By-Laws, no member of the Board of Managers or officer of the Condominium will have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as member of the Board or officer, provided that this provision does not eliminate or limit the liability of a member of the Board or officer if a judgment or other final adjudication adverse to such member establishes (a) that such member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that such member personally gained a financial profit or other advantage to which such member was not legally entitled.

The Condominium will indemnify, to the fullest extent permitted by law, any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise, which any member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that such person or such person's testator or intestate, was a member of the Board or officer of the Condominium, or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, provided that no indemnification may be made to or on behalf of any member of the Board or officer if a judgment or other final adjudication adverse to the member of the Board or officer establishes that such member's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so

adjudicated, or that such member personally gained a financial profit or other advantage to which such member was not legally entitled. The liability of any Unit Owner on account of the indemnification described in this paragraph 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.

Members of the Board of Managers will serve without compensation, and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor is in control of the Board of Managers.

Members of the Board of Managers may be removed for cause at any time by the Unit Owners. Members of the Board who are not designated by the Sponsor or Commercial Unit Owners may also be removed without cause by the Unit Owners. Successors may be elected at any regular meeting of the Board of Managers or any special meeting called for such purpose, provided that successors to members designated by the Sponsor or Commercial Unit Owners may not be removed without cause except by the Sponsor or its designee or Commercial Unit Owners. The Board of Managers will have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determining the Common Charges, adopting rules and regulations covering the details of the Property, borrowing, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling or mortgaging Units owned by the Board of Managers, applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, applying, as necessary, for construction, alteration or other approvals to any and all municipal authorities having jurisdiction over the Property, and generally managing or supervising the Condominium Property as provided in the Amended and Restated Declaration and By-Laws.

The Unit Owners will hold annual meetings to elect members of the Board of Managers. The first annual meeting will be held within sixty (60) days following the first anniversary of the conveyance of title to the first Residential Unit. Each Unit Owner (including Sponsor) will be entitled to cast one vote for each .001% of the interest in the Common Elements attributable to the Unit or Units owned by such Unit Owner on all matters put to a vote at all meetings of the Unit Owners. The presence, in person or by proxy, of a majority of Unit Owners will constitute a quorum at all meetings of Unit Owners and unless otherwise provided, the vote of a majority of Unit Owners at a meeting at which a quorum is present will be binding upon all Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit must agree among themselves to cast the votes for their Units as a block.

The Amended and Restated Declaration or By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit will only be made with the consent of the affected Commercial Unit Owner; (ii) no amendment may be made which adversely affects a Commercial Unit Owner without the written consent of the affected Commercial Unit Owner; (iii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee; and (iv) no amendment may be made which adversely affects the Sponsor or its designee so long as the Sponsor or such designee owns any Units.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the New York County office of the City of New York, an amendment to the Amended and Restated Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing the revised Floor Plans; (ii) changing the number of Unsold Units and/or the designation, the approximate square footage area, the layout, and/or the number of rooms in an unsold Unit, (iii) making insubstantial changes to the Declaration; or (iv) making changes to the Declaration to comply with applicable law or regulations, as more fully set forth in the Declaration.

Special meetings of Unit Owners will be called by the President if directed by resolution of the Board of Managers or upon petition by Unit Owners representing at least twenty-five (25%) percent of the Common Interests, upon at least five (5) days notice.

The terms of the members of the Board of Managers will be for one (1) year.

The principal officers of the Condominium will be: the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers will serve without compensation from the Condominium.

In order to limit the liability of the Unit Owners, the members of the Board of Managers and the managing agent, any contract or other commitment made by the Board of Managers, a managing agent or the manager will state that it is made by the Board of Managers or the managing agent, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers the managing agent, as the case may be, will have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment will 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.

Members of the Board who handle Condominium funds may, at the option of the Board, be bonded.

The Secretary of State of the State of New York will be designated as the agent of the Board of Managers upon whom process against the Board of Managers or the Condominium may be served.

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

Sale or Lease of Units by Unit Owners

Subject to the right of first refusal more fully set forth in By-Laws (to which the Sponsor and Commercial Unit Owners are not subject), each Owner of a Residential

Unit is free to sell or lease his or her Unit to anyone, without restriction or limitation. Any lease will be substantially in the Real Estate Board form, a copy of which is available for review at the office of the Sponsor, with such modifications as may be approved in writing or required by the Board of Managers. Any Purchaser or lessee of a Unit will be bound by, and his or her Unit will be subject to, the Amended and Restated Declaration and By-Laws, including the foregoing restrictions.

The By-Laws of the Condominium require that, with certain exceptions, a Residential Unit Owner desiring to sell or lease a Unit must first give the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as offered by the proposed purchaser or lessee.

Within forty-five (45) days after receipt of notice from a Unit Owner of such Unit Owner's intention to sell or lease the Unit, which notice must be accompanied by a fully executed copy of the contract or lease, as the case may be, the Board must notify the Unit Owner whether it elects to exercise the right of first refusal. If the Board (i) waives its right of first refusal, or (ii) does not respond within the forty-five (45) day period following receipt of the notice, such failure to respond being deemed a waiver of the right of first refusal, the Unit Owner will be free to sell or lease the Unit to the proposed purchaser or lessee within ninety (90) days of the Board's waiver on the terms and conditions set forth in the contract of sale or lease annexed to the Unit Owner's notice to the Board of Managers. The Board of Managers must purchase or lease the Unit within the longer of (i) forty-five (45) days after the giving of a notice by such Board of its election to exercise its right of first refusal; or (ii) the time fixed in the contract of sale as the last date for the Purchaser to close thereunder. The time limits contained in this paragraph may be extended in the sole discretion of the Board of Managers.

The right of first refusal with respect to sales or leases of Residential Units, as described above, is not applicable to sales or leases of Residential Units by or to the Sponsor or its designee, sales of such Units at foreclosure sales, conveyances by deed in lieu of foreclosure, or conveyances by a party who has acquired a Residential Unit in foreclosure or by deed in lieu of foreclosure. A Unit Owner may sell or lease his Unit to his spouse or to any of his children, his parents or siblings, or to any one or more of them, or to a trust for their benefit, without first offering to sell or lease such Unit to the Board of Managers.

Acquisition of Units by the Board of Managers, or its designee, on behalf of all Residential Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Residential Unit Owner, as a Common Charge, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit to be acquired by the Board of Managers, together with the appurtenant interest of such Unit in the Common Elements.

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, will be held by it on behalf of all Unit Owners (and in the case of a Residential Unit acquired or leased, on behalf of all Residential Unit Owners) in proportion to the interest in the Common Elements appurtenant to their Units. No such Units held by the Board of Managers will carry voting rights. If any Unit is acquired by

the Board of Managers, or its designee, on behalf of all Residential Unit Owners as tenants in common, all such Residential Unit Owners will be deemed to have waived all rights of partition with respect to such Unit. The proceeds from the sale of any Unit acquired by the Board of Managers will be disposed of at the discretion of the Board.

The Board of Managers may establish reasonable fees for the processing of sale or lease applications from Residential Unit Owners, which will be payable by the selling or leasing Residential Unit Owner, as the case may be, to the managing agent.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Unit which it acquires.

Each Unit Owner, on the closing of title to the Unit, will be required to execute a Power of Attorney substantially in the form contained in Part II of this Plan, appointing the Board of Managers and their successors, as such Unit Owner's attorneys in fact, coupled with an interest, for the purpose of managing, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or its designee, on behalf of the Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws.

Each conveyance of a Unit by a Unit Owner will include such Unit Owner's undivided interest in the Common Elements and in any Unit or Units acquired by the Board of Managers from Unit Owners, in accordance with the provisions of the By-Laws.

Mortgaging of Units by Unit Owners

Each Unit Owner is free to mortgage his or her Unit, provided that the Unit Owner notifies the Board of Managers in writing indicating the name and address of the lender. Prior to or simultaneously with the closing of any such mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges and discharge any liens therefor. A Unit Owner selling the Unit may grant a purchase money mortgage to the purchaser of the Unit.

Common Charges and Assessments

The Board of Managers will prepare a budget for the Condominium from time to time but at least once a year. The budget may provide for the accumulation of reserves for capital expenditures, subject to the Sponsor's right to veto same, as described in the section entitled "Control by Sponsor." Copies of the budget will be furnished to Unit Owners and, if requested, to their mortgagees. The monthly Common Charges to be paid by Unit Owners in accordance with his or her Unit's proportionate interest in the Common Elements (or such other formula with respect to Commercial Units described in the Declaration and By-Laws) will be based upon such budget. The proposed budget for the first year of Condominium operation is incorporated as part of this Offering Plan, as Schedule B.

The financial estimates contained in Schedule B have been prepared by the Sponsor and its experts based upon its experience in the ownership and operation of residential properties. Although the Sponsor believes these estimates to be dependable, actual expenditures may differ from the estimated expenditures and because of possible changes in the future income and expenses of the Property, the estimates are not intended nor should they be considered as representations, guarantees or warranties of any kind whatsoever, including without limitation, that the amounts deductible for income tax purposes or the actual expenses for any period of operation will not vary from the amounts estimated, that the Condominium will not incur additional expenses, or that its Board of Managers will not provide for such additional reserves or other sums not reflected in Schedule B.

The Sponsor believes that subject to the foregoing contingencies and assumptions, the projected Common Charges are adequate to meet the estimated normal operating expenses enumerated on Schedule B for the first year of operation of the Condominium. The Sponsor further believes that the Common Charges payable by the Commercial Unit Owners are sufficient to cover the expenses fairly attributable to such Commercial Units.

The Board of Managers is authorized to impose a reasonable late charge for late payment of Common Charges, which will be added to the Unit owner's Common Charges due on the first day of the following month, and which will be a lien upon the Unit Owner's Unit if not paid.

No Unit Owner will be liable for the payment of any part of the Common Charges first assessed against his/her Unit after a permissible transfer of such Unit, or subsequent to a conveyance of such Unit by such Unit Owner, with or without consideration, to the Board of Managers on behalf of all Unit Owners in accordance with the provisions of the Declaration and By-Laws, provided that such Unit is, at the time of the conveyance, free and clear of all liens and encumbrances other than a permissible first mortgage and a statutory lien for Common Charges, none of which is outstanding at the time of conveyance.

Pursuant to Section 339-z of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, will be subordinate to liens for taxes on the Units and as provided for by statute, any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after the filing of a notice thereof in the New York County Office of the Register of the City of New York and until all sums secured thereby, with interest at the highest legal rate thereon, are fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever is sooner. 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 a mortgage of real property, as provided in Section 339-aa of the Real Property Law. Unit Owners against whom proceedings are brought to collect unpaid Common Charges with interest thereon, will also be responsible to pay for the expenses of the proceeding, including attorneys' fees.

Pursuant to Section 339-jj of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, may incur debt for specific purposes set forth in the By-Laws. Provided that such debt was incurred no earlier than five (5) years following the

conveyance of title to the first Residential Unit and the incurring of such debt was authorized by a majority of the Unit Owners in common interest, the Board of Managers may (a) assign the rights in and to receive future income and Common Charges; (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(1)(2), all Common Charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and (d) agree that at the lender's direction it will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. However, the Board of Managers is not authorized to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid Common Charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.

While the Sponsor is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor is in arrears of Common Charges for more than thirty (30) days.

Repairs

Residential Unit Owners will be responsible for all maintenance of and repairs to the Unit, ordinary or extraordinary (but not to the exterior side of Unit entrance doors and windows unless damaged by the Unit Owner's negligence), to individual heat pumps and console units providing heat and air conditioning within the Unit, to kitchen appliances, individual clothes washers and clothes dryers and to electrical and plumbing installations and fixtures within the Unit or belonging to or installed by the Unit Owner, which shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units. The Commercial Unit Owners are, in addition to the above, responsible for the maintenance and repair of any and all exterior entrance doors, windows and storefront installations and all pipes, lines and wires providing utility service to the Commercial Units.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. However, with respect to the roof terraces with direct access from any Unit, the maintenance responsibility of the Unit Owner is limited to the concrete pavers over the roofing material, and all installations, planters, railings, fencing and the like, and any repairs of damage caused by any plantings or installations placed by the Unit Owner on such terrace, as well as for damage to the roofing material caused by act or omission of the Unit Owner or his or her lessees, invitees, licensees or agents.

All maintenance, repairs and replacements to the General Common Elements, including but not limited to exterior walls, stairs, sidewalks adjacent to the Building's

entrances (except for snow removal from the sidewalk adjacent to any Commercial Unit, which shall be the responsibility of the Owner of that Unit), roof and roof members, pipes, wires, risers, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or as to pipes, wires, risers, conduits and public utility lines that are located in the Common Elements or serve one or more Units, except for those which serve only a Commercial Unit, which shall be maintained and repaired by such Commercial Unit Owner, will be made by the Board of Managers with the cost thereof to be charged to all Unit Owners as a Common Expense, subject to restrictions set forth in the By-Laws. The painting and decorating of the exterior side of Residential Unit entrance doors and windows will be made by the Board of Managers and charged as a Residential Unit Common Expense. However, to the extent maintenance, repairs and replacements to the Common Elements are necessitated by the negligence, misuse or neglect of a Unit Owner or the Unit Owner's lessees, invitees, licensees or agents, they will be charged to such Unit Owner.

Unit Owners must grant access to the Unit to the Board of Managers and/or the manager or Managing Agent, and persons acting at their direction, for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, and for other purposes permitted by the By-Laws.

Insurance

The Board of Managers will obtain and maintain, to the extent obtainable, the following insurance: Fire insurance with extended coverage normal for a condominium building of this type, vandalism and malicious mischief endorsements, insuring the Building (together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, furniture, furnishings, appliances or other property in any Unit and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a co-insurer in the event of casualty loss (exclusive of the cost of excavations and foundations) without deduction for depreciation, as determined by the Board of Managers.

All such policies will provide that adjustment of loss will be made by the Board of Managers and that the net proceeds thereof, if \$250,000 or less, will be payable to the Board of Managers and if more than \$250,000 will be payable to the Insurance Trustee, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. No portion of the insurance proceeds will be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building. Prior to the closing of title to the first Unit, the fire insurance coverage on the Building will be at least \$12,585,000 and said coverage will be maintained while Sponsor is in control of the Board of Managers.

As long as Commercial Unit 1 is encumbered by the mortgage of record as of the date of the recording of the Amended and Restated Declaration, the mortgagee thereof or the servicer of that mortgage shall be the Insurance Trustee unless the said mortgagee or servicer refuses. Said Trustee will not use the insurance proceeds to reduce the principal balance of any mortgage held by it before applying same for the purpose of repairing, restoring or rebuilding the Building whenever the Unit Owners elect to do so as provided in the By-Laws.

All policies of physical damage insurance will contain waivers of subrogation and of any defense based on coinsurance or of pro-rata reduction of 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 will provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause will be attached to all policies.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable: (1) public liability insurance covering each member of the Board of Managers, the managing agent, if any, 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 occurring in the Common Elements; (2) Officers and Directors liability insurance; (3) workers' compensation insurance for the Condominium's employees; (4) fidelity bonds covering members of the Board of Managers of the Condominium who handle Condominium funds; (5) boiler and machinery insurance and (6) disability benefits insurance covering any employees of the Condominium. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, such public liability insurance carried by the Board of Managers will be at least in a single limit of \$1,000,000. The public liability insurance will cover cross liability claims of one insured against another but said policy does not cover the liability of a Unit Owner arising from occurrences within his or her own Unit.

The cost of the multi-peril insurance and officers' and directors' liability insurance will be paid by the Board of Managers and will constitute a Common Expense. The cost of all other insurance described above will constitute a common expense of the Unit Owners other than the Owner of Unit 1. However, if the cost of insurance on the Building is increased because of the use of a Commercial Unit, then such insurance cost increase will be repaid to the Condominium by the Commercial Unit Owner whose use has caused the increase, within thirty (30) days after the increased cost has been demanded of the Condominium and written notice has been given by the Board to the Commercial Unit Owner.

The Board of Managers will review all insurance carried by it once each year.

Unit Owners are encouraged to carry 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 will not be affected or diminished by reason of any such additional insurance carried by Unit Owners. It is advisable for insurance obtained by Unit Owners to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and Unit Owner's liability coverage for occurrences within the Unit, or where applicable, on Limited Common Elements.

In the event of damage to or destruction of the Building as a result of fire or other casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers will arrange for the prompt repair and restoration of the Building (including any damaged Units, and any kitchen or bathroom fixtures, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment installed in the Units by the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds will constitute a common expense and the Board of Managers will assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and will be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies will be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Additions, Alterations and Improvements

The Commercial Unit Owners will have the right to make any structural addition, alteration or improvement in or to the Commercial Units or any Limited Common Element appurtenant thereto without the prior written consent of the Board of Managers or any other Unit Owner, provided same does not affect the stability of the Building, the portion of the Building utilized by any other Unit Owner, and further provided that the Commercial Unit Owner complies with all laws, ordinances and regulations of all governmental authorities having jurisdiction.

A Unit Owner may not 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, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for any such fines, and for damages.

A Residential Unit Owner may not make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the Unit Owner's proposed alteration plans have been reviewed and approved by Sponsor and Sponsor's experts or, if the Condominium has been established, by the Board of Managers (which may be controlled by Sponsor at such time of such application). The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner

desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. The Unit Owner shall be required to comply with the procedures and requirements pertaining to alteration of Units more fully set forth in the By-Laws and the Condominium's Rules and Regulations. Architectural drawings shall be submitted to the Sponsor's or the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to the Sponsor's or the Board's mechanical engineer for approval whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Sponsor, the Board or their respective Architects or engineers for a proper review of proposed plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Unit Owner wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by Sponsor or, if the Condominium has been established, by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Sponsor's and/or Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to Sponsor (or, as the case may be, the Board) shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Sponsor, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to Sponsor or the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be completed by the Unit Owner and executed by the Board of Managers (if it is factually accurate), without however, incurring any liability on the part of the Board of Managers, or any member, to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions will not apply to Units owned by the Sponsor or its designee until such Units have been initially sold and conveyed by the Sponsor or such designee.

The Board of Managers will make all additions, alterations or improvements in or to any Common Elements and Residential Common Elements and the costs and expenses thereof will be charged to all Unit Owners as a Common Expense or to all Residential Unit Owners as a Residential Common Expense, as the case may be.

Whenever in the judgment of the Board of Managers the Common Elements require additions, alterations or improvements that will cost in excess of \$50,000 in the aggregate in any calendar year, the making of such additions, alterations, or improvements and source of funds therefor must be approved by a majority of the Unit Owners present and voting at a meeting of which a quorum is present. However, if such addition, alteration or improvement only pertains to Residential Limited Common Elements', approval of a majority of the Residential Unit Owners only is required.

When and if the required approvals of the Unit Owners (and to the extent required, mortgagees) are received, the Board of Managers will proceed with such additions, alterations or improvements and will assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing in the aggregate \$50,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners or mortgagees and the cost thereof will constitute part of the Common Expenses.

Restrictions on Occupancy and Use

The Residential Units may be used only as residences except that any Unit may, in addition, be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) that such use does not violate zoning regulations or the Certificate of Occupancy for the Building, and (ii) the prior consent of the Board of Managers is obtained or, in the case of Purchasers who purchase a Unit from the Sponsor or its designee, written notice of such use is given to the managing agent. The Sponsor or its designee may however, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, leasing, business or administration offices and may place signage of any size and in any location on the Property as it may determine in its sole discretion in connection with the sale or rental of Units in this Condominium.

The Commercial Units may be used for any lawful purpose provided such use is not for (i) obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of the New York Penal Law; or (ii) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning.

The Common Elements may be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants.

Unit Owners may not use any portion of the Property for an immoral, improper, offensive, or unlawful use and must observe all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction. Violations of laws, orders, rules, regulations or requirements that are issued by any governmental agency having jurisdiction thereof, relating to any portion of the Property, must be complied with, by and at the sole expense of the party (that is the appropriate Unit Owner or the Board of

Managers), having the obligation to maintain or repair the portion of the Property to which the violation pertains.

No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated in any Residential Unit.

Residential Unit Owners may keep dogs, cats or other common household pets, not to exceed two (2) per Unit, subject to the rules and regulations adopted by the Board of Managers, including, without limitation, those pertaining to the size of a permitted pet and the permitted level of noise. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Compliance with Declaration, By-Laws, Rules and Regulations

Pursuant to Section 339-j of the New York Condominium Act, each Unit Owner will be required to comply with and abide by the Amended and Restated Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Failure to comply will constitute grounds for an action against the offending Unit Owner for damages or injunctive relief or both. The obligation of the Unit Owners to pay Common Charges is enforceable by the Board of Managers by suit to collect the same or by foreclosure of its statutory lien against the Unit for the amount of any such unpaid Common Charges. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law or any provision of the Declaration will give the Board of Managers the right to enjoin, abate or remedy the continuance of any such breach by appropriate legal proceedings, either at law or in equity. The Board of Managers may also fine a Unit Owner for such violations. Failure to comply with the Declaration, By-Laws and Rules and Regulations of the Condominium or to pay the Common Charges levied by the Board of Managers may also constitute an event of default under the terms of the Unit Owner's mortgage.

Amendments to Condominium Documents

The Amended and Restated Declaration and By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit may only be made with the consent of the affected Unit Owner; (ii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee (iii) no amendment which adversely affects a Commercial Unit Owner may be made without the written consent of the affected Unit Owner; and (iv) no amendment may be made which adversely affects the Sponsor or its designee so long as the Sponsor or such designee owns any Units.

- Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to execute and record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the New York County office of the Register of the City of New York, an amendment to the Declaration or By-Laws at any time without the requirement of a vote and without the approval or consent of any Unit

Owner or mortgagee for the purposes of (i) filing revised floor plans, (ii) changing the designation, the approximate square footage area, and number of Unsold Units (iii) changing the number of rooms and/or layout in an unsold Unit and the percentage of Common Interest allocated thereto, (iv) making insubstantial changes to the Declaration; or (v) making changes required by applicable law or regulations as more fully set forth in the Declaration. The amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee.

No Partition of Common Elements

As provided in Section 339-i(3) of the Real Property Law, the Common Elements will remain undivided and no right exists to partition or divide any portion of the Common Elements, except as otherwise provided therein (and described in this Section of the Plan) in the event of condemnation, destruction of more than 75% of the Building, or termination of the Condominium.

Complete copies of the Amended and Restated Declaration and By-Laws are set forth in Part II of this Plan.

Termination of Condominium

The Condominium will continue (unless terminated by casualty loss or by condemnation) until such time as the Property is withdrawn from the provisions of Article 9B of the Real Property Law of the State of New York as a result of the vote of at least 80% in number and in Common Interests of the Unit Owners plus the consent of the Owner of Commercial Unit 1 provided, and for so long as such Commercial Unit is encumbered by the mortgage of record as of the date of recording of the Amended and Restated Declaration. In that event, the Property will be subject to an action for partition by any Unit Owner or any lienor, as if owned in common, following which the net proceeds of the sale resulting therefrom will be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner, to the payment of any liens on his or her Unit, in order of the priority of such liens. The Sponsor may not vote its interest to terminate the Condominium unless 80% of Unit Owners other than the Sponsor vote to do so, but even in that event, the Sponsor will not be obligated to vote.

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

The Sponsor has been advised by Sonnenschein, Sherman & Deutsch, LLP, that each Residential Unit Owner who itemizes deductions will be entitled under present law to deduct the real estate taxes assessed against the Unit and paid by such Unit Owner, for Federal and New York State income tax purposes as well as the amount paid by the Unit Owner representing interest on any mortgage indebtedness covering the Unit if the Unit is the Unit Owner's primary residence. The deductions are subject to

certain exceptions and limitations which are more particularly discussed in the Counsel's Tax Opinion which is set forth as Exhibit H in Part II of this Plan.

Schedule A contains estimates of the amount of real estate taxes which a Unit Owner may be entitled to deduct for Federal and New York State income tax purposes under present law. In calculating individual tax deductions, each Purchaser should add to that the deduction, if applicable, for the interest portion of the Unit Owner's monthly mortgage payment.

The Sponsor has also been advised by counsel that, under present law, persons who become Unit Owners and (a) who are veterans of the United States Armed Forces may be entitled to Veterans' Exemptions; or (b) are senior citizens may be entitled to "Star" exemptions covering part of the real estate taxes otherwise assessed to their respective Units.

With respect to the taxability of the Condominium, Section 528 of the Internal Revenue Code provides that condominiums are generally taxable in a manner similar to corporations, except to the extent that the Condominium qualifies as a "homeowners association" under section 528, which requires, among other things that substantially all of the Units (calculated in terms of square footage) are used as residences and that substantially all of the expenditures are for management, maintenance and care of the Condominium Property. The Condominium would not qualify under current Section 528 of the Internal Revenue Code since less than 85% of the square footage of the Condominium will be used for residential purposes. Therefore, certain income of the Condominium will be subject to tax. If the Condominium is required to pay taxes, such taxes will constitute Common Expenses, assessed to all Unit Owners as part of the Common Charges.

No warranties are made that either the Internal Revenue Service or the New York State Department of Taxation and Finance will continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor and Sonnenschein, Sherman & Deutsch, LLP, will not be liable under any circumstances if it is determined that the Unit Owners are no longer entitled to such income tax deductions for real estate taxes and/or mortgage interest, as aforesaid, because of changes in fact or statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. The opinion of Sonnenschein, Sherman & Deutsch, LLP is limited to the state of the law existing on the date this Plan was filed with the Department of Law.

RESERVE FUND FOR CAPITAL EXPENDITURES

There are no restrictions on the Board's right to accumulate available funds for reserves. Although Common Charges may also be assessed from Residential Unit Owners for this purpose, as long as the Sponsor or its designee owns Units representing at least 25% of the common interest during the initial 5-year control period, the prior consent of Sponsor or its designee is necessary in order to assess Common Charges to create, add to or replace a reserve, emergency or surplus fund unless required by law.

The budget for the first year of condominium operation set forth in Schedule B includes a reserve fund of \$5,000 for major capital repairs or replacement items which may be needed within the first five years of condominium operation. No representation or warranty is made as to the adequacy of such amount.

The reserve fund may not be used to reduce projected Common Charges during the time that the Sponsor or its designee controls the Board, nor may it be used to cover closing adjustments with the Condominium.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF SUCH RESERVE FUND FOR CAPITAL EXPENDITURES.

WORKING CAPITAL FUND

In addition to paying regular monthly payments of Common Charges, each Purchaser of a Residential Unit (except for Sponsor or its designees) will be required to pay to the Condominium at Closing a non-refundable payment equal to two (2) months estimated Common Charges as set forth in Schedule A. These payments will be accumulated to provide the Condominium with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Managers. The sale of all Residential Units will result in a Working Capital Fund of approximately \$32,600.

So long as the Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges as set forth in Schedule B to this Plan.

The Working Capital Fund may not be used to cover closing adjustments with the Condominium. Individual closing adjustments, consisting of pro-rated monthly common charges, real estate taxes and insurance premiums, are payable by Purchasers as more fully set forth in the section of the Plan entitled "Unit Closing Costs and Adjustments".

The Working Capital Fund is to be distinguished from the contingency fund provided for in the proposed Budget, Schedule B to the Offering Plan, and which may in fact be used during the period of Sponsor's control of the Board of Managers.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will enter into a two (2) year management agreement with Taube Management Corp. with offices at 204 East 83rd Street, New York, New York 10028, effective as of the date of the first closing of title to a Unit, at an annual fee of \$20,000. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. See "Budget for the First Year of Condominium Operation" (Schedule B). The management agreement

provides that Managing Agent will return the books and records held by it to the Condominium upon termination. The management agreement may not be assigned by either party without the consent of the other. It may be canceled by either party for cause.

The Managing Agent will, among other things:

1. cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Common Elements, all of whom will be the Condominium's employees;
2. cause the Common Elements to be maintained in such condition as may be deemed advisable by the Board of Managers, provided that ordinary repairs or alterations involving an expenditure of over \$1,000 for any one item which is not part of a previously approved operating or capital budget will be made only with the prior approval of the Board of the Condominium, although emergency repairs, i.e., those immediately necessary for the preservation and safety of the Common Elements or for the safety of Unit Owners or other persons, or required to avoid the suspension of any necessary service to the Property, may be made by the Managing Agent without prior approval irrespective of the cost thereof, but with notice to the Board as soon as practicable thereafter. Notwithstanding the foregoing, the Managing Agent will not be required to supervise any alteration or repair item (or program) in excess of \$100,000.00, although it will solicit bids, if requested by the Board;
3. recommend, and with the approval of the Board of Managers, cause all such acts and things to be done in or about the Common Elements that may be necessary or desirable to comply with any and all laws, rules and orders or violations affecting the Common Elements, placed thereon by any federal, state or municipal authority having jurisdiction thereover;
4. enter into contracts for any necessary services and supplies, provided that any such contract having a term longer than one year or requiring annual payments in excess of \$1,000 must be authorized by the Board of Managers;
5. act as a liaison between the Board of Managers and an insurance agent to arrange for the appropriate insurance coverage of the Condominium, and notify the general liability insurance carrier and the Board of Managers in writing promptly of any personal injury or property damage occurring to or claimed by any Unit Owner or third party on or with respect to the Condominium. If the Managing Agent places such insurance, the Agent shall be entitled to a commission;
6. check and approve all bills received for services, work, and supplies ordered in connection with maintaining and operating the Common Elements, and pay or cause to be paid all such bills and all water charges, sewer rents and assessments imposed on the Building as and when they become due and payable;
7. supervise the moving in and out of Unit Owners and tenants;

8. bill or cause to be billed Unit Owners for Common Charges, late charges and other charges, use its best efforts to collect such Common Charges and other charges, and deposit the same promptly in an account approved by the Board of Managers;
9. consider, and when reasonable, attend to complaints of Unit Owners. If the Managing Agent deems any complaint unreasonable, it will advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable;
10. if requested by the Board, carry out required procedures and give required notice as set forth in the Condominium Documents in connection with the exercise of the right of first refusal on proposed sales or leases of Residential Units;
11. retain experts and consultants as required to conduct special studies, subject to the approval of the Board and at the expense of the Condominium;
12. notify the Board of Managers promptly (together with copies of supporting papers) of any notice of violation of any governmental requirement, imposition of any lien, non-payment action regarding the Building or any defect in the Condominium;
13. cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Condominium employees;
14. on or about the 25th day of each month, render or cause to be rendered to the Board of Managers regular monthly statements, supported by bills and/or authorizations required pursuant to the management agreement;
15. set up and keep in good order a separate, accurate and full set of receipts and disbursements, and maintain files containing all documents pertaining to the Building, maintain accurate and complete accounting records and a checkbook on the Condominium's bank account.
16. cooperate with the Condominium's accountants and auditors in regard to the annual audit of the books of account of the Condominium and in the preparation of tax returns and the annual report of the operations of the Building for the year then ended. If requested by the Board, send a copy of such annual report to each Unit Owner;
17. prepare and submit annually to the Board of Managers, as soon as practicable in each calendar year, an operating budget setting forth the anticipated income and expenses for the Condominium for the ensuing year, and notify the Unit Owners of all assessments determined by the Board;
18. prepare and send out all letters and reports to members of the Board of Managers as the Board of Managers may request;
19. attend not more than one Board meeting each month and all Unit Owner meetings unless specifically advised by the Board of Managers that such attendance is not required at a particular meeting, provided meetings are held at

reasonable times and reasonable notice is given. If requested by the Board, provide a Board meeting room;

20. process applications by Residential Unit Owners for consent to alterations, assemble proposed plans and coordinate with the Unit Owner for use of Building services but without supervising the renovations, at a fee to the Unit Owner which will be set by the Board of Managers;
21. if requested to do so, record the minutes of the meetings of the Board of Managers; and
22. generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Condominium.

Additionally, the Managing Agent will be entitled to collect from every Unit Owner, other than the Sponsor or its designee as owner of Unsold Units, a fee for processing applications for sale, rental or renewal rental of Units, which will initially not be greater than as follows:

- a. \$250 for sale, \$55 credit check, \$175 financing agreement
- b. \$250 for rental/sublease and \$55 credit check
- c. \$100 for renewal rental
- d. \$250 for processing and issuing a Certificate of Waiver of Right of First Refusal

Pursuant to the Management Agreement, the Board of Managers will indemnify the Managing Agent against any judgment rendered in or settlement of any claim, action or proceeding brought against the Managing Agent and the Board of Managers jointly or severally arising out of or connected with the proper performance by the Managing Agent of its duties. Such obligations will also be covered by insurance obtained by the Condominium. If requested by the Board of Managers, the Managing Agent will procure and maintain, at the Condominium's cost and expense, a fidelity bond in the amount of \$250,000 to protect the Condominium against loss caused by acts of the Managing Agent, its directors, officers or employees.

The Management Agreement may be canceled by the Condominium at any time, upon thirty (30) days prior written notice, and by the Managing Agent, at any time, upon sixty (60) days prior written notice.

The Managing Agent cannot assign its interest in the Management Agreement and cannot merge into another management company without first granting the Condominium a thirty-day period to cancel the management agreement.

If, after the transfer of control of the Board of Managers to the Unit Owners and the expiration of the Management Agreement, the Condominium Board elects to employ a different managing agent or manager of its own choice, any additional cost thereof will be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by the Sponsor as to cost, terms or availability of such management services.

Insurance

Prior to the first closing of title to a Residential Unit, the Sponsor will obtain the insurance coverage described in the footnotes to Schedule B on behalf of the Condominium.

Service Contracts

The service and maintenance contracts listed in the Footnotes to Schedule B, as extended or replaced, will be binding on the Condominium after the first closing of title to a Residential Unit.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Plan is East Tribeca Associates, LLC, a New York limited liability company (the "Sponsor"), with an office at 600 Third Avenue, New York, New York 10016. The Operating Member of the Sponsor is KJ Warren Associates LLC, a New York limited liability company with an office at 600 Third Avenue, New York, New York 10016. The other member of the Sponsor is EMJ Builders LLC, a New York limited liability company with an office at 43-24 Clearview Expressway, Bayside, New York, NY 11361.

Kenneth S. Horn is manager of KJ Warren Associates LLC and is a principal of the Sponsor. Mr. Horn is a licensed real estate broker who has been in the real estate business for approximately fifteen (15) years. Within the past five (5) years, Mr. Horn has been a principal of the Sponsor or of a Holder of Unsold Shares for The Chelsea Quarter Condominium, 129 West 20th Street, New York, NY; Sheffield Gardens, Jackson Heights, NY; 1-6 Birchwood Court, Mineola, NY; 2 Tudor City Place, New York, NY; 520-522 West 50th Street, New York, NY; The Estates at Bayside, Bayside, NY; 61 Lexington Avenue, New York, NY; 36-40 West 13th Street, New York, NY; 136 East 19th Street, New York, NY; and 20-26 Greene Street, New York, NY. Mr. Horn is also the President and sole shareholder of Alchemy Properties, Inc., the Selling Agent. The other principals of KJ Warren Associates LLC are Joel Breitkopf and Joddes Warren LLC (a New York limited liability company whose member is Gerald Davis). Neither Mr. Breitkopf nor Mr. Davis have been principals of any other cooperative or condominium offerings.

Mr. Horn is not now a principal of any entity which owns in excess of ten (10%) percent of the unsold shares or units in any cooperative or condominium projects, except for 520-522 West 50th Street, New York, NY and Sheffield Gardens, Jackson Heights, NY. The respective Sponsors or holders of Unsold Shares of which Mr. Horn is a principal, are current in their financial obligations with regard to each of the above properties. The Offering Plans for these properties are on file with the Department of Law and are available for public inspection.

Matthew Scherr is the managing member of EMJ Builders LLC and the other members are Jay Plasky and Esther Bukai. None of these individuals have been a

principal of any public offering of cooperative interests in realty, including condominiums, which were initially filed during the past five (5) years.

The Selling Agent

Alchemy Properties, Inc. with offices at 600 Third Avenue, New York, New York 10016 is the Selling Agent retained by the Sponsor in connection with the offering of Residential Units. Alchemy Properties, Inc. is engaged in the brokerage and sale of residential properties in the New York metropolitan area. The firm has no financial relationship, past or present, to the Sponsor except as Selling Agent, and except to the extent that Alchemy Properties, Inc. is wholly owned by Kenneth S. Horn, a principal of Sponsor.

Managing Agent

Taube Management Corp., the Managing Agent, is a real estate management firm which has been in business for over 25 years in the New York metropolitan area and is experienced in the management of residential properties. The company currently manages more than 20 apartment buildings in New York City. The company's offices are located at 204 East 83rd Street, New York, New York. Milton Taube, President and Joseph M. Taube, Vice President are licensed real estate brokers and have experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

Attorneys for Sponsor

Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, New York, NY 10106 is the law firm retained by Sponsor to represent it in connection with this Plan. Such law firm has, on behalf of Sponsor, prepared this Plan, the Amended and Restated Declaration and By-Laws, the form of Purchase Agreement, Deed and the related Exhibits referred to herein. It has also rendered an opinion to Sponsor with respect to the availability of income tax deductions to purchasers of Residential Units, which opinion is set forth in Part II of the Plan. Sander Srulowitz, Esq. and Jane Rosenberg, Esq. were primarily responsible for preparing the Plan. Sonnenschein, Sherman & Deutsch, LLP has not undertaken any responsibility for the business or financial terms of this Plan and has no financial interest in the Plan, the Property, the Sponsor or other parties to this transaction, except for its fee for service rendered.

Architect

Nicholas Tjartjalis, Registered Architect, with an office at 17 Battery Place, New York, NY 10004 has been retained by Sponsor as architect for the Property. Said architect has no financial relationship, past or present, to the Property or to the Sponsor, except as architect.

REPORTS TO UNIT OWNERS

All Unit Owners are entitled to receive copies of the following reports and/or notices annually, from the Condominium, at the Condominium's expense.

1. annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be mailed within five (5) months after the end of the fiscal year;
2. notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting, stating the purpose thereof as well as the time and place where it is to be held;
3. a copy of the proposed annual budget of the Condominium to be sent not less than ten (10) days prior to the date set for adoption thereof. While the Sponsor is in control of the Board of Managers, the budget shall be certified in accordance with the Attorney General's regulations.

DOCUMENTS ON FILE

Pursuant to Section 352-e(9) of the General Business Law, Sponsor will keep copies of this Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan on file, and available for inspection without charge and copying at a reasonable charge, at the office of the Sponsor for six (6) years from the first closing of title to a Residential Unit during normal business hours and upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium Unit offered by this Plan or who has otherwise participated in this offering.

GENERAL

There are no lawsuits, administrative proceedings or other legal proceedings now pending, the outcome of which could materially affect this offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation thereof.

The Property is not and has never been the subject of any prior cooperative or condominium public offerings. A no-action letter was issued by the New York State Department of Law to Warren Street Associates LLC prior to the recording of the Original Declaration. As of the date of the Plan, neither the Sponsor, the Selling Agent nor any other representative or agent of Sponsor has raised funds from, made any preliminary offering to or made any binding agreement with, prospective purchasers with respect to condominium Units nor collected any money from prospective purchasers.

The Sponsor and the Selling Agent will not discriminate against any person or persons on the basis of race, creed, sex, color, disability, marital status, age, sexual orientation or national origin or other grounds prohibited by law.

The Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are sold, including changes affecting the rights, obligations and liabilities of the Condominium, Unit Owners, Purchasers and/or prospective Purchasers under this Plan. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the event of a material revision adversely affecting the rights, or materially increasing the obligations or liabilities, of then existing Purchasers or the Condominium, or materially reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right, for fifteen (15) days after the presentation date of the amendment, to rescind their Purchase Agreements in writing, delivered to the Sponsor within such fifteen (15) day period and have all monies paid thereunder (with interest earned on their Down Payment, if any) refunded, provided such persons comply in all respects with any procedure for rescission set forth in an amendment to this Plan.

No binding obligation between the Sponsor and a Purchaser may arise unless and until a Purchase Agreement, executed by both the Purchaser and the Sponsor, has been executed and delivered.

This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents referred to herein, cannot be relied upon. This Plan does not intentionally omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

All references in this Plan to the Sponsor will be deemed to include any assignee or designee of Sponsor.

This Plan may not be changed or modified orally.

SPONSOR'S STATEMENT OF SPECIFICATIONS AND BUILDING CONDITION

The Sponsor adopts the Description of Property and Specifications (the "Report") prepared by Nicholas Tjartjalis, Architect, which is set forth in Part II of this Plan, and has relied solely on this Report. The Sponsor represents that it does not know of any material defect or need for major repairs except as set forth in the Report.

The Sponsor will comply with the provisions of 42 U.S.C. 4852d any other applicable federal, state and local laws concerning lead based paint, and any laws and regulations promulgated thereunder.

East Tribeca Associates, LLC
Sponsor

EXHIBIT A

FLOOR PLANS

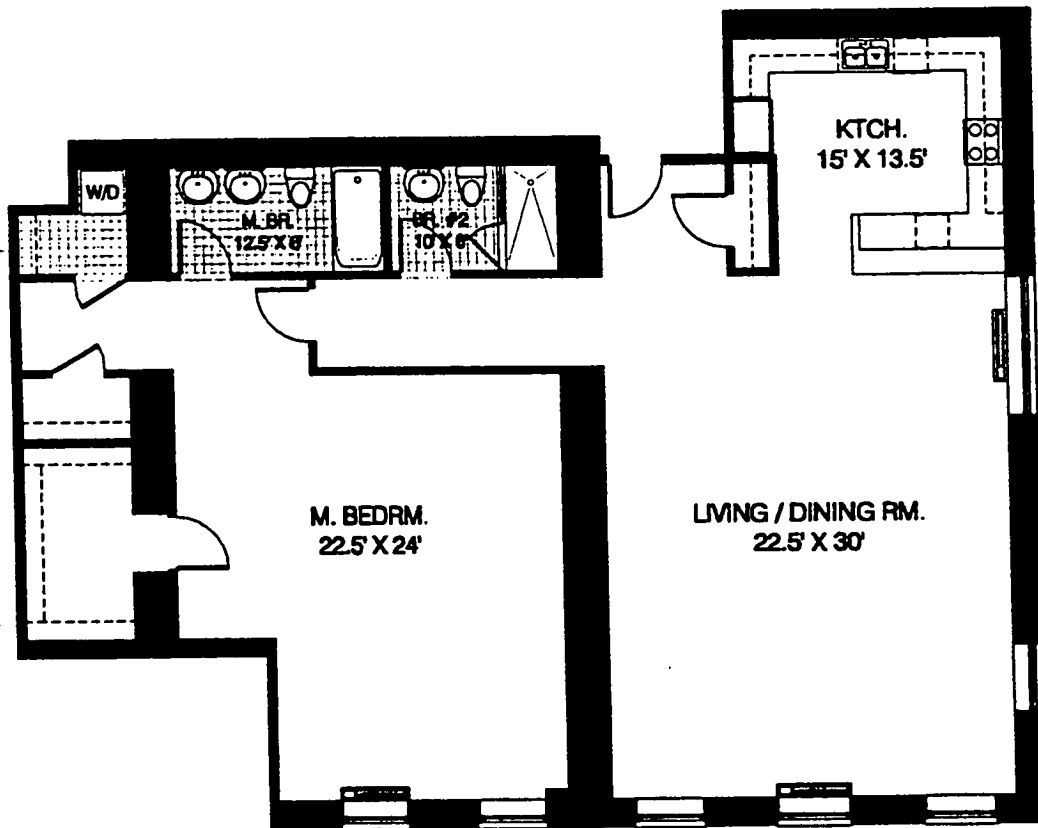
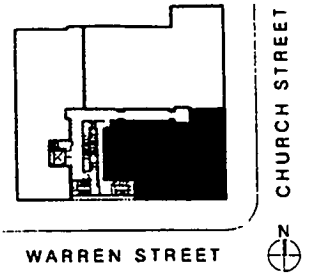
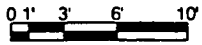
RESIDENCE "A"

FLOOR 2

1 BEDROOM

2 BATHROOMS

2149 SQ. FT.



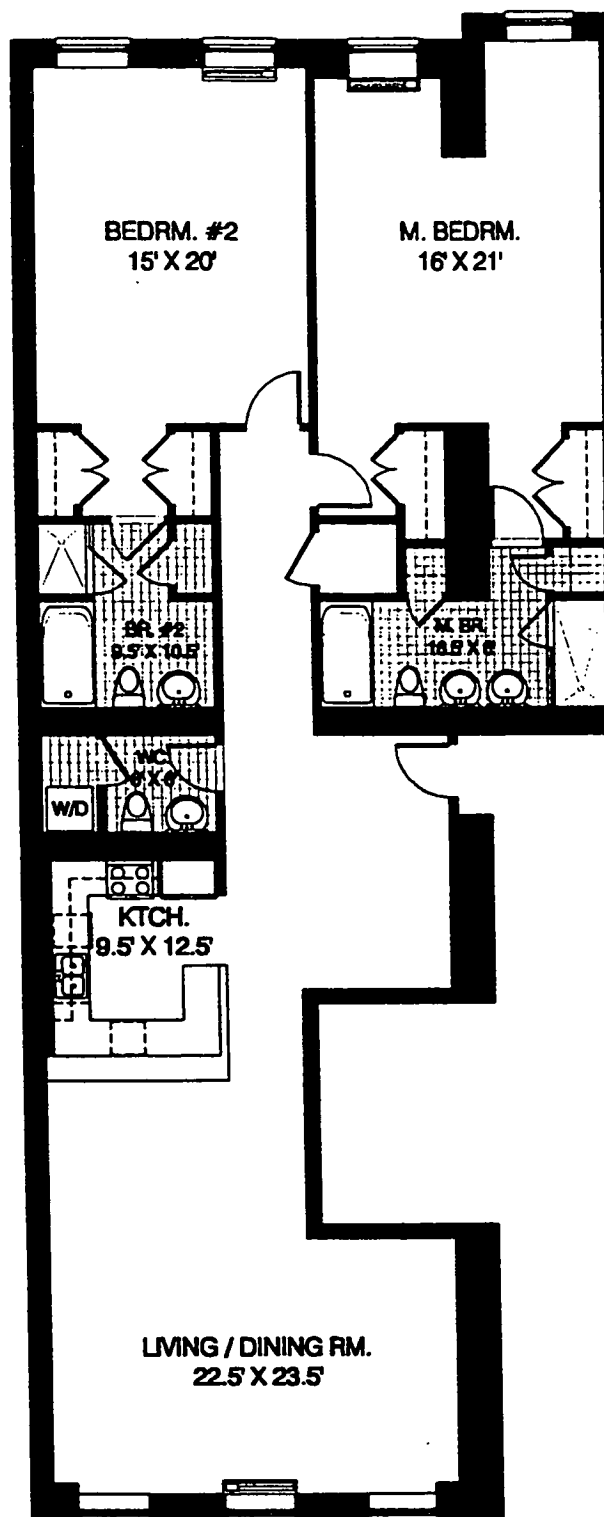
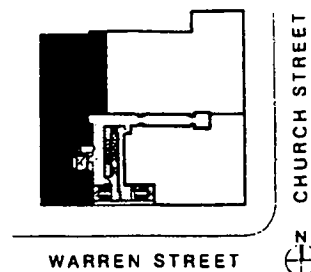
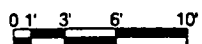
RESIDENCE "B"

FLOOR 2

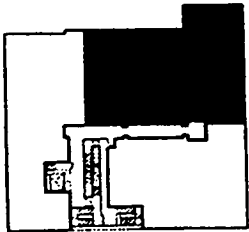
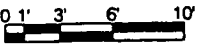
2 BEDROOMS

2.5 BATHROOMS

2162 SQ. FT.

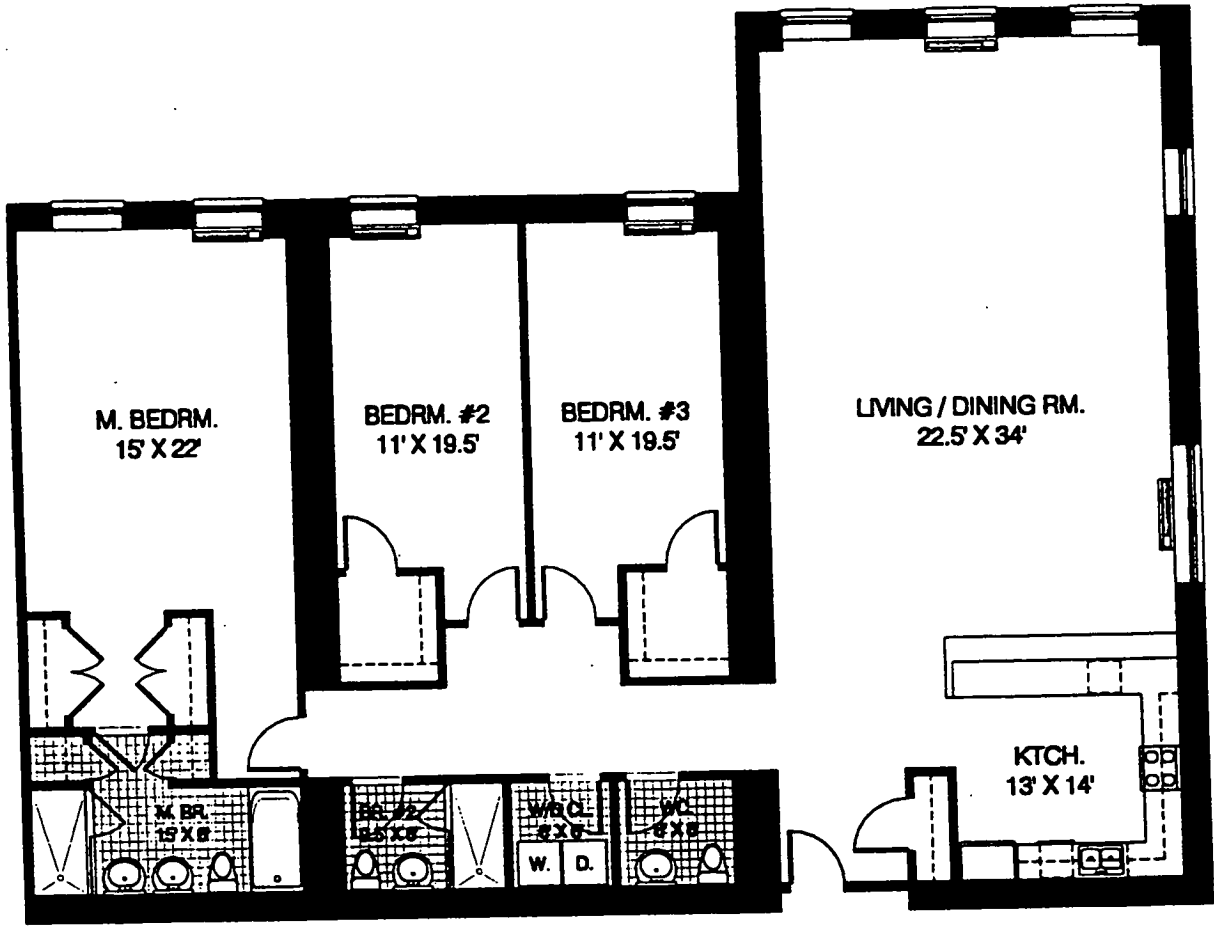


RESIDENCE "C"
FLOOR 2
3 BEDROOMS
2.5 BATHROOMS
2815 SQ. FT.



CHURCH STREET

WARREN STREET



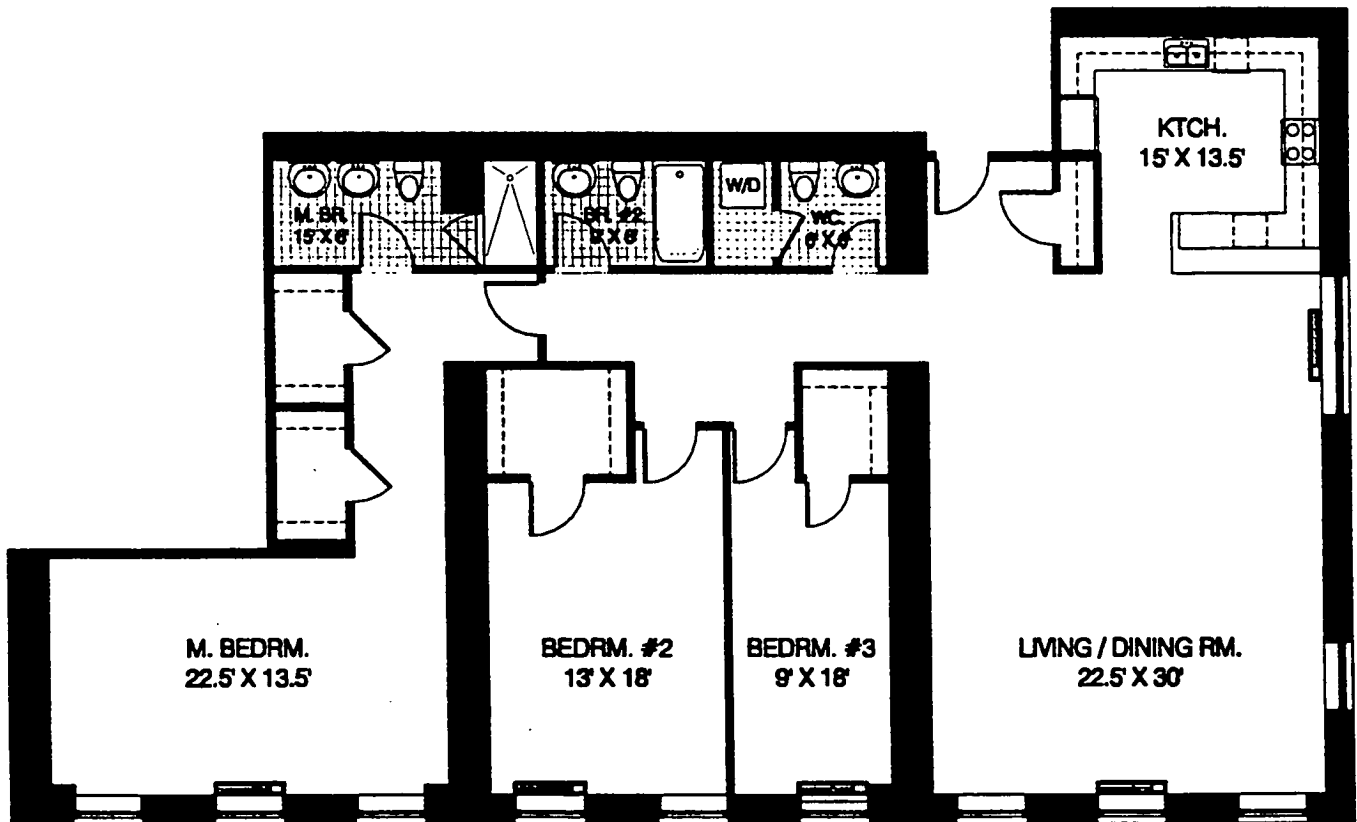
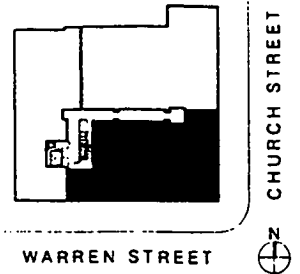
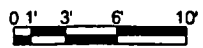
RESIDENCE "A"

FLOORS 3-5

3 BEDROOMS

2.5 BATHROOMS

2632 SQ. FT.



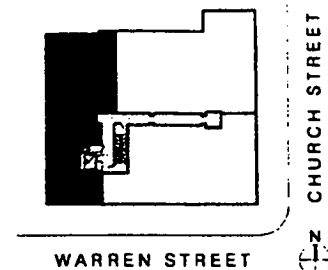
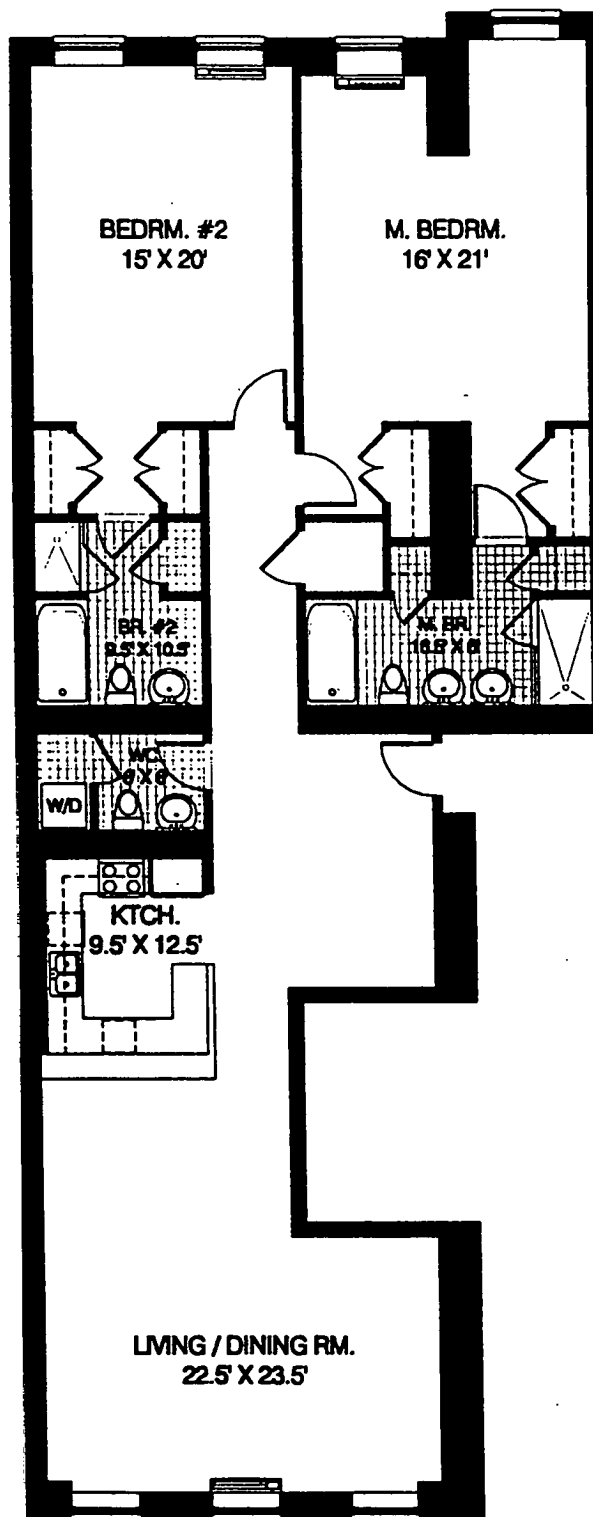
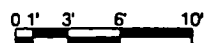
RESIDENCE "B"

FLOORS 3-5

2 BEDROOMS

2.5 BATHROOMS

2162 SQ. FT.



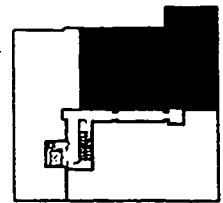
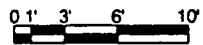
RESIDENCE "C"

FLOORS 3-5

3 BEDROOMS

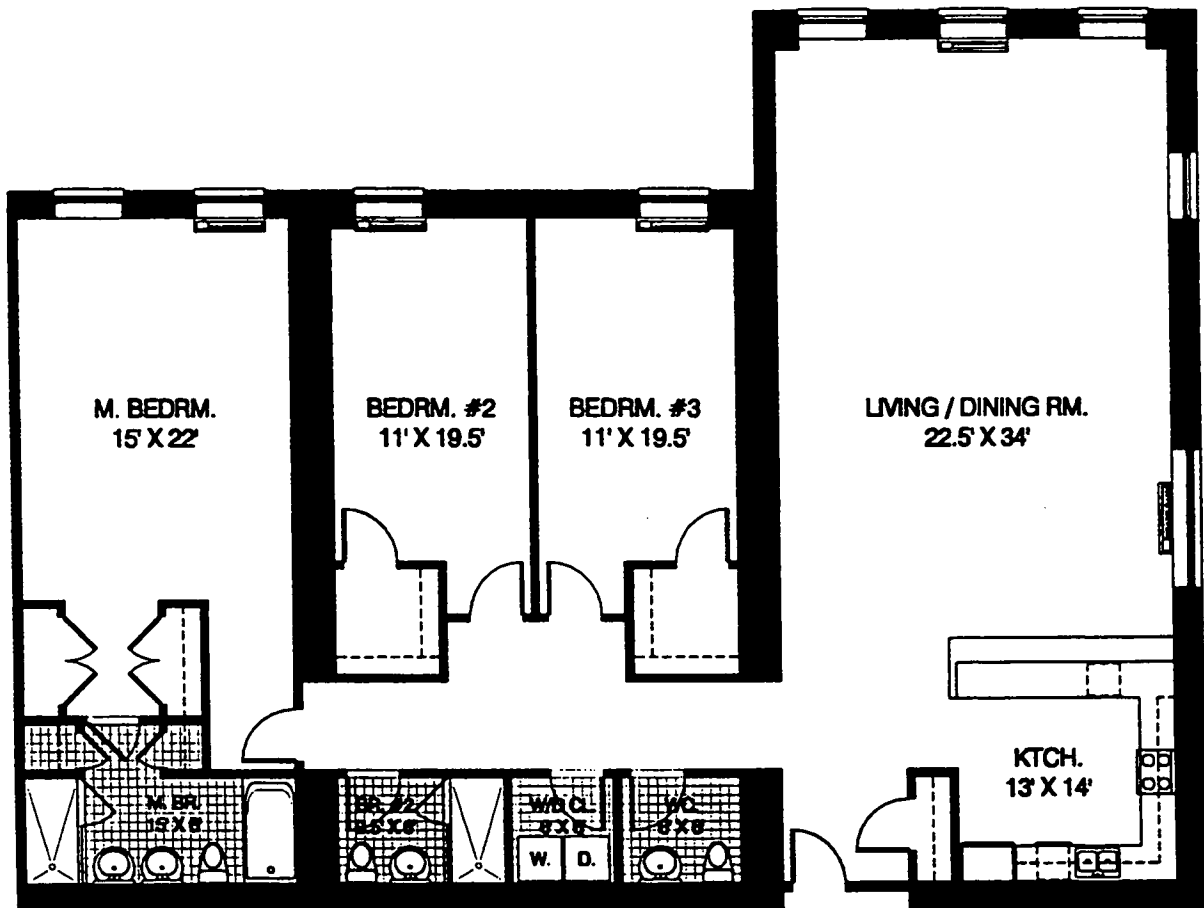
2.5 BATHROOMS

2815 SQ. FT.



WARREN STREET

CHURCH STREET



RESIDENCE "A"

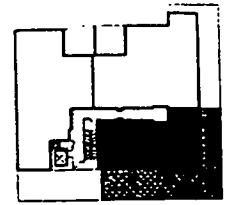
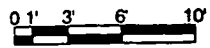
FLOOR 6

2 BEDROOMS

2 BATHROOMS

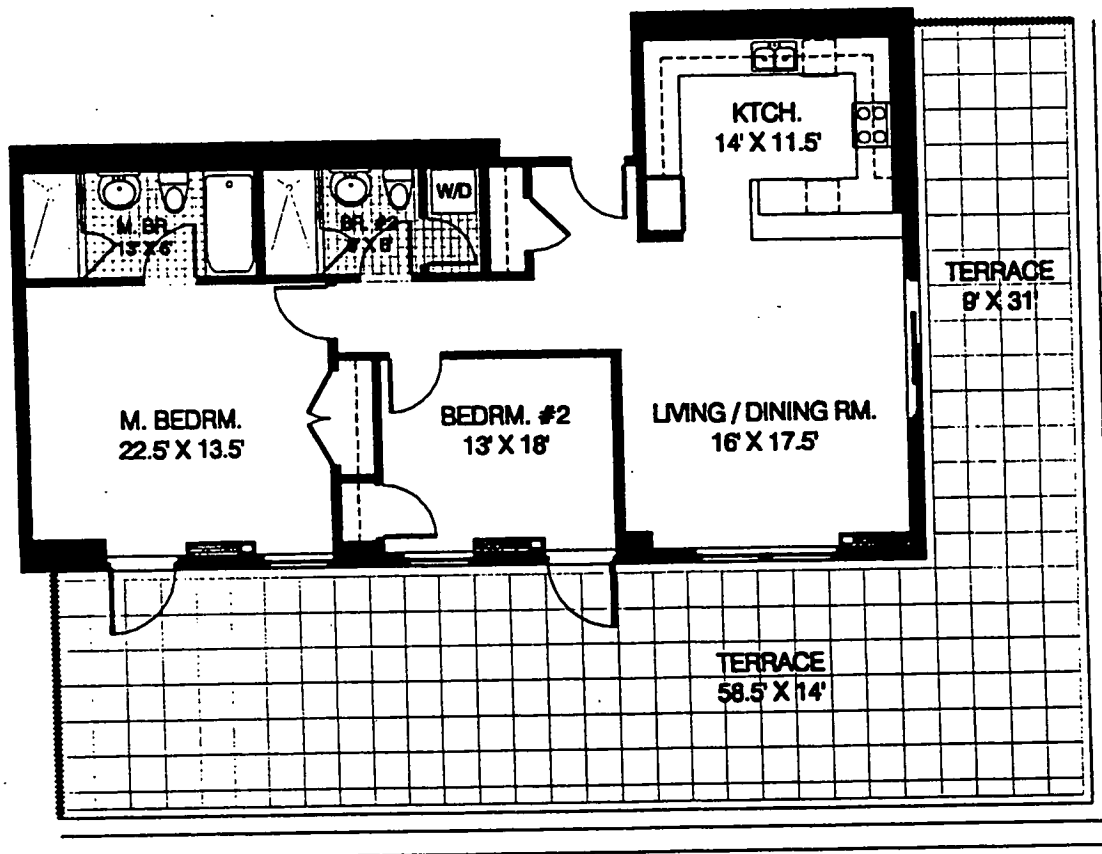
1248 SQ. FT.

1153 SQ. FT. TERRACE



WARREN STREET

CHURCH STREET



RESIDENCE "C"

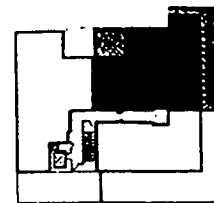
FLOOR 6

2 BEDROOMS

2 BATHROOMS

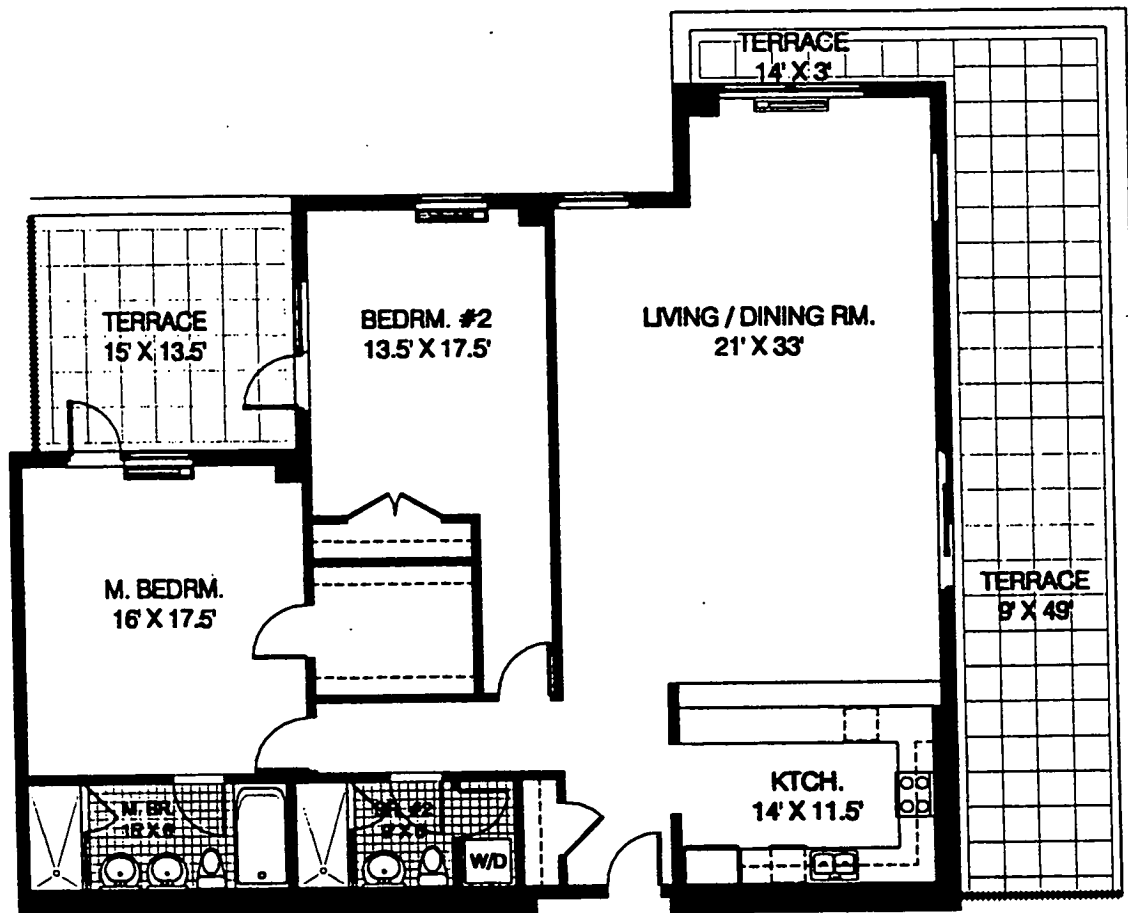
1850 SQ. FT.

736 SQ. FT. TERRACE

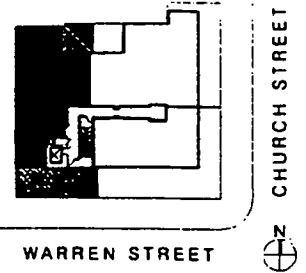
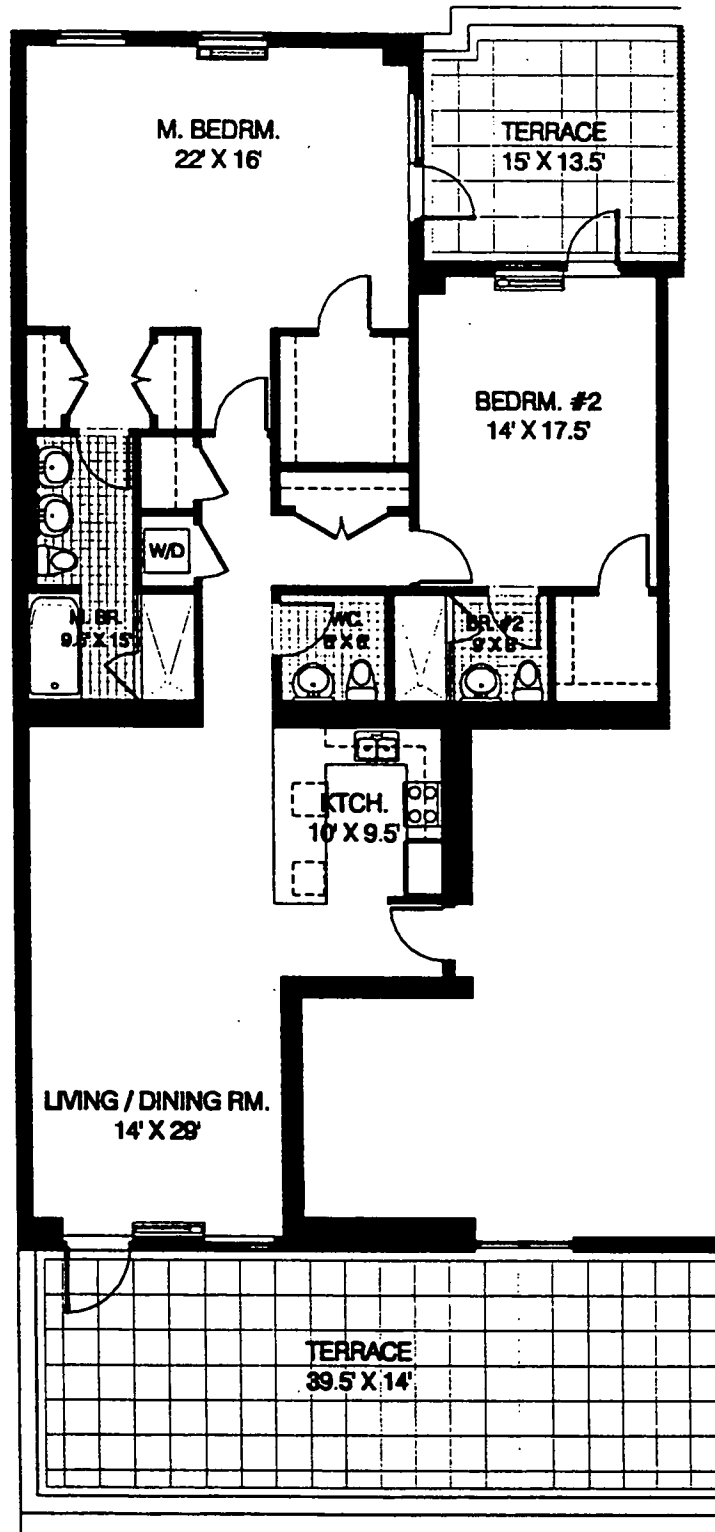
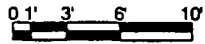


WARREN STREET

CHURCH STREET



RESIDENCE "B"
FLOOR 6
2 BEDROOMS
2.5 BATHROOMS
1955 SQ. FT.
790 SQ. FT. TERRACE



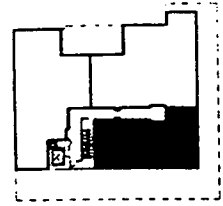
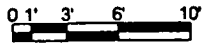
RESIDENCE "A"

FLOORS 7-8

2 BEDROOMS

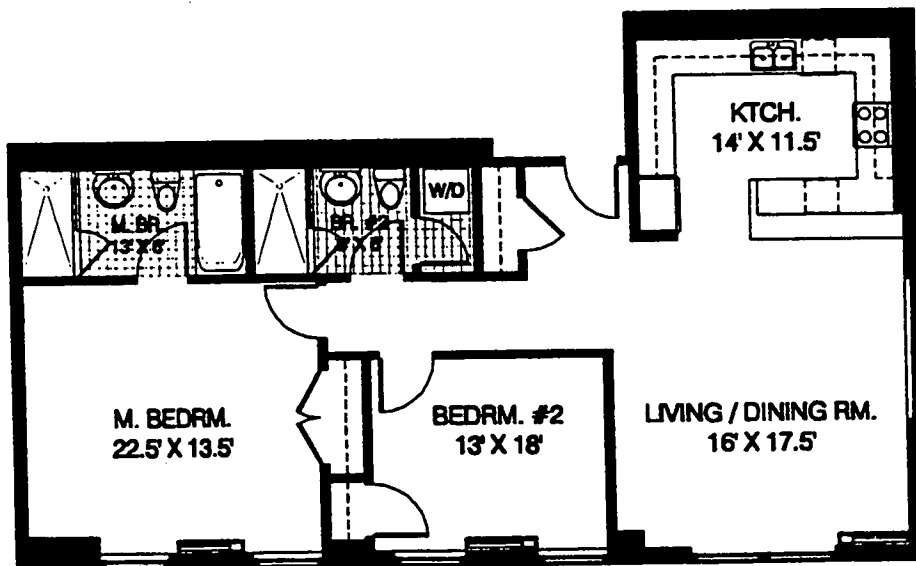
2 BATHROOMS

1248 SQ. FT.



WARREN STREET

CHURCH STREET



RESIDENCE "B"

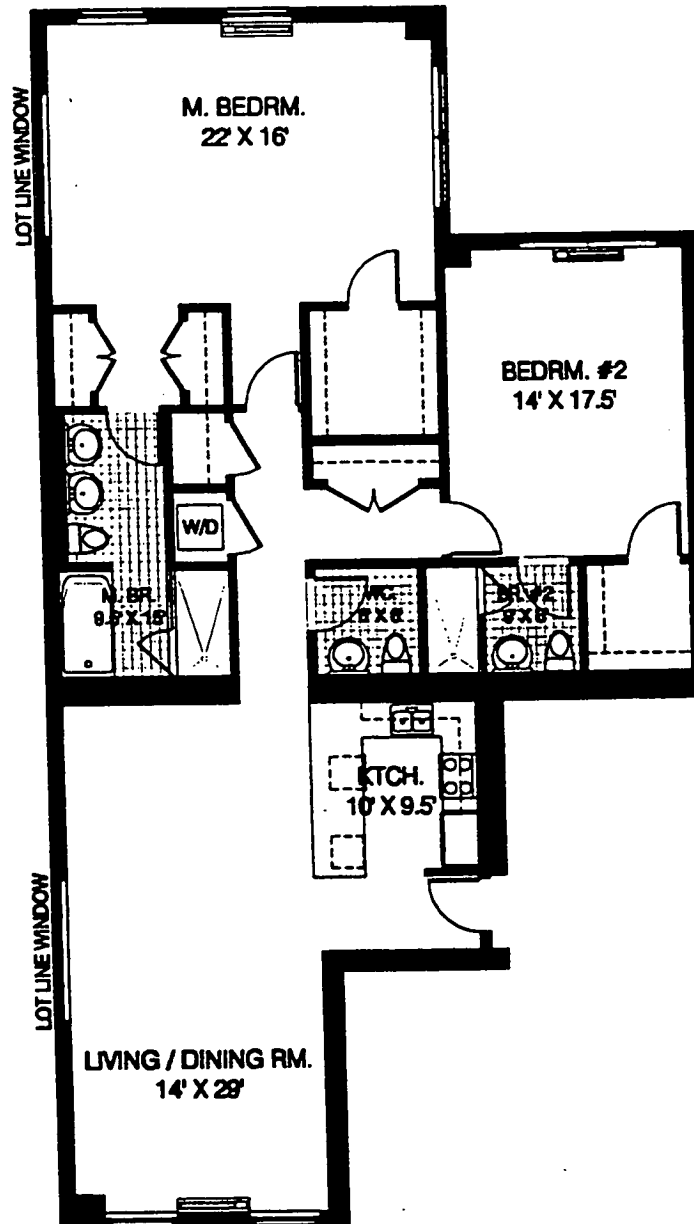
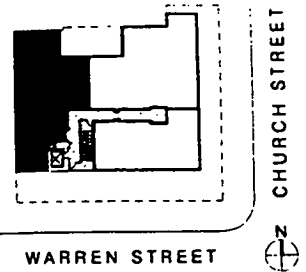
FLOOR 7-8

2 BEDROOMS

2.5 BATHROOMS

1955 SQ. FT.

0' 1' 3' 6' 10'



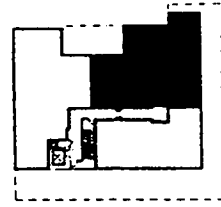
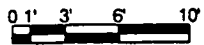
RESIDENCE "C"

FLOORS 7-8

2 BEDROOMS

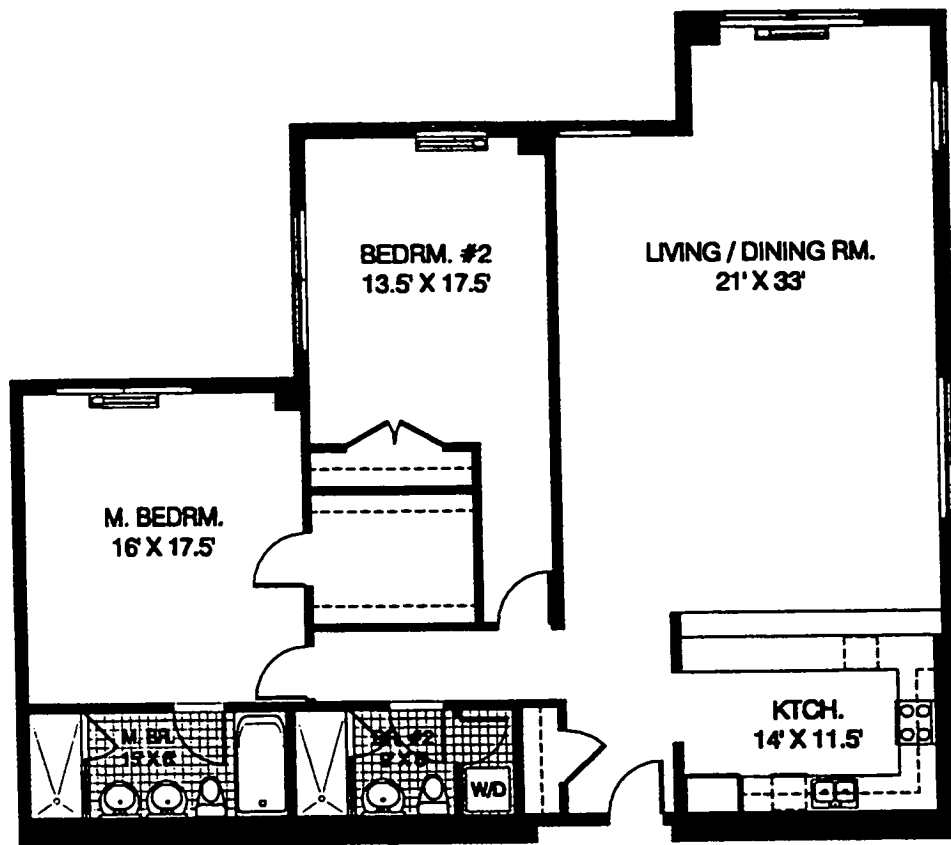
2 BATHROOMS

1850 SQ. FT.



WARREN STREET

CHURCH STREET



RESIDENCE "A"

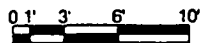
FLOOR 9

2 BEDROOMS

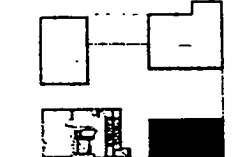
2 BATHROOMS

1248 SQ. FT.

648 SQ. FT. TERRACE



KEY PLAN TERRACE

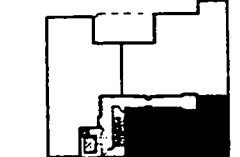


WARREN STREET

CHURCH STREET

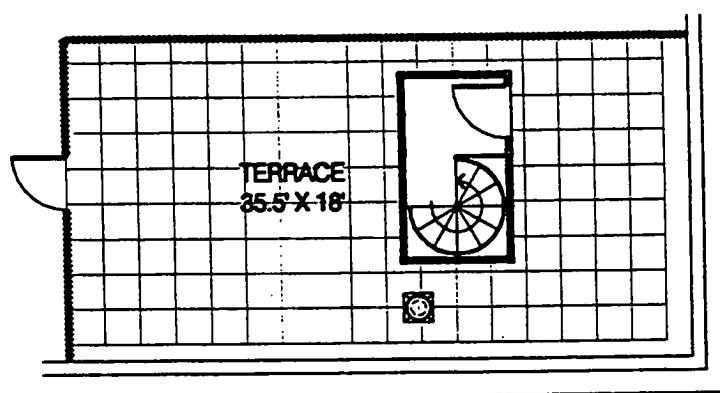
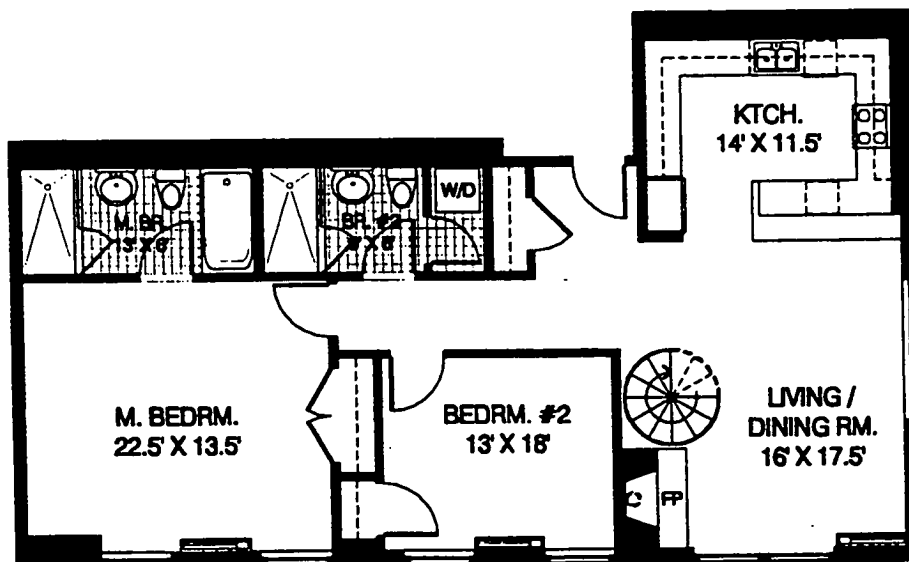


KEY PLAN APARTMENT

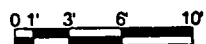


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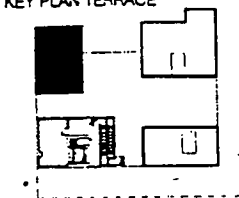
CHURCH STREET



RESIDENCE "B"
FLOOR 9
2 BEDROOMS
2.5 BATHROOMS
1955 SQ. FT.
712 SQ. FT. TERRACE



KEY PLAN TERRACE

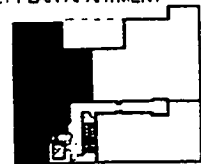


WARREN STREET

CHURCH STREET

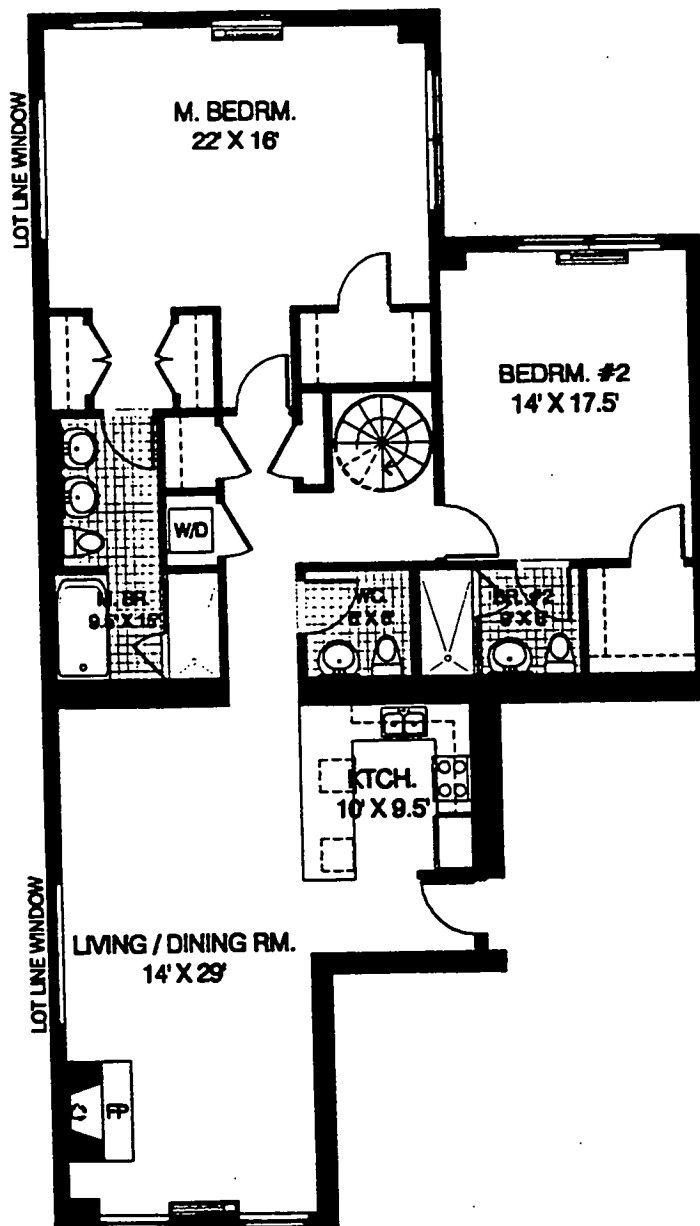
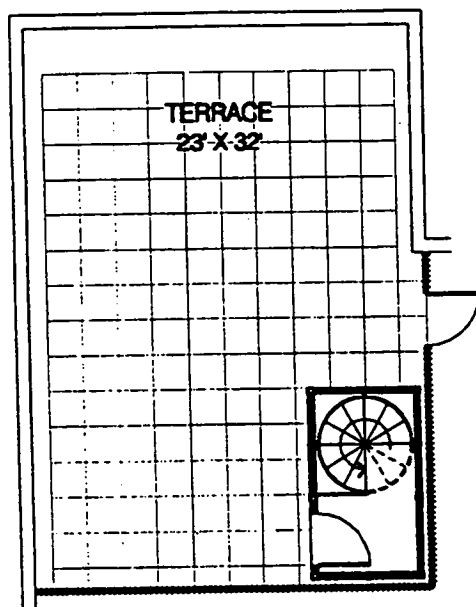


KEY PLAN APARTMENT



WARREN STREET

CHURCH STREET



RESIDENCE "C"

FLOOR 6

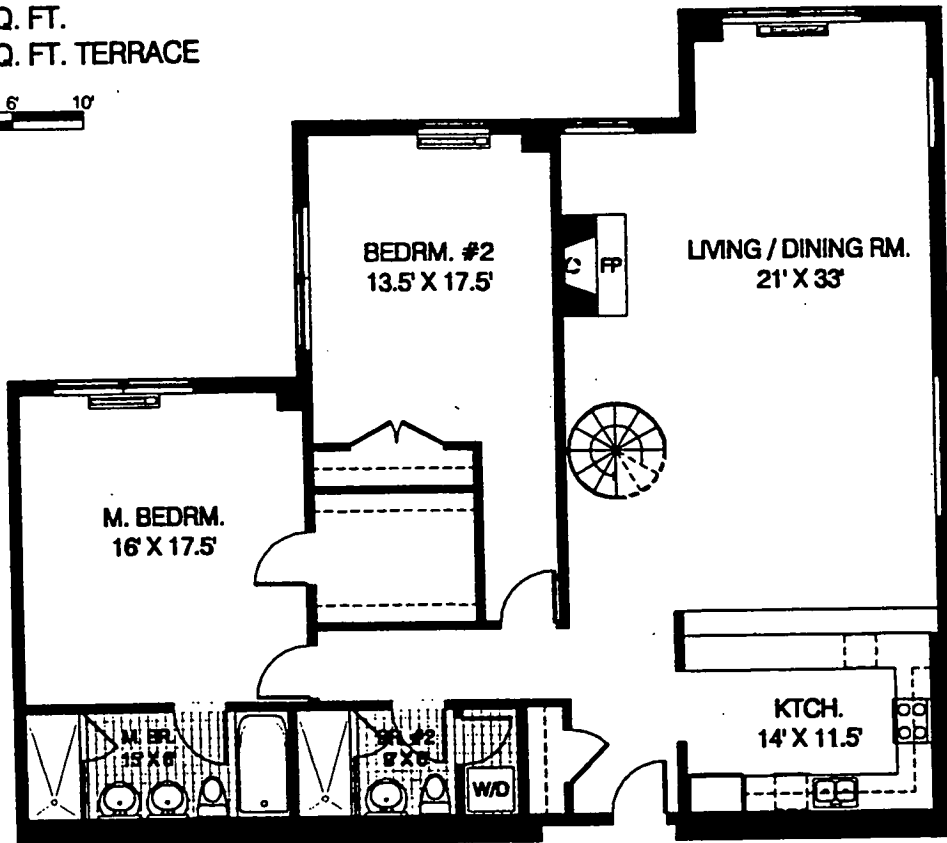
2 BEDROOMS

2 BATHROOMS

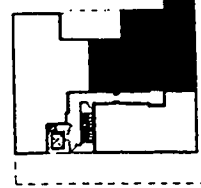
1850 SQ. FT.

1001 SQ. FT. TERRACE

0' 1' 3' 6' 10'



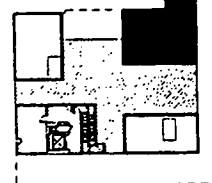
KEY PLAN APARTMENT



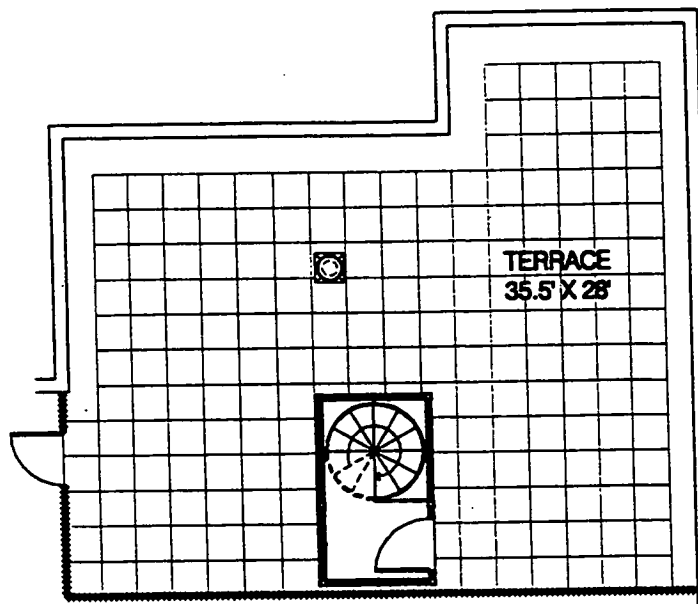
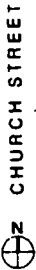
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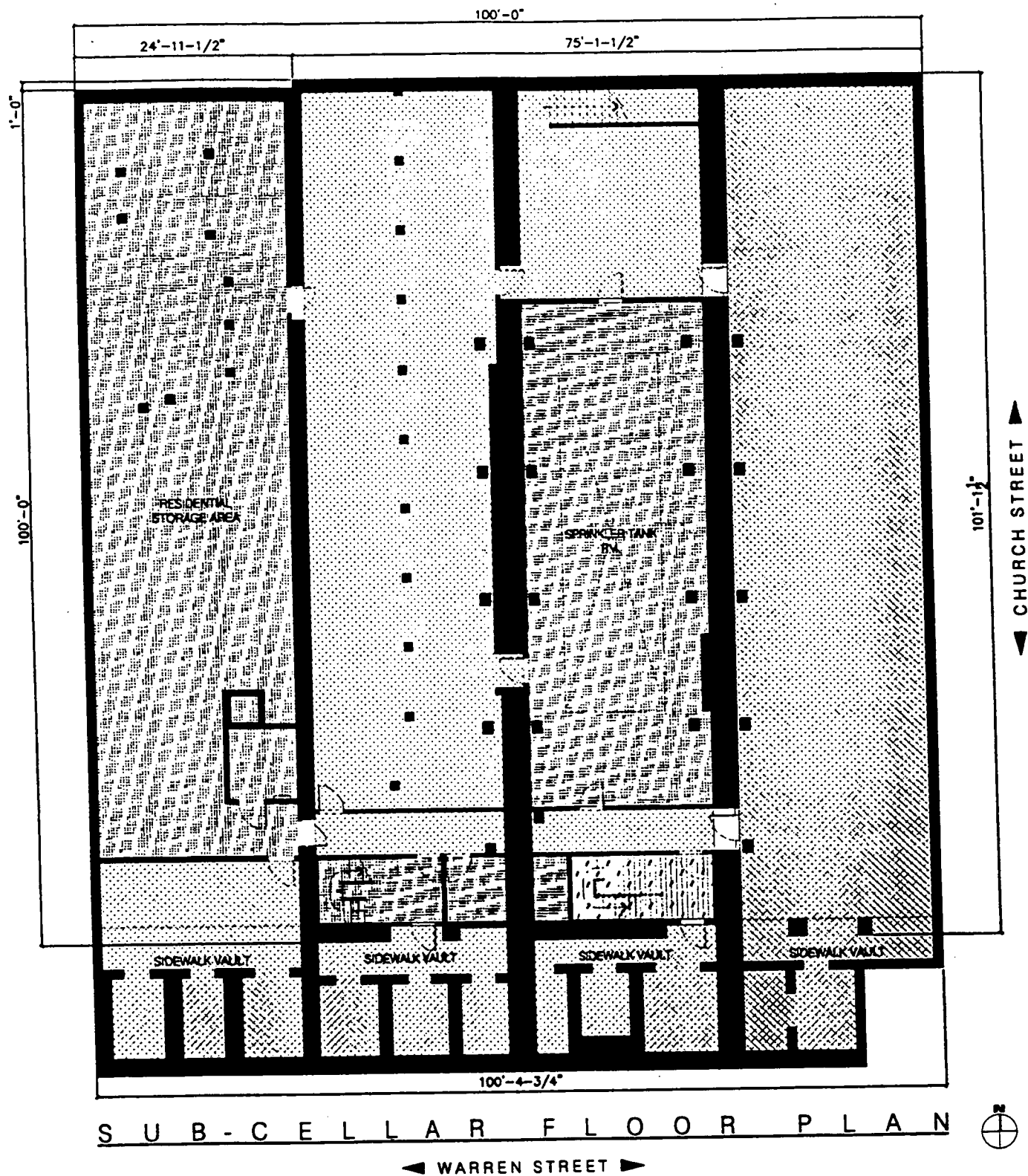


KEY PLAN TERRACE



WARREN STREET

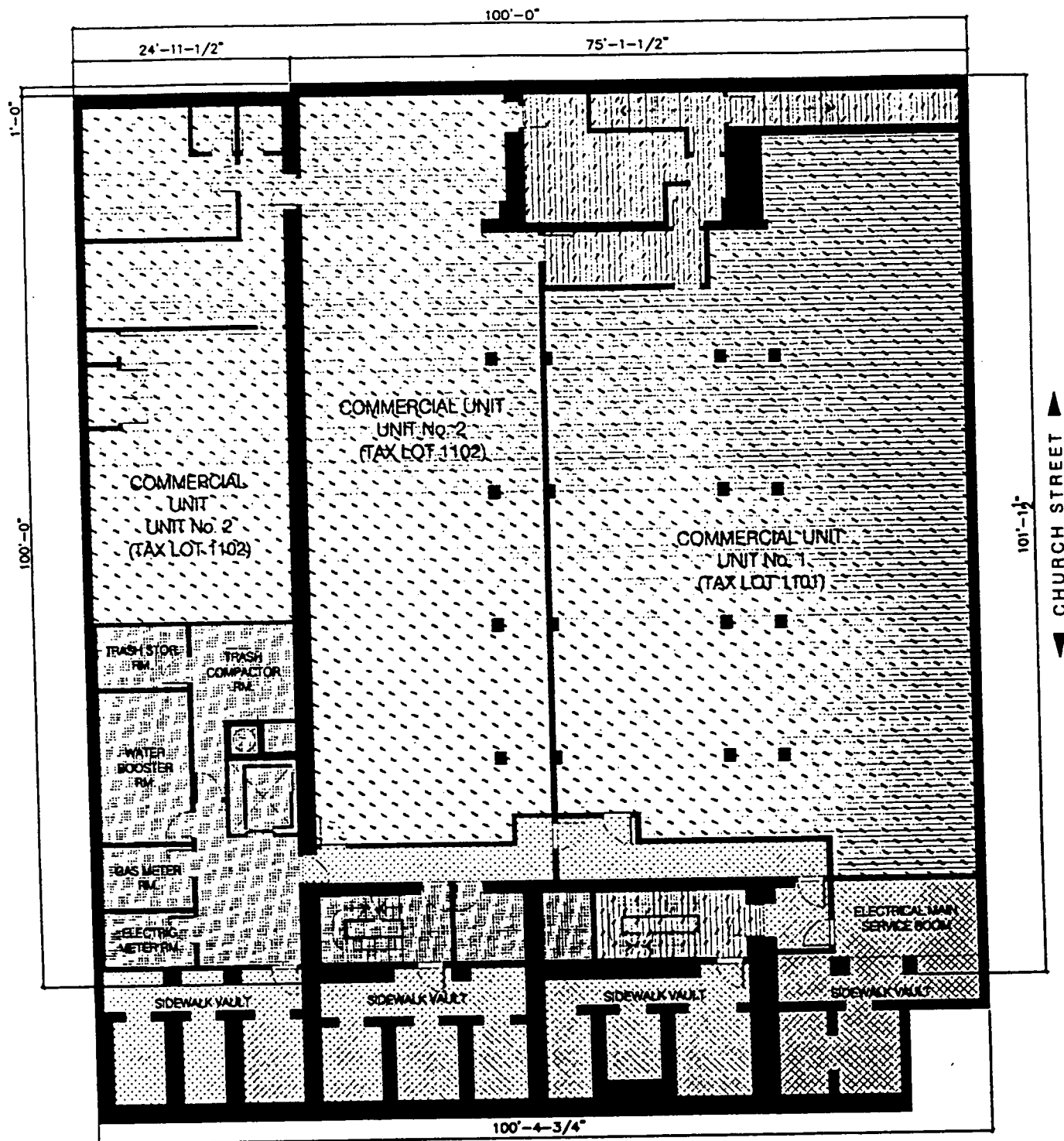




 RESIDENTIAL UNIT	 COMMERCIAL UNIT	 COMMON ELEMENT	 RESIDENTIAL COMMON LIMITED ELEMENT	 COMMERCIAL COMMON LIMITED ELEMENT
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NICHOLAS TJARTJALIS • ARCHITECT P.C.
 17 BATTERY PLACE NEW YORK, NY 10004 TELEPHONE (212) 635-0603 FAX (212) 248-9063

TITLE:	SUB-CELLAR FLOOR PLAN			A000
PROJECT:	38-44 WARREN STREET	PROJECT No.	101-99/NY	
SCALE:	NOT TO SCALE	DATE	10/9/00	



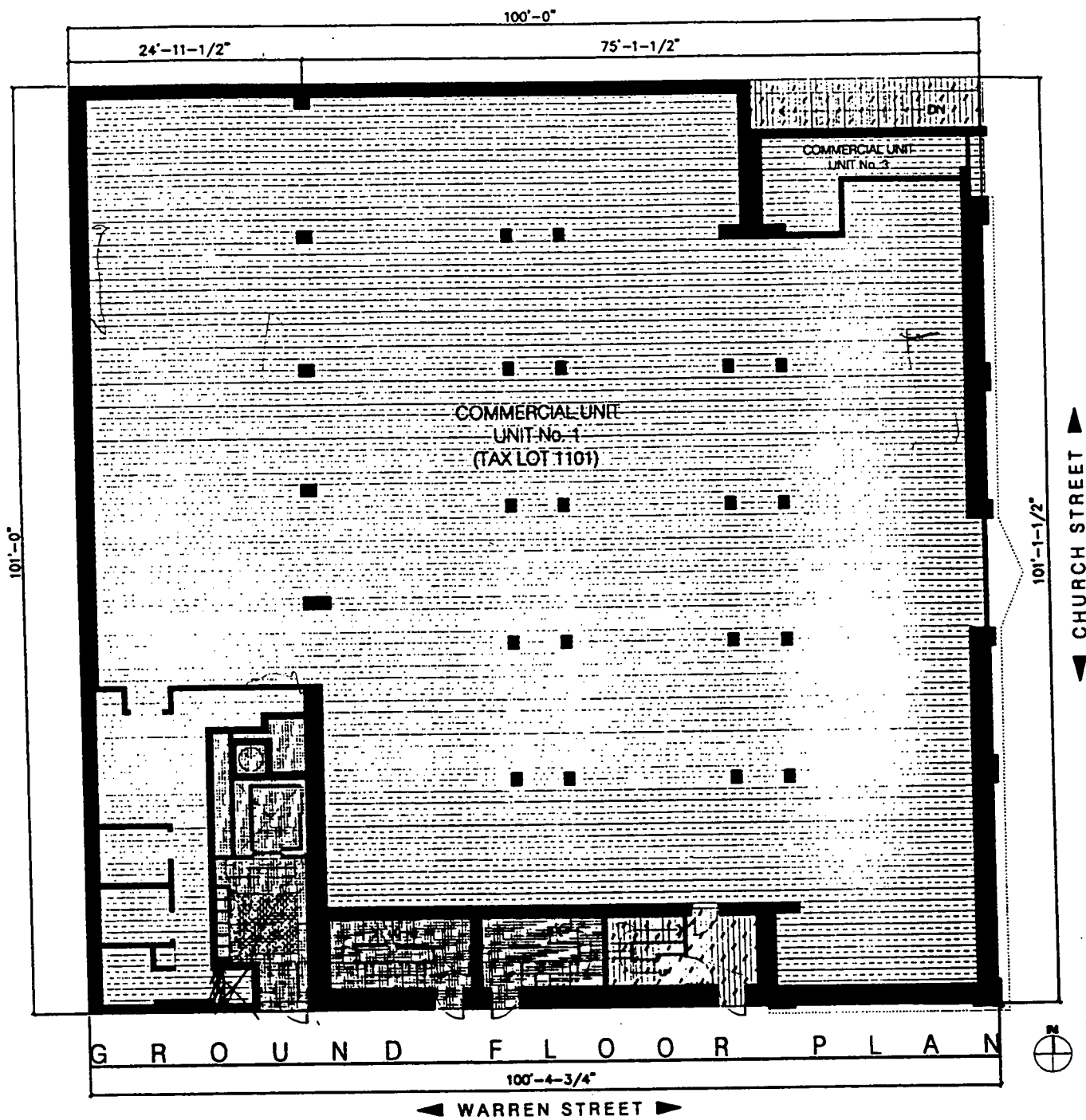
C E L L A R F L O O R P L A N

WARREN STREET

- RESIDENTIAL UNIT
- COMMERCIAL UNIT
- COMMON ELEMENT
- RESIDENTIAL COMMON LIMITED ELEMENT
- COMMERCIAL COMMON LIMITED ELEMENT

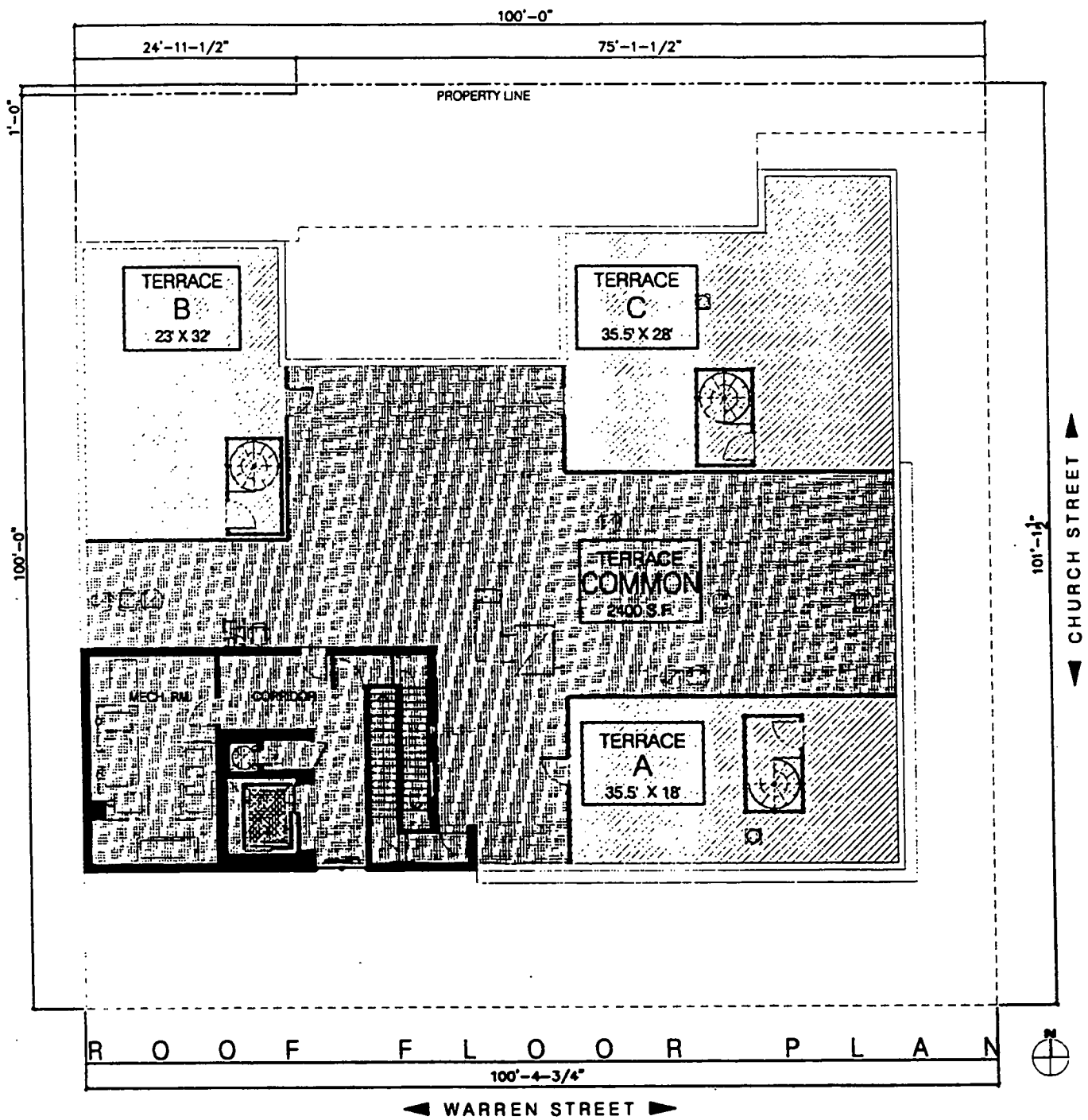
NICHOLAS TJARTJALIS • ARCHITECT PC
 17 BATTERY PLACE NEW YORK, NY 10004 TELEPHONE (212) 635-0603 FAX (212) 248-9063

TITLE:	CELLAR FLOOR PLAN	PROJECT No.	101-99/NY	A00
PROJECT:	38-44 WARREN STREET	DATE	10/9/00	
SCALE:	NOT TO SCALE			



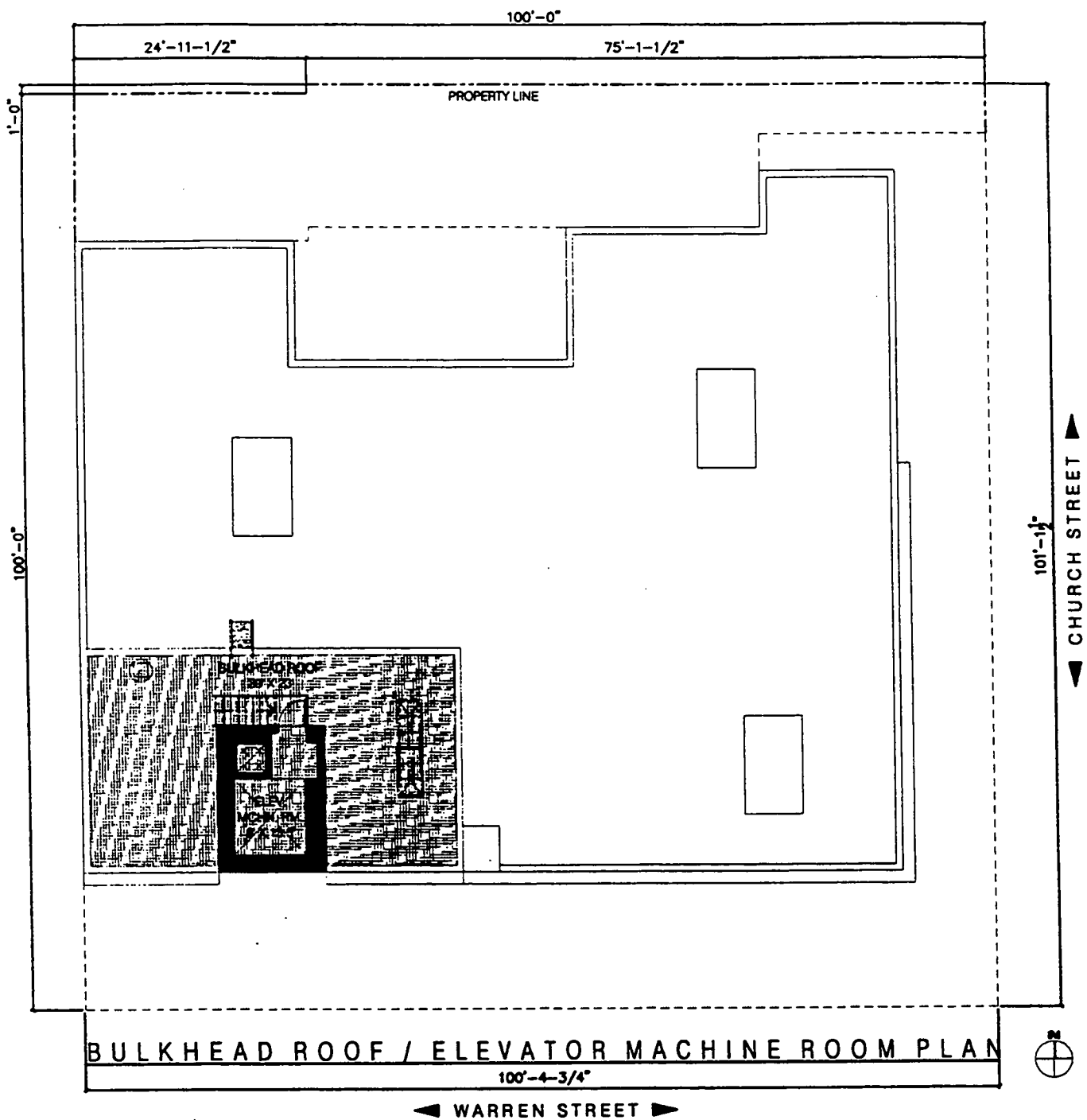
NICHOLAS TJARTJALIS • ARCHITECT P.C.
17 BATTERY PLACE NEW YORK, NY 10004 TELEPHONE (212) 635-0603 FAX (212) 248-9063

TITLE:	GROUND FLOOR PLAN	PROJECT No.	101-99/NY	A01
PROJECT:	38-44 WARREN STREET	DATE	10/9/00	
SCALE:	NOT TO SCALE			



NICHOLAS TJARTJALIS • ARCHITECT P.C.
17 BATTERY PLACE NEW YORK, NY 10004 TELEPHONE (212) 635-0603 FAX (212) 248-9063

TITLE:	ROOF FLOOR PLAN	PROJECT No.	101-99/NY	A10
PROJECT:	38-44 WARREN STREET	DATE	10/9/00	
SCALE:	NOT TO SCALE			



NICHOLAS TJARTJALIS • ARCHITECT P.C.
 17 BATTERY PLACE NEW YORK, NY 10004 TELEPHONE (212) 635-0603 FAX (212) 248-9063

TITLE:	BULKHEAD ROOF / ELEVATOR MACHINE ROOM PLAN			A11
PROJECT:	38-44 WARREN STREET	PROJECT No.	101-99/NY	
SCALE:	NOT TO SCALE	DATE	10/9/00	

EXHIBIT B

**DESCRIPTION
OF
PROPERTY**

EXHIBIT C-2

**SECTION 20.7
DESCRIPTION OF PROPERTY**

**The Keystone Condominium
38- 44 Warren Street
New York, New York**

**ISSUE DATE: October 9, 2000
Amended December 6, 2000**

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I. SECTION 20.7 – DESCRIPTION OF PROPERTY

A. LOCATION AND USE OF PROPERTY

The subject property is located at 38-44 Warren Street in New York City, New York. The site is set in an urban location on a corner lot located on the northwest corner of Church Street and Warren Street. The property is defined as Tax Block 136, Lots 1101, 1102, and 1103. The zoning district of the property is C6-3A (R9A equivalent), which is defined as a commercial district. Permitted uses as-of-right includes community facilities, retail and commercial, recreation, general service, light manufacturing and dwelling units.

B. STATUS OF CONSTRUCTION

1) The buildings were constructed in 1912.

2) Current class of construction: II-B Protected wood joists.

Proposed class of construction: I-C Non-combustible (2-hr. protected)
II-B Protected wood joists

3) Certificate of Occupancy:

i. Current Certification of Occupancy No. 3411 issued in October 9, 1973, (see Appendix A), indicating the following uses approved for each floor:

Sub-Cellar	Storage, New York Steam
Cellar	Department and Variety Store and Storage
1 st	Department and Variety Store and Storage Office & Storage
2 nd - 5 th	Storage

ii. The proposed uses for each floor, as will be indicated on the new Certificate of Occupancy is as follows:

Sub-Cellar	Storage, Sprinkler Storage Tank Room
Cellar	Storage, Meter Rooms, Utility Rooms, Trash Room
1 st	Department and Variety Store, Residential Lobby and Storage
2 nd - 5 th	Loft Dwellings
6 th - 9 th	Class "A" Apartment Dwellings
Roof	Stair & Elevator Bulkhead, Roof Terraces, Mechanical Room
Bulkhead Roof	Elevator Machine Room

4) There is a current Alteration application, number 102046723, for the interior demolition of non-bearing partitions. Demolition is complete.

- 5) There is a current Alteration application, number 102643597, for the removal and replacement of existing wood joists and brick bearing wall facing Church Street. Approval has been granted and a permit has been issued by the NYC Department of Buildings.
- 6) There is a current Alteration application, number 102215951, for the conversion of the building to a combined commercial and residential use. Approval has been granted and a permit has been issued by the NYC Department of Buildings. The design is in compliance with New York City Local Law 58, the Handicapped Access Law.

C. SITE

The subject property is four combined five-story buildings of approximately 45,152 square feet on a level 10,098 square foot lot (approximately 101'-1 1/2" x 100'-0"). The ground floor of the building is built to the property lines on the north, south, east, and west. The building is setback from the north side yard property line by 5'-5 1/2" and 16'-0" on the 2nd through the 5th floors.

The site is accessed directly from the existing sidewalk on both Church and Warren Streets. The sidewalk is concrete with concrete curbs. The sidewalk will be repaired as required to meet code requirements.

D. UTILITIES

Water:	The City of New York – to be separately metered for Commercial Unit 1 and Residential Units.
Sewer:	The City of New York.
Electric:	Con Edison – to be individually metered.
Gas for appliances:	Con Edison - to be collectively metered for residential units.
Gas for heating:	Con Edison – to be collectively metered for residential units.
Telephone:	Individual subscription. (Min. (3) three phone jacks per apartment.
Garbage:	Municipal Trash Collection (Residential Units) Private Carting Service (Commercial Units)

E. SUB-SOIL CONDITIONS

Sub-soil information indicates that the soil will bear at least a three-ton capacity. This capacity is sufficient to support the existing building and the proposed five-story addition. The site is dry, with no indications of moisture or seepage in the cellar areas. There does not appear to be any indication of danger from settlement, flooding or erosion.

F. LANDSCAPING

- 1) Trees – There are no street trees currently on the sidewalks.
- 2) Fencing – There are no existing fences currently on the property.
- 3) Rear Yard – There is no rear yard on the property as it is a corner site.
- 4) New Above Ground Planters & Trees on Warren Street

G. BUILDING HEIGHT

- | | |
|---|---|
| 1) Total height – | 64'-0" feet existing (124'-0" proposed) |
| 2) Sub-sub-cellar – | Not applicable. |
| 3) Sub-cellar – Floor to ceiling height = | 7'-6" |
| 4) Cellar – Floor to ceiling height = | 9'-8" |

- 5) 1st Floor - Floor to Ceiling height = 13'-0"
- 6) 2nd Floor - Floor to Ceiling height = 10'-0"
- 7) 3rd Floor - Floor to Ceiling height = 10'-0"
- 8) 4th Floor - Floor to Ceiling height = 10'-0"
- 9) 5th Floor - Floor to Ceiling height = 9'-0"
- 10) 6th Floor - Floor to Ceiling Height = 9'-0"
- 11) 7th Floor- Floor to Ceiling Height 9'-0"
- 12) 8th Floor- Floor to Ceiling Height 9'-0"
- 13) 9th Floor- Floor to Ceiling Height 11'-0"

Note: All heights approximate due to possible field conditions.

- 14) Equipment Rooms;
 - i. Elevator Machine Rm. Floor - Height above roof level = 17'-6",
 - ii. Stair Bulkheads - Height above roof level= 11'-0".
- 15) Parapets - Height above finished roof = 3'-6"

H. OCCUPANCY

- 1) The sub-cellar will be occupied by;
 - i. Common Element 6,377 Sq. Ft.
 - ii. Residential Common Limited Element 3,558 Sq. Ft.
 - iii. Commercial Common Limited Element 130 Sq. Ft.
- 2) The cellar will be occupied by;
 - i. Commercial Unit No. 1 3,314 Sq. Ft.
 - ii Commercial Unit No. 2 3,595 Sq. Ft.
 - iii Common Element 1,853 Sq. Ft.
 - iv. Residential Common Limited Element 1,130 Sq. Ft.
 - v. Commercial Common Limited Element 130 Sq. Ft.
- 3) The first floor is occupied by;
 - i. Commercial Unit No. 1 8,468 Sq. Ft.
 - ii Commercial Unit No. 3 146 Sq. Ft.
 - ii. Residential Common Limited Element 514 Sq. Ft.
 - iii. Commercial Common Limited Element 267 Sq. Ft.

Note: All areas approximate due to possible field conditions

- 4) There will be three residential units per floor on floors 2 through 9 for a total of 24 residences:
 - i. Floor 2;
 - a) Unit A - 2,149 Sq. Ft.
 - b) Unit B - 2,162 Sq. Ft.

- c) Unit C – 2,815 Sq. Ft.
 - d) Residential Common Limited Element- 1,536 Sq. Ft.
- ii. Floors 3 through 5;
- e) Unit A – 2,632 Sq. Ft.
 - f) Unit B – 2,162 Sq. Ft.
 - g) Unit C – 2,815 Sq. Ft.
 - h) Residential Common Limited Element- 921 Sq. Ft.
- iii. Floors 6;
- i) Unit A – 1,248 Sq. Ft. (interior)
 - j) – 1,153 Sq. Ft. (exterior terrace)
 - k) Unit B – 1,955 Sq. Ft. (interior)
 - l) – 790 Sq. Ft. (exterior terrace)
 - m) Unit C – 1,850 Sq. Ft. (interior)
 - n) – 736 Sq. Ft. (exterior terrace)
 - o) Residential Common Limited Element- 824 Sq. Ft.
- iv. Floors 7,8;
- p) Unit A – 1,248 Sq. Ft. (interior)
 - q) Unit B – 1,955 Sq. Ft. (interior)
 - r) Unit C – 1,850 Sq. Ft. (interior)
 - s) Residential Common Limited Element- 824 Sq. Ft.
- v. Floors 9;
- t) Unit A – 1,248 Sq. Ft. (interior)
 - u) – 648 Sq. Ft. (exterior terrace)
 - v) Unit B – 1,955 Sq. Ft. (interior)
 - w) – 712 Sq. Ft. (exterior terrace)
 - x) Unit C – 1,850 Sq. Ft. (interior)
 - y) – 1,001 Sq. Ft. (exterior terrace)
 - z) Residential Common Limited Element- 824 Sq. Ft.

I. STRUCTURAL SYSTEM

The structure of the existing building is brick masonry foundation walls and steel columns on concrete footings in the sub-cellar. Floor framing on the cellar, ground floor and second floor is 4 x 14 wood joists spanning between interior and exterior brick masonry bearing walls with wood sub-flooring. The structure in the common corridor and elevator lobby on the second floor shall be comprised of steel "C" joists with "steelcem" cementitious sub-flooring 2 hour fire rated non combustible assembly spanning between existing brick masonry bearing walls and supported on steel joist tracks. Floor framing on existing third floor will be steel "C" joists with "steelcem" cementitious sub-flooring 2 hour fire rated non combustible assembly spanning between existing brick masonry bearing walls and supported on steel joist tracks. Floor framing on existing floors four and five will be steel "C" joists with "plycem" cementitious sub-flooring 1-1/2 hour fire rated non-combustible assembly spanning between existing brick masonry bearing walls and supported on supported on steel joist tracks. New construction of floors six through nine will be steel "C" joists with "plycem" cementitious sub-flooring 1-1/2 hour fire rated non-combustible assembly supported on new structural heavy gauge steel studs bearing walls. The sixth floor (lower roof) of the existing building will be steel-framed construction with metal deck and poured in place concrete. The existing structure, foundations, walls and floor framing are in good condition and are being modified to accept the new construction

assemblies. The existing masonry walls with an exterior EIFS finish shall have a minimum insulation value of R-19. The new walls with the exterior EIFS finish shall have a minimum insulation value of R-19.

1) Exterior of Building:

- i. Existing walls are uninsulated brick and concrete block masonry bearing walls. The construction of the stair and elevator bulkheads is a combination of steel and light gauge steel stud framing shaft-wall and Exterior Insulation and Finish System (EIFS). The construction of the additional four stories is an Exterior Insulation and Finish System supported on heavy gauge steel studs. The existing brick bearing walls are in good condition. The front and side façades will be cleaned, repaired and refinished as required. Local Law 10 is not applicable. The existing brick masonry wall facing Church Street will be removed and replaced by a reinforced CMU wall from the second floor to the sixth floor.
- ii. New windows will be installed in all existing and new openings throughout the building. The manufacturer of the new and replacement windows to be used in the building is Pella Windows & Doors. The models will be the Architect Series Classic Clad Double Hung, Casement and Awning, all of various sizes. First floor windows on the Church Street façade are an extruded aluminum fixed with double thickness insulating glass. The U-Value of each unit is 0.34. Windows on floors two through nine will be exterior aluminum clad and interior exposed wood double hung units with double thickness insulating glass. Lot line windows on the west elevation on floors seven through nine are fire rated fixed lot line window units with wire glass. The lot line windows may be covered should the building on the adjacent lot be altered. The lintels and sills in the existing building are fire-protected steel will be replaced or repaired as necessary.

- 2) The existing parapets on the perimeter of the building are brick and will be replaced or repaired as required. The heights of the parapets will be extended to a height of 3'-6" above the finished roof level. New aluminum copings will be installed.

- 3) There is no existing chimney in the building and one is not proposed since the boiler room is located on the roof level.

4) Balconies and Terraces:

- i. No new balconies will be constructed. New terraces on the sixth floor and upper roofs will receive new 2'-0" x 2'-0" pre-cast concrete pavers on rubber shim pedestals.
- ii. No steel tube railings are proposed as new masonry and steel stud parapets will be extended to the required minimum height of 3'-6" above the finished roofs.
- iii. Coping will be aluminum fastened to existing and new parapets.
- iv. Doors to terraces and balconies will be single-leaf exterior aluminum clad solid wood and interior exposed wood and glass doors with double thickness insulating glass.

5) Exterior Entrances:

- i. New exterior doors and doorframes will be installed throughout.

- a) The doors and frames from the exit stairs onto Church Street are hollow metal. Hardware is egress function lock set with panic hardware.
 - b) First floor entrance doors to the residence will be single-leaf double thickness insulated tempered glass doors with aluminum clad solid wood frames aluminum frames supported on heavy duty butt hinges. Hardware will be exit function with lever handles and circular pulls.
 - c) First floor entrance doors to the commercial space on the Church Street facade are double-leaf aluminum and glass door on automatic sliding controls supported by the storefront construction built-in tracks.
 - ii. Mailboxes will be located directly off the lobby and will have a metallic finish and will be large enough to accept magazines. The mailboxes will conform to U.S. Postal Service requirements.
- 6) Service Entrances:
- There is no service entrance. All services will use the main entrance to the apartments to access the elevator.
- 7) Roof and Roof Structures:
- i. Types;
 - a) The roof of the existing five-story building will be removed and replaced with a structural concrete slab in order to facilitate the approved four-story addition. There are currently no active leaks in the existing roof.
 - b) Single ply membrane applied over "plycem" cementitious board substrate in an Ethylene Propylene Diene Terpolymer (EPDM).
 - c) Minimum 2" thick tapered rigid insulation R=30.
 - d) Surface finish of the terraces will be 2'-0" x 2'-0" pre-cast concrete pavers set on stackable rubber pedestals.
 - e) The useful life is approximately 20 years.
 - f) Bond/ Guarantee - 20 years.
 - g) The roof membrane will extend up the side of the parapets and be capped by aluminum copings. The edge flashing on the roof of the bulkhead will be aluminum.
 - ii. Drains:
 - a) There are new roof drains on the sixth floor and upper roofs. The stair and elevator bulkhead will have a drain connected to internal leaders.
 - b) All drains will be cast iron with gratings.
 - c) There are no gutters and leaders on the stair bulkheads on the roof.
 - iii. A new required skylight will be provided on one stair bulkhead on the roof. Skylights will be aluminum framed mounted on insulated flashing curbs. The skylights will have protective wire below and above the glazing.
 - iv. There will be one new stair bulkhead and a new elevator machine room bulkhead. Bulkheads will be a combination of steel and heavy gauge steel stud framing shaft-wall and Exterior Insulation and Finish System (EIFS).
 - v. Metal work at roof levels:

- a) There will be a steel stair from the bulkhead roof level to the elevator machine room of steel channel construction with steel checkered plate treads and landings.
 - b) There will be one exterior gooseneck ladder leading from the ninth floor roof to the bulkhead roof.
 - c) Exterior stair railings will be 1 -1/2" diameter painted steel.
 - d) There will be estate type wood fencing between roof terraces on both the sixth and ninth floor levels.
 - e) There will be an aluminum framed, aluminum roof and glass stair bulkhead leading from the three ninth floor apartments to individual roof terraces.
- 8) There are no fire escapes.
- 9) Yards and courts;
 - i. There are no exterior yards or courts on the property.
- 10) Interior Stairs:
 - i. There are four new egress stairs, and one existing stair:
 New stair #1 will connect the sub-cellar to the second floor level.
 New stair #2 will connect the ground floor level to the second floor level.
 New stair #3 will connect the second floor level to the tenth floor level.
 New stair #4 will connect the second floor level to the tenth floor level.
 The existing stair (#5) connects the sub-cellar and the cellar to the street level. The existing stair is in good condition.
 - ii. Exit stairs will be enclosed with two-hour fire-rated shaft-wall construction. Stair construction will be painted.
 - iii. Exit stairs have steel channel stringers and landing framing.
 - iv. Exit stair stringers are painted steel pan construction
 - v. Exit stair treads and landings are steel pan construction with concrete fill or plycem sub-flooring.
 - vi. Guardrails are 1 -1/2" diameter painted steel.
- 16) Interior Doors and Frames:
 - i. Unit entrance doors and frames will be 1-1/2 hour fire rated solid core wood and 1-1/2 hour fire rated metal frames. Interior doors in the units will be wood in hollow-metal frames.
 - ii. Doors and frames into the exit stairs will be 1-1/2-hour fire- rated hollow-metal.
 - iii. Roof doors and frames are hollow metal.
- 17) Elevators:
 - i. There will be one new passenger/ service elevator.
 - ii. The elevator will be a 2,500- pound capacity cab manufactured by Alex & Sons Elevator Company or equal.
 - iii. Operation of the elevator will be single car microprocessor.
 - iv. Controls will be automatic.
 - v. The elevator serves the cellar through the upper roof.
 - vi. The elevator will be a geared traction type.
 - vii. Elevator doors will be automatic double leaf sliding type.
 - viii. The elevator machine room will be located above the upper roof level.
 - ix. The DC motor will be supplied by Alex & Sons Elevator Company or equal.
 - x. The motor generator set will be as supplied by Alex & Sons Elevator Company or equal.

18) Elevator Cabs:

- i. Elevator cab will be manufactured by Alex & Sons Elevator Company or equal.
- ii. Floor material will be tile or carpet.
- iii. Walls will be satin stainless steel finish panels or equal.
- iv. Ceiling will be plastic laminate.
- v. Lighting will be recessed downlights.

J. AUXILIARY FACILITIES

- 1) Laundry rooms- A central laundry room will not be provided. A combination washer/ dryer will be provided in each apartment.
- 2) Refuse Disposal
 - i. There is no incinerator.
 - ii. Access to a trash chute will be provided on each floor. The trash chute will terminate in the cellar compactor and trash room.
 - iii. The installation of the trash chute and compactor room will have Building Department and Fire Department approval.
 - iv. Trash will be initially stored in a trash room in the cellar prior to being placed on the sidewalk for removal.
 - v. Trash will be picked up by the NYC Department of Sanitation.

K. PLUMBING AND DRAINAGE

- 1) Two city domestic water lines enter the building in the southwest corner of the basement. A 1" metered line serves the first floor tenant. A 4" metered line serves the rest of the building.
- 2) Domestic water pressure is boosted to ensure proper water at the upper level floors. A duplex booster system with storage tank is located in the basement.
- 3) Hot water is created by (2) 500 mbh gas fired hot water heaters with a 318 gallon storage tank located in the roof mechanical room
- 4) All domestic water piping is insulated type copper.
- 5) Sanitary Drainage System
 - i. Cast iron bell and spigot and no-hub sanitary risers to each floor provide sanitary drainage and venting. Sanitary waste from each fixture is gravity fed to a combined sanitary and storm drain in the cellar that exits the building in two (a 6" and an 8") combined storm and sanitary lines to the city sewers on Warren Street.
 - ii. There is an ejector for the cellar bathroom and slop sink.
 - iii. Storm drainage piping will be bell and spigot and no hub cast iron.
- 6) Storm Drainage System:
 - i. There are no catch basins.
 - ii. Roof and balcony drains are connected to internal leaders. Leaders gravity feed to a combined sanitary and storm drains in the cellar that exits the building in two (a 6' and an 8") combined storm and sanitary lines to the city sewers on Warren Street.
 - iii. Storm drainage piping will be bell and spigot and no hub cast iron.
- 7) Fire Protection System:
 - i. There is a combined sprinkler standpipe with a 6" diameter steel pipe riser located in stairwell.
 - ii. Hose racks are located on each floor in the stairwell.

- iii. Wet sprinkler systems are located through out the building, including the trash chute. Sprinkler heads are concealed and upright brass heads.
 - iv. There are four-inch diameter Siamese connections on Warren and on Church streets.
- 8) A new 15,000-gallon water suction storage tank will be provided on the sub-cellar for fire protection standpipe and sprinkler reserve.
 - 9) Water is supplied to the standpipe and sprinkler systems by pumps located in the basement.
 - 10) All permits required for the construction of the residences will be acquired upon receipt of the initial permit for new construction.

L. HEATING

- 1) Domestic hot water will be provided by two Lochinvar gas-fired hot water heaters, or equal, located in the roof mechanical room;
 - i. Demand based on fixture count = 1260 gallons/ hour,
 - ii. Provided = 1500 gallons/ hour,
 - iii. Estimated average cost = \$200.00/unit/year.
- 2) Heating will be provided by the individual Florida Heat Pump units in each apartment, as shown on floor plans. Heat will be introduced into the heat pump loop by two hot water boilers located in the roof mechanical room. Heat for the corridor ventilation system is provided by a rooftop gas heating/cooling unit. Heating costs are based on the following:
 - i. Design temperature = 0 degree exterior, 72 degrees interior,
 - ii. Degree days = 5,000
 - iii. Equipment efficiency = 80%,
 - iv. Total heat loss of the building is 795 MBTU/H,
 - v. Total gas requirement = 17,035 therms.
 - vi. Current (As of October, 2000) Con Edison rates of \$0.1184 per cubic feet of gas for the first 300 cubic feet, \$0.0081 per cubic feet for the next 8,700 cubic feet per month, and \$0.0071 per cubic feet for the next 291,000 cubic feet per month.
- 3) Estimated heating costs per year are based on a total cost of \$15,800 including 16% for taxes and miscellaneous Con Ed charges. The gas consumption and cost have need prorated to each unit based on the size of the unit:
 - i. Common Area (All Floors)= \$2919
 - ii. First floor commercial = uses own equipment
 - iii. Floor 2
 - Unit A = \$476
 - Unit B = \$519
 - Unit C = \$675
 - iv. Floor 3 through 5
 - Unit A = \$603
 - Unit B = \$519
 - Unit C = \$675
 - v. Floors 6 through 9
 - Unit A = \$322
 - Unit B = \$469
 - Unit C = \$444
- 4) The hot water boilers will be gas-fired Lochinvar heaters, model number PB-500, or equal. Each heater will have an input of 500 MBH and an output of 440 MBH.

- 5) The burners are integral with the hot water boiler.
- 6) Controls will be electric automatic with outdoor bulb reset and night set back.
- 7) Hot water for heating will be by individual heat pumps in each apartment. Pumps will circulate hot water into the water loop. All piping will be insulated copper.
- 8) Fuel is natural gas supplied by Con Edison.
- 9) Fuel tank – None.
- 10) Capacity of the fuel tank – Not applicable.
- 11) See paragraph "M" below.

M. GAS SUPPLY

- 1) A four-inch metered gas main enters the basement from Warren Street. The service splits to a four-inch metered service for the main building and a 2" metered service for the first floor tenant.
- 2) The main building system splits into a 2" riser for apartment appliances and a 4" line for the rooftop heating equipment. The 4" line to the roof has an inline gas pressure booster
- 3) The residential units will be collectively metered.
- 4) A 1" steel pipe provides gas to each unit for cooking.
- 5) Gas costs for cooking average \$100/unit/year.

N. AIR-CONDITIONING

- 1) Individual incremental console type air-conditioning units in each unit will provide air conditioning for the residences, as shown on floor plans. Condenser water will be circulated from the cooling tower located on the roof.
- 2) The cooling tower for the air-conditioning units in the residences will have an 85-Ton capacity is located on the roof.
- 3) The individual units will be Florida Heat Pump console water source heat pumps with hot water heating coils, or equal.
- 4) The corridors are supplied with make up ventilation air from a roof top combination gas heating, air conditioning unit.
- 5) See Schedule B-1 of Offering Plan for estimated unit air-conditioning costs.

O. VENTILATION

- 1) Kitchen, bathroom and corridor ventilation will be provided by individual ducted shafts to exhaust fans located on the roof. Cellar ventilation will be provided by a ducted shaft to an exhaust fan located on the rear 1st floor roof.

P. ELECTRICAL SYSTEMS

- 1) A 3,000-amp, 120/208-volt, 3 phase, 4 wire service enters the basement from Warren Street.
- 2) Each residential unit will be provided with a 120/208-volt, 1 phase individually metered service. A circuit breaker panel will be in each unit.
- 3) Distribution switches are provided for the house panel, elevator, and commercial tenant on ground floor and roof top equipment.
- 4) Unit service is as follows:
Floors 2 through 5 - 125amps
Floors 6 through 9 – 100amps
- 5) Adequacy;
 - i. There will be 24 circuits per residential unit.
 - ii. Light fixtures in each residential unit will be surface mounted fluorescent and incandescent fixtures.
 - iii. There will be GFI outlets in the kitchens and bathrooms. There will be 208-volt outlets in the utility room in each residential unit for clothes dryers. Number and location of outlets per code.
- 6) See Schedule B-1 for estimated residential unit electrical costs

- 7) Intercommunications will be provided by an intercom/ door buzzer and video system into each residential unit.

Q. TELEPHONE AND CABLE TV

- 1) Telephone service and cable TV and internet access will be provided on an individual subscription basis to each unit.

R. PUBLIC AREA LIGHTING

- 1) Entrance and corridor lighting will be recessed incandescent down lights and wall mounted sconce type fixtures.
- 2) Exit stair lighting will be surface mounted fluorescent lights with battery powered emergency lighting.
- 3) Cellar lighting will be provided by surface mounted incandescent and fluorescent lighting in public spaces. Mechanical and electrical equipment rooms will have pendant mounted fluorescent lighting.
- 4) Site lighting on roof terraces will be provided by building-mounted incandescent fixtures.

S. GARAGES AND PARKING AREAS

None provided. Parking is available on local streets.

T. RECREATION FACILITIES

There will be a common open residential only recreational space located on the roof.

U. ADDITIONAL ITEMS

- 1) The Property Profile Overview provided by the New York City Department of Buildings, (see Appendix B), indicates that there are twenty open violations on the property:

V 021784LL1081SS00021	V 040792LL108100097
V 081685ELL108SS0015	V 062893LL108100097
V 111486LL1081SS00179	V 041795LL108100101
V 050887LL1081SS00149	V12988LL1081SS00124
V 053194LL108100087	V 041795LL108100102
V 053194LL108100088	V 030896LL108100056
V 101289LL108100154	V 030896LL108100057
V 062990LL108100088	V 011397LL108100074
V 062990LL108100089	V 011397LL108100075
V 042591LL108100079	
V 042591LL108100077	

These violations are for failure to complete annual elevator inspections for two elevators.

- 2) A review of the records of the Fire Department indicates that there are two outstanding violations.

10333153R- 12/12/94
10145723L- 9/30/91

V. UNIT INFORMATION

The Commercial Unit 1 on the ground floor is currently occupied as of right by Rite Aid Pharmacy and serves as their retail selling area. The Commercial Unit 1, located on the cellar

floor currently serves as storage for the Rite Aid Pharmacy. The Commercial Unit 2, is a currently unoccupied area on the cellar floor. The Commercial Unit 3 is a currently unoccupied retail space located on the first floor with frontage on Church Street.

Unit A on floor 2 will have an entry foyer with a closet, an open kitchen, one full bath, a washer/ dryer room, a living room, a dining room and a master bedroom with walk-in closets and a private master bathroom.

Unit A on floors 3 through 5 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and a toilet, a washer/ dryer room, a living room, a dining room, two bedrooms with closets and a master bedroom with walk-in closets and a private master bathroom.

Unit B on floors 3 through 9 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and toilet, a living room, a dining room, a master bedroom with a walk-in closet and a private master bath with linen closets and one additional bedroom with closets. A utility room will have a combination washer and dryer.

Unit C on floors 3 through 5 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and toilet, a living room, a dining room, a master bedroom with a walk-in closet and a private master bath with linen closets and two additional bedrooms with closets. A utility room will have a combination washer and dryer.

Unit A on floors 6 through 9 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and a toilet, a washer/ dryer room, a living room, a dining room, one bedroom with a closet and a master bedroom with a closet and a private master bathroom.

Unit B on floors 6 through 9 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and toilet, a living room, a dining room, a master bedroom with a walk-in closet and a private master bath with linen closets and one additional bedroom with closets. A utility room will have a combination washer and dryer.

Unit C on floors 6 through 9 will have an entry foyer with a closet, an open kitchen, one full bath, a powder room equipped with a lavatory and toilet, a living room, a dining room, a master bedroom with a walk-in closet and a private master bath with linen closets and one additional bedroom with a closet. A utility room will have a combination washer and dryer.

1) **Finishes:**

- i. Walls will be painted gypsum plaster wallboard (GWB) with wood base. Bathrooms will have 3"x6" ceramic tiles that will extend to wainscot and full height with a ceramic tile base.
- ii. Floors will have 12" x 12" stone tile in bathrooms, laundry and utility rooms and wood flooring in the kitchens, living rooms, dining rooms and bedrooms.
- iii. Ceilings will be painted gypsum plaster wallboard.
- iv. Terraces:
 - a) Flooring – 24" x 24" concrete pavers
 - b) Parapets to receive aluminum coping.

2) **Bathroom fixtures:**

- i. Bath – Kohler K-1259 or equal,
- ii. Toilets – Kohler K-3434 or equal,
- iii. Lavatories – K-2105-8 or equal,
- iv. Built in medicine closets
- v. Surface mounted mirrors

3) **Kitchen and laundry equipment:**

- i. Gas Range – Thermador PRG304US or equal,
- ii. Refrigerator – Sub Zero 36" No. 561 or equal,
- iv. Dishwasher – Bosch SHU6805UC or equal,
- v. Wine Chiller- Sub Zero 424 or equal,
- v. Microwave- General Electric Profile JVM1660WB or equal,
- vi. Sink – Kohler K-3354 or equal,
- vii. Cabinets – Wood,
- viii. Countertops – Granite
- ix. Clothes washer/ dryer – Bosch WFK2401UC & WTA3500UC or equal

W. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

<u>Room</u>	<u>Floor</u>	<u>Walls</u>	<u>Ceiling</u>	<u>Remarks</u>
First Floor Entry Lobby	Stone Tile	Ptd. GWB	Ptd. GWB	
Typical Floor Corridors	Carpet	Ptd. GWB	Ptd. GWB	
<u>Basement:</u>				
Storage Room	Ptd. Conc.	Ptd. GWB	Ptd. GWB	
Equip. Rooms	Ptd. Conc.	Ptd. GWB	Ptd. GWB	

FINISH SCHEDULE LEGEND:

Ptd.	Painted
Conc.	Concrete
GWB	Gypsum Wall Board

X. GENERAL INFORMATION

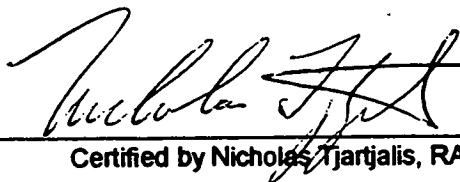
- 1) Hard-wired smoke detectors will be provided in each unit.

Y. ADDITIONAL INFORMATION PROVIDED

- 1) Site Plan
- 2) Floor Plans
- 3) Area Map

Z. ASBESTOS

There is no asbestos in the building. Asbestos was abated by previous occupant in earlier renovation. Lead will be abated during the demolition of interior partitions.



Certified by Nicholas Tjartjalis, RA



SCHEDULE B-1

ESTIMATED UNIT ELECTRICAL COSTS

ESTIMATED UNIT ELECTRICAL COSTS

A. AIR- CONDITIONING

Estimated air conditioning costs per year have been calculated estimating a usage of 1000 hours of air conditioning per year a \$ 0.14 per kilowatt in residential units:

- 1) Common Area (All Floors)= \$3401
- 2) First floor commercial = uses own equipment
- 3) Floor 2
 - Unit A = \$543
 - Unit B = \$592
 - Unit C = \$770
- 4) Floor 3 through 5
 - Unit A = \$688
 - Unit B = \$592
 - Unit C = \$770
- 5) Floor 6 through 9
 - Unit A = \$367
 - Unit B = \$535
 - Unit C = \$507

B. LIGHTING AND POWER

Common areas:

Estimated electrical costs per year have been calculated estimating a usage of 4 watts per square foot at \$0.15 per. 2 watts for lighting and 2 watts for mechanical equipment

Common Area Lighting = \$10,065
(All floors)

Mechanical Equipment = \$10.065

Electrical costs of common areas = \$ 20,130/yr

First floor commercial = uses own equipment

Apartments:

Estimated electrical costs per year have been calculated estimating a usage of 1 watt per square foot at \$0.15 per. Does not include air conditioning.

Floor 2

Unit A = \$2,605
Unit B = \$2,840
Unit C = \$3,699

Floor 3 through 5

Unit A = \$3,300
Unit B = \$2,841
Unit C = \$3,699

Floor 6 through 9

Unit A = \$1,758
Unit B = \$2,569
Unit C = \$2,431

The estimated electrical costs have been prepared by Irwin Associates (Mechanical Engineer) and are based on current consumption data received from the Consolidated Edison Company.



January 4, 2001

**SUPPLEMENT TO ARCHITECT'S REPORT
FOR THE KEYSTONE CONDOMINIUM
38-44 Warren Street, New York, N.Y.**

The following is a supplement to the Architect's Report dated December 6, 2000 and is included in the offering plan.

- Item No. 1-** The existing wood joist structures on the second, third, fourth, fifth floors of the five story building between 38-44 Warren Street will be completely removed. A new non-combustible floor assembly comprised of steel joists, cementitious sub-flooring and fire retardant gypsum board will replace them. A reinforced concrete and metal deck slab supported on structural steel beams and columns will replace the existing roof structure. The new structure shall facilitate the addition of four additional non-combustible floors, bringing the total number of floors in the proposed building to nine stories. On each renovated and new floors from the second through the ninth there shall be three apartments, for a total of twenty-four dwelling units. Since this renovation shall encompass a complete gut demolition of the existing building from the second floor up, with the addition of the four floors, all of the mechanical, plumbing, electrical and sprinkler systems shall be completely new.
- Item No. 8-** As stated previously, the electrical system in the renovated and new portions of the building shall be completely new and therefore designed for modern usage.
- Item No. 11-** *The proposed heat pump units are adequate to maintain comfortable living conditions within the units and comply with all applicable local and state codes.*

The locations of the heat pump units are indicated on the submitted floor plans and essentially there is at least one unit or more per dwelling room. The unit specification is as follows:

PACKAGED WATER-COOLED AIR CONDITIONING UNITS AND CONSOLES

Manufacturer: Florida Heat Pump- Model No. CW-012

Nominal Capacity 11,000 BTU cooling/ 11,500 BTU heating

- Furnish and install, where indicated on the drawings, console heat pump units and standard heat pump units with a factory assembled cabinet as scheduled on drawings. Units shall have the physical dimensions to fit in the designed space.
- The units shall be a complete package capable of providing cooling/ heating using a two-pipe condenser water loop.
- Cabinet: Galvanized steel construction acoustically and thermally insulated. Access panel to all components requiring service. Disposable filters.
- Compressor: Hermetic, spring vibration isolators, internal overload protection and anti-slug device.

17 BATTERY PLACE
NEW YORK NY 10004
TEL 212 635 0603
FAX 212 248 9063
E-MAIL NTANYC@AOL.COM



- Refrigerant to water heater exchanger: Shell and tub, 5/8" minimum copper water tubes, steel refrigerant tubes. Design working pressure 450 psi. Heat exchanger suitable for 150 psi water working pressure.
- DX cooling coil: Copper tubes, aluminum fins.
- Hot water heating coils - placed on return section, 2 row, drainable, non freeze. Note that system will be arranged for hot water heating and heat pump compressor off in the winter. Provide factory controls for this option.
- Blower and Motor - centrifugal forward curved wheel belt driven with adjustable sheaves. Motor with built-in thermal overload.
- Accessories: Cooling Thermostat, vibration isolators, micro-processor controller, economizer coil controls, and see filter section.
- Unit manufacturer shall warranty the following components for five (5) years:
 - a. Compressor.
 - b. Heat exchangers.
 - c. Expansion Valve.
 - d. Head pressure control valve.
 - e. Interconnecting piping.

Item No. 12- *The proposed make-up air unit and the cooling tower are adequate to maintain comfortable living conditions within the units and common corridors and comply with all applicable local and state codes.*

The location of the proposed make-up air unit for the common corridors and the cooling tower are on the upper roof level and the roof top mechanical room respectively as shown on submitted floor plans.

Make-up Air Unit- Trane Model No. YCH-181

Nominal capacity 180,000 BTU cooling/ 350,000 BTU heating

- Unit shall be constructed of 18 gauge minimum casing, zinc plated and finished with rust resistant baked enamel. Units shall be weatherized for outdoor installation. Unit shall have structural mounting curb. Provide flexible duct connections to unit. Mounting curb shall be level.
- Compressor section shall be hermetic with internally protected motor, crankcase heater, oil failure switch, transformer, motor starters, contractors, Freon drier, external spring isolators, 50% suction pressure operated unloading device (above 7-1/2 tons) suction and discharge stop valves with 1/4" SAE service connection. Compressor shall have 5 year warranty. Condenser fan motor shall be direct drive, permanently lubricated, permanent-split-capacitor motor with thermal overload protection.
- Compressor shall have locked rotor protection, over and under voltage protection, hot gas mufflers (semi-hermetic), high-low pressure cut-out with auto-reset.
- Evaporator section shall have resiliently mounted, permanently lubricated, induction type motor with variable pitch "V" belt drive. Provide Throw-away filters in filter box and frame, insulated drain pan, thermal expansion valve, and liquid line strainer. Compartment shall have 1" thick insulation. Provide fire stat in return. Provide 2" thick disposable filters.
- Heating section shall be A.G.A. approved gas fired with stainless steel heat exchanger, electric glow-coil ignition, two stage gas valves, pressure regulator, pilot relay, thermocouple, low voltage transformer, fan and limit switches, fire stat, shut-off cock, power venter.



- Unit shall be complete with all controls, relays, automatic heat-cool thermostat with guard, Paragon model 7210 time clock, interval timer, indicating panel, etc.

COOLING TOWER- Baltimore Air Coil- Model No. VTO-102MN

Nominal Capacity- 100 tons

- Casing
 - Constructed of reinforced, braced, bolted, G210 mill galvanized steel.
 - Construction shall be designed for 75 mph wind force and so certified.
 - Joints shall be gasketed and sealed.
 - Provide lifting lugs, distribution pan cover, inlet louvers, belt guards, motor hood, inlet air screen, and outlet water screen.
 - Protect units from damage during shipment and rigging.
- Wetted Deck Surface
 - PVC Honeycomb
- Fans
 - Belt-driven centrifugal, stainless steel blades, fixed sheave.
- Bearings - factory lubricated, permanently sealed in steel housing.
 - Motors - TEFC - high efficiency - 208 volt, 3 phase.
 - Water level Controls - electric float valve.
 - Freeze Protection
- Provide electric basin heater, electric heat trace on all make-up water piping and make-up valve, and all required stats, contactors and controls for a complete installation.

Item No. 13-

A lighting schedule coordinated to the submitted reflected ceiling plan has been attached.

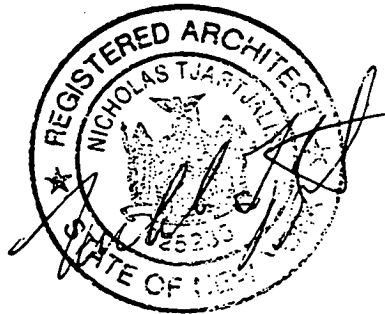


EXHIBIT C

UNIT DESCRIPTION

UNIT DESCRIPTION

The dimensions of the Units shall consist of the area enclosed by any unexposed surfaces (i.e., backs) of the gypsum wallboard, plaster, masonry, or other finish material located at the perimeter of the Unit. These surfaces may back upon furred or unfurred exterior, interior or party walls, on the demising partitions between units or on public halls, stairs, mechanical equipment spaces or other Common Elements. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the Unit which open either onto Common Element or the exterior of the property, the Unit shall be defined by the exposed face of the Unit side of such door.

The dimensions of Commercial Unit 1 shall consist of similarly defined areas as for the other Units, and, in addition, windows, doors and glass storefront construction in or appurtenant to the Unit shall be included in the Unit and shall be defined by the exposed face of the exterior side of such windows, doors or glass storefront.

EXHIBIT D

PURCHASE AGREEMENT

PURCHASE AGREEMENT

**East Tribeca Associates, LLC
Sponsor-Seller**

to

Purchaser

Unit _____

**The Keystone Building Condominium
38-44 Warren Street
New York, N.Y. 10007**

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PURCHASE AGREEMENT

For Unit _____ of
The Keystone Building Condominium
38-44 Warren Street
New York, New York 10007

(Please execute in quadruplicate)

THIS AGREEMENT is made as of _____, 2000, by and between East Tribeca Associates LLC, a New York limited liability company, having an office c/o Alchemy Properties, Inc., 600 Third Avenue, New York, New York 10016, (hereinafter referred to as "Sponsor") and _____ having an address at _____ (hereinafter referred to as "Purchaser").

Purchaser's Social Security Number _____
Co-Purchaser's Social Security Number _____

WITNESSETH:

1. Definitions

The following terms shall have the meanings ascribed to them:

- a. "Building" shall mean the building known as The Keystone Building Condominium, located at 38-44 Warren Street, New York, New York 10007.
- b. "Closing Date," "Closing," "Closing of Title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.
- c. "Condominium" shall mean The Keystone Building Condominium.
- d. "Declaration" shall mean the Amended and Restated Declaration of The Keystone Building Condominium, establishing condominium ownership of the Property.
- e. "Escrow Agent" shall mean Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Fifth Floor, New York, New York 10106.

f. "Plan" shall mean the Offering Plan for Condominium Ownership of the Property and any amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

g. "Sponsor" shall mean East Tribeca Associates LLC, its successors, assigns and designees.

All other capitalized terms not defined elsewhere in this Purchase Agreement shall have the meanings ascribed to them in the Plan or in the By-Laws to the Declaration, unless the context in which the same are used otherwise requires.

2. Plan

Purchaser acknowledges having received the Plan at least three (3) business days prior to Purchaser's signing and submitting this Purchase Agreement and Purchaser's Downpayment check.

Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor (including without limitation, amendments involving any changes, modifications, or updating of the projected Common Charges, the projected real estate taxes to be paid by Purchaser, or Schedule B, the "Projected Budget for the First Year of Condominium Operation"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. However, if the Sponsor files an amendment to the Plan that materially and adversely affects the Purchaser and provides for a right of rescission, Purchaser shall be given 15 days from the date of presentation of the amendment within which to rescind this Agreement in writing delivered to the Sponsor within such 15 day period and receive a refund of Purchaser's Downpayment (as defined below). The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth in its entirety herein. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell (or cause to be sold) to Purchaser, the unit designated as Unit Number ____ (hereinafter called the "Unit") in the Declaration, together with its ____ percentage undivided interest in the Common Elements (hereinafter called the "Common Interests"), on, and subject to, the terms and conditions set forth herein.

4. Purchase Price

a. The total purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13, 14 and 15 below) is _____ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

- i. _____ (hereinafter called the "Downpayment") is due when Purchaser signs and submits this Agreement, and is to be paid either by Purchaser's good personal check or (at Sponsor's option) Purchaser's good personal certified check or an official cashier's check, subject to collection, receipt of which is hereby acknowledged by Sponsor; and
- ii. _____ (hereinafter called the "Balance") constituting the balance of the Purchase Price, is due at the Closing and must be paid by Purchaser's good certified personal check or bank or official cashier's check.

All checks shall be unendorsed, made payable to the direct order of "Sonnenschein, Sherman & Deutsch, LLP as Attorneys" unless Purchaser is otherwise instructed in a writing given at least one (1) business day prior to Closing, and drawn on or issued by a bank or trust company that is a member of the New York Clearing House Association unless otherwise agreed to by Sponsor.

b. Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed all of those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to Closing including all work performed in Purchaser's Unit. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the New York State General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

c. Purchaser is not required to pay the Balance or accept title to the Unit unless all of the prerequisites set forth under "Terms of Sale and Closing of Title to Units" in Part I of the Plan are met concurrently with, or prior to, Closing. However, Purchaser is required to pay the full amount of the Balance, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the construction of other Units or Common Elements or the construction items noted on Purchaser's Inspection Statement, the form of which is included herewith as Schedule B.

5. Purchase Monies to be Held in Trust

a. Sponsor will hold in trust all monies due to Sponsor and receive by it directly or through its agents, employees, or Escrow Agent (as defined above) until the Unit is transferred to Purchaser or this Agreement is canceled in accordance with its terms. All monies due to Sponsor and received hereunder will be deposited with Chase Manhattan Bank, 969 Eighth Avenue, New York, New York 10019 in an interest-bearing escrow account entitled "Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account". Interest will be paid at the prevailing rates for similar accounts, and will be paid to Purchaser. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement, the Plan and the Escrow Agreement between Sponsor and the Escrow Agent set forth in Part II of the Plan. The signature of a partner of the law firm of Sonnenschein, Sherman & Deutsch, LLP, will be required before any funds held in trust may be released.

b. Within ten (10) business days after tender of the Downpayment, and provided the Purchaser's social security number has been provided to the Escrow Agent, the Escrow Agent will notify the Purchaser or his/her attorney of the account into which it has been deposited. If Purchaser or his/her attorney does not receive such notice within fifteen (15) business days after tender of the Downpayment with Purchaser's social security number, Purchaser may, at his election, forward a notice of cancellation and cancel this Purchase Agreement within ninety (90) days after tender of the Downpayment or Purchaser may apply to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations.

c. In the event the Plan is abandoned or withdrawn, such monies held in trust, together with any interest earned thereon, will be returned to Purchaser except as otherwise provided in the next sentence. If the Plan is abandoned or withdrawn after being declared effective, and the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Downpayment, together with any interest earned thereon, plus any additional sums paid to or incurred by Sponsor on account of any special work, upgrades or extras in the Unit ordered by Purchaser.

d. Upon the payment and performance by Purchaser of all of Purchaser's obligations hereunder and the transfer to Purchaser of title to the Unit, the Escrow Agent shall pay to Sponsor all monies deposited with the Escrow Agent, pursuant to this Agreement. All funds due to Sponsor and received under this Purchase Agreement will be handled in accordance with Sections 352- (e)(2)(b) and 352-h of the New York General Business Law and with Section 71-a(3) of the Lien Law.

6. Release of Funds

Absent a closing hereunder, if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Sponsor until the Escrow Agent has given Purchaser written notice of the intended release not fewer than ten (10) days. Thereafter, the funds may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions. In no case shall Sponsor apply for release of escrowed funds of a defaulting Purchaser until after consummation or abandonment of the Plan.

Sponsor will not object to the release of the escrowed funds to: (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on disposition of the escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

Sponsor and Purchaser hereby jointly direct the Escrow Agent as follows:

- a. if title to the Unit is transferred to Purchaser, the Downpayment shall be paid to Sponsor, and any interest earned on the Downpayment shall be paid to Purchaser; or
- b. if Purchaser becomes entitled to cancel this Agreement in accordance with the terms of this Agreement or the Plan, and actually cancels this Agreement as so provided, the Downpayment and any interest earned on the Downpayment shall be refunded in full.

In the event of an uncured default by Purchaser in his or her obligation, and unless otherwise directed, no more than (10%) of the Purchase Price plus any interest earned thereon may be retained as liquidated damages. Notwithstanding the above, the actual costs incurred by Sponsor for any special work in the Unit ordered, in writing, by Purchaser may also be retained as liquidated damages even though the sum total may then exceed 10% of the Purchase Price. No Downpayments for other monies shall be released pursuant to an uncured default by Purchaser prior to the first Unit Closing and/or the consummation of the Plan.

7. Closing Contingent on Plan Being Declared Effective

a. The obligations of Sponsor to Close hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as it may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases as set forth in the Plan (see the section in the Plan entitled "Effective Date of the Plan" for full details, the terms of which are incorporated herein by reference and made part of this Agreement). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. The Sponsor shall notify Purchaser in writing when the Plan becomes effective or by a duly filed amendment if it is abandoned.

b. If the Plan is abandoned or if, after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, with interest earned thereon, shall be disbursed in accordance with the provisions of Paragraph 5 above. After the funds are so disbursed, Purchaser and Sponsor shall each have no claim against the other in connection with this Agreement or the Plan, and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan.

8. Closing Date and Place

a. The Closing of Title shall occur on the date and at the time and place in the City and State of New York Sponsor shall designate to Purchaser upon notice served at least thirty (30) days' prior to such scheduled closing date, unless such time period is waived in writing by Purchaser. Unless otherwise designated, closings shall be held at the office of Sonnenschein, Sherman & Deutsch LLP, 888 Seventh Avenue, New York, New York 10106. Sponsor shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If the Closing is adjourned by Sponsor, then Sponsor shall fix a new date and time of the Closing of Title and shall give Purchaser not less than five (5) days' prior written notice of the new scheduled date and time for Closing. Any costs or expenses incurred by Purchaser as a result of any adjournment shall be payable solely by Purchaser. Sponsor shall not be responsible for any such costs or expenses.

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

c. TIME IS OF THE ESSENCE with respect to Purchaser's obligation to pay the Balance of the Purchase Price and to pay or perform all of Purchaser's other obligations under this Agreement after notice is given pursuant to subparagraph (a) of this paragraph.

9. The Deed and Other Deliveries by Sponsor

a. A Bargain and Sale Deed with Covenants Against Grantor's Acts (the "Deed") transferring to Purchaser fee simple title to the Unit, subject only to the liens, encumbrances and title conditions set forth in Schedule A to this Agreement, which is made part hereof. The Deed shall be substantially in the form reproduced in Part II of the Plan and shall be executed and acknowledged by the grantor in form for recording. The executed Deed shall be promptly delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording at the Office of the Register of The City of New York, in the County and State of New York. After being recorded, the Deed shall be returned to Purchaser or Purchaser's attorney.

Acceptance of the Deed will evidence Purchaser's recognition that Sponsor has performed all of its obligations under this Agreement and the Plan, except such as may expressly be stated to survive delivery of the Deed or except such as may be required under the Plan or by operation of law to be performed by Sponsor subsequent to Closing. The foregoing applies only to the Purchaser. This shall not relieve Sponsor from any liability for representations under the Plan. Nothing contained herein shall be in derogation of the rights of Purchasers pursuant to Article 23-A of the New York State General Business Law or other rights of Purchasers under the Plan.

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

10. State of Title

a. Except as otherwise set forth in Paragraph 11 below, fee simple title to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Exceptions") that are set forth in Schedule A to this Agreement. The existence of the Permitted Exceptions shall not be deemed a breach of Sponsor's covenants in the Deed, even if the Deed shall not expressly provide it is given subject to the Permitted Exceptions. It is intended and agreed that the Deed to be given by Sponsor to Purchaser at Closing shall be deemed to be subject to the Permitted Exceptions to the same effect as if set forth therein at length.

b. Any lien, encumbrance, or condition not included in the Permitted Exceptions (the "Non-Permitted Exceptions") shall not be an objection to title if: (i) the instrument required to remove it "as of record" has been delivered to National Granite Title

Insurance Agency, Inc. as agent for Fidelity National Title Insurance Company of New York (the "Title Company") for recording in the proper office, together with the requisite recording or filing fees and a copy of said instrument is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); (ii) the Title Company is willing to insure (without additional premium) Purchaser against its collection or enforcement out of the Unit; or (iii) Sponsor, at its sole option, pays and discharges any lien or encumbrance upon the Property not provided in the Plan or this Agreement from monies paid by Purchaser at Closing.

c. Sponsor shall be entitled to adjourn the Closing to remove or correct any Non-Permitted Exception that cannot be dealt with as set forth above. However, if the Non-Permitted Exception existed at least 10 days prior to Closing and Purchaser or Purchaser's attorney failed to send to Sponsor's attorney, Sonnenschein, Sherman & Deutsch, LLP, at least 10 days in advance of the Closing, written notice of the Non-Permitted Exception, then for purposes of Paragraph 13, Purchaser shall be deemed at fault for not timely sending notice of the Non-Permitted Exception and if adjournment of the Closing is required to allow Sponsor to correct or remove the Non-Permitted Exception, such adjournment shall be considered at the request of Purchaser and not Sponsor and all adjustments to be made at Closing shall be made as of the date on which the sale was first scheduled to close prior to the discovery by Purchaser of the defect.

11. Title Company Approval

Subject to the terms of Paragraph 12 below, Sponsor shall give, and Purchaser shall accept, such title as the Title Company will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the Permitted Exception or the Non-Permitted Exception, provided that each Non-Permitted Exception has been resolved in the manner provided in Paragraph 10 above. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender). However, should Purchaser wish to obtain title insurance from any title company or abstract company other than National Granite Title Insurance Agency Inc. agent for the Title Company, Purchaser shall pay Sponsor an additional legal fee of \$1,000 for clearing title pursuant to the Offering Plan with such other company.

12. Sponsor's Inability to Convey Title

If Sponsor (a) is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement or (b) if Sponsor would be required to commence a lawsuit or expend in excess of the "Cure Amount", which for purposes of this Agreement shall equal \$136,157 for all Units to remove or cure one or more Non-Permitted Exception that affect all the Units (or such proportion of the cure amount as represents the Unit's percentage interest in the

Common Elements, in the case of any encumbrance affecting the Unit only), and Sponsor notifies Purchaser of Sponsor's inability or refusal to remedy the title defect, then Purchaser shall have the option, if not in default hereunder, to (i) take title subject to such title defect (without any abatement in, or credit against the Purchase Price, or claim or right of action against Sponsor for damages or otherwise) or (ii) terminate this Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent, within ten (10) days after receipt of Purchaser's termination notice, to return to Purchaser all monies deposited hereunder, with interest, if any, accrued thereon, within thirty(30) days from receipt of said termination notice. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liabilities with respect to the other hereunder or under the Plan. THE FOREGOING OPTION MUST BE EXERCISED BY PURCHASER IN WRITING SENT TO SPONSOR WITHIN FIFTEEN(15) DAYS AFTER SPONSOR GIVES PURCHASER WRITTEN NOTICE OF ITS REFUSAL TO REMEDY THE TITLE DEFECT. IF PURCHASER FAILS TO GIVE SUCH WRITTEN NOTICE, PURCHASER SHALL BE DEEMED TO HAVE ELECTED THE FIRST OPTION ABOVE (I.E., TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT). Under no circumstances shall Sponsor be obligated to commence litigation or expend in excess of the Cure Amount which for purposes of this Agreement shall equal \$136,157, in the aggregate, for all Units to remedy a title defect.

13. Closing Adjustments

- a. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:
 - i. real estate taxes and assessments, based on the Units' actual taxes or charges for said period (if the Unit has been separately assessed) or based on the actual taxes or charges for all the Residential Units in the aggregate for said period prorated to the Unit based on its Residential Common Interest (if the Unit has not yet been separately assessed) and any escrow for real estate taxes for the full tax year following the closing date;
 - ii. Common Charges for the month in which title closes (based on the number of days in the month in which title Closing occurs);
 - iii. any prepaid expenses pertaining to the Unit, as set forth in the Plan (including a pro rata share of the Condominium's insurance policy).
- b. Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

c. Any errors or omissions in computing adjustments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.

d. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a Non-Permitted Exception.

e. If Purchaser fails to close on the date originally scheduled for the Closing of Title to his Unit as provided in Paragraph 8 (the "Original Closing Date") because Purchaser either (a) adjourns the Closing for any reason or (b) is deemed at fault for failure to send timely notice of a Non-Permitted Exception as provided in Paragraph 10 above, then (i) the aforementioned closing apportionments shall be made as of midnight of the day preceding the Original Closing Date; and (ii) Purchaser shall pay interest at the rate of eight (8%) percent per annum on the total Purchase Price, for each day between the Original Closing Date and the actual Closing Date. The provisions of this subparagraph (e) shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing Date. However, these provisions shall then apply to the adjourned Closing Date.

f. If the Unit is not separately assessed at Closing for the then current tax year, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its percentage of the Residential Common Interests) of the then current real estate taxes assessed against the Residential Units in the aggregate. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

14. Purchaser's Closing Costs

At Closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to (a) the Purchase Price, (b) the mortgage recording tax credit described in section 15 below and (c) the amount of any net credit in favor of Sponsor that may result from the Closing apportionments and any daily late Closing charge described in the preceding section 13. Such Closing costs are those costs more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments," the amounts of which (where applicable) are based on rates in effect on the date of the Plan and are subject to change without prior notice:

15. Mortgage Recording Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or any costs or adjustments. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax

chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

16. Power of Attorney to Condominium Board and Sponsor

At Closing, Purchaser shall execute (in duplicate), acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or, if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's Office of the County and State of New York, a power of attorney in favor of the Condominium Board relative to purchasing or leasing of Residential Units, and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Part II of the Plan. After being recorded, one original power of attorney shall be sent to the Condominium Board and the other original will be returned to Sponsor.

17. Transfer Tax Returns

At Closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public such transfer tax returns as are required to be filed with the City of New York and the State of New York, including, but not limited to, the New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax, the so-called "Mansion Tax" and any other taxes which may be imposed or required by the applicable tax authorities. The transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Payment of such taxes and any filing fee shall be the obligation of Purchaser.

18. Events of Default

a. Each of the following, occurring either singly or in combination, shall constitute an "Event of Default" hereunder:

- i. Purchaser's failure to pay the Balance on the Closing Date designated by the Sponsor;
- ii. the dishonor or failure of collection of any check tendered by Purchaser; or
- iii. failure to pay Purchaser's contribution to the Condominium Working Capital Fund or any other closing costs or adjustments set forth in this Agreement on the Closing Date designated by Sponsor.
- iv. Purchaser's failure to duly sign, notarize and deliver at the times specified the Power of Attorney pursuant to Paragraph 16 above, the New York City Transfer Tax return or the New York State Transfer Tax return and any other required tax returns pursuant to Paragraph 17 above or to pay the transfer taxes required thereunder; or

- v. the failure to pay, perform, or observe any of Purchaser's other obligations hereunder which is not cured within thirty (30) days after mailing of written notice specifying the default;
- vi. recordation or assignment of this Agreement without Sponsor's prior written consent; or
- vii. Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or
- viii. if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
- ix. if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or
- x. any other act or omission set forth in this Agreement which constitutes an Event of Default.

b. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion may terminate this Agreement and retain downpayment as liquidated damages. If Sponsor elects to so terminate, Sponsor must give Purchaser written notice of its intent to so terminate because of the occurrence of the Event of Default. Purchaser shall then have thirty (30) days from the giving of notice of termination to cure the default. **TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD.** Notwithstanding the foregoing, if Purchaser has requested a 30 day adjournment of the Closing and Sponsor has declared Time of the Essence with respect to Purchaser's obligations to close on such adjourned date, then Purchaser shall not be entitled to the 30-day cure period referred to above and Purchaser will be required to close on the adjourned Closing Date. If Sponsor elects to terminate the Purchase Agreement, Sponsor shall notify Purchaser in writing of such termination and may instruct the Escrow Agent to deliver to Sponsor the Downpayment with any interest earned thereon and any amounts paid by Purchaser for actual custom work, extras or upgrades done or materials purchased on behalf of Purchaser as and for liquidated damages (even if the total sum exceeds 10% of the Purchase Price) and thereafter the Purchase Agreement shall become null and void and all parties to this Agreement shall have no further rights, obligations or liabilities to or against the other. However, if there is no written agreement between the parties to release the escrow funds, the Escrow Agent shall not pay the funds to Sponsor until it gives Purchaser written notice of not less than five (5) business days. Thereafter, the funds may be paid to Sponsor unless Purchaser had already applied 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 Escrow Agent shall continue to

hold the Downpayment until resolution of such dispute or pay the Downpayment to court. Sponsor shall not seek the remedy of specific performance in connection with this Agreement when there has been default by Purchaser.

c. Upon termination of this Agreement in accordance with this Paragraph, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another party as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale. Any disputes regarding the return of the Downpayment shall be resolved in the manner provided in the Escrow Agreement set forth in Part II of the Plan.

19. Appliances and Equipment

At Closing, the Unit will contain only those fixtures, equipment, hardware, appliances and furnishings (or their equivalents) described as being part of the Unit in the Description of the Property in Part II of the Plan. Kitchen appliances and equipment installed in the Residential Units shall be in good working order and condition.

Purchaser acknowledges and agrees that Sponsor has the right to substitute other materials, fixtures, appliances, equipment and cabinetry in place of those listed in the Plan without any consent of the Purchaser, provided only that the substitutions are of substantially equal or better quality and design.

Furnishings, furniture, wall coverings, cabinets, appliances, decorations and the like in or about any model apartments are for display purposes only and are not included in the sale. Model apartments do not necessarily represent the interior finishing or decoration of the Unit subject to this Purchase Agreement.

20. Condition of the Unit; Building Alteration

a. The Unit is sold "As Is" on the date of this Purchase Agreement subject to reasonable wear and tear and to Seller's obligation under the Plan to maintain the Unit prior to Closing and make the alterations and improvements described in the Plan. The alteration of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and Specifications (as defined in the Plan) and subject to the right reserved by Sponsor to modify and amend the Plan in order to substitute materials, equipment or fixtures of substantially equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover is first obtained (if required). The issuance of a permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully rehabilitated in accordance with the Plan. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of Sponsor".

b. The alteration of the Building and the Unit and the correction of any defects in alteration to the extent required under the Plan are the sole responsibility of the Sponsor. However, Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan as indicated in "Rights and Obligations of the Sponsor" in Part I of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in the Plan, as amended.

c. The Closing of Title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Prerequisites to Closing of Title" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not affecting the Unit). Purchaser acknowledges that the completion of the Common Elements and other Units may interrupt Purchaser's quiet enjoyment of the Unit, including noise, odors, vibrations and temporary interruption of building services. Purchaser shall not have any claim against the Sponsor or the Condominium Board in the event of any such interruption.

d. Sponsor has projected the First Closing of a Residential Unit for November 1, 2001 based upon the current construction and permit approval schedule. The actual date for the First Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other "Prerequisites to Closing of Title." Purchaser acknowledges that construction may be delayed by the late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for any type of damage or loss, in the event that the First Closing or any other closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor including any fees, costs or expenses which Purchaser may incur due to the extension of the closing date.

Notwithstanding the aforesaid, if title to a Residential Unit for which a Purchase Agreement was executed prior to the date of the notice, declaring the Plan effective, has not been conveyed to a Purchaser within twelve (12) months after the projected date for commencement of the first year of condominium operation set forth in Schedule B to the Plan, and as it may be amended, (except where such failure is due to the default or delay

of Purchaser), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must tender a written notice to the Sponsor during that thirty (30) day period and the Purchase Agreement will be deemed canceled at the end of the notice period, which shall be at least thirty (30) days from the sending of such notice (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return the Downpayment (but not for the cost of any extras paid for by Purchaser) paid under the terms of the Purchase Agreement, with interest earned, if any.

21. Final Inspection of Unit

At least five (5) business days before the Balance is to be paid, Sponsor or Selling Agent shall notify Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or its duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor or Selling Agent, and shall complete, date and sign the Inspection Report (in the form set forth as Schedule B to this Agreement) and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within said five (5) day period or to so sign and deliver the completed Inspection Report, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. Purchaser is obligated to pay the entire Balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the construction items noted on Purchaser's Inspection Report. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor."

22. Possession; Risk of Loss

a. Purchaser shall not be entitled to possession of the Unit until the Deed is delivered to Purchaser at Closing; however, provided the Plan has been amended to provide for such interim occupancy, Sponsor may, in its discretion, grant possession of the Unit to Purchaser prior to the Closing under an interim lease or other written agreement.

b. If Purchaser is given possession of the Unit prior to Closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit or its contents resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its contents resulting from such use by Purchaser. However, until Closing Sponsor will remain responsible to make those repairs required of it as landlord or seller under any interim lease or occupancy agreement and as may be required by law and, after Closing, the Condominium Board will be responsible for making those repairs required of it under the Condominium Documents (provided access to the Sponsor or the Board, as the case may be, is granted by the tenant.)

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

d. Except as provided in the preceding subparagraph c, all other risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this Agreement shall continue in full force and effect. In such an event, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove or cause to be removed subsequent to Closing all violations of record it is obligated to correct.) Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the three preceding sentences shall survive the Closing.

e. In the event that Sponsor 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 By-Laws, this Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder including interest and under the Plan, except that, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Downpayment, together with sums received on account of special work to be performed by the Sponsor, pursuant to paragraph 5C above.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, its principals, Selling Agent or its principals, or others, including, but not limited to, those relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the projected Common Charges and projected real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan, Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset from any claim against, or liability of, Sponsor or its principals, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the floor plans, is accurate or correct and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error in such layouts and dimensions. The provisions of this Paragraph 23 shall survive the Closing of Title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "Notices or individually called "Notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and to Purchaser's attorney, _____

_____ and, if sent to Sponsor, addressed to East Tribeca Associates, LLC, c/o Alchemy Properties, Inc., 600 Third Avenue, New York, New York 10016 (with a copy sent simultaneously and in like manner to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, Attention: Sander Srulowitz, Esq.). Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or three (3) days after it has been deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, in a registered or certified, prepaid wrapper addressed as aforesaid, except that a notice of a change of address shall be deemed given when actually received.

25. Broker

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction apart from Sponsor's Selling Agent named in the Plan. Sponsor shall pay such broker's commission. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt (other than Sponsor's Selling Agent) and Purchaser agrees that should any claim be made against Sponsor for commissions by any broker on account of any acts

or dealings of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 25 shall survive the Closing.

26. No Lien; Agreement Subordinate to Mortgage

a. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall be void and constitute an Event of Default.

b. In furtherance, and not in limitation, of the provisions of the preceding subparagraph (a), Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof or incidental thereto, or to protect the security thereof, to the fullest extent permitted by law, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or Non-Permitted Exceptions or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage at Closing.

27. Entire Agreement

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements, oral or written.

28. Agreement May Not Be Assigned

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor nor shall Purchaser be permitted to advertise or otherwise offer or promote the availability of the Unit for sale. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. Sponsor may assign this Agreement without the consent of Purchaser.

29. Prohibition Against Advertising

Prior to the closing of title, 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 Sponsor's prior written consent.

30. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

31. Liability of Sponsor

Sponsor or its designee shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or, general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) that is not within the reasonable control of Sponsor including the failure of Unit Owners to complete construction in their own units and/or the failure of Unit Owners to obtain all required sign-offs from municipal authorities. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused pursuant to this paragraph.

32. Further Assurances

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

33. Severability

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

34. Strict Compliance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

35. Governing Law

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to principles of conflicts of law.

36. Waiver of Jury Trial

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

37. Gender

A reference in this Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

38. Certain References

The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraphs, subparagraphs or other provisions of this Agreement.

39. Captions

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

40. Successors and Assigns

Subject to the prohibition against assignment by Purchaser in Paragraph 28 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's

heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors, assigns and designees.

41. No Oral Changes

This Agreement cannot be changed or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

42. Acceptance of Purchase Agreement

a. On or prior to Purchaser's signing and delivering this Purchase Agreement together with the Downpayment, Purchaser agrees (if requested) to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

b. Upon Purchaser signing and delivering this Purchase Agreement and Purchaser's Downpayment check to the Selling Agent, Purchaser shall be irrevocably bound to purchase the Unit. No binding obligation on the part of Sponsor to sell the Unit shall arise unless and until an original counterpart of this Purchase Agreement, signed by Sponsor or its duly authorized agent, is actually received by Purchaser. If, within thirty (30) days after Sponsor receives this Purchase Agreement signed by Purchaser and Purchaser's Downpayment check, an original counterpart of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser or his/her attorney, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser hereunder shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to any ground proscribed by law.

43. No Financing Contingency

Unless a rider is added hereto as Schedule D and signed by Sponsor, the terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's obtaining or extending a mortgage commitment or Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by Sponsor.

44. Lead-Based Paint

a. Purchaser's obligations under this Agreement are contingent upon Purchaser's exercising its option to obtain, on or before 5:00 P.M. on the tenth calendar day after the day a fully executed copy of this Agreement is given to Purchaser, an "Inspection" of the Premises to determine whether there exist lead-based paint and/or lead-based paint hazards in the Unit (the "Inspection"). If Purchaser fails to deliver the Inspection report to the Seller within the aforementioned ten-day period, Purchaser shall be deemed to have ratified the terms of this Agreement. If the Inspection indicates that there is "lead based paint" or "lead based paint hazards," Seller shall notify Purchaser within ten days after receipt of the Inspection Report whether Seller will, at Seller's expense, correct any conditions noted in the Inspection report prior to the Closing or whether Seller elects to cancel the Contract. If the Seller elects to cancel this contract pursuant to this paragraph, Purchaser may, by notice to Seller within five days after receipt of Seller's notice to cancel, elect to complete the purchase of the Unit without remediation by the Seller of any conditions which may have been noted in the Inspection report and without any allowance from the Purchase Price. If Purchaser shall fail to respond in such five day time period, Seller shall thereafter promptly refund the Downpayment to the Purchaser. Upon such refund, this Contract shall be canceled and neither Party shall have any further claim against the other hereunder.

b. The Inspection shall be performed by a lead-based paint investigator certified by the State of New York or in such other State as is acceptable to the Seller. No invasive testing of any surface in the Unit shall be permitted without the prior written consent of the Sponsor, and only in such situations, if any, as to which non-invasive testing is "inconclusive" within the meaning of 10 NYCRR §67-2.4(a)(2)(ii). If limited invasive testing is performed in the Unit, all affected surfaces and finishes shall be restored to the same condition as existed prior to the testing. Purchaser hereby indemnifies and holds the Seller harmless from any and all damages Seller incurs as a result of any testing.

c. The terms "lead-based paint," "lead-based paint hazards" and "Inspection" as used in this paragraph shall be defined as set forth in 40 CFR §745.

d. Purchaser may at any time waive any contingency or rights Purchaser may have under this paragraph.

45. Tax Certiorari Proceedings

Sponsor may bring proceedings in court or take other actions Sponsor believes may result in lowering the assessed valuation of the Property in which case Purchaser will cooperate with Sponsor and will not take actions or proceedings while those of Sponsor's are underway. If a tax reduction is obtained, the parties will apportion the reduction based on the proportion of time for which the reduction is granted and Purchaser agrees to apportion the legal fees and expenses for such actions and proceedings and pay same upon thirty (30) days notice to Purchaser.

46. Special Work (If Any)

a. Purchaser acknowledges that the Sponsor is not obligated to agree to any special work until the permanent Certificate of Occupancy has been obtained for the Building and all Units. Purchaser acknowledges and agrees that Purchaser may not make any alterations in the Unit unless and until Purchaser's proposed alteration plans have been reviewed and approved by Sponsor and Sponsor's experts or, if the Condominium has been established, by the Board of Managers (which may be controlled by Sponsor). Purchaser shall be free to hire any licensed contractor to perform such custom work in his or her Unit as Purchaser desires. The cost of such work, including, but not limited to, building permits and drawings, will be in addition to the total Purchase Price for the Unit and will be at the sole cost and expense of Purchaser. Purchaser shall be required to comply with the procedures and requirements pertaining to initial alteration of Units more fully set forth in the By-Laws and the Condominium's Rules and Regulations. Architectural drawings shall be submitted to Sponsor's Architect for prior written approval and a fee of \$750 per submission shall be paid by Purchaser for the Sponsor's Architect's review. If such alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to Sponsor's mechanical engineer for prior written approval whose fee of \$300 per review shall be paid by Purchaser. The fees of any other expert required by Sponsor or Sponsor's Architect for a proper review of proposed plans shall be the responsibility of the Purchaser provided Sponsor or Sponsor's Architect notifies the Purchaser in writing of the need for such additional opinion or review.

b. A Purchaser wishing to do any such construction in his Unit shall, in addition to the above, pay \$1,000 to a Coordinator designated by Sponsor or, if the Condominium has been established, by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with Sponsor's experts, arrange elevator use by Purchaser's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to Sponsor (or, as the case may be, the Board) shall be delivered to the Coordinator prior to the commencement of any work. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when Purchaser submits his proposed plans to Sponsor for approval and the second when work commences in the Unit.

c. Purchaser acknowledges that Purchaser is familiar with and has referred to the Architect's Report in Part II of the Offering Plan for the "finished" condition of the Units.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SPONSOR:

EAST TRIBECA ASSOCIATES, LLC

By: KJ Warren Associates LLC
Operating Member

By: _____
Kenneth S. Horn, Manager

Date Accepted:

PURCHASER(S):

Social Security Number

Purchaser: _____

Co-Purchaser: _____

Escrow Agent:

Sonnenschein, Sherman & Deutsch LLP
888 Seventh Avenue - Suite 501
New York, New York 10106

SCHEDULE A

Permitted Exceptions

1. State of facts shown on survey made by Harwood Surveying P.C. dated March 7, 2000.
2. Any additional state of facts which an accurate survey would show since March 7, 2000 providing such additional facts do not render title unmarketable.
3. Zoning and building laws, 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 Building.
4. The Original Declaration as amended (including the Amended and Restated Declaration) and By-Laws, revised Maps and revised Floor Plans to be recorded and filed in the New York County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of the Offering Plan and amendments thereto.
5. Power of Attorney from Purchaser to the Condominium Board of Managers.
6. Easement 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 of the Building, or which 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 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 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.
7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.
8. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.
9. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
10. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.

11. 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.

12. Easement Agreement dated as of February 1, 1999 and recorded on June 17, 1999 in Reel 2895, Page 2266, in the New York County Office of the Register of the City of New York which permits the Sponsor and its successors and assigns (including the Board of Managers) to install, maintain and have access to repair the elevator in a portion of Commercial Units 1 and 2.

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. Zoning Lot Description and Ownership Statement recorded May 1, 2000 in Reel 3094 Page 654 and Certification of Parties in Interest recorded May 1, 2000 in Reel 3094 Page 646.

15. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

16. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

17. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

18. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

19. Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board or another Unit Owner to correct.

20. Variations between tax map and premises described in Schedule A.

SCHEDULE B
INSPECTION REPORT

Date:

East Tribeca Associates LLC
c/o Alchemy Properties Inc.
600 Third Avenue
New York, NY 10016

Re: The Keystone Building Condominium
38-44 Warren Street
New York, New York 10007
Unit _____

Ladies and Gentlemen:

This is to confirm that based on the undersigned's personal inspection of the above referenced Unit, I (we) have found the Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware and all other items listed below, to be in good and satisfactory condition, free of chips, mars, scratches, breaks or other defects, except for those matters (if any) expressly noted below under "Exceptions" requiring repair, adjustment or correction:

- | | Exceptions
(if any) | Purchaser's
Initials |
|--|------------------------|-------------------------|
| 1. Unit Interior: | | |
| (a) Walls: | | |
| (b) Floors: | | |
| (c) Ceilings: | | |
| (d) Windows: | | |
| (glass, sash, pane, sill, etc.) | | |
| (e) Doors: | | |
| (f) Electrical fixtures: | | |
| (g) Painted surfaces: | | |
| (h) Kitchen cabinets: | | |
| (i) Kitchen sink: | | |
| (k) Medicine cabinets: (doors & mirror) | | |
| (l) Vanities: | | |
| (m) Bathroom sinks: | | |
| (n) Water closet: | | |
| (o) Bathtubs: | | |
| (p) Shower door: | | |
| (q) Bathroom tile: | | |
| (r) Hardware: | | |
| (doorbell, doorknob, faucets, locks, etc.) | | |
| (s) Other: | | |

2. General Operating Condition:

- (a) All Doors:
- (b) All Windows:
- (c) All Plumbing:
- (d) All Hardware:
- (e) Other:

I (We) understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, and towel bars will be installed just prior to the date I (we) move in.

I (We) understand that the full Balance of the Purchase Price of the Unit must be paid at Closing under the Purchase Agreement, without provision for escrow, notwithstanding your obligation to complete or correct the items noted above after the Closing.

The undersigned will sign and deliver to you a separate statement signifying my (our) satisfaction with each item excepted above (if any), immediately upon the completion of the repair, adjustment or correction of same. The undersigned understands and agrees that you shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and your obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same). Purchaser acknowledges that except as set forth above, Sponsor's work on the Unit is complete. Nothing contained herein shall be construed to excuse Sponsor from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of Sponsor" contained in the Offering Plan for Condominium Ownership of the captioned premises.

Very truly yours,

Purchaser's Signature

Purchaser [*Print Name*]

Co-Purchaser's Signature

Co-Purchaser [*Print Name*]

Agreed To:

EAST TRIBECA ASSOCIATES LLC

By: _____
Authorized Representative

SCHEDULE C - LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards SALES

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

1. Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):
 - i. ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing. (*Explain*)
.....
 - ii. ☒ Seller has no knowledge of lead-based paint in the housing.
2. Records and reports available to the seller (*Check (i) or (ii) below*):
 - i. ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (*list documents below*)
.....
 - ii. ☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (*initial*)

3. _____ Purchaser has received copies of all information listed above.
4. _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
5. ☒ Purchaser has (check (i) or (ii) below):
 - i. ☐ received a 10 day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards, or
 - ii. ☐ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (*initial*)

6. _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

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

SELLER _____	DATE _____	SELLER _____	DATE _____
PURCHASER _____	DATE _____	PURCHASER _____	DATE _____
AGENT _____	DATE _____	AGENT _____	DATE _____

NOTE: The use of this form and the preparation of its contents may have significant legal consequences. Consult your attorney as to the proper use and preparation of this form. Retain this record and copies of all documents to which it refers for at least three years.

SCHEDULE D
Financing Contingency Rider

The Keystone Building Condominium
Unit _____

This Agreement and Purchaser's obligation to close is conditioned on purchaser's obtaining a mortgage loan commitment for a first mortgage loan in an amount which is not more than seventy-five (75%) percent of the Purchase Price at the prevailing rates and terms from an institutional lender obtained through a New York State licensed mortgage broker (the "Mortgage Broker"). Purchaser understands that Purchaser is free to seek financing from any other lender, either solely or parallel with the application to the Mortgage Broker, but the mortgage loan contingency shall only apply to an application made to the Mortgage Broker; therefore, refusal by any other lender to make a mortgage loan to Purchaser will not entitle Purchaser to cancel this Agreement or receive a refund of Purchaser's down payment. Purchaser agrees to apply to the Mortgage Broker within seven (7) business days of Purchaser's receipt of a fully executed copy of this Agreement and furnish to the Mortgage Broker truthful, accurate and complete information, data and documents on Purchaser and co-Purchaser and his or her family members as required, and promptly submit such further information, data and documents requested by the Mortgage Broker and pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Mortgage Broker to the end of securing the mortgage loan, comply with all requirements of any mortgage loan commitment (whether or not obtained through the Mortgage Broker), and furnish Sponsor with a copy of any commitment promptly upon Purchaser's receipt of such commitment. **FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.** At the sole and absolute option of the Sponsor, if the Mortgage Broker refuses to issue the required commitment to Purchaser for any reason, Purchaser shall make prompt application to another institutional lender or mortgage broker designated by the Sponsor for the required mortgage loan within seven (7) business days from the date Purchaser is notified that the lender procured by the Mortgage Broker refuses to issue a commitment to Purchaser. Any written commitment from an institutional lender which meets the financial terms described in this Agreement shall be deemed to have met the mortgage contingency whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. If within the later of (a) the earlier of (i) sixty (60) days of execution and delivery of this Agreement, or (ii) the date the Mortgage Broker refuses to issue a commitment to Purchaser, or (b) sixty (60) days after the date Sponsor notifies Purchaser of Sponsor's election to require Purchaser to make a second application, the required mortgage loan commitment has not been obtained, either Sponsor or Purchaser may cancel this Agreement on written notice to the other party given within five (5) days of such date, time being of the essence as to such five (5) day period. This Agreement is contingent upon the issuance of a loan commitment, not upon the funding of such loan by the lending institution. The withdrawal by such lending institution of its loan commitment for any reason, including, but not limited to, a change in Purchaser's financial condition or an inability to obtain an extension of such commitment or refusal by Purchaser to pay an extension fee, shall not relieve Purchaser of his or her obligations under this Agreement. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Sponsor.

Purchaser

Co-Purchaser

Sponsor

EXHIBIT D

POWER OF ATTORNEY

POWER OF ATTORNEY

THE KEYSTONE CONDOMINIUM
38-44 WARREN STREET
NEW YORK, NEW YORK 10007

The undersigned, _____ the Owner of Unit _____ in the building known as The Keystone Condominium, New York, New York, as designated and described in the Amended and Restated Declaration dated _____ recorded in the Office of the Register of the City of New York, New York County on _____, 2000, in Reel _____, Page _____ establishing a plan for condominium ownership of said building and the land on which it is erected, to be known as The Keystone (the "Condominium"), and on the floor plans filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, do hereby irrevocably nominate, constitute and appoint the Board of Managers of the Condominium, and their successors, jointly, true and lawful attorneys-in-fact of the undersigned, with a power coupled with an interest, with power of substitution (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise by deed, on behalf of all Unit Owners (or with respect to a the acquisition of a Residential Unit, on behalf of all owners of Residential Condominium Units) in said Condominium property, in accordance with their respective Common Interests, (a) any Unit whose owner desires to sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit theretofore acquired by the Board of Managers, or its designee, on behalf of the Unit Owners, or in the proceeds of sale of lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or (b) any Unit which shall be the subject of a foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws, and (2) to lease any Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, and (3) in connection with (1) and/or (2) above, thereafter to convey, sell, lease, sublease, mortgage, vote (except for election of members to the Board of Managers), or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, and (4) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with the Declaration of Condominium, or any law, ordinance or 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 maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate, provided such change is consistent with the Condominium Act and (5) to commence, pursue, compromise or settle tax certiorari proceedings to obtain reduced real estate tax assessments with respect to the Unit for the benefit and on behalf of the Unit Owner and at the expense of the Unit Owner and (6) to act as an agent of each Unit Owner to complain or apply to the Board of Assessment review of the assessing agency by filing a single complaint on behalf of all Unit Owners pursuant to Section 512 of the Real Property Tax Law as same may from time to time be amended or successor statute and to commence and prosecute a special proceeding for the

review of assessments of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law as same may from time to time be amended or successor statute.

The Board of Managers may retain legal counsel for the purpose of the proceedings or actions described herein on behalf of all Unit Owners and shall charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees. However, with respect to proceedings or actions described herein pertaining solely to one or more Residential Units, the Board of Managers may retain legal counsel on behalf of all Owners of Residential Units and shall charge all such Residential Unit Owners a pro rata share of expenses, disbursements and legal fees as set forth herein. The Board of Managers shall have a lien pursuant to Section 339(z) of the Condominium Act for such charges.

The acts of a majority of the said Board of Managers shall constitute the acts of said attorneys-in-fact.

This Power of Attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, I (we) have (has) executed this Power of Attorney this day
of _____.

Unit Owner

Unit Owner

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 basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in _____ capacity, and that by _____ signature on the instrument, the individual, or the person upon behalf of which the individual 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 basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in _____ capacity, and that by _____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT E

UNIT DEED

EXHIBIT E

UNIT DEED

THIS INDENTURE made the _____ day of _____, _____
between East Tribeca Associates LLC, a New York limited liability company, having a business
address c/o Alchemy Properties, Inc., 600 Third Avenue, New York, New York 10016, Grantor,
and, _____, residing at _____
_____, Grantee:

WITNESSETH:

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

ALL that certain piece or parcel or real property, with the
improvements therein contained, situate and being a part of a
condominium in the Borough of Manhattan, County, City and
State of New York, known and designated as Unit No. _____
together with an undivided _____% percent interest in the
common elements of the condominium hereinafter described as
the same as defined in the Declaration of Condominium
hereinafter referred to.

The real property above described is a Unit shown on the plans of a condominium
prepared and certified by Nicholas Tjartjalis, architect, and filed in the office of the Register of
the City of New York, New York County on the _____ day of _____, _____ as Map No.
_____ as defined in the Declaration of Condominium of Church Street Commons
Condominium dated December 12, 1987 and recorded in Reel 2546 page 1068 as amended by
the Amended and Restated Declaration of Condominium of The Keystone Condominium, made
by East Tribeca Associates LLC under Article 9-B of the New York Real Property Law dated
_____, 2000 and recorded in the Office of the Register of the City of New York,
New York County on the _____ day of _____, 2000 in Reel _____ at
page _____ covering the property therein described.

The land area of the property within which the Unit is located is more particularly
described in Schedule A attached hereto and made a part hereof.

All capitalized terms herein which are not separately defined herein shall have the
meanings given to those terms in the Amended and Restated Declaration or in the Amended
and Restated By-Laws of The Keystone Condominium. (Said Amended and Restated
Declaration and By-Laws, as the same may be amended from time to time, are hereinafter
referred to as the "Declaration" and the "By-Laws," respectively.)

Together with the Appurtenances and all the estate and rights of the Grantor in and to
the Unit;

Together with; and subject to, the rights, obligations, easements, restrictions, and other
provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants
running with the land and shall bind any person having at any time any interest or estate in the
Unit, as though recited and stipulated at length herein;

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 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 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 and together with an easement in favor of each 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 any other Units;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Property, as more particularly described in the Condominium Offering Plan pursuant to which this Deed is made, as described at "Status of Title at Closing", which is incorporated herein and made a part hereof;

Subject to the easement dated as of February 1, 1999 and recorded on June 11, 1999 in the Office of the Register of the City of New York, New York County, in Reel 2895, page 2276; and

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

TO HAVE AND TO HOLD the same unto the Grantee, the heirs or successors and assigns of the Grantee forever.

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

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 New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York 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 New York Condominium Act, the

applicable provisions of the Declaration shall control.

AND the Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the Unit is intended is that of residential purposes, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

This conveyance is made in the regular course of business conducted by the Grantor.

IN WITNESS WHEREOF, the parties have duly executed this deed the day and year first above written.

EAST TRIBECA ASSOCIATES LLC

By: KJ Warren Associates LLC,
Operating Member

By: _____
Kenneth S. Horn, *Manager*

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

On the day of in the year , before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth S. Horn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

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 whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

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 whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT F

DECLARATION OF CONDOMINIUM

AMENDED and RESTATED DECLARATION

of

THE KEYSTONE CONDOMINIUM

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

By Declaration of Warren Street Associates, LLC, a New York limited liability company maintaining an office at c/o Bryce Property and Development, 43-24 Clearview Expressway, Bayside, New York 11361 (hereinafter sometimes referred to as "Original Declarant"), dated December 12, 1997 and recorded on February 17, 1998 in the office of the City Register, New York County, at Reel 2546, Page 1068 as amended by the First Amendment to the Declaration dated August 20, 1999 and recorded in the office of the City Register, New York County on September 30, 1999 at Reel 2964 page 1599 (collectively, the "Original Declaration") the land located at 38-44 Warren Street (a/k/a 140-144 Church Street), New York, New York (the "Land"), and the building and improvements thereon erected (the "Building") were submitted to the provisions of Article 9-B of the Real Property Law of the State of New York. Original Declarant as the Owner of Commercial Unit 1, Jem Associates LLC as the Owner of Commercial Unit 2 and East Tribeca Associates LLC as the Owner of Commercial Unit 3 (East Tribeca Associates LLC hereinafter referred to as "Sponsor"), constituting the Owners of all of the Units in number and in common interest immediately prior to the recording of this Amended and Restated Declaration, now hereby execute this Amended and Restated Declaration and state that the Original Declaration (as previously amended) is hereby amended and restated in its entirety and this Amended and Restated Declaration replaces and supercedes the Original Declaration in its entirety, as follows:

ARTICLE I

SUBMISSION OF PROPERTY

1.1 By the Original Declaration dated December 12, 1997, Original Declarant submitted the Land, together with the Building and other improvements erected thereon (the Land and Building are hereinafter collectively called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), and pursuant thereto established a Condominium known as Church Street Commons Condominium (the "Condominium"). By this Second Amendment to the Declaration (i.e., this Amended and Restated Declaration), the name of the Condominium is changed to The Keystone Condominium. The Condominium is known by the street address 38-44 Warren Street (a/k/a 140-144 Church Street), New York, New York 10013.

1.2 Immediately upon the recording of this Amended and Restated Declaration, the Condominium shall consist of three (3) Commercial Units and twenty-four (24) Residential Units, subject to the terms and conditions of this Amended and Restated Declaration.

01.3 Attached to this Amended and Restated Declaration as Schedule C and made a part hereof are the Amended and Restated Bylaws of the Condominium which set forth detailed

provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 2

THE LAND

The Land are the parcels of land designated immediately preceding the filing of this Amended and Restated Declaration as Section 1, Block 136, Lots 1101, 1102, 1103 on the Tax Map of the Borough of Manhattan, City of New York, and more particularly described as all that certain tract, piece and parcel of land situate, lying and being in the City of New York, State of New York as described on Schedule A annexed hereto and made a part hereof. The Land was formerly owned by the Original Declarant in fee simple absolute, and as of the filing of this Amended and Restated Declaration is owned by the Unit Owners as a Common Element of the Condominium as more fully set forth in Article 6 hereof.

ARTICLE 3

THE BUILDING

The Building erected on the Land contains a sub-cellar, cellar, ground floor and eight (8) structural stories above the ground floor (resulting in nine (9) designated floors). The ground or first floor is also designated as the lobby floor.

The Building shall contain three (3) Commercial Units beginning on the cellar level, including Commercial Unit 1 encompassing part of the cellar and part of the first floor, Commercial Unit 2 encompassing part of the cellar, and Commercial Unit 3 encompassing part of the first floor; and twenty-four (24) Residential Units encompassing the second through ninth floors. The Commercial and Residential Units are collectively referred to as the "Units".

Domestic water is supplied via two domestic water service lines connecting the City water main. Sanitary and storm water drainage are provided through piping to a combined sanitary and storm drain that exits the building in two lines, connected to the public New York City sewer lines.

ARTICLE 4

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to the Units necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage of interest in the Common Elements. The Commercial Units are designated on such schedule as Units 1, 2 and 3, and the Residential Units are designated as Units 4 through 25. The land area of the Property and the location of the Building are shown on a Site Plan made by Ronald R. Erickson, P.E., for FRE Engineering, Inc., 100 Jersey Avenue, New Brunswick, New Jersey 08901, and filed in the New York County Office of the Register of the City of New York ("City Register's Office") on February 17, 1998. The locations of the Units are shown on the revised Floor Plans of the Building (the "Floor Plans"), certified by Nicholas Tjartjalis, Registered Architect, and filed in the City Register's Office simultaneously with the

recording of this Amended and Restated Declaration.

ARTICLE 5

DIMENSIONS OF UNITS

5.1 There are a total of three (3) Commercial Units and twenty-four (24) Residential Units as shown on the revised Floor Plans for the Building.

The dimensions of the Units shall consist of the area enclosed by any unexposed surfaces (i.e., backs) of the gypsum wallboard, plaster, masonry, or other finish material located at the perimeter of the Unit. These surfaces may back upon furred or unfurred exterior, interior or party walls, on the demising partitions between units or on public halls, stairs, mechanical equipment spaces or other Common Elements. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the Unit which open either onto Common Element or the exterior of the property, the Unit shall be defined by the exposed face of the Unit side of such door.

The dimensions of Commercial Unit 1 shall consist of similarly defined areas as for the other Units, and, in addition, windows, doors and glass storefront construction in or appurtenant to the Unit shall be included in the Unit and shall be defined by the exposed face of the exterior side of such windows, doors or glass storefront.

ARTICLE 6

COMMON ELEMENTS

The Common Elements of the Condominium (the "Common Elements") are comprised of the General Common Elements, which are described in Paragraph (a) of this Article 6 and the Limited Common Elements which are described in Paragraph (b) of this Article 6.

(a) The General Common Elements consist of the entire Property described in Article 2 of this Amended and Restated Declaration and that portion of the Building not incorporated into or which does not exclusively service a particular Unit or which is not part of a Limited Common Element pursuant to Paragraph (b) of this Article 6, and will include, without limitation, the following:

- (i) the Land, including without limitation, the portions of the Land on which the Building is erected, the sidewalks and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;
- (ii) all foundations, columns, girders, beams, joints, supports, bearing walls, staircases, subfloors and roofs, except for portions of the roofs and staircases specifically designated on the revised Floor Plans as Limited Common Elements; those portions of the exterior walls beyond the outside face of the wallboard; those portions of the walls and partitions dividing the Units from corridors and stairs located beyond the exposed face of the wallboard enclosing the Unit, those portions of the walls and partitions dividing Units located between the

unexposed faces of both wallboard walls enclosing the Units;

(iii) the water and sewer pipes from the City water main and public sewer line to the meters servicing the Residential and Commercial Units, respectively.

(iv) all other apparatus and installations existing in the Building for the common use or necessary or convenient to the existence, maintenance or safety of the Building.

(b) The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. They are designated on the Floor Plans as Residential Limited Common Elements and Commercial Limited Common Elements. The Limited Common Elements include:

(i) any portion of the sixth floor roof and roof above the ninth floor (other than the structural elements thereof) to which there is direct and exclusive access from the interior of a Residential Unit (which shall be for the exclusive use of such Residential Unit);

(ii) the entrance and exit doors, canopies and corridors (if any) leading directly and exclusively from any street to any Unit or any portion thereof (which shall be for the exclusive use of such Unit);

(iii) a portion of the subcellar level of the building as shown on the revised Floor Plans which shall be used for storage purposes for all Residential Unit Owners;

(iv) the Residential lobby and doors and windows from the Residential lobby to the outside, which shall be Limited Common Elements for the exclusive use of all the Residential Units; and all windows and entrance doors in Residential Units which shall be Limited Common Elements for the exclusive use of each relevant and particular Residential Units;

(v) the elevator serving the cellar level through the upper roof level, including elevator component parts, elevator shafts and pits and elevator machine room at the bulkhead level above the roof (which shall be Limited Common Elements for the exclusive use of all of the Residential Units);

(vi) all central and appurtenant installations for services such as heat, hot water, air conditioning, power, light, telephone, refuse compacting and water and all gas, water, sewer and drainage pipes, risers, valves, fittings and appurtenances thereto to the extent such installations and fixtures service one or more of the Commercial Units or the Residential Units respectively, which shall be Limited Common Elements for the exclusive use of the Units served by such system;

(vii) the two sprinkler systems including fittings, valves, sprinkler heads and piping servicing the Commercial Units and Residential Units respectively, which shall be for the exclusive use of the Units served by such system;

(viii) the electric meter rooms on the cellar level designed for the exclusive use of Commercial Unit 1; and the electric meter room on the cellar level of the building, designed for the exclusive use of the Residential Unit Owners;

(ix) the mechanical equipment located on the second floor roof in an area outside Unit 2C extending 50 feet west of the Church Street property line, which equipment is for the exclusive use of the owner of Commercial Unit 1 and shall be a Commercial Limited Common Element.

ARTICLE 7

DETERMINATION OF PERCENTAGES IN COMMON ELEMENT

The percentages of interest of the respective Units in the Common Elements are as set forth on Schedule B.

Such percentages are based upon method (iv) contained in Section 339-I of the New York Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

ARTICLE 8

USE OF UNITS

The Commercial Units may be used for any lawful purpose consistent with applicable governmental regulations and with this Amended and Restated Declaration and the By-Laws of the Condominium, at the sole discretion of the owner or owners thereof, except that same may not be used (i) for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of the New York Penal Law, or (ii) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning. No income derived from any use of the Commercial Units will constitute income to the Board of Managers.

As more particularly set forth in the By-Laws, each Residential Unit may be used only as a residence and not more than one natural person and his/her family members (spouse, parents, grandparents, children, grandchildren, nieces and nephews) may occupy a Residential Unit at one time. Upon the prior written consent of Sponsor (or, when there are no longer any Unsold Units, the Condominium Board), any Residential Unit may be used as a professional or business office, provided, however, that such use is permitted by law.

A Residential Unit owned or leased by a corporation, partnership, fiduciary or any other entity may be occupied only by an officer, director, stockholder or employee of such corporation or by a partner or employee of such partnership or by said fiduciary (including a director, officer, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or by family members of any of the foregoing. Residential Units may be leased on accordance with the By-Laws and the Rules and Regulations.

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers or the Unit Owners, retain ownership of one or more Units for use as models, or sales, business or administration offices, place signage of any size and in any location on the Property, in connection with the sale or rental of the Units until such time as all such Units have been conveyed to Purchasers thereof, and lease any Units to third parties.

Further restrictions on the use of the Units are set forth in the By-Laws.

ARTICLE 9

SUBDIVISION, COMBINATION AND ALTERATION OF UNITS

9.1 Subject to any applicable building and fire codes, rules and regulations, zoning and other requirements of governmental authorities, the Sponsor or its designee shall have the right, at its sole cost and expense and without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, to change the layout and/or size and/or number of rooms in any Unit or number of Units by subdividing one or more Units into separate Commercial or Residential Units, combining separate Units into one or more Units or altering the boundary walls of Units, and in connection therewith to reapportion among the Units affected by any such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements. Any such change by the Sponsor or its designee which is required by law to be included in an amendment to the Declaration will be reflected in a duly recorded amendment to the Amended and Restated Declaration, the revised Floor Plans and other documents as may be necessary to effectuate the change, prepared by the Sponsor or its designee and meeting the requirements of Article 9-B of the New York Real Property Law. The amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee.

Any amendment made pursuant to this Section 9.1 shall in no event (i) materially and adversely change the Common Interest of any other Unit not then owned by Sponsor unless the Owner of such other affected Unit shall consent thereto, (ii) require a physical modification of any other Unit not then owned by Sponsor unless the owner of such other affected Unit shall consent thereto or (iii) adversely affect the priority of validity of the lien of any mortgage encumbering an affected Unit unless the Unit Owner (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (iii) of this paragraph) shall consent thereto.

9.2 Except to the extent prohibited by law and subject to all applicable building and fire codes, rules and regulations, zoning and other requirements of governmental authorities, any Commercial Unit Owner shall have the right, without the requirement of consent of the Board Managers, the other Unit Owners or anyone else, (a) to make alterations, additions and improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary in, to and upon its Unit or any Limited Common Elements appurtenant and exclusive thereto and (b) to install any ducts, stacks, chutes, or chasers reasonably required in connection with the renovation of the Commercial Unit or any Limited Common Element appurtenant and exclusive thereto provided (i) that the nature and location of such installation does not interfere materially with or adversely impact upon the use then being made of any other Unit or any Limited Common Element and (ii) that the then owner of the Commercial Unit shall comply with zoning requirements, building codes, and all other laws, ordinances, codes and regulations of all governmental authorities having jurisdiction.

In addition to the above, the Owner of Commercial Unit 1 shall have the right, without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, to create access from Unit 1 to the lobby of the Building provided (i) that such access is for securing emergency fire exit only, (ii) that there is no alternative to such exit, (iii) that local

law requires such exit and (iv) that all applicable laws, codes, rules and regulations permit such alteration.

9.3 Subject to any applicable building and fire codes, rules and regulations, zoning and other requirements of governmental authorities, a Commercial Unit Owner with respect to the Commercial Unit owned by such Unit Owner, and the Sponsor or its designee with respect to Units owned by it or such designee shall have the right without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, (i) to change the layout of the Unit, and (ii) to change the size and/or number of Units, including subdividing a Unit into additional Units or combining unsold Units into one such Unit, in which event the Unit Owner will have the right to reapportion, among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided the aggregate interest in the Common Elements appurtenant to the affected Units remains the same after such change, subdivision, combination or alteration. Any such change, subdivision, combination or alteration will be reflected in a duly recorded amendment to the Amended and Restated Declaration, revised Floor Plans and other documents as may be necessary to effectuate the change, prepared by the Unit Owner and meeting the requirements of Article 9-B of the New York Real Property Law. The Amendment to the Amended and Restated Declaration shall, if appropriate, reapportion among the Units affected by such change their percentages of interest in the Common Elements. The amendment to the Amended and Restated Declaration shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of the revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Unit Owner. Such amendment to the Amended and Restated Declaration shall not require consent of the Board of Managers of the Condominium or consent of the Unit Owners or anyone else as otherwise provided in Article 15 of this Amended and Restated Declaration.

Any amendment made pursuant to this Section 9.3 shall in no event (i) materially and adversely change the Common Interest of any other Unit, (ii) require a physical modification of any other Unit not owned by such Unit Owner, or (iii) adversely affect the priority or validity of the lien of any mortgage encumbering the affected Unit unless the Unit Owner (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. In no event shall the percentage of interest in the Common Elements appurtenant to either Unit 1 or Unit 2 be increased without the consent of the respective Unit Owner thereof.

9.4 Except for the Sponsor or its designee and Commercial Owners no Unit Owner shall make any structural addition, alteration, or improvement in or to any Unit or any appurtenant Limited Common Element without first (i) obtaining the consent of the Board of Managers not to be unreasonably withheld or delayed, (ii) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, (iii) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (iv) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work, and (v) complying with the provisions of the By-laws concerning the prerequisites for such addition, alteration or improvement. Commercial Unit Owners shall also deliver the indemnification agreement referred to in (iv) above with respect to non-structural additions, alterations and improvements and shall obtain and maintain insurance

as referred to in (ii) above.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or any Limited Common Element will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

9.5 The provisions of this Article as they relate to the Sponsor or its designee or a Commercial Unit Owner may not be added to, amended, modified or deleted without the prior written consent of the Sponsor or its designee or all Commercial Unit Owners, as the case may be.

ARTICLE 10

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action that may be brought against the Condominium. The Secretary of State shall promptly send a copy of any process served upon it to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY, Att: Sander Srulowitz, Esq.

ARTICLE 11

ENCROACHMENTS

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of construction of the Building, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Board of Managers or made by a Unit Owner in accordance with this Amended and Restated Declaration or the By-Laws, or (c) repair or restoration of the Building (or any portion thereof) or a Unit or of the Common Elements after damage or destruction by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of the Building or a 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 so long as the Building shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Building encroached upon for its intended and assigned purpose.

ARTICLE 12

EASEMENTS

12.1 Each Unit Owner shall have an easement in common with the Owners of other Units to inspect, use, maintain, repair, alter and replace all Common Elements wherever on the Property they may be located. Notwithstanding the above, the owner of Commercial Unit 1 shall not be permitted to install any mechanical equipment on the second floor roof beyond an area which is 50 feet west of the Church Street property line, provided, however, that such Unit Owner may replace the equipment existing as of the date of recording of this Amended and Restated Declaration with equipment of similar size and in the same location as the existing equipment and provided such replacement equipment does not make or generate more noise or vibration than the current equipment or pose any health risk to Unit Owners. Each Unit shall be subject to an easement in favor of all other Units to use, maintain, repair, alter, restore, rebuild or replace any and all Common Elements serving such other Units and located in such Unit or such Unit's Limited Common Elements. The Board of Managers 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 Building, provided that such right of access shall be exercised in such manner as will not unreasonably interfere with the normal conduct of business by the owners of the Commercial Units. Such entry shall be permitted on not less than one (1) days notice, except that no notice will be necessary in the case of an emergency. The General Common Elements of the Condominium shall be repaired and maintained by and at the cost and expense of the Condominium.

12.2 The Unit Owners shall each have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of each other and the Common Elements. They shall each have an easement in common with the others for the benefit of themselves, their licensees and invitees, for ingress and egress through all Units and all Common Elements as required in an emergency. They shall further each have easements over the Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

12.3 The Sponsor and the Board of Managers and their successors and assigns shall have a permanent and perpetual easement in and over each Residential Unit and Commercial Units 1 and 2 and the Limited Common Elements appurtenant thereto for entry, use, installation, inspection, maintenance, operation, repair and/or replacement of an elevator shaft and elevator and of plumbing, electrical, telecommunications, ventilation, heating, air conditioning and any other mechanical machinery, equipment and appurtenances on, and the exclusive right to use of an area of the cellar and for passage and as a means of ingress and egress, as set forth in the Easement Agreement recorded in Reel 2895 Page 2266 in the Register's Office of New York County.

12.4 The Board shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in an portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the owners of the Commercial Units. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business by the owners of the Commercial Units.

12.5 Each Unit Owner whose Unit has one or more appurtenant Limited Common

Elements shall have an easement of access through the Common Elements and an exclusive easement or easement for use in common (as appropriate) for the enjoyment thereof.

12.6 So long as it is the Owner of one or more Unsold Residential Units, the Sponsor shall have an easement over, under and through the Common Elements and building system Limited Common Elements to install equipment relating to the heating and hot water system in the Building, including the right to store materials in said Common Elements and Limited Common Elements and the right to enclose any pipes, ducts, etc., within walls.

12.7 Each Commercial Unit Owner shall have the right to maintain, erect, alter, repair or replace from time to time, at its sole discretion, exterior signage in the customary form used for commercial businesses and/or professional offices, provided that such signs comply with all applicable municipal codes. All costs for such signs and any necessary permits therefor shall be the responsibility of the Commercial Unit Owner.

12.8 The Sponsor and its designees shall have an easement (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time to time one or more selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units and (iii) for access to Units and all Limited and general Common Elements consistent with the purposes of the Offering Plan, as same may be amended and Sponsor's rights and obligations thereunder, including, without limitation, the right to construct, renovate, maintain, repair, refurbish, alter, offer, sell and lease Units, together with their interest in the Common Elements, until such time as all such Units have been conveyed to Purchasers thereof.

12.9 The user of any easement granted by this Article 12 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

ARTICLE 13

COVENANT OF FURTHER ASSURANCES

13.1 Any party subject to the terms of this Amended and Restated Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, 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 Amended and Restated 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.

13.2 If any Unit Owner or any other party subject to the terms of this Amended and Restated Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Unit Owner or such other party is required to take pursuant to this Amended and Restated Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such document or action shall be binding on such Unit Owner or other party.

13.3 If any Unit Owner or the Board of Managers or any other party who is subject to

the terms of this Amended and Restated Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Amended and Restated Declaration at the request of Sponsor or Sponsor's designee, then Sponsor or Sponsor's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

13.4 If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Amended and Restated Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Amended and Restated Declaration at the request of a Commercial Unit Owner, then such Commercial Unit Owner is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

13.5 Nothing contained in this Article 13 shall be in derogation of Section 339(i) of the Condominium Act; and nothing contained in this Article 13 shall preclude the Sponsor, Commercial Unit Owner, Board of Managers or any Unit Owner from exercising any other rights and remedies available.

ARTICLE 14

UNITS SUBJECT TO DECLARATION, BY-LAWS, RULES AND REGULATIONS

14.1 All provisions of this Amended and Restated Declaration, the By-Laws and the Rules and Regulations annexed thereto, 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 every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, 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. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Amended and Restated Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of a Unit shall constitute an agreement that the provisions of this Amended and Restated Declaration, the By-Laws, and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were stipulated at length in each and every deed and conveyance and lease thereof.

ARTICLE 15

POWERS OF ATTORNEY TO BOARD OF MANAGERS

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, (i) to take all actions on behalf of the Condominium as authorized by this Amended and Restated Declaration and by the By-Laws, (ii) to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action, and (iii) to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners (or, in the case of a Residential Unit on behalf of all Residential Unit Owners), and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

ARTICLE 16

ACQUISITION OF UNITS BY BOARD OF MANAGERS

In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant interests, title to any such Units together with the Appurtenant Interests shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Owners except that, in the case of a Residential Unit which is acquired, on behalf of all Residential Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners except that, in the case of a Residential Unit which is leased, on behalf of all Residential Unit Owners, in proportion to their respective Common Interests.

ARTICLE 17

AMENDMENTS TO DECLARATION

17.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions, any provision of this Amended and Restated Declaration may be amended, modified, added to, or deleted by a vote of at least sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in common interest of all Unit Owners.

Notwithstanding anything herein to the contrary, in the event that the interest of the Sponsor or its designee or any Commercial Unit Owner is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Sponsor or its designee or to a Commercial Unit Owner are to be eliminated, changed or impaired thereby, then this Amended and Restated

Declaration shall not be amended without the prior written consent of the Sponsor or its designee or the affected Commercial Unit Owner. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered, then this Amended and Restated Declaration shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

17.2 The Sponsor hereby reserves the right to amend or (on request of Sponsor or its designee) to require the Board of Managers to duly execute and record in the New York County office of the Register of the City of New York, an amendment to this Amended and Restated Declaration, at any time, without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees, for the purposes of (i) filing the revised Floor Plans required by New York Real Property Law Section 339-p for the portion or portions of the Building and appurtenances which are incomplete at the time the Amended and Restated Declaration is recorded and the filing along with said amendment to the Amended and Restated Declaration and the revised Floor Plans the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; (ii) changing the designation, the approximate square foot area the layout and/or the number of rooms in an unsold Unit; (iii) re-allocating common interests of one or more Unsold Units; (iv) making insubstantial changes to this Amended and Restated Declaration; and (iv) making such changes to this Declaration and to the By-Laws and floor plans as may be required by the New York State Department of Law or by any governmental agency with jurisdiction over the property or over the offering of condominium units to the public in order to enable the Sponsor to make a public offering of the Residential Units which will include such additional Units as may hereafter be created by the Sponsor by construction, alteration, combination and/or addition to existing Units and the Limited Common Elements appurtenant thereto, which includes the right to decrease the percentage of common interest of Commercial Units 1 and/or 2, and increase the aggregate percentage of common interest of any Unit owned by the Sponsor.

No such amendment shall be effective until recorded in the New York County office of the Register of the City of New York.

17.3 Any Commercial Unit Owner shall have the right to amend the Amended and Restated Declaration and revised Floor Plans, without obtaining consent of the Board of Managers or any other Unit Owner, to reflect an alteration, addition or improvement or a change in the layout, size and/or number of Commercial Units by subdivision or by combination of any Commercial Units, as more fully described in Article 9 of this Amended and Restated Declaration. In that event, the other Unit Owners hereby agree that, at the cost and expense of the Commercial Unit Owner, they will execute any and all documents required to amend, modify or alter this Declaration if necessary, for the benefit of a Commercial Unit Owner, in order to permit the Commercial Unit owner to alter, improve, subdivide, combine or otherwise change the Commercial Unit as permitted hereunder, provided, however, that no other Unit is substantially adversely affected by any such change without such other Unit Owner's prior written consent to such change. In the event of a subdivision or combination of Commercial Units hereunder, the Condominium Board of Managers shall be required, at the request of the Commercial Unit Owner, to execute and record in the New York County office of the Register of the City of New York, the Amendment to the Amended and Restated Declaration, together with such other documents necessary to effectuate the same. As provided in Article 13 hereof, in the event a Unit Owner or the Board of Managers fails to execute such documents, the Commercial Unit owner may do so as attorney-in-fact. All expenses for the preparation and recording of the Amendment to the Amended and Restated Declaration shall be borne by the Commercial Unit Owner, and shall not be a common expense.

17.4 The provisions of this Article may not be amended or deleted in whole or in part without the consent of (i) the owner of a Commercial Unit materially and adversely affected by such amendment or deletion and (ii) the Sponsor or its, designee so long as the Sponsor or such designee owns any Unit.

ARTICLE 18

TERMINATION OF CONDOMINIUM

The Condominium shall continue until:

18.1 terminated by casualty, loss, condemnation, or eminent domain as provided in the By-Laws;

18.2 terminated by withdrawal of the Property from the provisions of the New York Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners both in number and in common interest plus the consent of the Owner of Commercial Unit 1, provided that such Unit is encumbered by a mortgage held by PW Real Estate Investments Inc. or an affiliate and its successors and assigns at law, including, without limitation, a servicer in a securitization of such mortgage at the time of such vote. The Sponsor shall not vote its interest to terminate the Condominium unless 80% of Unit Owners other than the Sponsor so vote, but even then the Sponsor shall not be required to vote. at the time of such vote.

In the event said withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or its lienor as if owned in common, in which event the net proceeds of sale shall be divided among the Unit Owners in proportion to their respective Common Interests, provided that no payment shall be made to a Unit Owner until there has first been paid out of such share of the net proceeds all liens on said Unit, in order of priority of such liens.

ARTICLE 19

SEVERABILITY

The invalidity of any provision of this Amended and Restated Declaration or the enforceability of any provision as against any person or under certain circumstances shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Amended and Restated Declaration and, in such event, all of the other provisions of this Amended and Restated Declaration shall continue in full force and effect as if such invalid provisions had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 20

WAIVER

No provision contained in this Amended and Restated 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 21

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 Amended and Restated Declaration nor the intent of any provision thereof.

ARTICLE 22

GENDER

The use of the masculine gender in this Amended and Restated Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 23

SUCCESSORS AND ASSIGNS

The rights and/or obligations of the Sponsor and the Commercial Unit Owners set forth herein shall inure to the benefit of, and be binding upon, any successor, assign or designee of such Unit Owner provided that at the time of assignment the rights of such Sponsor or Commercial Unit Owner are specifically assigned in writing to such successor, assignee or designee, except as specifically set forth in this Amended and Restated Declaration or in the By-Laws. The Sponsor and Commercial Unit Owners shall have the right, at any time in their sole discretion to assign, transfer or encumber their respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

ARTICLE 24

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Schedule B; (iii) the Amended and Restated By-Laws annexed hereto as Schedule C; (iv) the Unit Owner's Power of Attorney annexed hereto as Schedule D; and (v) the revised Floor Plans are, by this reference, each incorporated herein and made a part of this Amended and Restated Declaration as if the same were set forth at length in the text hereof.

IN WITNESS WHEREOF, the Sponsor and the Owners of all of the Units of the Condominium have caused this Amended and Restated Declaration to be duly executed this ____ day of _____, 2001.

WARREN STREET ASSOCIATES, LLC
a New York limited liability company
Owner of Unit 1

By: _____
Matthew Scherr, Managing Member

EAST TRIBECA ASSOCIATES, LLC
a New York limited liability company
Sponsor and Owner of Unit 3
By: KJ Warren Associates, LLC, operating member

By: _____
Kenneth S. Horn, Manager

JEM ASSOCIATES, LLC
a New York limited liability company
Owner of Unit 2

By: _____
Matthew Scherr, Managing Member

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

On the ____ day of _____, in the year 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Matthew Scherr, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ____ day of _____, in the year 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared Kenneth S. Horn, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

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

BEGINNING at the corner formed by the intersection of the northerly side of Warren Street and the westerly side of Church Street, as widened;

RUNNING THENCE westerly along the northerly side of Warren Street, 100 feet 4- $\frac{3}{4}$ inches to a point which is 225 feet $\frac{3}{4}$ inch easterly from the easterly side of West Broadway, when measured along the northerly side of Warren Street;

THENCE northerly on a line forming an interior angle of 89 degrees 48 minutes 10 seconds with the northerly side of Warren Street, 100 feet;

THENCE easterly parallel with Warren Street, 24 feet 11- $\frac{1}{2}$ inches;

THENCE northerly 1 foot to a point which is 101 feet northerly, when measured on a line forming an angle of 89 degrees 44 minutes 30 seconds on its easterly side with the northerly side of Warren Street, from a point on Warren Street which is distant 75 feet 6- $\frac{1}{2}$ inches westerly from the westerly side of Church Street, as widened;

THENCE easterly parallel with and 75 feet south of Chambers Street, 75 feet 1- $\frac{1}{2}$ inches to the westerly side of Church Street, as widened; and,

THENCE southerly along the said westerly side of Church Street, 100 feet 11- $\frac{1}{4}$ inches to the corner, the point or place of BEGINNING.

EXHIBIT G

CONDOMINIUM BY-LAWS

BY-LAWS
of
THE KEYSTONE CONDOMINIUM

**38-44 Warren Street (aka 140-144 Church Street)
New York, New York 10007**

ARTICLE I

GENERAL

Section 1 - The provisions set forth herein amend, restate, supercede and replace in their entirety the By-Laws annexed to the Declaration of the Church Street Commons Condominium dated December 12, 1997 and recorded on February 17, 1998 in the City Register's Office, New York County in Reel 2546 page 1068 (the "Original Declaration").

Section 2 - Unit Ownership. The property located at 38-44 Warren Street (a/k/a 140-144 Church Street), Borough of Manhattan, City of New York, State of New York more particularly described on Schedule A to the Amended and Restated Declaration (annexed to the Second Amendment to the Original Declaration) recorded in the office of the Register of the City of New York, New York County simultaneously herewith and the building (the "Building") constructed on said land (hereinafter called the "Property") have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Amended and Restated Declaration recorded in the office of the Register of the City of New York, New York County on such date. The Condominium thereby created is known as The Keystone Condominium (hereinafter called the "Condominium"). The three (3) Commercial Units (the "Commercial Units") and the twenty-four (24) Residential Units (the "Residential Units") are more fully described in the aforesaid Amended and Restated Declaration and are hereinafter referred to collectively, as the "Units". Unless otherwise provided herein, all terms used in these Amended and Restated By-Laws shall have the same meaning as ascribed thereto in the aforesaid Amended and Restated Declaration. These Amended and Restated By-Laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws".

Section 3 - Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and the Common Elements), 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, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

Section 4 - Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Amended and Restated

Declaration and the Rules and Regulations attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Amended and Restated Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 5 - Office. The office of the Condominium and of the Condominium Board of Managers shall be located at the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

CONDOMINIUM BOARD OF MANAGERS

Section 1 - Number and Term. The affairs of the Condominium shall be governed by the Condominium Board of Managers. The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than five (5). The Board of Managers shall consist of one person appointed by the Commercial Unit Owners in the aggregate, one or more persons appointed by the Sponsor (so long as the Sponsor owns at least two Units it shall be entitled to appoint one member), none of whom need be a Unit Owner, plus one or more members to be elected by the Residential Unit Owners as hereinafter provided in Section 4 of this Article II. Thereafter, at the first annual meeting of Unit Owners, all members of the Board of Managers shall be Unit Owners or spouses of Unit Owners or officers, directors or principals of Unit Owners which are not natural persons, except that Members of the Board of Managers appointed by the Sponsor or its designee or by the Commercial Unit Owners need not be Unit Owners, and all members of the Board of Managers shall serve for a term of one (1) year.

Starting with the first annual meeting of Unit Owners after the Sponsor has relinquished control of the Board of Managers, the Board will consist of five (5) Members. The term of each Member shall be one (1) year. The members shall hold office until their successors have been elected and hold their first meeting.

Except for Members designated by the Sponsor or its designee or Commercial Unit Owners, all other Members shall be Unit Owners or spouses of Unit Owners, or, in the case of partnership or limited liability company, shall be partners or employees of such partnership or limited liability company, or in the case of corporate owners, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or mortgagees. In the case of Sponsor, Members shall be designees of the Sponsor and in the case of Commercial Unit Owners, Members shall be designees of the Commercial Unit Owners in the aggregate; such designees need not be Unit Owners or spouses of Unit Owners. No Member shall continue to serve on the Board after he or she ceases to qualify as herein provided.

Section 2 - Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things on behalf of the Condominium except those which by law or by the Amended and Restated Declaration or by these By-Laws may not be delegated to the Board of Managers by

the Unit Owners. The powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- a. Operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the common charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- c. Collection of common charges and assessments from the Unit Owners, and imposition and collection of reasonable late charges for late payment thereof.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.
- f. Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor. The Condominium may authorize a manager or managing agent to be the signatory on such accounts.
- g. Purchasing, leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners (except with respect to a Residential Unit, on behalf of all Residential Unit Owners), Units offered for sale or lease or Units surrendered by their owners to the Board of Managers.
- h. Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners (except with respect to a Residential Unit, on behalf of all Residential Unit Owners).
- i. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners (except with respect to a Residential Unit, on behalf of all Residential Unit Owners).
- j. Organizing corporations or limited liability companies to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of the Unit Owners.
- k. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- l. Adjusting and settling claims under insurance policies obtained pursuant to Article VI Section 2 and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.
- m. Representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to losses or proceeds from condemnation, destruction or liquidation of all or part of the Condominium or from termination of the Condominium, and making of repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or

eminent domain proceedings.

n. Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium.

o. Borrowing money on behalf of the Condominium when required in connection with the operation, care and upkeep of the Common Elements, provided, however, that 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 Unit Owner, and further provided that the borrowing of a sum in excess of \$100,000.00 for any one purpose must be approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present.

p. Pursuant to Real Property Law Section 339-jj, incurring debt for any purpose enumerated in these By-Laws relating to the payment, collection and disbursement of Condominium funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided that such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Residential Unit and the incurring of such debt was authorized by a majority of the Unit Owners in common interest.

In connection with an aforesaid debt, the Board of Managers on behalf of the Unit Owners may:

i. Assign the rights in and to receive future income and common charges;

ii. Create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds;

iii. Agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(i)(2), all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and

iv. Agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on units for unpaid common charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.

q. Provided the prior consent of at least 66-2/3% in number and common interest of all Unit Owners is obtained plus the consent of the Sponsor or its designee for so long as Sponsor owns at least two (2) Units, at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, the Board of Managers shall have the power to: (i) convert General Common Elements to Limited Common Elements or to convert Limited Common Elements to General Common Elements, and

(ii) lease Common Elements, General or Limited.

r. Entering Units when necessary, provided that an effort is made to minimize inconvenience to the Unit Owner, in connection with the maintenance, care and preservation of the Property.

s. Purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Property.

t. Bringing and defending actions pertinent to the operation of the Property.

u. Applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application.

v. Applying, as necessary, for construction, alteration or other approvals, to any and all municipal authorities having jurisdiction over the Condominium, including, but not limited to the Department of City Planning, Department of Buildings and the Landmarks Preservation Commission, on behalf of all Unit owners.

w. Establishing a reserve fund to be used only for capital expenditures.

x. Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners as provided in Article VI Section 19 of these By-Laws, and such fines may be collected as if they were additional common charges owed by the Unit Owner against whom such fines were levied.

y. Establishing reasonable fees for the processing of sale, lease or lease renewal applications, applications for Certificates of Termination of the Right of First Refusal and for other services agreed to by the Board of Managers, all of which fees shall be payable by the Unit Owner to the managing agent.

Notwithstanding the foregoing, neither the Board of Managers nor the Unit Owners shall take any of the following actions so long as the Sponsor or its designee owns Units representing at least 25% of the common interest, but not longer than five (5) years from the first closing of title to a Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, unless the prior written consent of the Sponsor, or its designee, as the case may be, is obtained: (i) make any additions, alterations or improvements to the Common Elements or any Unit, except those required by law; (ii) assess Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) increase or decrease the number, or change the kind of employees referred to in the Condominium budget in the Offering Plan establishing the Condominium; (iv) exercise a right of first refusal to lease or purchase a Unit; (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of a Residential Unit under the Plan or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (vi) borrow money on behalf of the Condominium, or (vii) reduce any services. As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; (ii) interfere with

the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary for construction, renovation, repair, or correction of the Property as required by Sponsor or a Sponsor-designee, as the case may be.

Notwithstanding anything set forth above, the Board of Managers must undertake any of the aforesaid actions and the expenditure of any amounts reasonably necessary to comply with applicable laws and regulations, to remedy any notice of violation or to remedy any work order of any insurer.

Any action of the Condominium Board which exclusively benefits one or more Unit Owners shall be taken at the sole expense of said affected Unit Owners.

Section 3 - Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k), (m), (q) and (r) of Section 2 of this Article II. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i) (j), (l), (n), (o), (p), (q), (t), (u), (v), (w), (x), and (y) of Section 2 of this Article II.

The compensation for the managing agent and/or manager will be at a competitive rate. Any agreement with a manager or managing agent shall be for a term not to exceed three (3) years. Any agreement with a manager or managing agent shall provide that the books and records of the Condominium shall be returned to the Board of Managers by the manager or managing agent upon demand.

Section 4 - First Board of Managers and Sponsor's Representation. The first Board of Managers shall consist of one person designated by the Commercial Unit Owners and four (4) persons designated by the Sponsor. Within sixty (60) days of closing of title to the first Residential Unit, following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, one of these members shall be replaced by a Member elected by a majority of the then Unit Owners other than the Sponsor and Commercial Unit Owners. This five (5) person Board shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. At the first annual meeting of Unit Owners, the Member elected by the Unit Owners shall resign and a new election shall be held. The first annual meeting of Unit Owners shall be held within sixty (60) days after the first anniversary of the conveyance of title to the first Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership.

Notwithstanding anything to the contrary contained herein, a special meeting of Unit Owners shall be held on fifteen (15) days notice, within thirty (30) days of either the fifth anniversary of the date of the first closing of title to a Residential Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership or the sale of Units representing, in the aggregate, 75% or more of the common interest, whichever first occurs. At such meeting, all the non-Sponsor designated Members of the Board of Managers shall resign and a new Board shall be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, so long as the Sponsor or its designee owns at least two Units, the Sponsor or its designee shall be

entitled to designate one of the Members of the Board of Managers. The Commercial Unit Owners in the aggregate shall be entitled to designate one (1) of the Members of the Board of Managers and the Owners of Residential Units other than the Sponsor may elect three (3) of the Members of the Board of Managers. If at any time it is determined to increase the size of the Board, the representation of the Sponsor shall be changed proportionately. At all times the Commercial Unit Owners in the aggregate may designate one (1) member of the Board of Managers. Any or all of the Members of the Board of Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5 - Removal. Subject to the provisions of Section I of this Article II, at any regular or special meeting of Unit Owners, any Member of the Board of Managers may be removed for cause by an affirmative vote of a majority of Unit Owners. A Member of the Board who has not been designated by the Sponsor or its designee or Commercial Unit Owners may also be removed without cause by affirmative vote of a majority of Unit Owners. Whether removal is with cause or without cause, a successor shall then or thereafter be elected to fill the vacancy, provided, however, that the vacancies of Members designated by the Sponsor or its designee or the Commercial Unit Owners shall be filled only by the Sponsor or its designee, or the Commercial Unit Owners. Any Member of the Board of Managers whose removal with cause has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 6 - Vacancies. Vacancies in the Board of Managers caused by any reason other than as provided for in Article III Section 1 hereof or the removal of a Member thereof by a vote of the Unit Owners, shall be filled by a vote of a majority of the remaining Members at a special meeting of the Board of Managers 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. Each person so elected shall be a Member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of Members designated by the Sponsor or its designee, or the Commercial Unit Owners shall be filled only by the Sponsor or its designee, or the Commercial Unit Owners.

Section 7 - Organization Meeting. The first meeting of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the Members of the Board of Managers, and only three days' notice shall be necessary to the newly elected Members of the Board of Managers in order legally to constitute such meeting, provided that a majority of the whole Board of Managers shall be present thereat.

Section 8 - Regular Meeting. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the Members of the Board of Managers, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Member of the Board of Managers, by personal delivery, mail, facsimile or overnight delivery service, at least three (3) business days prior to the day named for such meeting. Regular meetings are open meetings which may be attended by Unit Owners.

Section 9 - Special Meeting. Special meetings of the Board of Managers may be

called by the President or Secretary or written request of any Member of the Board of Managers on three (3) business days' notice to each Member of the Board of Managers, given by personal delivery, mail, facsimile or overnight delivery service, which notice shall state the time, place and purpose of the meeting. Special meetings are closed meetings which may not be attended by Unit Owners unless otherwise specifically provided.

Section 10 - Waiver of Notice. Any Member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more Members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the Members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11 - Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the Members thereof shall constitute a quorum for the transaction of business, and subject to the provisions of Section 2 of this Article II, the votes of a majority of the Members of the Board of Managers shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be 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. Any action required or permitted to be taken by the Board of Managers may be taken without a meeting if all Members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the proceedings of the Board.

Section 12 - Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense charged to Residential Unit Owners.

Section 13 - Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14 - Liability of the Board of Managers. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or

proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the Condominium or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Amended and Restated Declaration or of these By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing, provided that (i) the connection is disclosed to, or known by, the Board or a majority of members thereof or noted in the minutes thereof and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the Board, excluding such Member, and (ii) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed or otherwise consummated. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section 14 shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15 - Committees. The Board of Managers may, by resolution duly adopted, create such committees as it shall deem appropriate and such committees shall have such powers and authority as the Condominium Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Sponsor or its designee so long as Sponsor or its designee has the right to designate a member of the Board of Managers, and at least one of whom shall be designated by non-Sponsor members, shall be appointed by the President of the Condominium.

ARTICLE III

UNIT OWNERS

Section 1 - Annual Meetings. Within sixty (60) days after the first anniversary of the first closing of title to a Unit following acceptance for filing by the New York State Department of

Law of the Offering Plan for Condominium Ownership, or at such earlier time as the Sponsor deems in the best interests of the parties, the Sponsor or the Board of Managers shall call the first annual Unit Owners meeting. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners, or the Sponsor shall continue to control the Board, as hereinbefore provided in Article II, Section 4 of these By-Laws. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Prior to the actual meeting at which the Unit Owners elect the Board of Managers as herein provided, the Sponsor may call, at its discretion, meetings of the Unit Owners so that the Board of Managers designated by the Sponsor can report to the Unit Owners, or for such other purpose as the Board determines.

Section 2 - Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3 - Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed by Unit Owners representing at least 25% of the common interest, upon at least five (5) days notice. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4 - Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least ten (10) but not more than forty (40) days prior to such meeting. If the purpose of any meeting shall be to act upon a proposed amendment to the Amended and Restated Declaration or these By-Laws, the notice of meeting shall be mailed at least twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 5 - Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Proxies remain in effect for any such adjourned meeting.

Section 6 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

1. Roll call.
2. Proof of notice of meeting.
3. Reading of minutes of preceding meeting.
4. Reports of officers.

5. Report of Board of Managers.
6. Reports of committees.
7. Election of inspectors of election (when so required).
8. Election of members of the Board of Managers (when so required).
9. Unfinished business.
10. New business.

Section 7 - Title to Units. Title to Units may be taken in the name of an individual, in the names of two (2) or more persons, as tenants in common, joint tenants or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or in the name of a fiduciary.

Section 8 - Voting. The Owner or Owners of each unit (including Sponsor and its designee(s)), or some person designated by such Owner or Owners to act as proxy on his, her or their behalf and who need not be an owner, shall be entitled to cast one (1) vote for each .001% of interest in the Common Elements attributable to the Unit or Units owned by him or her in all matters put to a vote at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners and (those constituting a group or entity acting unanimously), may vote or take any other action as a Unit Owner either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to a vote. A proxy which is given by facsimile transmission shall be valid for all purposes and shall be deemed given as if the original had been delivered.

Section 9 - Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 10 - Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit owners at which a quorum is present, determined in accordance with the provisions of Section 8 of this Article III.

Section 11 - Action by Unit Owners. Subject to the provisions contained in the last two paragraphs of Article II Section 2 of these By-Laws regarding authorization by Sponsor or its designee for certain actions of the Board of Managers, the vote of a majority of Unit Owners shall be required to take any action at any meeting of Unit Owners, except where in the Amended and Restated Declaration or these By-Laws or by law, a higher percentage vote is required. Notwithstanding the foregoing, any action which restricts the use of any Unit or any portion of the Common Elements or Limited Common Elements must be authorized by the affected Unit Owner unless the Bylaws specifically permit the taking of such action.

Section 12 - Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if Unit Owners sufficient in number and in

Common Interest to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Amended and Restated Declaration or these By-laws consent in writing to the adoption of a resolution authorizing such action and writing is filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1 - Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, must be Members of the Board of Managers. Except for Members of the Board of Managers appointed by the Sponsor or its designee or by the Commercial Unit Owners, all officers must be Unit Owners, or spouses of Unit Owners, or officers, directors or principals of Unit Owners which are not natural persons.

Section 2 - Election of Officers. The officers of the Condominium shall be elected annually by vote of the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3 - Removal of Officers. Upon the affirmative vote of the Members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4 - President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board of Managers. He 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 the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be an ex-officio member of all committees of the Board of Managers.

Section 5 - Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President, and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6 - Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he 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.

Section 7 - Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. He shall disburse Condominium funds in the manner directed by the Board of Managers, making proper vouchers for all disbursements. He shall submit to the President and Board of Managers, at regular meetings of the Board of Managers or whenever they may require it, an account of all of his transactions as Treasurer, as well as the financial condition of the Condominium.

Section 8 - Agreements. Contracts. Deeds. Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any one (1) officer of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9 - Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

NOTICES

Section 1 - Notices. All notices required or desired to be given hereunder (except of notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail return receipt requested, postage prepaid, addressed: (i) if to the Board of Managers, in care of the managing agent, or if there be no managing agent, to the principal office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time; (ii) if to a Unit Owner, other than the Sponsor, to the Property address of such Unit Owner or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers; (iii) if to the Sponsor, at Alchemy Properties, Inc., 600 Third Avenue, New York, NY 10016. All notices to mortgagees of Units shall be sent by registered or certified mail (return receipt requested) to their respective addresses, as designated by them from time to time, in writing to the Board of Managers. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

Section 2 - Waiver of Service of Notice. Whenever any notice is required to be given

by Law or under the provisions of the Amended and Restated Declaration, or of 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 VI

OPERATION OF THE PROPERTY

Section 1 - Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium and allocate and assess such common charges and expenses among the Unit Owners according to their respective common interests or such different method of allocation as is set forth in the "Budget for the First Year of Condominium Operation", Schedule B to the offering Plan (the "Condominium Budget") or determined by the Board of Managers to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The Board of Managers may allocate common expenses in a manner different from the allocation of common interests, as permitted by the Condominium Act, provided that such allocation is based on the proportion of expenses and charges fairly attributable to such Units, based on actual usage of particular services. No common charges shall be allocated to Commercial Units 2 and 3 unless and until the use of such Units is changed from the use existing on the date of the filing of this Amended and Restated Declaration. The common expenses shall include, without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the budget set forth in Schedule B of the Offering Plan or the provisions of Section 2 of this Article VI, and the fees and disbursements of the Insurance Trustee, if any. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, electric and gas costs for the common areas, water and sewer charges for service to the Units and the Common Elements, costs for heating and hot water in Units and common areas, gas costs for the Units, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, accountants' fees and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as the Board of Managers may deem necessary for customary or extraordinary legal expenses incurred with respect to the Condominium Property. With respect to Commercial Units, the Board of Managers is authorized to specifically allocate expenses or specific expense items and apportion common charges of the Commercial Units resulting from changes in use or from changed circumstances. In addition, the common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, on behalf of all Unit Owners (or with respect to a Residential Unit which is acquired or leased, on behalf of all Residential Unit Owners only), of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at foreclosure or other judicial sale. Until construction and renovation of the Property and all of the Units is completed and title thereto has been conveyed, the Board of Managers may reduce the amount of common charges allocated to the Units and payable by Unit Owners (including the Sponsor as owner of unsold Units). Any such reduction shall be in proportion to each Unit Owner's percentage of interest in the Residential Common Elements, or as regards Commercial Unit 1, in proportion to its share of expenses so reduced.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of common charges payable by each of them as determined by the Board of Managers as aforesaid and shall furnish copies of such budget on which such common charges are based, to all unit owners. All costs and expenses which are allocable solely to the repair, maintenance

and operation of a particular Unit or Units, as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding anything to the contrary in the Amended and Restated Declaration or in these By-Laws, the power of the Board is subject to: (a) the restrictions contained in Section 2 of Article II of these By-Laws; and (b) for so long as Commercial Unit 1 is encumbered by a mortgage held by PW Real Estate Investments Inc. or an affiliate and its successors at law (but not an assignee under an assignment of mortgage), including, without limitation, a servicer in a securitization of such mortgage, the Board may not allocate or assess any common charges or expenses to Commercial Unit 1 except for such Unit's allocable share of the cost of premiums on the Condominium's policies of fire and multi-peril casualty insurance (and the full portion of the premium charged due to the particular use of Commercial Unit 1) and directors' and officers' liability insurance, extraordinary legal expenses incurred with respect to the Condominium property, repairs to the General Common Elements described in paragraphs (a) and (b) of Article 6 of the Amended and Restated Declaration and one hundred (100%) percent of the cost of repairs to the Limited Common Elements which are for the exclusive use of the Owner of Unit 1, including the following:

- a. all installations for services such as heat, air conditioning, power, light, telephone, water, gas and sewer and drainage pipes, risers, valves and fittings and appurtenances thereto which service Commercial Unit 1;
- b. the sprinkler system, including fittings, valves, sprinkler heads and piping servicing Commercial Unit 1;
- c. the electrical meter room on the cellar level of the building;
- d. the mechanical equipment located on the second floor roof extending 50 feet west of the Church Street property line;
- e. the entrance and exit doors, canopies and corridors (if any) leading directly and exclusively from any street to Commercial Unit 1.

In addition, the owner of Commercial Unit 1 shall be solely and absolutely responsible for the repair and maintenance of the windows, doors and storefront installations affixed to or appurtenant to said Unit, and the sidewalk adjacent to the said Unit.

Section 2 - Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage normal for a condominium of this type, vandalism and malicious mischief endorsements insuring the Building, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property in any Unit) covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations) without deduction for depreciation, as determined by the Board of Managers. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers or the Insurance Trustee, if any, as herein provided; (2) boiler and machinery insurance; (3) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium, to be carried on

each member of the Board of Managers and officers of the Condominium who handle or are responsible for funds of the Condominium; (4) Officers and Directors liability insurance covering officers and members of the Board of managers; (5) comprehensive general liability insurance covering each Member and officer of the Board of Managers, the managing agent, each Unit Owner, in such limits as the Board of Managers may deem proper, covering all claims for bodily injury or property damage arising out of an occurrence in the Common Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (6) workers, compensation insurance; (7) water damage legal liability; (8) rent insurance in an amount equal to the aggregate of the common charges (estimate) payable to the Board of Managers in any calendar year; (9) elevator collision insurance; and (10) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a common expense, provided, however, that in charging the same to the Unit Owners consideration may be given to the higher premium rates on some units than on others and the cost of such premiums may be charged to Unit Owners in a manner different from the Units' respective percentage interests in the Common Elements.

All such policies shall provide that adjustments shall be made by the Board of Managers and that the net proceeds thereof, if \$250,000.00 or less, shall be payable to the Board of Managers and if more than \$250,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners.

For so long as PW Real Estate Investments, Inc. or its affiliate or successor at law (but not an assignee under an assignment of mortgage) holds a mortgage encumbering Commercial Unit 1, the Sponsor shall designate as an Insurance Trustee, the mortgagee or, upon the mortgagee's request, the servicer of the mortgage encumbering Commercial Unit 1 as of the date of recording of the Amended and Restated Declaration for so long as such mortgage encumbers such Unit unless such mortgagee or servicer refuses to serve as Insurance Trustee. If at any time said Trustee holds a mortgage on the Property or any Unit, in no event shall it use the insurance proceeds to reduce the principal balance of any mortgage held by it before applying same for the purpose of repairing, restoring or rebuilding the Building whenever the Unit Owners elect to do so as provided in these By-Laws. The Insurance Trustee shall hold and disburse the insurance proceeds for purposes of repair and restoration as directed by the Board of Managers.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit owners, and (d) of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies. Duplicate originals or certificates of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units who have requested same in writing, at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers may obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section 2.

Unit Owners are advised to carry other insurance for their own benefit, provided that all

such policies shall contain waivers of subrogation against the Condominium and the Board of Managers and further provide 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. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

Section 3 - Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the common charges.

In the event of a repair or restoration pursuant to the first paragraph of this Section 3 and in the event that the net proceeds of insurance received by or payable to the Board of Managers shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board of Managers to the Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers among the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Insurance Trustee notifies the Board of Managers and Unit Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are payable to the Board of Managers, not more than sixty (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

Section 4 - Payment of Common Charges. Each Unit Owner shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine. The Board of Managers may also impose a reasonable late charge for late payment of common charges, which shall be added to the Unit Owner's common charges due on the first day of the following month, and which shall be a lien upon the Unit owner's Unit if not paid. Assessments for common charges are the personal obligation of the person owning the Unit at the time the assessment becomes due.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against its Unit subsequent to a sale, transfer or other conveyance (made in accordance with the provisions of Section 1 of Article VIII of these By-laws) of such Unit, together with the "Appurtenant Interests", as defined in Section 1 of Article VIII hereof. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to a lien for, the payment of common charges assessed prior to the foreclosure sale. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid common charges accrued prior to such sale.

In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his or her Unit, together with the Appurtenant Interests, to the Condominium Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners (or, in the case of a Residential Unit, on behalf of all Residential Unit Owners), and in such event be exempt from common charges thereafter accruing.

Section 5 - Assessment Roll and Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually. An assessment roll relating to common charges and other assessments shall be maintained in a set of accounting books duly approved by a certified public accountant in which there shall be an account for each Unit.

The Board of Managers shall take prompt action to collect any common charge and other amounts, if any, due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

Section 6 - Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its common charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid common charges computed from the due date thereof, in addition to any late charge which may have been imposed pursuant to Section 4 of this Article VI, together with all expenses, including attorneys' fees, paid or incurred by the Board of Managers or the Managing Agent in any proceeding brought to collect such unpaid common charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid common charges or assessments. The Board of Managers shall have the right and obligation to attempt to recover such common charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of

the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. While the Sponsor or its designee is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor or such designee is in arrears of common charges by more than thirty (30) days.

A lien for non-payment of common charges granted pursuant to Section 339-z has priority over all other liens except (i) liens for taxes on the Unit in favor of any assessing unit, school district, special district, county or other taxing unit, and (ii) all sums unpaid on a first mortgage of record or on a subordinate mortgage of record held by the New York Job Development Authority.

Section 7 - Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers 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 of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners (or, in the case of a Residential Unit, on behalf of all Residential Unit Owners), shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, cast the votes appurtenant to (other than for the election of Members to the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligation to the Condominium, then such Unit Owner shall remain liable for the deficit.

Section 8 - Statement of Common Charges. The Board of Managers (or managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner.

Section 9 - Maintenance and Repairs.

- a. All maintenance, repairs and replacements in and to a Residential Unit, ordinary or extraordinary (but not to the exterior side of Residential Unit entrance doors and windows), to heat pump and console Units providing individually controlled heat and air conditioning, to kitchen appliances, individual washers and dryers and to electrical and plumbing installations and fixtures within a Unit, or belonging to or installed by the Unit Owner, shall be at the Unit Owner's expense, except as otherwise specifically provided herein. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units.

Each Unit Owner shall perform promptly all maintenance and repair work to his own Unit and Limited Common Elements appurtenant to such Unit, which if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners (including the Sponsor or its designee), such Unit Owner being expressly responsible for any damages and liabilities which may result

from his failure to do so. Each Unit Owner shall, at his sole expense, maintain the interior of the Unit, its furniture, furnishings, appliances, and appurtenances in good order and condition, and shall do all redecorating and other work which may at any time be necessary to maintain the good condition of the Unit.

- b. All maintenance, repairs and replacements to the General Common Elements and to the Residential Limited Common Elements shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense if affecting the General Common Elements or charged to all Residential Unit Owners if affecting the Residential Limited Common Elements except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner or his invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner. Commercial Limited Common Elements shall be maintained by the Owners of the Commercial Units to which they are appurtenant and the sidewalks adjacent to any Commercial Unit shall be maintained shall by the Owner of such Commercial Unit. For those roof terraces which are Limited Common Elements for particular Residential Unit Owners, the maintenance responsibility of the Unit Owner is limited to the concrete pavers over the roofing material and all installations, planters, railings, fencing and the like, and any repairs of damage caused by any plantings or installations placed by the Unit Owner or such terrace as well as for damage to the roofing material caused by the act or omission of the Unit Owner or his or her lessees, invitees, licensees or agents.

Section 10 - Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- a. The Commercial Units may be used for any lawful purpose at the sole discretion of the Owner or owners thereof, without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with applicable governmental regulations, the Amended and Restated Declaration and these By-Laws, and except that same may not be used (i) for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of the New York Penal Law, or (ii) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning.
- b. The Residential Units shall be used only as residences for natural persons and his/her family members as specified in the Amended and Restated Declaration. Notwithstanding the foregoing, however, Sponsor or its designee (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in this subparagraph (b), provided that the nature and manner of such use complies with law and does not violate the then-existing or amended Certificate of Occupancy covering such Residential Unit. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of Sponsor or its designee or the Condominium Board (as the case may be) before using such Residential Unit for any purpose other than as a residence.

- c. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual or by an officer, director, stockholder or employee of such corporation or by a partner or employee of such partnership or by said fiduciary (including a director, officer, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary or by a principal or employee of such other entity, respectively or by family members or occasional guests of any of the foregoing. Additionally, in no event shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased or subleased, and no transient occupant other than a guest permitted under this subparagraph (c) may be accommodated therein.
- d. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- e. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its occupants or which interferes with the peaceful possession or proper use of the Property by its occupants.
- f. 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 complied with, 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.

Notwithstanding the foregoing or anything else contained in the Plan, the Sponsor or its designees may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, or business or administration offices, may place signage of any size and in any location on the Property, in its sole discretion, in connection with the sale or rentals of Units in the Condominium and lease any Units to third parties for their occupancy.

Section 11 - Additions, Alterations or Improvements by Board of Managers

All alterations, additions or improvements in or to any Common Elements shall be made either by the Board of Managers or Unit Owner required to maintain such Common Element as set forth in Section 9 hereof and the cost and expense thereof shall be charged either to all Unit Owners as a common expense or to one or more Unit Owners responsible therefor, as the case may be. Whenever in the judgment of the Board of Managers the Common Elements or the Residential Limited Common Elements shall require additions, alterations or improvements costing in excess of \$50,000 in the aggregate in any calendar year, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners or Residential Unit Owners only, if such addition, alteration or repair pertains only to a Residential Limited Common Element present and voting at a meeting at which a quorum is present (including Sponsor as owner of Unsold Units), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners or all Residential Unit Owners, as the case may be, for the cost thereof as a Common Charge. Any

additions, alterations or improvements costing in the aggregate \$50,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners, and the cost thereof shall constitute part of the Common Charges or Residential Common Charges, as the case may be.

Notwithstanding the foregoing, for so long as the Sponsor or its designee shall own Units representing at least 25% of the common interest, but not more than five (5) years from the date of the first closing of title to a Unit following acceptance for filing by the New York State Department of Law of the Offering Plan for Condominium Ownership, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, except those required by Law, unless the consent of Sponsor or its designee is first obtained pursuant to Article II Section 2 of these By-Laws, unless such action is required by law.

Section 12 - Additions, Alterations or Improvements by Unit Owners.

No Unit Owners, except for the Sponsor or its designee and the Commercial Unit Owners, shall have the right to make any structural addition, alteration or improvement in or to the Unit or any Limited Common Element appurtenant thereto without the requirement of consent of the Board of Managers. Any such addition, alteration or improvement shall not affect the portion of the Building utilized by any other Unit Owner, and the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction.

No Unit Owner (except for the Sponsor or its designee) shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, and (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work. Commercial Unit Owners will also deliver the indemnification agreement referred to in (3) above with respect to non-structural additions, alterations and improvements. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his or her alterations, additions or improvements.

A Unit Owner may not 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, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages.

A Residential Unit Owner (except the Sponsor as Owner of Unsold Units) may not make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the

Unit Owner's proposed alteration plans have been reviewed and approved by the Board of Managers (which may be controlled by Sponsor at the time of such application). The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. Architectural drawings shall be submitted to the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to the Board's mechanical engineer for approval, whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Board or its Architect or mechanical engineer for a proper review of proposed plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Residential Unit Owner (except the Sponsor as Owner of Unsold Units) wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to the Board shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Sponsor, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

Any Unit owner whose Unit includes a roof terrace must comply with all local laws and ordinances concerning the type and weight of planters, landscaping features and structures erected or installed on such terraces. No such planter, fixture or structure may be placed on the roof which may impair the structural integrity of the roof.

Section 13 - Use of Common Elements. No furniture, packages or objects of any kind shall be placed on the grounds, walks, common entrances, common terrace, lobbies, public halls, service corridors or other public areas, or any other part of the Common Elements, other than areas which may be designated as storage areas. The lobbies, public halls, common

terrace, service corridors and other public areas shall be used only for the purposes established by the Board of Managers from time to time. The provisions of this Section 13 shall not apply to the Sponsor or its designee until such time as all Units have been initially sold and conveyed by the Sponsor or its designee. However, the Sponsor or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 14 - Right of Access. Each Unit Owner shall grant a right of access to his or her Unit to the Board of Managers, the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections to determine if there exist conditions threatening another Unit or a Common Element, or violations of the By-Laws or Rules and Regulations of the Condominium or any State or Municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner, and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the normal conduct of business by a Commercial Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 14, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article VI.

Section 15 - Rules and Regulations. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 16 - Electricity and Gas.

- a. Electricity for lighting, air conditioning and appliances within Commercial Units shall be supplied by the public utility company to the Building, and will be submetered to the individual Units. Electricity charges for the Residential Common Elements, including the elevators, shall be billed to the Board of Managers, and the cost shall be included in the common charges.
- b. Gas which will heat the Residential common areas and fuel the rooftop hot water boilers shall be billed to the Board of Managers, and the cost shall be included in the Residential Common Charges.

Section 17 - Heat and Hot Water. The Board of Managers shall pay the cost of providing heat to the Residential Common Elements by inclusion of the cost in the common charges.

Section 18 - Water Charges and Sewer Rents. The Condominium Board shall pay, as residential common expenses, all water charges for the Residential Common Elements and facilities, together with all related sewer rents arising therefrom promptly after the bills for the same shall have been rendered unless separate meters for water or sewer usage service the Units. The Commercial Unit Owners will pay the water and sewer charges allocated to their Units based on the amount measured by such Units' separate meters. The Board of Managers may change this method of allocation in the event that the method of water or sewer service delivery to the Property is changed during the course of construction of the Condominium or thereafter.

Section 19 - Abatement and Enjoinment of Violations by Unit Owners.

- a. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Amended and Restated Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (i) 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 provision hereof (provided, however, that judicial proceedings must be instituted before any item of construction can be altered or diminished, and provided further that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and/or (iii) to impose against such Unit Owner a onetime fine of two hundred and fifty (\$250.00) dollars for any such violation, which amount may be revised not more than once per year at an annual Unit Owners' meeting.
- b. The violation or breach of any of the provision of these By-Laws, the Rules and Regulations, or the Amended and Restated Declaration with respect to any rights, easements, privileges or licenses granted to the Sponsor or its designee shall give to the Sponsor or its designee, as the case may be, the right, in addition to any other rights set forth in these By-Laws or the Amended and Restated Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- c. The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations or the Amended and Restated Declaration with respect to any rights, easements, privileges or licenses granted to any Unit Owner shall give to the aggrieved Unit Owner a right of action for damages or the right to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- d. The expenses of any proceeding brought under this Section 19 and all other costs and expenses, including reasonable attorneys, fees, incurred hereunder by the Board, the Sponsor or a Unit Owner, as the case may be, together with interest thereon at the highest legal rate from the date of expenditure, shall immediately be payable by the defaulting Unit Owner to (i) the Board in the event

set forth in (a) above, (ii) the Sponsor in the event set forth in (b) above and (iii) the aggrieved Unit Owner in the event set forth in (c) above. All sums payable under this Section 19 shall constitute common charges payable by the Unit Owner.

Section 20 - No Right of Partition. As provided in Section 339-i(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any thereof, except as otherwise specifically provided therein (and described in this Article VI or in Article IX), as in the event of condemnation, destruction of more than 75% of the Building or termination of the Condominium.

ARTICLE VII

MORTGAGES

Section 1 - Notice to Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. A conformed copy of the Satisfaction of any such mortgage shall also be filed with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2 - Notice of Unpaid Common Charges. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall notify any mortgagee of a Unit of such Unit Owner's non-payment of common charges, or other default in the obligations of such Unit Owner under the Amended and Restated Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3 - Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has previously been furnished to the Board of Managers. If the Unit Owner shall fail to cure said default within the time and in the manner provided for in said notice, then the holder of the mortgage shall have an additional period of time equal to the time originally given to the Unit Owner to cure said default, and the Board of Managers will not act upon said default until the time of the holder of the mortgage to cure said default has elapsed and the holder of the mortgage has not cured said default.

Section 4 - Examination of Books. Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, during normal business hours on business days, on ten (10) days' prior written notice, but not more often than once a month.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF RESIDENTIAL UNITS

Section 1 - Sales and Leases. No Residential Unit Owner, other than the Sponsor or its designee (who may sell or lease a Unit or any interest therein without the requirement of consent or waiver by or from the Unit Owners or the Board of Managers or anyone else) may sell or lease a Unit or any interest therein except by complying with the following provisions:

Any Residential Unit Owner who receives a bona fide offer to

- a. purchase his or her Unit together with:
 - i. the undivided interest in the Common Elements appurtenant thereto;
 - ii. the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners (or, in the case of a Residential Unit, 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 Condominium, (hereinafter collectively called the "Appurtenant Interests"), or
- b. lease his or her Unit, which he or she intends to accept ((a) and (b) collectively and individually called an "Outside Offer")

shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units (or, in the case of a Residential Unit, on behalf of all Residential Unit Owners), on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners that such Unit owner believes the Outside Offer to be bona fide in all respects. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee. The Unit Owner shall be responsible for paying to the managing agent a reasonable fee, as established by the Board of Managers, for processing a sale or lease application.

Upon receipt of the notice from the Unit Owner, the Board may initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed information package, the Board may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after the date of interview or receipt of additional information requested, whichever is later, or, if the Board waives its right to such application and/or interview, within forty-five (45) days after the date of receipt of the initial notice or completed application and information package, the Board of Managers may elect, by notice to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such 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 other Unit Owners (or, in the case of a Residential Unit, on behalf of all Residential Unit Owners), on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the

offering Unit Owner. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of such offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers may purchase the Unit and assume or take subject to said existing mortgage, if possible. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners (or, in the case of a Residential Unit, 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 transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee shall (i) waive the right of first refusal, or (ii) fail to accept such offer within ten (10) days after the interview or receipt of additional information requested, whichever is later, or (iii) fail to take any action within forty-five (45) days after receipt of the initial notice or of the completed application and information package, the offering Unit owner shall be free to sell such Unit together with the Appurtenant Interests, or to lease such unit, as the case may be, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to an outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Amended and Restated Declaration, the By- Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing (or waiver) of the Board of Managers, which shall not be unreasonably withheld or delayed, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, which consent shall not be unreasonably withheld or delayed, and that the Board of Managers 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 default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing or required by the Board of Managers. In the event the offering Unit Owner shall not, within such ninety (90) day period, sell such Unit together with the Appurtenant Interests, or lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

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

The restrictions of Section I of this Article VIII shall not apply to Commercial Units, or to Units owned by the Sponsor or its designee. Commercial Unit Owners, and the Sponsor or its designee with respect to its Units, shall have the right to freely sell such Units or to freely lease

all or any of them without having to first offer the same for sale or lease to the Board of Managers.

Section 2 - Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners. If the Unit to be purchased or leased is a Residential Unit, the prior approval of a majority of the Residential Unit Owners is required.

Section 3 - No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, 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 Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4 - Release by Board of Managers of Right of First Refusal.

The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5 - Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee payable to the Condominium or its managing agent, which fee is currently Two Hundred and Fifty (\$250.00) Dollars but which may be modified by the Unit Owners at any annual meeting of Unit Owners.

Section 6 - Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of the Unit Owners, may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner or, in the case of a Residential Unit, against all Residential Unit Owners, in proportion to his or her interest in the Common Elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7 - Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with the Appurtenant Interests, by (a) the Unit owner thereof to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, (b) the Sponsor or its designee, (c) a Commercial Unit Owner, (d) the Board of Managers, (e) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering the Unit or delivering a deed in lieu of foreclosure, or (f) a mortgagee authorized herein who shall acquire title to such Unit by foreclosure of a mortgage or by a deed in lieu of such foreclosure; provided, however, that any purchaser of such Unit from such mortgagee shall be bound by, and his Unit subject to, the provisions of this Article.

Section 8 - Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to the provisions of this Article.

Section 9 - Waiver of Right of Partition with Respect to such Units as are Acquired by the Board of Managers or Its Designee, on Behalf of Unit Owners as Tenants in Common. In the event that any Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners or with respect to a Residential Unit, on behalf of 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 Unit.

Section 10 - Transfer Fees and Other Charges Imposed on Sale or Lease of Units. The Board of Managers shall have authority to fix by resolution the amount of, and to collect before the conveyance of any Unit, a transfer fee or flip tax in connection with such proposed transfer.

The Board of Managers shall also have the right and authority to fix by resolution and collect an application fee payable to the managing agent in connection with any proposed sale or lease of a Unit, and any fee due an attorney retained by the Board with respect to any such sale or lease.

No such transfer fee, flip tax or other fee shall be applicable to sales by the Sponsor or its designee, to sales of Commercial Units, or to gifts and devises as described in Section 8 of this Article VIII.

Section 11 - Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 12 - Mortgaging of Units. Subject to the preceding Section 11, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust

company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan. The terms and conditions of this Section 12 shall not apply to any mortgage covering a Commercial Unit or any Unit owned by Sponsor or its designee.

ARTICLE IX

CONDEMNATION

Section 1 - Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award for such taking shall be payable to the Board of Managers if the award does not exceed \$250,000.00, and shall be payable to the Insurance Trustee if it exceeds \$250,000.00. If 75% or more in number and in common interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more in number and in common interest of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements and the loss to the Common Elements is in excess of \$250,000.00, then the Board of Managers shall promptly notify all mortgagees of Units of such taking and loss.

ARTICLE X

RECORDS AND AUDITS

Section 1 - Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against each Unit, the date when due, the amounts paid thereon, and the balance, if any, remaining unpaid. A copy of each proposed annual budget of the Condominium shall be submitted by the Board of Managers to all Unit owners, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board.

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within five (5) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

The books and records of the Condominium, including copies of the Amended and Restated Declaration and these By-Laws, shall be subject to inspection by Unit Owners and by

mortgagees of Units at reasonable times, during business hours, upon three (3) days prior written notice.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1 - Amendments to By-Laws. Except as otherwise provided herein and in the Amended and Restated Declaration, these By-Laws may be modified or amended by the vote of at least 66-2/3% of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or, in lieu of a meeting, by written amendment as provided in the By-Laws.

Notwithstanding anything herein to the contrary, in the event that the interest of the Sponsor or its designee or any Commercial Unit Owner is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Sponsor or its designee or to a Commercial Unit Owner are to be eliminated, changed or impaired thereby, then these By-Laws shall not be amended without the prior written consent of the Sponsor or its designee or the affected Commercial Unit Owner. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered, then these By-Laws shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

Section 2. The Sponsor hereby reserves the right to amend or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record in the New York County office of the Register of the City of New York, an amendment to these By-Laws at any time, without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the purposes of (i) making such changes to these By-Laws as may be required by the New York State Department of Law or by any governmental agency with jurisdiction over the property or over the offering of condominium units to the public in order to enable the Sponsor to make a public offering of the Residential Units which will include such additional Units as may hereafter be created by the Sponsor by construction, alteration, combination and/or addition to existing Units, and the Limited Common Elements appurtenant thereto, which includes the right to decrease the percentage of common interest of Commercial Units 1 and/or 2, and increase the aggregate percentage of common interest of any Unit owned by the Sponsor, and (ii) making such changes to these By-Laws as may be permitted by the provisions of these By-Laws, the Amended and Restated Declaration, the Offering Plan, as amended, and/or applicable laws.

Section 3. Any Commercial Unit Owner shall have the right to amend these By-Laws without obtaining consent of the Board of Managers or any other Unit Owner, to reflect an alteration, addition or improvement or a change in the layout, size and/or number of Commercial Units by subdivision or by combination of any Commercial Units, as more fully described in the Amended and Restated Declaration. In that event, the other Unit Owners hereby agree that they will execute any and all documents required to amend, modify or alter these By-Laws if necessary for the benefit of a Commercial Unit Owner, in order to permit such Commercial Unit Owner to alter, improve or otherwise change the Commercial Unit, provided, however, that no other Unit is substantially changed and the rights or obligations of the Sponsor are not affected in any by such change, in which event, the Sponsor's consent to such

amendment shall be required. All expenses for the preparation and recording of the Amendment to the By-Laws shall be borne by the Commercial Unit Owner and shall not be a common expense.

Section 4. The provisions of this Article may not be amended or deleted in whole or in part without the consent of (i) the owner of a Commercial Unit materially and adversely affected by such amendment or deletion and (ii) the Sponsor or its designee so long as the Sponsor or such designee owns any Unit.

Section 5. In the event of any conflict between the provisions of this section and the provisions of Section 17.2 of the Declaration, the provisions of 17.2 of the Amended and Restated Declaration shall control and be binding.

ARTICLE XII

MISCELLANEOUS

Section 1 - Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 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, or the intent of any provision hereof.

Section 3 - Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4 - Waiver. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XIII

CONFLICTS

Section 1 - Conflicts. These By-Laws and the Rules and Regulations are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Amended and Restated Declaration or any other applicable law, the provisions of said statute, the Amended and Restated Declaration, or such other applicable law, as the case may be, shall control.

SCHEDULE A
RULES AND REGULATIONS FOR
THE KEYSTONE CONDOMINIUM

1. The Commercial Units may be used at the sole discretion of the Owner or Owners thereof, without the requirement of consent of the Board of Managers or anyone else, for any lawful purpose consistent with the Amended and Restated Declaration and the By-Laws and permitted by applicable governmental authorities, including, but not limited to applicable zoning requirements, except that same may not be used (i) for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of the New York Penal Law, or (ii) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning.
2. Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building, or contents thereof, without the prior written consent of the Board of Managers. If the cost of insurance on the Building is higher or increased because of the particular use of a Commercial Unit, then such insurance cost in excess of the standard cost and/or the increase in cost shall be repaid to the Condominium by the Commercial Unit Owner whose use has resulted in a higher cost or has caused the increase, within thirty (30) days after the higher or increased cost has been billed to the Condominium and written notice has been given by the Board to the Commercial Unit Owner. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit or in the Common Elements any flammable, combustible or explosive fluid, material, chemical or substance. No waste shall be committed in the Common Elements.
3. All electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

No radio or television aerial or other similar device shall be erected on the roof, terraces or exterior walls of the Building without obtaining in each instance the written consent of the Board of Managers. Any aerial so installed without such required consent shall be subject to removal without notice at any time.
4. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building without the prior written consent of the Board of Managers.
5. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Managers.

6. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
7. No swill, brine, offensive animal matter, noxious liquid, or other filthy matter of any kind, shall be allowed by any person to fall upon or run into any street, or Common Element or be taken to or put therein.
8. There shall be no obstruction of the Common Elements. The entrances, passages, public halls, elevators, vestibules, corridors, stairways and other areas within the Common Elements shall not be used for any other purpose than that for which they are intended. Nothing shall be stored in the Common Elements without the prior consent of the Board of Managers, except as otherwise expressly provided for in writing herein or elsewhere.
9. The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent, may enter any Unit at any reasonable hour of the day for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests, provided that such right will be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by any Commercial Unit owner.
10. If any key or keys are entrusted by a Unit Owner or occupant or by his or her agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Unit or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.
11. Except to the extent expressly authorized herein or in the By-Laws, 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 on any part of the Property, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein nor shall any unit be used or rented for transient, hotel or motel purposes. However, the Sponsor (or its designee) shall have the right to place "For Sale", "For Rent" or "For Lease" signs on the Condominium Property and on any unsold or unoccupied Units, and to maintain such selling and informational signs as are deemed necessary by Sponsor (or its designee) to sell or lease any Units. Notwithstanding this provision or any other provisions to the contrary, signage is permitted in connection with use of

the Commercial Units, provided that no illuminated or other sign may be displayed in or on the windows or doors, or on the outside of any Commercial Unit, or at any place inside any Commercial Unit where the same might be visible outside of such Unit, except that the name of the Unit Owner or other user may be displayed on the entrance door of the Unit, subject to the approval of the Board of Managers as to the size, color and style of such display.

12. The Board of Managers or the Managing Agent may retain a passkey to each Unit. The Unit Owner shall not alter any lock on any door leading to his or her Unit without the written consent of the Board of Managers or the Managing Agent. If such consent is given, the Board of Managers or the Managing Agent shall be provided with a key.
13. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation, recycling and disposal of waste products, garbage, refuse and trash (including, without limitation, medical, regulated or other hazardous waste). Unit Owners shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law, and in accordance with the rules and regulations adopted by the Board of Managers of the Condominium for the sorting and separating of such designated recyclable materials. Unit Owners shall comply with the requirement to rinse recyclable bottles and containers before placing them in the designated receptacles, in accordance with all applicable law and regulations. The Board reserves the right, where permitted by law, to refuse to collect or accept from Unit Owners any waste products, garbage, refuse or trash which is not separated and sorted as required by law. Unit Owners shall pay all costs, expenses, fines, penalties or damages which may be imposed on the Board of Managers, the Sponsor or any Unit Owner by reason of the Unit Owner's failure to comply with these provisions and, at the Unit Owner's sole cost and expense, the Unit Owner shall indemnify, defend and hold harmless the Board of Managers, the Sponsor and the other Unit Owners (including legal fees and disbursements) from and against any actions, claims and suits arising from the Unit Owner's noncompliance, utilizing counsel reasonably satisfactory to the Board or the Sponsor, as the case may be, if said party so elects. The Unit Owner shall be liable to the Board of Managers for any costs, expenses or disbursements, including legal fees, which may be incurred by the Board in the commencement and/or prosecution of any action or proceedings by the Board against the Unit Owner, predicated upon the Unit Owner's breach of this paragraph. Unit owners are advised that local regulations governing recycling make Unit Owners liable for non-compliance.

Notwithstanding the foregoing, Commercial Unit Owners are required to arrange for collection of their waste products, garbage, refuse and trash at their own cost and expense. All medical waste, regulated waste and hazardous waste shall be separated into red bags or containers or other appropriately labeled bags or containers and removed from the Building and disposed of by an appropriately licensed medical waste hauler.

14. Unit Owners will faithfully observe the procedures established from time to time by

the Board of Managers or the Managing Agent with respect to services provided and management of the Building.

15. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

EXHIBIT H

COUNSEL'S TAX OPINION

October 18, 2000

East Tribeca Associates LLC
600 Third Avenue, 25th Floor
New York, NY 10016

Re: The Keystone Condominium
38-44 Warren Street, New York NY 10007

Gentlemen:

You have requested our opinion as to: (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase units for residential use ("Unit Owners") under the Condominium Offering Plan for 38-44 Warren Street, New York, New York 10007 (the "Plan"), and (ii) the Federal income tax treatment of the Common Charges (hereinafter defined) received by the condominium association of The Keystone Condominium (the "Condominium").

In connection with the rendering of this opinion, we have reviewed the Amended and Restated Declaration of the Condominium Plan (the "Declaration"), the Amended and Restated By-Laws of the Condominium (the "By-Laws"), the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the Administrative Code of the City of New York and such other materials as we have deemed relevant.

FACTS

You have advised us that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and our opinion is conditioned upon the accuracy of such facts:

Warren Street Associates LLC, by Declaration dated December 12, 1997 and recorded on February 17, 1998 in the New York County Office of the Register of the City of New York in Reel 2546, Page 1068 (the "Original Declaration"), submitted the Land and Building located at 38-44 Warren Street (a/k/a 140-144 Church Street), New York, NY to condominium ownership. On February 1, 1999, East Tribeca Associates LLC (the "Sponsor"), acquired Unit 3 of the Condominium and its undivided 0.6654% interest in the Common Elements of the Condominium by deed from Warren Street Associates LLC.

The Sponsor will cause to be filed an Amended and Restated Declaration which will change the name of the condominium to The Keystone Condominium, consisting of three (3) Commercial Units and twenty-four (24) Residential Units.

Each owner of a Unit will own his own Unit plus an undivided interest in the elements common to all Units (the "Common Elements"). The Condominium will be operated by a Board which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

DISCUSSION

1. Deductibility of Mortgage Interest and Real Estate Taxes by Owners of Residential Units.

Under the Condominium Act, each Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Sections 339-g and 339-y of the Condominium Act. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Article XI of the By-Laws. In our opinion, under Code Sections 163 and 164, respectively, a Unit Owner will, for federal income tax purposes, be entitled to deduct the amount of interest paid or accrued with respect to any such mortgage indebtedness and the amount of real estate taxes paid or accrued with respect to a Unit during a taxable year in accordance with such Unit Owner's method of accounting. Revenue Ruling 64-31, 1964-1 C.B. 300. However, under Code Section 461(g), 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).

It should be noted that under Federal income tax law, certain itemized deductions are involved in computation of the "alternative minimum tax" and therefore the tax benefits obtainable from ownership of a Unit will depend upon an individual's personal income tax situation.

In addition, the potential tax benefits may be further limited by Code Section 163(d), dealing with investment interest, and Code Section 469, dealing with passive activity losses. Each Unit Owner should consult his or her personal tax advisor.

It is also our opinion that a Unit owner who itemizes deductions for Federal income tax purposes will, for New York State and New York City income tax purposes, likewise be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the State Tax Law and Section 11-1715 of the Administrative Code.

2. Common Charges - Federal Income Taxation of the Condominium.

a. Introduction.

The Common Charges will be borne by the Unit Owners and assessed and collected by the Board. The Common Charges will be used to fund annual operational costs and capital improvements or to establish and maintain reserve funds for such purpose. In determining whether Common Charges will be includable in income of the Condominium or the individual Unit Owners and the tax effect of such assessment and collection, it is necessary to set forth our analysis with respect to the tax status of the Condominium and its exemption from Federal income taxation.

b. Tax Status of the Condominium.

A condominium under New York State law is not a corporation but an unincorporated association. See General Association Law of the State of New York and Section 339-v of the Condominium Act. For Federal income tax purposes, such an unincorporated association can be treated as a partnership or as an association taxable as a corporation.

Regulations Section 301.7701-2 (a)(1) provides that the major characteristics of a corporation are: associates, an objective to carry on business and divide gains therefrom, continuity of life, centralization of management, liability for corporate debts limited to corporate property, and free transferability of interests. Whether an organization is to be classified as a corporation or as a partnership depends upon the presence or absence of these characteristics. Regulations Section 301.7701-2(a) (2). However, the Regulations further specify that characteristics common to both partnerships and corporations are not material in distinguishing between the two types of entities. Regulations Section 301.7701-2(a)(2). Characteristics common to both a partnership and a corporation are associates and an objective to carry on business and divide gains therefrom; therefore, whether an organization is to be treated as a partnership or corporation depends upon whether there exists centralization of management, continuity of life, free transferability of interests and limited liability. Regulations Section 301.7701-2(a)(2). Finally, an unincorporated organization will not be treated as a corporation, unless such organization has more corporate characteristics than noncorporate characteristics. Regulations Section 301.7701-2(a)(3). See also *Larson v. Commissioner*, 66 T.C. 159 (1976) *acq.*, Rev. Rul. 79106, 1979-1 C.B. 448.

Although there is no specific authority with respect to the tax status of a condominium management association, it appears that the Condominium will have at least three (3) corporate characteristics: continuity of life, centralization of management, and a modified form of free transferability of interests. Accordingly, it is likely that the Condominium would be treated as an association separately taxable as a corporation under the tests set forth in Regulations Section 301.7701-2. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal corporate income tax, New York State Corporation Franchise Tax and the New York City General Corporation Tax to the extent of its taxable income, if any. Additional assessments to meet this tax liability would be required.

c. Taxation of Common Charges.

Under the Plan, the Condominium will, from time to time, assess Common Charges against the Residential Unit Owners generally in proportion to their respective percentage interests in the Residential Limited Common Elements, in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

Certain condominiums that satisfy the requirements of Section 528(c)(1) of the Code may elect to be treated as "homeowners associations" for federal income tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, the following:

- i. Election to be Taxed Under Code Section 528. Code Section 528 provides an exemption from regular corporate income tax for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all

October 18, 2000

of the units are used by individuals for residences. Code Sections 528(c)(1)(A) and 528(c) (2). "Substantially all" the units will be considered used by individuals for residences, if at least eighty-five (85%) percent of the total square footage of all units within the project is used, or is intended to be used by individuals, for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Regulations Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium if the facts and circumstances indicate such to be the case. Regulations Section 1.528-2.

In addition to the organization and operation test, the tests set forth below must be satisfied under Code Section 528(c) (1) in order for a condominium to qualify as a "homeowners association".

- (1) Sixty (60%) percent or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in their capacity as customers for services;
- (2) Ninety (90%) percent or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization property;
- (3) No part of the net earnings of the organization may inure to the benefit of any individual; and
- (4) The organization must properly and timely elect to have Code Section 528 apply for the taxable year.

Based upon our understanding of the manner in which the Condominium will be operated, it appears the Condominium will not be eligible to qualify as a homeowners association within the meaning of Code Section 528(c)(1) since you have represented that substantially more than fifteen (15%) percent of the square footage of the units shall be used for commercial purposes.

The failure to qualify or properly elect to be treated as a homeowners association under Section 528 would mean that the Condominium (as a corporation) could be subject to regular Federal, 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 the Condominium, to the extent that such portion (together with any income earned from other sources, such as interim investment of funds) exceeds the current expenses paid or incurred and other expenditures by the Condominium which are allowable as deductions for Federal corporation income and State and City franchise tax purposes, respectively. In determining its taxable income, the Condominium's deductions attributable to providing services to Unit Owners may be limited to its income derived from Unit Owners.

- ii. Special Assessments for Specified Capital Improvements. Common Charges should not constitute gross income to the Condominium to the extent such charges are used solely for capital improvements and are deposited in separate bank accounts, on the theory that: (i) the Condominium is collecting and

October 18, 2000

holding the funds as agent for the Unit Owners (Revenue Ruling 75-370, 1975-2 C.B. 25); or (ii) the Common Charges constitute a nontaxable capital contribution to the Condominium (Code Section 118; Revenue Ruling 75-371, 1975-2 C.B. 52). It should be noted that if Common Charges are treated as contributions to capital, and such charges (together with any other funds accumulated by the Condominium) are expended for capital improvements, then the Service may contend that the capital expenditures benefit the Unit Owners, and, therefore, that each Unit Owner should be subject to tax on his pro-rata share of the amount expended. See Code Section 301.

3. Conclusion

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 the tax consequences of the Plan under the laws of any other state or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership or the leasing of a Unit to others in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result under Code Section 897 or otherwise to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired by corporations, partnerships, or trusts or other persons which are not individuals, or are acquired and/or leased by the Board. Similarly, we have not addressed the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit and the income, estate or other tax consequences attendant thereto. We therefore advise each person contemplating the purchase of a Unit 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.

The opinions expressed herein are for the benefit of East Tribeca Associates LLC and are based solely upon our current understanding and interpretation of the existing law, and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact, which may be material, or any amendment or change in the By-Laws or the Plan, any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further, the Federal and State tax laws and Regulations and the rulings and decisions thereunder may change and thereby affect the views stated above in whole or in part.

Very truly yours,

SONNENSCHN, SHERMAN & DEUTSCH, LLP

By: Sonnenschein, Sherman & Deutsch LLP

EXHIBIT I

RPL 339-i

T A U B E

MANAGEMENT

c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

October 5, 2000

The Keystone Condominium
C/o East Tribeca Associates LLC
600 Third Avenue
New York, NY 10016

RE: The Keystone Condominium
38-44 Warren Street
New York, NY

Gentleman:

This is with respect to the Plan of Condominium Organization of the premises at the above address and the allocation of the Percentages of Common Interest to the residential Units therein.

We have reviewed the allocation of Common Interests shown on Schedule A to be included in the offering plan for the referenced property. It is our opinion that the Percentages of Common Interest allocated to the residential Units as set forth in Schedule A comply with the method of allocation contained in Section 339-i(1) (iv) of the New York Condominium Act and that such allocations have been based upon floor space, subject to the location of such space and additional factors of relative value to other units 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.

TAUBE MANAGEMENT CORP. is licensed as a real estate broker under the laws and regulations of the State of New York and has been actively engaged in the management and sales of residential property since 1976, including cooperative and condominium apartments, for the past 10 years.



c o r p.

LICENSED REAL ESTATE BROKER

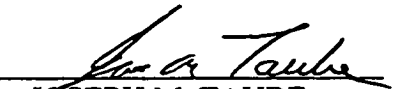
204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

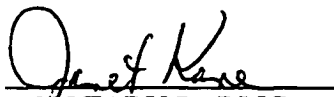
This firm will act as the Managing Agent of the property. We have no beneficial interest in the Sponsor and no interest in the profits of this conversion plan other than the fee for this service.

TAUBE MANAGEMENT CORP.

BY:


JOSEPH M. TAUBE

Sworn to before me this
5th day of October, 2000


NOTARY PUBLIC

JANET KANE
Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2001

EXHIBIT J

CERTIFICATIONS

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO SEC. 20.4 OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10271

Re: The Keystone Condominium
 38-44 Warren Street
 New York, NY 10007

Dear Sir or Madam:

The undersigned certify as follows:

We are the Sponsor and the principals of the sponsor of the condominium offering 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 Department of Law 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 documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

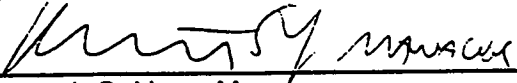
(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or 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.

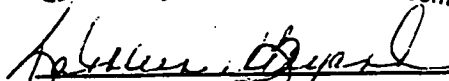
SPONSOR: EAST TRIBECA ASSOCIATES LLC

By: KJ Warren Associates LLC, Operating Member


Kenneth S. Horn, Manager

Sworn to before me this

3rd day of October


Notary Public

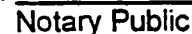
KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001

By: EMJ Builders LLC, Member

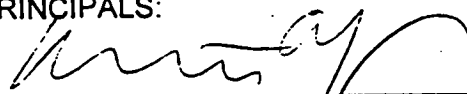

Matthew Scherr, Member

Sworn to before me this

day of , 2000

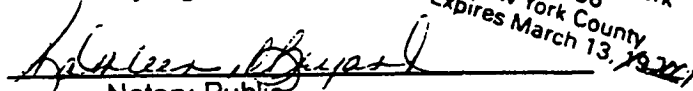

Notary Public

PRINCIPALS:


Kenneth S. Horn

Sworn to before me this

3rd day of October


Notary Public
Joddes Warren LLC

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001


Joel Breitkopf

Sworn to before me this

day of , 2000

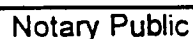

Notary Public

By:

Gerald R. Davis

Sworn to before me this

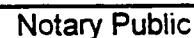
day of , 2000


Notary Public


Matthew Scherr

Sworn to before me this

day of , 2000


Notary Public

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or 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.

SPONSOR: EAST TRIBECA ASSOCIATES LLC

By: KJ Warren Associates LLC, Operating Member

Kenneth S. Horn, Manager

Sworn to before me this
day of _____, 2000

Notary Public

PRINCIPALS:

Kenneth S. Horn

Sworn to before me this
day of _____, 2000

Notary Public
Joddes Warren LLC

By: _____
Gerard R. Davis

Sworn to before me this
day of _____, 2000

Notary Public

By: EMJ Builders LLC, Member

Matthew Scherr, Member

Sworn to before me this
day of _____, 2000

Notary Public

Joel Breitkopf

Sworn to before me this
day of _____, 2000

Notary Public

Matthew Scherr

Sworn to before me this ^{3rd}
day of October, 2000

Notary Public

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001

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(7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

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SPONSOR: EAST TRIBECA ASSOCIATES LLC

By: KJ Warren Associates LLC, Operating Member

By: EMJ Builders LLC, Member

Kenneth S. Horn, Manager

Matthew Scherr, Member

Sworn to before me this
day of _____, 2000

Sworn to before me this
day of _____, 2000

Notary Public

Notary Public

PRINCIPALS:

Kenneth S. Horn

Joel Breilkopf

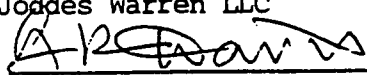
Sworn to before me this
day of _____, 2000

Sworn to before me this
day of _____, 2000

Notary Public
Joddes Warren LLC

Notary Public

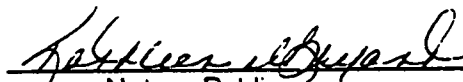
By:


Gerald R. Davis

Matthew Scherr

Sworn to before me this
3rd day of October, 2000

Sworn to before me this
day of _____, 2000


Notary Public

Notary Public

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001

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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.

SPONSOR: EAST TRIBECA ASSOCIATES LLC

By: KJ Warren Associates LLC, Operating Member

By: EMJ Builders LLC, Member

Kenneth S. Horn, Manager

Matthew Scherr, Member

Sworn to before me this
day of _____, 2000

Sworn to before me this
day of _____, 2000

Notary Public

Notary Public

PRINCIPALS:

Kenneth S. Horn

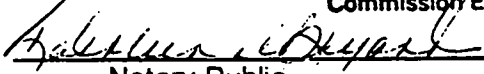


Joel Breitkopf

Sworn to before me this
day of _____, 2000

Sworn to before me this
day of October, 2000

Notary Public
Joddes Warren LLC



Notary Public
KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001

By: _____
Gerald R. Davis

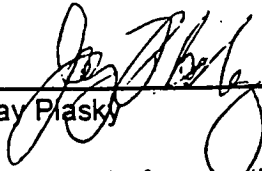
Matthew Scherr

Sworn to before me this
day of _____, 2000

Sworn to before me this
day of _____, 2000

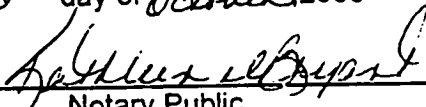
Notary Public

Notary Public



Jay Plasky

Sworn to before me this
6th day of October, 2000



Notary Public

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 2001

Esther Bukai

Sworn to before me this
day of , 2000

Notary Public

Jay Plasky

Sworn to before me this
day of _____, 2000

Notary Public



Esther Bukai

Sworn to before me this
5th day of *October*, 2000



Notary Public

KATHLEEN D. BRYANT
Notary Public, State of New York
No. 01-BR5040456
Qualified in New York County
Commission Expires March 13, 19*2001*



**CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SECTION 20.4(c)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

October 13, 2000

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, N.Y. 10271

**Re: The Keystone Condominium
38-44 Warren Street, New York, N.Y. 10007**

Dear Sir/ Madam:

The Undersigned, Nicholas Tjartjalis, Architect PC, certifies as follows:

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/ or renovation of the property (the "Report"). I visually inspected existing portions of the renovated property on October 2, 2000, and I examined the building plans and specifications that were prepared by Nicholas Tjartjalis Architect, PC dated July 6, 2000 and prepared the Report dated October 9, 2000, a copy (ies) of which is (are) intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered Architect in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/ or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

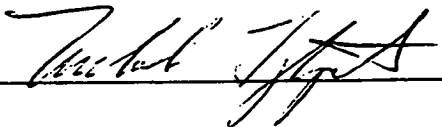
17 BATTERY PLACE
NEW YORK NY 10004
TEL 212 635 0603
FAX 212 248 9063
E-MAIL NTANYC@AOL.COM



- (ii) in my 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 and/ or construction, provided that renovation and/ or construction is in accordance with the plans and specifications that I examined;
- (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 I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report 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.

NICHOLAS TJARTJALIS ARCHITECT PC

By: 

Sworn to before me this day of ^{13th} October 2000


Notary Public

JANE ROSENBERG
Notary Public, State of New York
No. 02R06032426
Qualified in New York County
Commission Expires 02/09/2008





c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

October 5, 2000

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

RE: The Keystone Condominium
38-44 Warren Street
New York, NY

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. Taube Management Corp., licensed Real Estate Broker, began operations approximately 25 years ago.

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 and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules 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 and B-1 appear reasonable and adequate under existing circumstance, 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 Schedules:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants and adequate basis upon which to found their judgement concerning the first year of condominium operation;
- (iii) does not omit any material fact;



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

- (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.

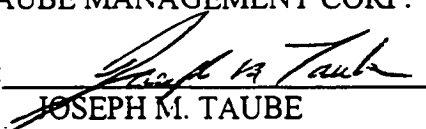
We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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.

TAUBE MANAGEMENT CORP.

BY:


JOSEPH M. TAUBE

Sworn to before me this
5th day of October, 2000


NOTARY PUBLIC
JANET KANE

Notary Public, State of New York
No. 01KA4662615

Qualified in New York County
Commission Expires March 30, 2001



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

October 5, 2000

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

RE: The Keystone Condominium
38-44 Warren Street
New York, NY

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial units. Approximately 10 of the cooperative and condominiums that we manage contain commercial space. Taube Management Corp., licensed Real Estate Broker, began operations approximately 25 years ago.

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 units listed in Schedules A&B.

We have reviewed Schedules A&B as they impact the commercial units and investigated the facts underlying them with due diligence in order to form a basis for this certification. We also have relied in our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of 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.



C O R P.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

- (i) Sets forth in detail the projected common charges for the commercial units(s) for the first year of condominium operation;
- (ii) Afford potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the common charges payable by the owners of the commercial units(s);
- (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 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.



c o r p.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028

Tel 212.288.0077 • Fax 212-734.2065

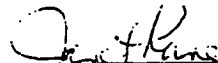
We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

TAUBE MANAGEMENT CORP.

BY: _____

JOSEPH M. TAUBE

Sworn to before me this
5th day of October, 2000



NOTARY PUBLIC

Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2001

EXHIBIT K

**ESCROW AGREEMENT FOR PURCHASERS
DOWN PAYMENTS**

ESCROW AGREEMENT

AGREEMENT made this 11th day of January, 2001, between EAST TRIBECA ASSOCIATES LLC ("Sponsor") as sponsor of the Offering Plan for premises 38-44 Warren Street, New York, New York and SONNENSCHN, SHERMAN & DEUTSCH, LLP ("Escrow Agent") as escrow agent.

WHEREAS, EAST TRIBECA ASSOCIATES LLC, is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 38-44 Warren Street, New York, New York;

WHEREAS, Sonnenschein, Sherman & Deutsch, LLP, is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers 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 with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account has been opened with Chase Manhattan Bank at its branch located at 969 Eighth Avenue, New York, New York 10019. The account number is [REDACTED]

1.2. The name of the account is "Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account".

1.3. Escrow Agent is the sole signatory on the account.

1.4. The escrow account shall be an interest-bearing account.

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 forwarded by Sponsor to Escrow Agent within five (5) business days for deposit in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of "Sonnenschein, Sherman & Deutsch, LLP, as Attorneys". 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. Sponsor acknowledges that within ten (10) business days after tender to the Sponsor of the deposit submitted with the purchase agreement, and other necessary documents, Escrow Agent is obligated to notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. Failure of the Sponsor to deliver the deposit promptly to Escrow Agent may prevent Escrow Agent from furnishing timely notice of deposit to a purchaser. Pursuant to regulations promulgated by the Attorney General of the State of New York, 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 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 subscriber or purchaser.

3. RELEASE OF FUNDS.

3.1. Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan, as defined in the Attorney General's regulations. 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 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 agrees not to object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

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) days. Thereafter, 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, the funds may be paid to Sponsor.

4. RECORD KEEPING.

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 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 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 AGREEMENT.

7.1. This Agreement shall remain in effect unless and until it is cancelled, 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 shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2. In the event of cancellation of this agreement pursuant to paragraph 7.1 of this agreement, should Sponsor fail to appoint a successor Escrow Agent within fifteen (15) days after notice of cancellation is given, Escrow Agent is authorized to designate a successor Escrow Agent and Sponsor is obligated to file an amendment with the Department of Law forthwith which provides for such successor Escrow Agent.

7.3. Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all 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 principal nor from any interest accruing thereon and that compensation to Escrow Agent shall not be deducted from escrowed funds by any financial institution under any circumstance.

10.2. Sponsor agrees to compensate Escrow Agent for services rendered as Escrow Agent for each apartment unit for which a deposit is received by Escrow Agent. The amount of compensation will be determined by separate agreement between Sponsor and Escrow Agent, and in the absence of such an agreement, will be in accordance with Escrow Agent's hourly fee then in effect.

10.3. Should Escrow Agent find it necessary to apply to the Attorney General for dispute resolution or be made a party to or a participant in such dispute resolution, or be a party to any litigation relating or pertaining to a deposit or the performance by the Escrow Agent of its duties, Sponsor agrees to reimburse Escrow Agent for its attorneys' fees, costs and disbursement or to compensate Escrow Agent at its usual hourly rates for the time expended by Escrow Agent representing itself in such dispute resolution or litigation.

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. INDEMNIFICATION OF ESCROW AGENT.

12.1. Sponsor agrees to defend (by attorneys selected by escrow agent), indemnify and hold harmless escrow agent against and from any claim, judgment, loss, liability,

cost or expense resulting from any dispute or litigation arising out of or concerning escrow agent's duties or services hereunder. This indemnity includes, without limitations, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by escrow agent to itself.

12.2. Escrow agent shall not be liable for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for escrow agent's own gross negligence or willful misconduct.

12.3. Sponsor acknowledges that escrow agent is merely a stakeholder. Upon payment of the down payment to Sponsor or purchaser pursuant to the provisions of the Offering Plan or this Escrow Agreement, escrow agent shall be fully released from all liability and obligations with respect to the down payment.

13. ENTIRE AGREEMENT.

13.1. 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.

ESCROW AGENT:

SONNENSCHIN SHERMAN & DEUTSCH, LLP

By: _____

SPONSOR:

EAST TRIBECA ASSOCIATES LLC

By: KJ WARREN ASSOCIATES LLC, Operating
Member

By: _____
Kenneth S. Horn, Manager

EXHIBIT L

DOWNPAYMENT APPLICATION

EXHIBIT L

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

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

Re: The Keystone Condominium
38-44 Warren Street, New York, New York
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 downpayment
☐ forfeiture of downpayment
☐ 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
☐ other: _____

7. Name and Address of Sponsor: East Tribeca Associates LLC, c/o Alchemy Properties, Inc., 600 Third Avenue, New York, New York 10016.

8. Name and Address of Escrow Agent: Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106.

9. If downpayments are maintained in an escrow account:

(a) Name of account Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account

(b) Name and address of bank Chase Manhattan Bank, 969 Eighth Avenue, New York, NY 10019.

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments 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 downpayments 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) Downpayments 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 downpayment(s): _____

(d) Total amount of downpayment(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: _____
