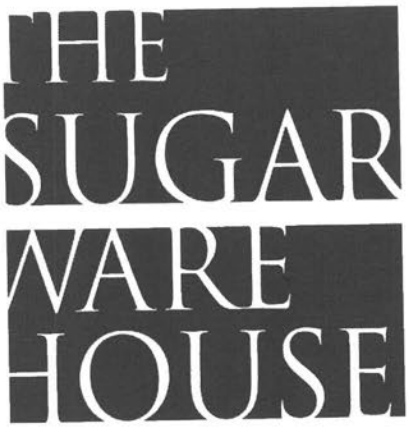
CONDOMINIUM OFFERING PLAN FOR

THE SUGAR WAREHOUSE



79 LAIGHT STREET
NEW YORK, NEW YORK 10013

TOTAL PURCHASE PRICE FOR 33 RESIDENTIAL UNITS: $63,706,410

The Condominium will have 33 Residential Units and 1 Commercial Unit. Unit 1E will be sold to the Residential Board for use as the Resident Manager's Unit. 33 Residential Units, including Unit 1E, are being offered for sale hereby. The Commercial Unit is not being offered for sale at this time.

SPONSOR

79 LAIGHT STREET LLC
C/O CORAL REALTY LLC
400 BROOME STREET
NEW YORK, NEW YORK 10013
(212) 219-3800

SELLING AGENT

CORCORAN GROUP MARKETING, LLC
490 BROADWAY
3rd FLOOR
NEW YORK, NEW YORK 10012
(212) 343-5400

The term of the initial offering of this Plan commenced on February 6, 2002 and expires on February 5, 2003 unless the said date is extended in a duly filed amendment. THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

SEE PAGE v FOR SPECIAL RISKS TO PURCHASERS.

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least ten (10%) percent of the purchase price with an In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the down payment made by the Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction.

Additionally, if a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the purchase price of the Residential Unit for each day that the Closing is adjourned

Purchasers are further advised that (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the purchase for a Residential Unit unless otherwise agreed by Sponsor. The Purchase Agreement also provides that Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder. Please refer to the Section entitled "Procedure to Purchase" and to the Purchase Agreement set forth in full in Part II of the Plan for further discussion of the foregoing.

2. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Purchase Agreement shall not be contingent upon obtaining financing for such purchase. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing Date and a Purchaser would have to close without financing or risk losing such Purchaser's Down Payment.

(See the Section entitled "Procedure to Purchase" for further details.)

3. Prior to the closing of title to a Residential Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan.

4. (a) Sponsor as the owner of Unsold Residential Units will have voting control of the Residential Board during the period which continues until the later to occur of: (i) any meeting of Unit Owners or Residential Unit Owners at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the First Closing.

(b) Sponsor as the owner of Unsold Residential Units and Commercial Unit will have voting control of the Condominium Board during the period which continues until the later to occur of: (i) any meeting of Unit Owners at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the First Closing (the "Sponsor Control Period") (iii) at such time as Sponsor owns less than 85% of the Residential Units.

(c) During the period that Sponsor controls the Condominium Board, the Commercial Board or the Residential Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Residential Common Charges to be paid by all Residential Unit Owners.

5. Sponsor and its designees may exercise veto power over some actions of the Condominium Board and the Residential Board. Until Sponsor and its designees have conveyed title to all Residential Units, but in no event later than five (5) years after the First Closing, the Condominium Board or the Residential Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any General Common Charges, or Residential Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board or the Residential Board to comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium (see the Section entitled "Control By Sponsor" for further details).

6. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way, (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or

exemptions granted to any Commercial Unit Owner or (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be. (See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers.")

7. At or subsequent to the First Closing, Sponsor will sell Residential Unit 1E in the Condominium to the Residential Board, to be used as the Resident Manager's residence. The Residential Board shall be responsible for the payment of all mortgage recording and transfer taxes due in connection with the sale of the Unit. All Common Charges, including the costs of utilities and the costs of financing the purchase of the Unit, real estate taxes and the costs of repairs, alterations and improvements undertaken by the Residential Board attributable to the Resident Manager's apartment, shall be borne by all Residential Unit Owners as a Residential Common Expense. The purchase price of Unit 1E is $400,000. At the closing of title to Unit 1E, the Residential Board, on behalf of all Residential Unit Owners will pay the purchase price by executing and delivering one or more purchase money note(s) in the aggregate amount of $400,000 secured by one or more mortgage(s) on the Unit. The purchase money note will be for a term of ten (10) years from the First Closing with principal and interest due thereunder at the annual rate of 8% payable monthly, based upon a thirty year self-liquidating amortization schedule. Upon the maturity date of the purchase money note, assuming the Residential Board is not in default thereunder, all interest and outstanding principal in the approximate amount of $350,899 will be due and payable. Sponsor does not intend to refinance or extend the purchase money note and purchase money mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Residential Board, in order to repay the purchase money note, may be required to assess all Unit Owners in proportion to their respective Residential Common Interests. At Sponsor's option, the note(s) and mortgage(s) will be held by an institutional lender or by Sponsor. Mortgage recording taxes and transfer taxes due in connection with the transfer and mortgage of the Resident Manager's Unit to the Residential Board will be paid by the Residential Board from the Contingency Fund or Working Capital Fund. In the event the Contingency Fund or Working Capital Fund is not sufficient, Sponsor will advance the funds necessary on behalf of the Residential Board and the Residential Board will repay Sponsor by executing a promissory note in the amount of the funds so advanced, to be repaid, without interest, in twelve equal monthly installments.

In the event the Residential Board defaults under the note(s) and mortgage(s), including, but not limited to a default as the result of the Residential Board's failure to pay the balance of the purchase money note due at maturity, the holder may foreclose on the Unit 1E and if the proceeds from the sale of the Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Residential Unit Owners could be liable for the deficiency. In the event of such a foreclosure, the Condominium will be without a Residential Manager's apartment. Accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by Law.

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 1E to sell to the Residential Board as the Resident Manager's apartment; provided, however that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Residential Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning Unit 1E as set forth in Schedule B, by more than 25%.

8. Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require more than a year after any Unit Closing to complete and may need to be shut down temporarily. Sponsor shall have the right to and may utilize elevators and other systems and may install and retain scaffolding and other equipment on and in the Building to complete construction of the Building. Various other adjustments, to windows and elevators and other systems, may require eighteen (18) months or more after the First Closing to complete. Sponsor may not fully complete the decoration of portions of the Building, including, without limitation, the Lobby or corridors in the Building, install light fixtures, hanging wall coverings or laying carpeting, until a particular Section of the Building is complete or a particular floor is fully occupied by Residential Unit Owners. The Condominium Board and or Residential Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a permanent certificate of occupancy has been obtained therefor. In addition, certain services, such as cable, computer, and other similar services may be provided by outside suppliers and delays in these services will not be the responsibility of Sponsor unless such delays are caused by Sponsor. In addition, such suppliers may not provide these services until occupancy in the Building has reached certain levels. Portions of the Building such as the bike room, Commercial Unit and roof recreation area may be completed after some or all of the Units and the fact that such portions of the Building have not been completed or are not available for use by Unit Owners is not a basis for a Unit Owner to refuse to close title to the Unit. As more particularly described in the "Description of Property" in Part II of the Plan, the Project involves the complete renovation of the Building which was initially constructed in 1853. As with any such renovation, Sponsor may be required to alter the plans and specifications to address existing conditions uncovered in the course of renovation. Any such material modifications will be disclosed in an amendment to the Plan and, if such modifications are materially adverse to Purchasers, such Purchasers will be given an opportunity to rescind their Purchase Agreements, as more particularly described in the Section of the Plan entitled "General." In addition, while Sponsor is performing substantial repair to the facade of the Building, the facade is an existing structural element of the Building and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Sponsor is required to obtain a permanent certificate of occupancy for the Building. A permanent Certificate of Occupancy is required for permanent residential use of the Building and the Residential Units. Temporary residential use of the Building is permitted upon the issuance of a temporary Certificate of Occupancy, but if a temporary Certificate of Occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent Certificate of

Occupancy, residential occupancy of the condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Residential Unit Owners and the Condominium Board to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. Please refer to the Section of the Plan entitled "Description of Property" in Part I of the Plan for further details.

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

10. Sponsor and any subsequent owner of the Commercial Unit have the right to subdivide and combine portions of their respective Units, subject to the provisions of the Declaration and By-Laws. The Commercial Unit may be used for any lawful purposes. The Residential Unit Owners may not have control over the uses of the Commercial Unit except as restricted by the Zoning Resolution of the City of New York and the Declaration and By-Laws. (See "Commercial Unit" for further details). The use of the Commercial Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. The Commercial Unit share the cost for certain expenses based upon allocable percentage interest and shares other costs based upon anticipated usage. Please refer to the "Introduction" Section of the Plan under the subsection entitled, "Features of Condominium Ownership" and Schedule B for further details regarding the allocation of Common Expenses.

11. Sponsor reserves the right to sell two or more Residential Units as more fully described in the "Introduction" of the Plan and to designate the purchaser of such blocks of Units as "sponsor" under this Plan and the Declaration. The party so designated as a "sponsor" will have those additional rights and obligations of a "sponsor" as more fully described in the Plan. Pursuant to the Declaration and By-Laws, the Residential Units may be used for residential purposes only, subject to conditions set forth in Section 9.1 of the Declaration.

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

13. The exterior surface of all windows in the Residential Section if so determined by the Residential Board shall be washed and cleaned by the Residential Board and the cost and expense thereof shall be a Residential Common Expense and be specially assessed against each

Residential Unit Owner. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

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

15. Sponsor has reserved the right to rent or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or other Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any lease for a Residential Unit entered into with a Purchaser will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease in accordance with applicable Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided.

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

16. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of $1,000 to reimburse Sponsor for its legal fees, (ii) if the Purchaser requests the Closing to occur other than at the

offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $700 for each Closing held in any borough outside Manhattan, (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $500 for each such adjournment to help defray the cost of preparing for and coordinating the new closing; (iv) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $1,000, payable in advance, for preparation of an assignment agreement and (v) if Purchaser obtains title insurance from a title insurance company other than Title Associates Inc., underwriting for Chicago Title Insurance Company or Commonwealth Land Title Insurance Company and Sponsor incurs additional legal fees and expenses as a result of the requirements of such title insurance company, the Purchaser will reimburse Sponsor at closing for the amount of such additional legal fees and expenses so incurred.

Please refer to the Section of the Plan entitled "Closing Costs and Adjustments" for further details.

17. It is presently contemplated, and the Budget for the First Year of Condominium Operation provides, that a uniformed doorman will be on duty at the Lobby of the Building twenty-four (24) hours a day, seven (7) days a week. The doorman's hours of duty may be reduced until title to fifty (50%) percent of the Residential Units have been conveyed to Purchasers under the Plan. Please refer to the Budget for the First Year of Condominium Operation set forth as Schedule B to the Offering Plan for further details.

18. Purchasers should note that in the current real estate market, banks and other lenders may be imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35% or 50%) of the units in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. Purchasers should further note that pursuant to existing Law and regulation Sponsor may declare the Plan effective upon selling a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

19. Sponsor may agree to modify the floor plans and finishes of certain Residential Units or to do special work or provide extras to the Residential Units if requested by individual Purchasers and agreed to by Sponsor, in writing, in its sole discretion. Purchaser shall bear the cost of such modification to floor plans and finishes. All funds received by Sponsor from Purchasers for such modified or additional work in Units, as aforesaid, shall be initially placed in escrow and shall be paid to Sponsor by the escrow agent to be used by Sponsor to pay for such work. Accordingly, in the event a Purchaser becomes entitled to rescission after the release of such funds, the Purchaser

shall not receive a refund of any funds used for special work or extras. Please refer to the Section of the Plan entitled "Procedure to Purchase" in Part I of the Plan for further details.

20. The Contingency provided for in the Projected Budget for the First Year of Condominium Operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budgets and, for increases in operating expenses above the amounts projected and for payment of certain closing costs for the Resident Manager's Unit if the working capital fund is not sufficient to cover such costs. No other reserve fund for capital expenditures has been established. The Contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase Common Charges or institute a special assessment. See the Section of the Plan entitled "Working Capital Fund" for further discussion.

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

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

23. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate a Common Element as part of a newly created or expanded Residential Unit or Commercial Unit or designate all or part of a Residential Unit or a Commercial Unit as a newly created or expanded Residential Unit, Commercial Unit, Residential Common Element, Commercial Common Element or Limited Common Element and (d) if

appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

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

25. The Building is located in the Tribeca North Historic District and is governed by the provisions of Title 25, Section 3, Sections 25-301 *et seq.*, formerly known as Chapter 8-A, of the Administrative Code of the City of New York entitled "Landmarks Preservation and Historic Districts" pursuant to Notice of Designation dated December 8, 1992, recorded April 12, 1993 in Reel 1962 page 253. This designation imposes special restrictions upon the construction, alteration, demolition and reconstruction of the Building. In the event any such construction, alteration, demolition or reconstruction of the Building would affect the exterior of the Building, the Condominium will have to apply to the Landmarks Preservation Commission ("LPC") for permission to perform such work. LPC, before approving the work could impose additional requirements or conditions which could increase the cost and time required to complete the work. In addition, where proposed work in the Building requires a building permit, notwithstanding the fact that such work does not affect the protected exterior of the Building, the LPC requires that a "certificate of no effect on protected architectural features" be issued. Under current LPC guidelines, no penetrations in the facade of the Building would be permitted. In connection with its approval of the Sponsor's plans and specifications for the Condominium, LPC required Sponsor to enter into a Declaration of Restrictions to establish a require a requirement for continuing maintenance for the Building (the "Continuing Maintenance Program") that will result in preservation of the Building. Under the terms of the Declaration of Restrictions, an inspection (the "Periodic Inspection") must be made every five years. The Periodic Inspection must be performed by a preservation architect, engineer or other qualified person knowledgeable about the preservation of historic structures (the "Preservation Architect") selected from a list prepared by the Owner of the Building (Sponsor as to the initial inspection and thereafter the Condominium Board as to any updates) and approved by the Chairperson of the LPC as to credentials. Under the terms of the Declaration of Restrictions, the Preservation Architect must make a thorough inspection of the exterior of the Building and those portions of the interior which, if not properly maintained, could affect the condition of the exterior. The cost of performing the Periodic Inspection shall be borne by all Unit Owners as a Common Expense. The Condominium Board must also undertake, as a Common Expense, any work identified as needed as the result of the Periodic Inspection and any Local Law 11 Reports. Please refer to the Declaration of Restrictions set forth in Part II of the Plan for the complete terms thereof.

26. The LPC has voted to approve the plans and applications for the Certificate of Appropriateness needed for the Building and the Certificate of Appropriateness was issued on May 2, 2001 under Docket No. 013448. A copy of the Certificate of Appropriateness is set forth as Exhibit C to the Declaration of Restrictions describe above and set forth in Part II of the Plan.

The City Planning Commission has issued a Special Permit permitting the use of the Property for residential purposes. All approvals necessary for a building permit have been granted by the Landmarks Preservation Commission and the City Planning Commission and the issuance of the building permit by the Department of Buildings should be purely ministerial. It is estimated that this procedural process will take approximately one to two months. If, for any reason, the Department of Buildings rejects the plans, which the Sponsor believes to be extremely unlikely, or the building permit is not issued within six (6) months of the date of the Plan, then all purchasers will promptly receive a return of their down payment, plus interest, if any has been earned.

27. The roofs of the Building will include a common roof deck which will be available for the common use of all Residential Unit Owners and which is a Residential Common Element. Cooling towers and other mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located on the roof. The Condominium Board with respect to the Common Elements, the Residential Board with respect to the Residential Common Elements and Residential Limited Common Elements and the Commercial Board with respect to the Commercial Common Elements and Commercial Limited Common Elements will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for nor can make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners on the roof recreational areas. In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building other than those portions which comprise Residential Limited Common Elements for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor for its own account or the account of any assignee or licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof or facade of the Building or elsewhere on the Common Elements by Sponsor or its assignee or licensee shall be the exclusive property of Sponsor, its assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" under the subsection entitled "Easements" for further details.

28. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to

install, at such Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations. See "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

29. There is no provision for a specific reserve fund for the Condominium for the purpose of paying the cost of future capital repairs, replacements or improvements to the Premises (except that each Purchaser of a Unit shall pay into the Working Capital Fund of the Condominium a sum of equal to one (1) month of Common Charges for the Unit being purchased). Therefore, Unit Owners shall be obligated to pay their share of the cost of repair, replacements and improvements to the Common Elements as the need for the same arises, unless there are sufficient Working Capital or other funds available. In addition, Unit Owners shall be deemed "owners" of their respective Units with the obligation to comply with the requirements of Local Law 38 of 1999 regarding lead-based paint, if and to the extent the validity of such law is upheld by the courts. See "Rights and Obligations of Unit Owners and the Board of Managers."

30. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. Please refer to the Section of the Plan entitled "Description of Property and Improvements" under the subsection entitled "General" for further details.

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

32. Sponsor has no actual knowledge of any plans by owners of neighboring buildings to either construct a new building or to increase the height of any existing building although Sponsor makes no representations or warranties regarding building construction in the area of the Condominium. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Residential Unit.

INTRODUCTION

79 Laight Street LLC, a New York limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the conversion to condominium ownership of the land (the "Land") together with the building erected thereon known as and having a street address of 79 Laight Street, New York, New York 10013, (the "Building") containing 33 residential units (the "Residential Units") and one (1) Commercial Unit (the "Commercial Unit"). The Land and the Building are collectively referred to herein as the "Property." The condominium will be known as "The Sugar Warehouse" and is herein called the "Condominium" in the Plan.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of 33 Residential Units. At the present time Sponsor is retaining the Commercial Unit which not being offered for sale. Unit 1E is being sold by Sponsor to the Residential Board to be used as the Resident Manager's apartment. Sponsor reserves the right to divide the Commercial Unit without amendment to the Plan and to offer the Commercial Unit for sale by amendment to this Plan. Sponsor may from time to time amend or supplement the Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners.

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

The Condominium

On or about January 7, 2000, Sponsor acquired fee title to the Land and related structures thereon. The Building being renovated will contain one (1) below-grade level (the "Cellar"). There will be ten (10) stories above grade. The floors in the Building are named (from bottom to top): Cellar, First Floor and Floors 2 through 6.

The Building is currently being renovated and it is anticipated that a first temporary certificate of occupancy will issue on or about May 1, 2002. Please refer to the Section of the Plan entitled "Description of Property and Improvements" under the Subsection entitled "Construction of the Building" for further details.

As more particularly described herein, the Building will include (a) a Residential Section containing the Residential Units, the Residential Common Elements and the Residential Limited Common Elements, and (b) a Commercial Section, which will contain the Commercial Unit and the Commercial Common Elements.

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of a condominium declaration in the City Register's Office (the "Declaration"). From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

There will be available to occupants of the Residential Section, certain luxury apartment type services, including, but not limited to, 24-hour doorman service, automatic elevators, cable television service, security systems and communication facilities. Sponsor does not warrant or guarantee that all of the foregoing services will be available until the earlier to occur of the closings of title to fifty (50%) percent of the Residential Units or the sec7ond anniversary of the First Closing.

The Commercial Section will initially be comprised of one (1) Unit located on portions of the First Floor and Cellar. The Commercial Unit may include retail stores, commercial and professional offices, restaurants, banks, parking. storage space or any other legal uses.

Features of Condominium Ownership

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

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

A Residential Unit Owner may decorate the interior of such Unit Owner's Residential Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Rules and Regulations and Law, and will be solely responsible for the cost of maintenance and interior repairs to such Unit Owner's Residential Unit after Closing. The Residential Board may not limit or restrict the rights of the Commercial Unit Owners to decorate the Commercial Unit.

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

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

Generally, the cost of operating the Residential Common Elements will be borne by the Residential Unit Owners in proportion to their respective Residential Common Interests and the cost of operating the Commercial Unit will be borne entirely by the Commercial Unit Owners. Residential Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Commercial Unit and the Commercial Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Residential Section. The costs and expenses of operating and maintaining the General Common Elements will generally be shared by all Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B-"Projected Budget for First Year of Condominium Operation" in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board and the Residential Board may make allocations of General Common Expenses and Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with Law. The Condominium Board can not change the method of allocation of Common Expenses or increase the number of building employees servicing the Commercial Unit as set forth in Schedule B, without the consent of the Commercial Unit Owners.

The Residential Board will be responsible for deciding all matters solely concerning the Residential Section. Residential Unit Owners will have the right to vote for members of the Residential Board. The Commercial Board will be responsible for deciding all matters solely concerning the Commercial Section. Matters affecting both the Residential Section and the

Commercial Section or affecting the General Common Elements will be decided by the Condominium Board, which shall be comprised of representatives of the Residential Board and of the Commercial Board. Sponsor will control the Condominium Board and the Residential Board for so long as Sponsor's designees receive a majority of the total votes cast at such meeting. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Boards of Managers" in Part I of the Plan for further details.

As more particularly set forth in the By-Laws, the Residential Board will determine the amount of Residential Common Expenses and the Condominium Board will determine the amount of General Common Expenses. On a monthly basis or at such other times as the Residential Board determines, the Residential Board will assess Residential Unit Owners for Residential Common Charges to meet Residential Common Expenses and the Residential Board's pro rata share of General Common Charges. Such charges will be assessed against Residential Unit Owners in proportion to their respective Residential Common Interests except as otherwise determined by the Condominium Board or the Residential Board in accordance with the Condominium Act, Sections Sections 339-i and -m. As set forth in Schedule B - "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owners share the costs for certain expenses based upon its Common Interests and bear the cost of other expenses, such as service contracts, and labor, based upon estimated use. Other costs such as the costs for the Building Manager's Unit, water and sewer, heat, gas and electricity are not borne at all by the Commercial Unit Owners because such utilities and/or services are either separately metered or not used by the Commercial Unit Owners. Please refer to Schedule B and the Section of the Plan entitled "Commercial Unit" for further details.

The cost of improvements, repairs, replacements, alterations and additions to the Residential Section, which are Residential Common Expenses, will be determined by the Residential Board and assessed against all Residential Unit Owners in proportion to their respective Residential Common Interests. The estimated Residential Common Charges for each Residential Unit for the first year of condominium operation are set forth in Schedule A. The Commercial Board will be responsible for collecting all sums necessary to meet the obligations of the Commercial Section including, without limitation, payment of its pro rata share of General Common Charges.

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

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

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

Offering of Units for Sale

Sponsor hereby offers 33 Residential Units to Purchasers for sale under the Plan. The prices for each of the Residential Units offered under the Plan are listed in Schedule A entitled "Purchase Prices and Related Information for the Projected First Year of Condominium Operation." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

The estimated Residential Common Charges for each Residential Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A.

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

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

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

CERTAIN DEFINITIONS

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

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

"Board" or "Boards" refers to either or both the Residential Board or the Commercial Board, as the case may be.

"Building" refers to the structure and improvements including above and below grade segments, known as 79 Laight Street, New York, New York 10013 in which the Units of the Condominium are located.

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

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

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

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

"Commercial Board" refers to the board of managers comprised of representatives of the Commercial Unit Owners.

"Commercial Common Charges" refers to assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.

"Commercial Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.

"Commercial Section" refers to all Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements, if any.

"Commercial Unit" refers to the Commercial Unit located on portions of the Cellar Floor and First Floor of the Building and to the extent the Commercial Unit is further divided, the Commercial Unit shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Commercial Unit Owner" refers to the owner or owners of the Commercial Unit. In the event the Commercial Unit is subdivided, Commercial Unit Owner shall refer to all owners of Units resulting from the subdivision of the Commercial Unit.

"Common Charges" refers to the aggregate of General Common Charges, Commercial Common Charges and/or Residential Common Charges.

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

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

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

"Condominium" refers to The Sugar Warehouse.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9-B.

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and of the Commercial Board.

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

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

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

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Bureau of The City of New York and filed with the City Register's Office.

"General Common Charges" refers to assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.

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

"General Common Expenses" refers to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.

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

"Law or Laws" refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property, the Land, the Building, and Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

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

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

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

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

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

"Plans and Specifications" refers to the plans and specifications for the Building which (to the extent required by law) are filed with, and approved by, the Department of Buildings of The

City of New York, which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

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

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

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

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" refers to assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting (a) the cost of the Residential Common Expenses and (b) each Residential Unit Owners pro rata share of the General Common Expenses.

"Residential Common Elements" refers to those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.

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

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

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

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

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

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

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

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

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

"Selling Agent" refers to Corcoran Group Marketing, LLC, or any successor selling agent at the time in question.

"Sponsor" refers to 79 Laight Street LLC, a New York Limited Liability Company, and its successors and assigns.

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

"Sponsor Control Period" refers to the period during which members of the Residential Board or Condominium Board elected or designated by Sponsor constitute a majority of the members of said Boards.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, computer program failures due to year 2000 issues, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to a space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or the Commercial Common Elements. All of such Units are collectively referred to as "Units."

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

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member,

or (b) any Residential Unit for which there is a signed Purchase Agreement but for which a Closing has not yet occurred.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Construction of the Building

The Land is situated on a parcel of land in the area known as Tribeca located between Laight Street on the north, Hubert Street on the south, Washington Street on the east and West Street on the west in the Borough of Manhattan.

The Building contains a Commercial Section, consisting of the Commercial Unit and the Commercial Common Elements and a Residential Section consisting of the Residential Units, the Residential Common Elements and Residential Limited Common Elements.

The Building, including the individual Units therein, will be substantially completed in accordance with the Plans and Specifications and all applicable zoning and building laws, regulations, codes and other government requirements. No Asbestos Containing Material will be present in insulating or fire-proofing material contained in the Building. Following completion of the Building, Temporary Certificates of Occupancy for individual Units and the Building and/or a permanent Certificate of Occupancy for the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications for the Building will be filed with the Department of Buildings of the City of New York.

Under the present construction schedule it is anticipated that, except for finishing work to stairways, hallways and other areas of the Building which are not intended for the exclusive use of any particular Unit Owner and work, if any, which Sponsor agrees to perform in individual Residential Units at the request of Purchasers or Residential Unit Owners, the Residential Units will be substantially completed by May 1, 2002 and a first Temporary Certificate of Occupancy with respect to portions of the Building will be obtained on or about May 1, 2002, both subject to Unavoidable Delays. Sponsor does not, however, warrant or guarantee the foregoing completion or occupancy dates for the Building due to Unavoidable Delays. The first Temporary Certificate of Occupancy may issue for some but not all of the Residential Units and Sponsor may complete construction of certain Residential Units before others.

Sponsor has engaged Van J. Brody Architects P.C. ("Sponsor's Architect") as architects for the Building, Joseph Pell Lombardi & Associates as preservation architects for the Building, Mansour Engineering, as the mechanical, electrical and plumbing engineers for the Building and Anchor Consulting, Architects and Engineers, as the structural engineers for the Building. Construction of the Building is being financed by Northfork Bank, which financing is secured, among other things, by mortgages and security agreements.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no

right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan.

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there will be a total of 33 Residential Units situated on the First Floor through Floor 10 of the Building. Detailed descriptions of the Residential Units including a finish schedule are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

Except as otherwise agreed by the parties, the Residential Units will be delivered to Purchasers with a finish coat of paint. Each Purchaser will be obligated to do all other painting and decorating of the Residential Unit at such Unit Owner's own cost and expense. Any special work which a Purchaser desires for a Residential Unit prior to Closing shall only be performed following Sponsor's prior written consent thereto and Sponsor's designation or approval of all contractors and suppliers in connection therewith, which consent and approval shall be within the sole discretion of Sponsor.

Included in the sale of each Residential Unit are the following: refrigerator/freezer, kitchen cabinets, wall oven, automatic dishwasher, washing machine and dryer and individually controlled heating and cooling units. The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property." As more fully set forth under the Section entitled "Description of Property and Improvements--Construction of the Building," these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may negotiate to make modifications or changes in any Residential Unit or to do special work therein or to provide different or additional appliances, equipment, furnishings or decorations, provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

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

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

Resident Manager's Apartment

At or subsequent to the First Closing, Sponsor will sell Residential Unit 1E in the Condominium to the Residential Board, to be used as the Resident Manager's residence. The Residential Board shall be responsible for the payment of all mortgage recording and transfer taxes due in connection with the sale of the Unit which shall be payable from the Working Capital Fund or Contingency Fund. All Common Charges, including the costs of utilities and the costs of financing the purchase of the Unit, real estate taxes and the costs of repairs, alterations and improvements undertaken by the Residential Board attributable to the Resident Manager's apartment, shall be borne by the Residential Unit Owners as a Residential Common Expense. The purchase price of Unit 1E is $400,000. At the closing of title to Unit 1E, the Residential Board, on behalf of all Residential Unit Owners will pay the purchase price by executing and delivering one or more purchase money note(s) in the aggregate amount of $400,000 secured by one or more mortgage(s) on the Unit. The purchase money note will be for a term of ten (10) years from the First Closing with principal and interest at the annual rate of 8% per annum due thereunder payable monthly, based upon a thirty year self-liquidating amortization schedule. Upon the maturity date of the purchase money note and purchase money mortgage, assuming the Residential Board is not in default thereunder, all interest and outstanding principal in the amount of $350,899 will be due and payable. Sponsor does not intend to refinance or extend the purchase money note and purchase money mortgage at maturity. Purchasers are advised that refinancing by another lender may not be available and that the Residential Board, in order to repay the purchase money note, may be required to assess all Residential Unit Owners in proportion to their respective Residential Common Interests. At Sponsor's option, the note(s) and mortgage(s) will be held by an institutional lender or by Sponsor, provided, however that if Sponsor procures institutional financing for the purchase of Unit 1E, Sponsor will amend the Plan to disclose same and any additional fees to be paid to the institutional lender by the Residential Board. Mortgage recording taxes and transfer taxes in the approximate amount of $13,679 due in connection with the transfer and mortgage of the Residential Manager's Unit will be paid from the Working Capital Fund or Contingency Fund. In the event that the Working Capital Fund or Contingency Fund is not sufficient to pay these costs, Sponsor will advance the funds necessary on behalf of the Residential Board and the Residential Board will repay Sponsor by executing a promissory note in the amount of the funds so advanced, to be repaid, without interest, in twelve equal monthly installments. Please refer to the Budget for the first year of Condominium operation, for further details.

In the event the Residential Board defaults under the note(s) and mortgage(s), the holder may foreclose on the Unit 1E and if the proceeds from sale of the Unit are insufficient to satisfy the outstanding mortgage balance and other fees incurred, the Residential Unit Owners could be liable for the deficiency. In the event of a foreclosure the Condominium will be without a Residential Manager's apartment. Accordingly, alternate arrangements will be necessary to shelter the Resident Manager in the Condominium or within such distance of the Condominium as is then required by law.

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

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 1E to sell to the Residential Board as the Resident Manager's apartment; provided, however that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Residential Board incurring financing charges, common charges and real estate taxes, the sum of which exceed the costs of owning the Resident Manager's apartment, as set forth in Schedule B, by more than 25%.

Commercial Unit

As more particularly described in the Section of the Plan entitled "Commercial Unit," in the Declaration and the "Description of Property," the Commercial Section will be situated on portions of the Cellar and First Floor of the Building and the Commercial Common Elements. Subject to the Sponsor's right to subdivide, there will initially be one (1) Commercial Unit. The Commercial Unit will include space that may be utilized for a variety of legal commercial uses including, without limitation, use as a transient garage.

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

The Commercial Unit Owners shall have the right, without the consent of the Condominium Board or the Residential Board, and at their sole cost and expense, to alter, modify, restore or construct the exterior facade and storefronts of the building and to create additional means of egress and ingress up to the level of the second floor of the Building provided that such alterations, modifications, restoration or construction are in compliance with applicable Law and do not affect the structural integrity of the Building. The Sponsor and the Commercial Unit Owners also have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by law. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Commercial Unit or as to who the tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time (except that the Commercial Unit may be used for any lawful

purpose or as otherwise limited by the Plan. The use of the Commercial Unit may generate noise or other disturbances over which the Residential Unit Owners will have no control.

General Common Elements

Generally, the General Common Elements consist of all Common Elements other than the Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements and Commercial Limited Common Elements and include, among other things, the following: (a) the Land; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings (except to the extent included as the Residential Common Elements, or Residential Limited Common Elements, Commercial Common Elements and Commercial Limited Common Elements or part of any Unit), beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building beneath the middle of the slab separating the First Floor from Floor 2, (c) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, or Residential Limited Common Elements, Commercial Common Elements and Commercial Limited Common Elements or part of any Unit; (d) meter rooms, electrical rooms, gas meter room, pump room, domestic hot water room, and janitorial toilet and sink; (e) general illumination fixtures and security systems; (f) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Section and Commercial Section, which are not Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements, Commercial Limited Common Elements or part of any Unit; (g) the exterior facade of the Building from the Cellar level to the slab to the slab separating the first floor from the second floor and all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of both the Commercial Section and the Residential Section and which are not owned by another entity such as the supplier, servicer or installer of the systems. A detailed description of the General Common Elements is set forth in the Declaration.

Residential Common Elements

Generally, the Residential Common Elements include, among other things, the following: (a) the passenger/service elevators (including their shafts, pits, machinery and appurtenant facilities); (b) the residential lobby, and the entrances, bike room and mailroom on the first floor of the Building; (c) the roofs over the Building including the recreational area located thereon; (d) passages, hallways, stairs and corridors to the extent any of the same are for the exclusive use of the Residential Section; (e) electric panels, closets, feeders and risers serving the Residential Section; (f) the refuse room and refuse chutes terminating in the Cellar; (g) the windows in the Residential Section; (h) the cooling tower on the roof servicing the Residential Units; (i) the exterior facade and all columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls from above the slab over the first floor of the Building to the roof (except to the extent same are Commercial Common Elements);(j) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Residential Limited Common Elements and which are not General Common Elements, Commercial Common Elements, or part of any Unit; and (k) all other apparatus, installations, systems, equipment and facilities in the Building (including

shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units and which are not owned by another entity such as the supplier, servicer or installer of the systems. A detailed description of the Residential Common Elements is contained in the Declaration.

Residential Limited Common Elements

The Residential Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners. At the present time the Residential Limited Common Elements consist of the fireplace flues servicing the fireplaces within certain Residential Units.

Commercial Common Elements

Generally, the Commercial Common Elements include, among other things, the following: (a) all columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls located within any Commercial Unit or separating a Commercial Unit from a Residential Unit or a Residential Common Element. (b) stairways for the exclusive use of the Commercial Section (which are not part of any Commercial Unit); and (c) all other apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits, and lines) which serve or benefit exclusively the Commercial Unit or the Commercial Unit Owners. A detailed description of the Commercial Common Elements is set forth in the Declaration. The Commercial Unit Owners will have the right to grant easements permitting access between any Commercial Common Element or other portion of the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements and Commercial Common Elements located between the Commercial Unit and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

Commercial Limited Common Elements

The Commercial Limited Common Elements include those portions of the Building, if any, which are available for the exclusive use of the Commercial Unit Owner or, in the event that the Commercial Unit is subdivided, is available for the exclusive use of some but not all of the Commercial Units. The costs of maintaining and operating the Commercial Limited Common Elements shall be borne by the Commercial Unit Owner having exclusive access thereto or utilizing or benefiting from the same. At the time of the filing of the Declaration it is not anticipated that there will be any Commercial Limited Common Elements.

Services and Facilities

Under present plans, all of the services and facilities described herein will initially be provided and made available to Residential Unit Owners immediately following the First Closing, except as otherwise indicated.

a. Doorman/Concierge

It is anticipated that a uniformed doorman/concierge will be on duty at the Lobby of the Building twenty-four (24) hours a day, seven (7) days a week, to assist those arriving and

departing. The doorman's hours of duty may not be provided until title has closed to fifty (50%) percent of the Residential Units; provided, however, that there will be at least one (1) doorman/concierge on duty twenty-four (24) hours a day, seven (7) days a week as of the First Closing.]

b. Elevator Service

Three (3) automatic passenger elevators will be in service, twenty-four (24) hours a day, seven (7) days a week, for the exclusive use of Residential Unit Owners.

c. Cable Television Service

A cable television system will be available for the use of the Residential Unit Owners. The charges for primary connections and subsequent monthly fees related to the service will be determined by, and payable directly to the cable company. Additional cable service (e.g., Home Box Office or Showtime) will also be available from the cable company for an additional charge on the same basis. Inasmuch as the wiring of the Building may be delayed until a certain percentage of the Residential Units are occupied, Sponsor makes no representation that cable television service will be available to any Residential Unit Owner upon its initial occupancy of a Residential Unit. Sponsor anticipates that it will enter into an agreement with a cable company (the "Cable Company"), granting the Cable Company the right to install wires, cables and other components of its system (the "Cable Facilities") in the Building's internal conduit system and granting the Cable Company an easement for the installation, repair or replacement of the Cable Facilities and certain rights to relocate the Cable Facilities which shall remain the property of the Cable Company (the "Cable Agreement"). The Condominium will own and maintain the internal conduit system in which the Cable Facilities are located. The Condominium will be subject to and bound by the terms of the agreement with The Cable Company.

d. Electrical Systems and Telephone Service

Electrical service will be provided to Residential Unit Owners by Con Edison or such other utility company which will bill such Unit Owners directly for electricity utilized. Local and long distance telephone service will be provided by Bell Atlantic or other telephone service provider. Each Residential Unit will be prewired to permit the installation of telephone jacks and a special two-line telephone (at such Unit Owner's expense) which will permit the telephone to be used both as a building intercom and as a telephone.

e. Mail

All incoming mail will be delivered by the United States Postal Service to individual mail boxes in the Lobby where it can be retrieved by the Residential Unit Owners.

f. Laundry

Each Residential Unit will contain a washer and dryer.

g. Refuse Disposal

There will be five (5) refuse chutes serving the Residential Units leading directly to three refuse rooms located in the Cellar.

h. Roof Recreation Area

There is a recreation on the roof of the Building as more particularly designated on the Floor Plans in Part II of the Plan. This area is available for the relaxation of Residential Unit Owners and their guests and tenants, subject to such rules and regulations as may be promulgated from time to time by the Residential Board.

General

All determinations with respect to the continuance of any of the foregoing services, if initially made available, will be made by the Residential Board, which will be controlled by Sponsor during the Sponsor Control Period as described in the Section of the Plan entitled "Control by Sponsor.") Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property.

Neither Sponsor, the Managing Agent nor the Boards will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or any of the Boards, as the case may be.

Security Procedures

The Residential Board is vested with the responsibility of devising and carrying out security procedures with respect to the Residential Section. Such procedures may be adopted and from time to time changed by the Residential Board as such Residential Board, in its discretion, determines to be appropriate to secure the Residential Section. It is anticipated that the security procedures will be as follows:

a. Entrances and Elevators

There will be a doorman who will supervise admissions to the Residential Lobby. Entrance doors may be locked from in the evening. Visitors will be admitted to the Residential Section elevators by the doorman when authorized by the occupant of the specific Residential Unit that they wish to visit.

b. Intercom System

All Residential Units will be wired for an intercom facility through the telephone system providing direct communication from the Residential Unit to the concierge station and to the front door.

c. Smoke Detector

Smoke detectors shall be provided in each Residential Unit in compliance with applicable codes. It will be responsibility of each individual Residential Unit Owner to test and maintain the smoke detectors located in such Unit Owner's Unit.

No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

Please refer to the Description of Property set forth in its entirety in Part II of the Plan for further details regarding security procedures.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located in fashionable Tribeca in the City of New York, with frontage on West Street and Laight Street.

New York City is the most populous city in the United States, as well as one of the principal urban centers of the world. Manhattan is the economic and recreational hub of New York City, containing numerous businesses, transportation facilities, cultural activities, park areas, educational facilities, medical centers and restaurants.

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

The Condominium is served by a variety of transportation facilities. Taxi and limousine service is readily available throughout the city. Municipal bus service for the Condominium area is available on Hudson Street. Entrances to subway service in the vicinity of the Condominium are located on Chambers Street for the A, C, 1, 2, 3 and 9 lines. By automobile, the West Side Highway is connected to Interstate 95 and the Henry Hudson Parkway, both of which are major regional arteries. New York City is serviced by three major airports located within fifteen miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

Numerous museums and galleries are located within easy access to the Condominium. The Property is within walking distance of the World Financial Center, Battery Park City parks, City Hall and the South Street Seaport. A large variety of recreational facilities can be found in the area, such as tennis courts, running paths, bicycle routes, and a marina.

Educational facilities are available at Pace University located at Pace Plaza, New York Law School at 57 Worth Street, New York University School of Business at 100 Trinity Place. The local elementary middle schools are PS 3 located at 490 Hudson Street and Ps 41 located at 319 East 19th Street. High Schools servicing the area include Stuyvesant High School located in Battery Park City at 325 Chambers Street, the High School of Leadership and Public Service at 90 Trinity Place and the High School of Economics and Finance at 100 Trinity Place. Private schools in the greater New York City area for the grade and high school levels include Trinity, Collegiate, Ethical Culture, Columbia Grammar, Dalton, St. Bernard's, Spence Girls' School, and the Stevenson School. The Juilliard School is at Lincoln Center. New York University is located in the Village and has many fine graduate schools. The Condominium is also within easy access of some of the city's best hospitals: NYU Downtown Hospital of the NYU Medical Center, located at Beekman and Gold Streets and St. Vincent's Hospital.

Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is in the 1st Police Precinct with headquarters located at 16 Ericson Place, New York, New York and primary fire protection is provided by the N.Y.F.D. Ladder Co. 8 located at 14 N. Moore Street, New York, New York.

Zoning and Use

The Property is located in the Tribeca Mixed Use District (TMU) in an M1-5 District, Area B-2. The zoning is classified as commercial and industrial use as-of-right. Residential Use is permitted through an Authorization pursuant to Section 111-23 of the Zoning Resolution.

SCHEDULE A PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A - Purchase Prices and Related Information for the Projected First Year of Condominium Operation

May 1, 2002 to April 30, 2003

Unit	Unit Description	Salable Square Footage(1)	Offering Price (2)	Percentage of Common Interest (3a)	Percentage of Residential Common Interest (3b)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes (5)	Estimated Total Monthly Charges (6)	Estimated Annual Real Estate Taxes (7)
1A	3BR, 2.5 Baths	2,934	$ 1,393,650	2.08%	2.19%	$898.79	$620.68	$1,519.47	$7,448.19
1B	2BR, 2.5 baths	2,180	$ 1,090,000	1.63%	1.71%	$702.96	$485.45	$1,188.41	$5,825.37
1C	2BR, 2.5 Baths	2,030	$ 1,015,000	1.51%	1.59%	$654.59	$452.05	$1,106.64	$5,424.54
1D	1BR, 1.5 Baths	1,981	$ 940,975	1.40%	1.48%	$606.85	$419.08	$1,025.93	$5,028.92
1E	1BR, 1 Bath	686	$ 400,000	0.60%	0.63%	$257.97	$178.15	$436.11	$2,137.75
2A	3BR, 3.5 Baths, duplex, fireplace	3,555	$ 2,488,500	3.71%	3.91%	$1,604.88	$1,108.29	$2,713.17	$13,299.48
2B	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,627,920	2.43%	2.56%	$1,049.87	$725.02	$1,774.89	$8,700.22
2C	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,618,370	2.41%	2.54%	$1,043.71	$720.76	$1,764.48	$8,649.18
2D	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,577,225	2.35%	2.48%	$1,031.57	$702.44	$1,734.01	$8,429.28
2E	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,460,340	2.18%	2.29%	$941.80	$650.38	$1,592.18	$7,804.61
2F	3BR, 3.5 Baths, duplex, fireplace	3,394	$ 2,240,040	3.34%	3.52%	$1,444.64	$997.63	$2,442.27	$11,971.62
3A	3BR, 3.5 Baths, duplex, fireplace	3,555	$ 2,559,600	3.82%	4.02%	$1,650.73	$1,139.96	$2,790.68	$13,679.46
3B	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,699,740	2.53%	2.67%	$1,096.19	$757.00	$1,853.19	$9,084.05
3C	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,645,800	2.45%	2.58%	$1,061.40	$732.98	$1,794.39	$8,795.77
3D	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,618,370	2.41%	2.54%	$1,043.71	$720.76	$1,764.48	$8,649.18
3E	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,508,220	2.25%	2.37%	$972.68	$671.71	$1,644.38	$8,060.49
3F	3BR, 3.5 Baths, duplex, fireplace	3,394	$ 2,206,100	3.29%	3.46%	$1,422.75	$982.52	$2,405.27	$11,790.23
4A	3BR, 3.5 Baths, duplex, fireplace	3,555	$ 2,844,000	4.24%	4.46%	$1,834.14	$1,266.62	$3,100.76	$15,199.40
4B	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,795,500	2.68%	2.82%	$1,157.95	$799.65	$1,957.60	$9,595.83
4C	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,700,660	2.54%	2.67%	$1,096.78	$757.41	$1,854.20	$9,088.97
4D	3BR, 3.5 Baths, duplex, fireplace	2,743	$ 1,673,230	2.50%	2.63%	$1,079.09	$745.20	$1,824.29	$8,942.37
4E	3BR, 2.5 Baths, duplex, fireplace	2,394	$ 1,603,980	2.39%	2.52%	$1,034.43	$714.36	$1,748.79	$8,572.27
4F	3BR, 3.5 Baths, duplex, fireplace	3,394	$ 2,443,680	3.64%	3.84%	$1,575.97	$1,088.33	$2,664.30	$13,059.94
5A	2BR, 3.5 Baths, triplex, fireplace	2,723	$ 2,151,170	3.21%	3.38%	$1,387.33	$958.06	$2,345.38	$11,496.66
5B	2BR, 2.5 Baths, duplex, fireplace	2,820	$ 2,115,000	3.15%	3.32%	$1,364.00	$941.95	$2,305.95	$11,303.35
5C	2BR, 3.5 Bath, triplex, fireplace	2,888	$ 2,281,520	3.40%	3.58%	$1,471.39	$1,016.11	$2,487.50	$12,193.30
5D	2BR, 2.5 Baths, fireplace	2,332	$ 1,632,400	2.43%	2.56%	$1,052.76	$727.01	$1,779.78	$8,724.16
5E	2BR, 2.5 Baths, fireplace	2,332	$ 1,632,400	2.43%	2.56%	$1,052.76	$727.01	$1,779.78	$8,724.16
5F	2BR, 3.5 Baths, triplex, fireplace	2,888	$ 2,166,000	3.23%	3.40%	$1,396.89	$964.66	$2,361.55	$11,575.92
5G	2BR, 2.5 Baths, duplex, fireplace	2,820	$ 2,002,200	2.99%	3.14%	$1,291.25	$891.71	$2,182.96	$10,700.51
5H	2BR, 3.5 Baths, triplex, fireplace	2,656	$ 1,992,000	2.97%	3.13%	$1,284.67	$887.17	$2,171.84	$10,646.00
6D	3BR, 3.5 Baths, duplex, fireplace	3,957	$ 4,392,270	6.55%	6.89%	$2,832.65	$1,956.16	$4,788.81	$23,473.94
6E	3BR, 3.5 Baths, duplex, fireplace	3,991	$ 4,190,550	6.25%	6.58%	$2,702.56	$1,866.32	$4,568.88	$22,395.87
Residential Subtotal		90,887	$ 63,706,410	95.00%	100.00%	$41,085.33	$28,372.58	$69,457.92	$340,471.00
Commercial Unit		10,097	not offered	5.00%		$581.33			$0.00
Total		100,984	$ 63,706,410	100.00%	100.00%	$41,666.67	$28,372.58	$70,039.25	$340,471.00

Notes to Schedule A

1 Residential Unit Plans depicting layouts of Residential Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate and may change due to field conditions and construction variances and tolerances. The square foot area of the Units set forth on the floor plans and on Schedule A were obtained by using the method customarily used in New York City to measure rental and cooperative apartments.

No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net square footage area of the Unit is diminished by more than 5%. Sponsor's sole obligation if the net square foot area is diminished by more than 5% shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. The square foot area of the Units set forth on the floor plans and on Schedule A were determined by measuring the Unit horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls (columns, mechanical pipes shafts, shaftways, chases, chaseways and conduits are not deducted). Each Unit will be measured vertically from the top of the floor to the underside of the ceiling.

As is customary in New York, these square foot areas exceed the usable floor area of each Unit. It should be noted that the Building was initially constructed as a warehouse in the second half of the nineteenth century and, in keeping with the construction practices of the time, the exterior walls (which are included in the Unit's square footage) are extremely thick.

The clearance between the top of the floor slab and the bottom of the finish ceiling in the Units varies greatly among Units and within the rooms in a particular Unit from approximately 8'2" to 14'10''. Please refer to the Schedule of Ceiling Heights attached to the Description of Property in Part II of the Plan for further details. Many Units will have rooms with double height ceilings or mezzanine floors and accordingly, the ceiling heights within each Unit may vary dramatically. In addition, certain Units may have less or more clearance and certain rooms within other Units may have a lesser or greater clearance as the result of existing conditions, construction variances or the presence of beams and mechanical spaces in such Units. Purchasers should carefully inspect the specific Unit they intend to purchase for a full understanding of the ceiling heights in such Unit. Purchasers are further advised that Sponsor has reserved the right to negotiate with individual purchasers to perform special work which may require a modification in floor plans for certain Residential Units and accordingly the layout of the Units and Common Elements may vary. The room count for each Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New

York.

2 No change will be made in the purchase prices other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute one month's Common Charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.

3(a) The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. Insofar as the Commercial Unit is principally located below grade and has limited access to Common Elements, the Common Interest attributed to the Commercial Unit has been discounted. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Residential Units and such changes involves the inclusion, in the Residential Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Residential Units, the Common Interest of all of the Residential Units may change slightly. Any such change in the Common Interest allocated to a Residential Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

3(b) The percent interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Common Interest of such Residential Unit bears to the aggregate Common Interests of all Residential Units.

4 The estimates contained in this schedule were prepared on the assumption that the first year of Condominium operation will be the year from May 1, 2002 through April 30, 2003, and are based on an estimate of the receipts and expenses of the Condominium for the projected year. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the

presentation of the amendment setting forth the right to rescind.

The estimated monthly Residential Common Charges for each Residential Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation. The estimated monthly Residential Common Charges include the cost of central heating for the Units. Each individual Residential Unit is provided with individual fan coil units. The maintenance and operating cost of the fan coil units are borne by the individual Residential Unit Owners. Please refer to Schedule B-1 "Energy Costs Projection" from Mansour Engineering, consulting engineer, for further information regarding estimated energy costs. In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity supplied to the Residential Unit which will be separately metered and payable directly to the utility company, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Residential Section are Residential Common Expenses which will be borne solely by the Residential Unit Owners.

5 It is estimated that the aggregate real estate taxes attributable to all Residential Unit Owners for the first year of Condominium operation will total approximately $340,471, based on an opinion prepared by Jerome Mazursky, MAI, AE dated June 19, 2001 which assumes (a) an assessed valuation attributable to the residential portion of the Property of $681,772 for the 2001/2002 fiscal tax year, (b) an assessed valuation upon completion attributable to the residential portion of the Property of $5,561,295 for the 2002/2003 fiscal tax year and (c) a tax rate of $10.15 per $100 of assessed valuation for the 2001/2002 fiscal tax year and (c) a projected tax rate of $11.00 per $100 of assessed valuation for the 2002/2003 fiscal tax year. **SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS SHOULD NOTE THAT THE FOREGOING ESTIMATES INCLUDE SIX (6) MONTHS OF "PRECOMPLETION" ASSESSED VALUATION. ACCORDINGLY, REAL ESTATE TAXES FOR THE SECOND YEAR OF CONDOMINIUM OPERATION WILL BE APPROXIMATELY TWICE AS MUCH AS IS SET FORTH ON SCHEDULE A.**

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit's Common Interest as set forth on Schedule A. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price rather than its Common Interest, and, if so, Residential Units having the same or similar Common

Interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Residential Unit assessments; (ii) of the assessed values of the Residential Section during the first year of Condominium operation, or (iii) of the tax rates for the first year of Condominium operation.

See the Section entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium" and the Attorney's Income Tax Opinion in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Residential Unit.

SCHEDULE B - PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

79-101 LAIGHT STREET

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

For the Period May 1, 2002 through April 30, 2002

Income:

	TYPE OF INCOME	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(1)	Residential Common Charges	493,024	N/A	493,024
(2)	Commercial (Cellar) Common Charges	N/A	6,976	6,976
(3)	**Total Income:**	**493,024**	**6,976**	**500,000**

Expenses:

	TYPE OF EXPENSE	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(4)	Labor	181,698	2,807	184,505
(5a)	Resident Manager's Unit - Common Charges	2,650	0	2,650
(5b)	Resident Manager's Unit - Real Estate Taxes	2,005	0	2,005
(5c)	Resident Manager's Unit - Electric, Cable, Phone	2,000	0	2,000
(5d)	Resident Manager's Unit - Mortgage	35,221	0	35,221
(6)	Gas - Heat & Domestic Hot Water	78,187	0	78,187
(7)	Gas - Domestic Cooking & Fireplaces	3,142	0	3,142
(8)	Electricity	69,796	0	69,796
(9)	Water Charges & Sewer Rents	25,022	0	25,022
(10)	Service Contracts	16,237	113	16,350
(11)	Repairs, Maintenance & Supplies	9,500	500	10,000
(12)	Insurance	19,086	1,004	20,090
(13)	Management Fees	18,240	960	19,200
(14)	Legal Fees & Audit Fees	5,700	300	6,000
(15)	Administrative Expenses	4,750	250	5,000
(16)	Miscellaneous (Permits, Fees, Taxes, Licenses)	2,375	125	2,500
(17)	Contingency	17,415	917	18,332
	Total Expense:	**493,024**	**6,976**	**500,000**
	Net Difference:	0	0	0

(1) Residential Common Charges **$ 493,024**

The amount of the Common Charges is the estimated income needed to pay the Common Expenses attributable to the Common Elements of the Condominium. The Residential Common Charges for individual units are derived by evaluating the relative size, layout and amenities of each unit and assigning a proportionate percentage to that unit relative to the rest of the residential units in the Condominium. For the purposes of this budget, only the total Residential Common Charges will be estimated. Sponsor may not declare the Plan effective where there are any material changes to the project budget which have not been disclosed in a duly filed amendment to the Plan.

2) Commercial Common Charges **$ 6,976**

The Cellar (Commercial Space) comprises approximately 10% of the total usable square footage in the building, but by its nature will be responsible for only minor portions of the common charges, as listed below:

The Cellar will be responsible for 5% of Repairs, Maintenance & Supplies, Insurance, Management Fees, Legal Fees & Audit Fees, Administrative Expenses, Miscellaneous (Permits, Fees, Taxes & Licenses) and Contingency. For Labor, the Cellar will be responsible for only 5% of both the Resident Manager's and porter's salaries (based upon assessment of actual use), but not for any of the concierge costs. The Cellar Unit will also not be responsible for any costs relating to the Resident Manager's Unit. For Service Contracts, the Cellar will be responsible only for their proportionate share of the alarm and sprinkler systems and for exterminating, but not the air conditioning system, compactors / recyclers or elevators, as these systems will not be utilized by the Cellar Unit Owner. No Electricity, Gas or Water / Sewer charges will be common to the Cellar, as they will be separately metered for these services as required.

(3) Total Common Charges **$ 500,000**

The amount above represents the total projected income necessary to operate the Condominium during its first fiscal year.

Footnotes to 79-101 Laight Street Budget

(4) Labor **$ 184,505**

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. It does not include any pay for sick days or holidays, however two weeks vacation time are factored in. The Condominium staff will consist of one full-time Resident Manager, working forty (40) hours per week at a rate of $17.00 per hour, and one part-time porter, working twenty (20) hours per week at a rate of $12.00 per hour. There will also be 24 hour per day, 7 day per week coverage at the concierge desk, with each concierge earning $12.50 per hour. The figures below assume non-unionized employees, with no health insurance benefits included.

Wage and Payroll Tax Details:

RESIDENT MANAGER & PORTER

Total annual wages	$ 49,680
FICA	$ 3,801
FUTA	$ 112
SUI	$ 485
Disability	$ 78
Workers' compensation	$ 1,988
TOTALS FOR RES. MGR. & PORTER	$ 56,144

CONCIERGES

Total Annual Wages	$ 113,40
FICA	$ 8,675
FUTA	$ 280
SUI	$ 1,275
Disability	$ 195
Workers' Compensation	$ 4,536
TOTALS FOR CONCIERGES	$ 128,361
GRAND TOTAL COST FOR ALL LABOR:	$ 184,505

Footnotes to 79-101 Laight Street Budget

(5) Resident Manager's Unit **$ 41,876**

The Resident Manager's apartment is Unit # 1E. The Resident Manager's Unit has four recurring categories of recurring charges that all Residential Unit Owners will be responsible for paying through their monthly Common Charges:

(5a) Common Charges: The projected first year's Common Charges for Unit # 1E is $2,650.

(5b) Real Estate Taxes: The projected first year's charge for real estate taxes for Unit # 1E is $2,005.

(5c) The Condominium will pay for the Resident Manager's electricity, cable TV, and telephone service. The projected first year's costs for these services is $2,000.

(5d) Unit # 1E will have a mortgage payable to the Condominium Sponsor, its assignee or an institutional lender. The mortgage is an interest and principal loan, with a principal amount of $400,000 and an annual interest rate of 8%. It is based on a 30 year self-amortizing term payable in ten (10) years after the first Residential Unit closing, with a balloon payment due of $350,899. See the section of the Offering Plan entitled "Resident Manager's Apartment" for the complete terms of the mortgage. The projected cost of the mortgage for the first year will be $35,221.

(6) Gas - Heat & Domestic Hot Water **$ 78,187**

The heating plant for the Condominium will consist of a new gas-fired boiler located in the boiler room in the cellar. The boiler will provide hot water to closed loop systems throughout the building. The heating system is designed to provide sufficient heat to maintain inside conditions of 72 degrees Fahrenheit when the outside conditions are 15 degrees Fahrenheit. There will also be two hot water storage heaters to provide for domestic hot water needs.

The Commercial Cellar Unit will not be heated by the building's systems, and will have no hot water service provided by the building.

Footnotes to 79-101 Laight Street Budget

Actual consumption estimates for gas on the above described components have been provided by Mansour Engineering, 225 West 34th Street, Suite 1705, New York, NY 10122. Based on a gas cost of $1.19 per therm, gas for heating for the first year of the Condominium's operation is estimated at $55,034, and gas for domestic hot water is estimated at $23,153.

(7) Gas - Domestic Cooking & Fireplaces **$ 3,142**

A second gas meter in the building will measure gas usage in all residential kitchens for domestic cooking needs. This usage is considered nominal when compared to gas usage for the heating & hot water systems.

This second meter will also measure gas usage in decorative fireplaces. Fireplace gas usage is much harder to estimate, as some unit owners may use their gas fireplaces regularly, while others may not use them at all. As the fireplaces are intended as more of a decorative element than a necessary heating element, they should therefore consume drastically less gas than the heating elements described in paragraph 5 above.

Actual consumption estimates for gas on the above described components have been provided by Mansour Engineering, 225 West 34th Street, Suite 1705, New York, NY 10122.

Both domestic cooking gas and fireplace gas are strictly Residential common elements, and the Commercial Cellar Unit will bear non of the associated costs.

(8) Electricity **$ 69,796**

Electricity covers electric services to the elevator machinery (there will be three passenger elevators exclusively for residential use), compactors and recycling units, pumps and fans, intercom and security systems, as well as usage in halls, stairwells, entrances and other common spaces. There will also be electric usage by the heating plant and air conditioning pumps and machinery. The estimated cost for electricity for these Residential common elements, based on an electric cost of $0.15 per Kwhr, is $69,796.

The electrical usage described above all pertains to Residential common elements in the building, and the Commercial Cellar Unit

Footnotes to 79-101 Laight Street Budget

will be separately metered and therefore responsible for its own electricity needs.

Actual consumption estimates for common electricity on the above described components have been provided by Mansour Engineering, 225 West 34th Street, Suite 1705, New York, NY 10122.

(9) Water Charges & Sewer Rents **$ 25,022**

Water and sewer charges for a metered building are assessed by the City of New York based on the actual amount of usage. The city of New York currently charges $1.30 per hundred cubic feet of water (approximately 748 gallons). Charges for waste water and storm sewer services are billed at 159% of water charges. There will be only one water meter servicing all of the Residential Units building. The Commercial Cellar Unit will be required to install its own water meter and pay its own water & sewer charges separately.

Actual consumption estimates for water usage on the above described components have been provided by Mansour Engineering, 225 West 34th Street, Suite 1705, New York, NY 10122.

(10) Service Contracts **$ 16,350**

This figure is intended to cover service contracts for repair and maintenance of the following systems in the Condominium:

Air Conditioning System:	$ 1,500
Alarm & Sprinkler Systems:	$ 1,000
Compactors / Recyclers (2):	$ 1,800
Elevators (3):	$ 10,800
Exterminating:	$ 1,250

Footnotes to 79-101 Laight Street Budget

Estimates on the service contracts above were provided by the following sources:

Air Conditioning Systems estimate provided by Lazar Mechanical Corp., 2 Bond Street, New York, NY 10012.

Alarm & Sprinkler Systems estimate provided by AFA Protective Systems, Inc., 155 Michael Drive, Syosset, NY 11791.

Compactor / Recycler Systems estimate was provided by Scientific Compactor Corp., P.O. Box 360194, Canarsie Station, Brooklyn, NY 11236.

Elevator Estimate provided by Dynamic Elevator Corp., 137 East 25th Street, New York, NY 10010.

Exterminating estimate provided by Eddie's Pestfree, Inc., 48 Farmingdale Avenue, Bloomfield, NJ 07003.

No service contracts currently exist between the Condominium and any service provider.

(11) Repairs, Maintenance & Supplies $ 10,000

Repairs & maintenance cover general repairs to the building structures as a whole, and in particular to the buildings' equipment and machinery. This includes but is not limited to repairs to carpentry, doors & windows, electrical systems, floors, intercom, ironworks, masonry, paint & plaster, plumbing and roofing. This figure only covers the cost of maintaining the common elements, as each residential unit owner shall be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective residential units, including the appliances. During the first year of operation major repairs are not expected to be necessary, as the Condominium will have been substantially renovated.

Supplies consist of all materials necessary for the building staff to maintain the building in proper, presentable order, as directed by the Board of Managers.

Footnotes to 79-101 Laight Street Budget

(12) Insurance **$ 20,090**

This projection is based on the estimates of the annual premiums which were provided by The Dewitt Stern Group on January 25, 2000, and payable on the coverage listed below:

BUILDING	$25,000,000
Special Form	Included
Co-Insurance	Waived
Replacement Cost	Included
Agreed Amount	Included
PERSONAL PROPERTY	$ 50,000
Personal Property of Others	$ 50,000
Valuable Papers	$ 10,000
LOSS OF INCOME (MAINTENANCE FEES)	$ 300,000
EARTHQUAKE	Full Building Limit
FLOOD (RISING WATERS)	Full Building Limit
BACKUP OF SEWERS AND DRAINS (AND SEEPAGE)	Building Limit
SPECIAL PROPERTY PROVISIONS	
Canopies / Awnings	$ 10,000
Glass	Included
Ordinance of Law (Demolition and Increased Cost of Construction)	Building Limit
Debris Removal	Up to 50% of Loss
Gazebo	$ 5,000
DEDUCTIBLES	
Flood	$ 5,000
Earthquake	$ 5,000
Seepage, Backup of Sewers and Drains	$ 1,000
Awnings & Canopies	$ 500
All Other	$ 1,000

Footnotes to 79-101 Laight Street Budget

COMMERCIAL GENERAL LIABILITY COVERAGES	
General Aggregate Limit per Location	$ 2,000,000
Products & Completed Operations Aggregate Limit	$ 1,000,000
Each Occurrence Limit	$ 1,000,000
Personal & Advertising Injury Liability	$ 1,000,000
Water Damage Legal Liability ($1,000 Ded.)	$ 1,000,000
Non-Owned & Hired Automobile Liability	$ 1,000,000
Fire Damage Legal Liability	$ 100,000
Medical Payments	$ 5,000
SPECIAL GENERAL LIABILITY PROVISIONS	
Blanket Additional Insureds	Included
Volunteers as Additional Insureds	Included
Unit Owners & Families as Additional Insureds (Excluding their own unit)	Included
Blanket Contractual Liability	Included
Employees as Additional Insureds	Included
Host Liquor Law Liability	Included
CRIME COVERAGES	
Employee Dishonesty	$ 250,000
Depository Forgery	$ 250,000
Optional Coverages: Managing Agent Rider	$ 250,000
Deductible	$ 1,000
BOILER & MACHINERY COVERAGES "Comprehensive Form"	
Property Damage Limit	Up to Property Limit
Loss of Income	Included
Deductible	$ 1,000
UMBRELLA LIABILITY COVERAGE	
Excess Liability Limit	$50,000,000
Directors and Officers	$ 1,000,000
Retention	$ 1,000

The above mentioned coverage and the annual premium therefore are based on estimates made by Dewitt Stern Group, Inc., 420 Lexington Avenue, New York, NY 10170.

Footnotes to 79-101 Laight Street Budget

The proposal will provide "replacement cost coverage" for the building. In the opinion of the above named insurance broker, the foregoing insurance is sufficient to restore the buildings in the event of a covered loss, however, it is not intended to take the place of a professional appraiser's estimate in determining the actual replacement cost.

The insurance policy will also be on terms that provide: (a) that each Unit Owner is an additional insured party; (b) that there will be no cancellation of the policy without notice to the Board and the Unit Owners; (c) for a waiver of subrogation, (d) for a waiver of invalidity because of acts of the insured and unit owners and (e) for a waiver of pro-rata reduction if unit owners obtain additional coverage.

The quotation is an indication of insurance premiums at current rates. It is not possible to predict whether future coverage will continue to be available at the same premium. Generally, the projected premium contemplates a rise in rates.

Section 339-bb of the New York Real Property Law provides that in charging insurance premiums to Unit Owners, consideration may be given to the higher premium rates on some units than others.

The insurance scheduled for the Condominium does not cover fire and casualty losses to the contents of individual Units, nor does it cover replacements of or additions to the fixtures and improvements in individual Units, or liability coverage for occurrences within units. Unit owners will be responsible for purchasing such insurance at their own cost and expense. It is recommended that Unit Owners consult with an insurance broker as to the necessity for, and the desirability of obtaining coverage for one or more of such risks and as to the amount of such coverage.

(13) Management Fees **$ 19,200**

The Condominium will be managed by Coral Realty LLC, having principal offices at 400 Broome Street, New York, NY 10013. The period of the initial management agreement shall be for three years at an annual fee of $19,200, payable in equal monthly installments of $1,600.

Footnotes to 79-101 Laight Street Budget

(14) Legal Fees & Audit Fees **$ 6,000**

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the requisite audited financial statements. In addition the accountant will be responsible for filing federal, state and city income tax returns. The amount set aside for this service is $5,000 based upon a proposal received from Louis F. Demars, C.P.A.P.C, 393 Old Country Road, Carle Place, New York 11514.

Legal fees of $1,000 will also be set aside, both to engage counsel on retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(15) Administrative Expenses **$ 5,000**

Administrative costs cover photocopying, faxing and postage, as well as messenger services as required. Bank fees and charges are also included.

(16) Miscellaneous (Permits, Fees, Taxes, Licenses)

$ 2,500

Various permits and/or inspections by city and state agencies may be required throughout the year. In addition, there may be unforeseeable fees, corporate and other taxes, or licensing expenses which the Condominium may be required to pay.

(17) Contingency **$ 18,332**

The contingency provides a fund for possible expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT IS TO BE DELAYED FROM THE BUDGET YEAR PROJECTED IN THE PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS

Footnotes to 79-101 Laight Street Budget

THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THE RIGHT. WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION, SPONSOR WILL RETURN ANY DOWN PAYMENT OR DEPOSIT PROMPTLY TO SUBSCRIBERS WHO RESCIND.

SCHEDULE B - 1 ESTIMATED ENERGY COSTS

MANSOUR ENGINEERING
CONSULTING ENGINEERS

225 West 34th Street
Suite 1705
New York, N.Y. 10122

Tel: (212) 643-9044
Fax: (212) 643-2084

May 31, 2001

Mr. Alex Forkosh
79 Laight Street, LLC
400 Broome Street
New York, NY 10013

Re: Building at 79-101 Laight Street, NYC

Dear Mr. Forkosh:

The following are our estimated costs for the building's yearly common charges, based on the architectural drawings we received. Please note that we did not include any escalation in our estimates:

1. Heating $55,034

   Heating is based on maintaining 72 degree F indoors with an outside temperature of +15 degree F and a wind of 15MPH, using Con Edison gas at a cost of $1.19 per therm and 46,247 therms per year.

2. Domestic Hot Water Gas Fired System $23,153

   Domestic hot water for all the apartments is provided by two direct natural gas fire storage heaters. The hot water consumption is estimated at 60 gallons per day per person with an estimated occupancy of 152 people, using $1.19 per therm and 19,456 therms per year.

3. Gas for Cook Top Cooking and Fire Places $3,142

   The above gas cost for apartment cooking and for fire places, is based on an average usage of 80 therms of gas per year per apartment at a cost of $1.19 per therm.

4. Water & Sewer Charges $25,022

   The annual cost of water is based on an average daily usage of 100 gallons per day per person. The average occupancy is estimated at 152 persons. This results in an estimated annual water consumption of 5,548,000 gallons. The water and sewer charge is $3.37 per 100 cubic feet or $4.51/1,000 gallons is $25,022.

5. Electricity (Excluding the Cellar Area) $69,796

Common charges have been calculated based on common area loads being supplied trough a single house meter at Con Edison Rate Schedule P.S.C. No 9, using the average annual cost of $0.15 per KWHR.

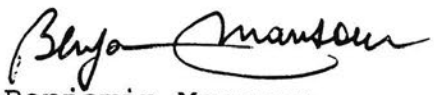
6. Electricity for the Cellar Area $6,128

Charges for the garage area were based on using Con Edison Rate Schedule P.S.C. No 9, using the average annual cost of $0.15 per KWHR.

If any additional information is required, please call.

Very Truly Yours,

Mansour Engineering



Benjamin Mansour
BM/bn

MANSOUR ENGINEERING
CONSULTING ENGINEERS

225 West 34th Street
Suite 1705
New York, N.Y. 10122

Tel: (212) 643-9044
Fax: (212) 643-2084

June 6, 2001

Mr. Alex Forkosh
79 Laight Street, LLC
400 Broome Street
New York, NY 10013

Re: Building at 79-101 Laight St., NYC

Dear Mr. Forkosh:

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

Apartment Electrical Loads

1. We have based the calculations on Con Edison metering each apartment supplying service at Con Edison Rate SC-1. The calculations have been done making the aforementioned assumptions regarding fuel adjustments and Con Edison surcharges and are based on current effective rate. The average annual cost is $0.15.
2. The apartments will be individually metered by Con Edison and will be billed based on their monthly consumption calculated at the aforementioned average summer and winter cost per KWHR. This estimate shall include electric oven, dryer and washing machine. For the purpose of this analysis, we have estimated the monthly consumption for the various types of apartments.
3. Summary of the apartment types and estimated annual electrical cost per apartment follows:

Apartment Type	Annual Cost Per Apt.
1 BR	$2,098
2 BR (from smallest to largest)	From $2,168 to $2,593
3 BR (from smallest to largest)	From $2,256 to $3,021

If any additional information is required, please call.

Very truly yours,

Benjamin Mansour

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

corcoran group marketing

OPINION OF FAIRNESS OF ALLOCATION OF COMMON INTEREST

June 5, 2001

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

Re: 79 Laight Street, New York, New York

Corcoran Group Marketing has reviewed the allocations of Common Interest indicated on the Schedule A attached hereto with respect to the Condominium Units in the captioned property.

The allocation has been based upon floor space, subject to the location of such space within the building, the uniqueness of each individual unit, the availability of Common Elements or Limited Common Elements for shared or exclusive use, the overall dimensions of the Unit and additional factors relating to relative value to other space within the Condominium.

In our opinion, the allocation of Common Interest among the Condominium Units is fair and reasonable, and is in accordance with Section 339-i (1)(iv) of the Real Property Law.

Corcoran Group Marketing is a licensed real estate broker in the State of New York, and the undersigned is the representative broker of Corcoran Group Marketing. Corcoran Group Marketing has served as development consultant, marketing consultant or exclusive sales agent for a variety of properties in Manhattan, including such developments as The Dietz Lantern Building, The Duane Park, The Sugar Loaf, The Northmoore, and The Cobblestone Lofts.

Corcoran Group Marketing has no financial interest in the Sponsor, the condominium or any other party interested in this transaction or in the land or building covered by the condominium Offering Plan.

The undersigned has been advised of Sponsor's intent to reproduce this letter in the Plan and consents to such use of this letter.

Very truly yours,

Ellen K Leon

Ellen K. Leon
Executive Vice President

Tel: (212) 343 5100 Fax: (212) 941 3909
490 Broadway New York, New York 10012 www.cororan.com

COMMERCIAL UNIT

The Condominium will contain one (1) Commercial Unit which will initially be retained by Sponsor and is not being offered for sale under this Plan at this time. The Commercial Unit may be used for any lawful purposes, including, without limitation, department and other retail stores, theaters, banks, restaurants and commercial and professional offices, studios and storage space.

The Residential Board will have no right to restrict or limit the method of operation, use or appearance of any Commercial Unit which are permitted by Law and applicable zoning ordinances. The Commercial Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation of the Commercial Unit may be adopted or modified by the Condominium Board without the consent of the Commercial Board. All or any part of each Commercial Unit may be leased or subleased by the Commercial Unit Owner, all as more fully set forth in the Declaration subject to the restrictions set forth in the preceding paragraphs. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Commercial Unit or Units may be sold without prior notice. The Residential Unit Owners other than Sponsor will have no interest in the rents, profits or revenues from the rental or use of any of the Commercial Unit.

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

The basis for projecting the share of expenses attributable to the Commercial Unit is the Common Interest of such Units except that, as described below and in Schedule B, the Commercial Unit Owners share the costs for insurance, legal and audit fees, management fees, taxes and permits, and repairs, maintenance and supplies in accordance with their Common Interests, and shares only a portion of other costs, such as the cost for labor and related expenses, service contracts based upon estimated usage. Other costs such as the costs for water and sewer and the costs associated with the Resident Manager's Unit are not borne at all by the Commercial Unit Owners because such utilities and/or services are either separately metered for or not used by or do not benefit the Commercial Unit Owners.

As set forth in the opinion of Andrews Building Corporation, the Common Charges projected to be payable by the owners of the Commercial Unit are sufficient to cover the Common Expenses fairly attributable to those Units.

The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements and Schedule B in Part I of the Plan reflects such allocations for the first year of Condominium operation. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-

Laws, which provides for the arbitration to be conducted before one arbitrator in New York City by the American Arbitration Association.

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

Certain easements have been reserved to the Commercial Unit Owners in the Declaration. The Commercial Unit Owner and its tenants, subtenants, successors and assigns to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property, including but not limited to signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building, for the purposes of advertising (i) the sale or lease of any of the Unsold Residential Units and all or any portion of the Commercial Unit provided, however, that any such signs are in keeping with the first class luxury nature of the Building, and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit. Commercial Unit Owner and its tenants, subtenants, successors and assigns shall have an easement to erect, maintain, repair and replace from time to time, lights and lighting fixtures on the Common Elements of the Condominium.

The Condominium Board, the Residential Board and the Commercial Board, at the request of Sponsor or a Commercial Unit Owner, will enter into a recognition agreement with any tenant with which Sponsor or a Commercial Unit Owner or its designee has entered into a lease for all or any part of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that so long as there is no event of default under said lease, as would entitle Sponsor or a Commercial Unit Owner or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Boards lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of a Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if any Board or any other party succeeds to the interests of Sponsor or a Commercial Unit Owner under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord.

Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building other than those portions thereof which comprise Residential Common Elements or Residential Limited Common Elements. General Common Elements may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere

on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor, its assignee or licensee for its own account or the account of any licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof, the facade of the Building or any other portion of the Common Elements by Sponsor, its assignee or licensee shall be the exclusive property of Sponsor, its assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

CHANGES IN PRICES AND UNITS

Changes in the Residential Section

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of any Board, Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. If any such change is made, a Purchaser of a Residential Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Residential Units which are not the subject of such change.

Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to: purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; work to be performed in the Unit or the revision of floor plans and the allocation and payment of costs therefor; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases and the amount of interim rent; and the application of rent towards the Purchase Price. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" under the Subsection entitled "Leasing and Use of Unsold Units" for further discussion regarding the terms and conditions of any interim leases.

Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under a Purchase Agreement.

In the event Sponsor agrees, in its sole discretion, to enter into an Interim Lease for a Unit, Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms and that a default under the Interim Lease will constitute a default under the Purchase Agreement.

In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time,

before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate a Unit as a newly created or expanded Residential Unit, Commercial Unit, Commercial Common Element, Residential Common Element, Residential Limited Common Element or Commercial Limited Common Element or designate all or part of a Residential Unit as a newly created or expanded Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element or Commercial Limited Common Element and (d) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, common interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. No material change will be made in the size or number of Units or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in Unit layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to sponsor for that Unit and the Purchaser is not in default. No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless Purchasers not in default received a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any deposit or downpayment promptly to purchasers who rescind.

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

As long as the layout and dimensions of a Residential Unit conform substantially to the Residential Unit Plans, a Purchaser will not be excused from purchasing the Residential Unit and

will not have any claim against Sponsor as a result of any insubstantial or immaterial change or discrepancy.

PROCEDURE TO PURCHASE

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

Prospective purchasers shall be afforded not fewer than three business (3) days to review the Plan and all amendments thereto prior to executing a Purchase Agreement. If a Purchaser has not received and read the Plan at least three (3) full business days prior to executing a Purchase Agreement, a purchaser shall have the right to rescind the Purchase Agreement and have the full deposit refunded promptly within seven (7) days after delivering an executed Purchase with the required deposit. The Purchaser must either personally deliver a written notice of rescission to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing postmarked within the seven (7) day period. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective purchaser. Prospective purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control except where such provisions were requested by Purchaser and agreed to by Sponsor.

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

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser. Sponsor will have thirty (30) days after delivery by Purchaser of an executed Purchase Agreement and the down payment required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective purchaser, subject to any limitations and requirements imposed by law.

If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of any Board, to refuse to approve and execute a Purchase Agreement for any Unit, except as prohibited by law.

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

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to at least the sum of ten percent (10%) of the purchase price (the "Down Payment").

All Down Payment checks must be made payable to the direct order of "STROOCK & STROOCK & LAVAN LLP, ESCROW AGENT." All checks delivered in payment of the Down Payment shall be accepted subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

Each prospective purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit or provide extra furnishings, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property," and Sponsor agrees to perform such special work and/or provide such furnishings, then a description of such work or furnishings shall be inserted as an addition to the Purchase Agreement and Sponsor may require such person to pay for said special work or furnishings. However, Sponsor shall be under no obligation whatsoever to agree to perform any special work or provide extra furnishings for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any special work or install extra furnishings prior to Closing. Any and all special or additional work which a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the purchase price for such Residential Unit.

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

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

Sponsor will serve Purchasers with notice of the originally scheduled Closing Date at least thirty (30) days prior to the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice

within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth above. A Purchaser may waive notice of such Purchaser's Closing Date.

In the event of any default by a Purchaser under a Purchase Agreement, and if the Purchaser does not cure such default within thirty (30) days after Sponsor gives notice to the Purchaser of default, Sponsor may, at its option, either (a) cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate or (b) bring an action against Purchaser for specific performance. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for closing title to all Unsold Residential Units for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

It is anticipated that the First Closing will occur by the commencement date for the first year of Condominium operation as set forth in Schedule B which is May 1, 2002. If the First Closing does not occur by April 30, 2003, Sponsor will amend the Plan to update the budget and to offer Purchasers the right to rescind their Purchase Agreements within fifteen (15) days after the presentation of the amendment disclosing the updated budget, and any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed and provided further that rescission need not be offered to any Purchaser who is in default under such Purchaser's Purchase Agreement, beyond the expiration of any applicable grace period provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance 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 as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

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

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

Purchase Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

Escrow and Trust Fund Requirements

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

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

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

All Down Payments made by Purchasers prior to the closing of each individual transaction, will be placed, within five (5) business days after tender of the Down Payment and executed Purchase Agreement by Purchaser to Sponsor or Selling Agent, in a segregated special escrow account of Stroock & Stroock & Lavan LLP, the escrow agent (the "Escrow Agent"), whose address is 180 Maiden Lane, New York, New York 10038 and whose telephone number is (212) 806-5400. The attorneys who are signatories on this account authorized to withdraw funds are: Brian Diamond, Esq., Melvin Epstein, Esq., Michel Evanusa, Esq. Laurence Greenwald, Esq., Lawrence Handelsman, Esq., Thomas E. Heftler, Esq., Lewis Kruger, Esq., Peter Miller, Esq. and Martin Neidell, Esq. Escrow Agent has established a master escrow account at The Chase Manhattan Bank, N.A. at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted] (the "Master Escrow Account"). All Down Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Down Payment and the Purchase Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, signed and fully completed with the taxpayer identification number, if required, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account and Sponsor will have no obligation to provide interest to a Purchaser. At such time as the Down Payment is released, the Down Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. The Chase Manhattan Bank, N.A. is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of $100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000.

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

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

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

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which varies. When last confirmed by Sponsor, the rate for such account would be 3.5%. Interest will begin to accrue within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) three (3) business days, if the Down Payment is other than cash or cash equivalent, of the transfer of the Down Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Stroock & Stroock & Lavan LLP, as Escrow Agent." Endorsed instruments will not be accepted.

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

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

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

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

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

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

If there is no written agreement between the parties to release the Down Payment, Escrow Agent will not pay the Down Payment to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Down Payment may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

Sponsor will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Down Payment to Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

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

Purchasers and Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of the Plan. The party applying for a determination must send to all other parties by certified mail, return receipt requested, a copy of the application.

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

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

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

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

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

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

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

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

EFFECTIVE DATE

Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR (i.e., purchase agreements signed by bona fide purchasers for 15% of the Units offered under the Plan). The Plan must be declared effective when Purchase Agreements have been executed by prospective purchasers and accepted by Sponsor with respect to eighty (80%) percent of the Units offered for sale. The Plan may be declared effective at an earlier date, at Sponsor's sole election, when bona fide Purchase Agreements (including those executed by investors) have been executed and accepted by Sponsor with respect to fifteen (15%) percent of the Units being offered for sale under the Plan.

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

This Plan will be declared effective either by: (a) personal service of written notice to all purchasers and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The closing of title with respect to any Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

The Plan may, at the option of Sponsor, be abandoned in the event of: (a) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, cured or complied with without litigation or for less than one-half of one percent of the total offering in the aggregate, (b) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than one half of one percent of the total offering; or (c) a taking of all or part of the Property in condemnation proceedings or by eminent domain.

In the event the Plan is withdrawn or abandoned, it will be by a duly filed amendment and all Down Payments, together with interest earned thereon, if any, will be returned to Purchasers within ten (10) days following such withdrawal or abandonment. Upon the return of the Down Payments, together with any interest earned thereon, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and, in the case of an abandonment, shall file a notice of abandonment on form RS-3 or such other form as the

Department of Law may require and explain the reason for the abandonment and disposition of all funds received.

TERMS OF SALE

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

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

b. the recording or filing of the Declaration, By-Laws, Floor Plans and engineer's and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by law;

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

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

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

f. the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Unit, and the assignment by Sponsor to the Condominium Board or Residential Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the General Common Elements, Residential Common Elements or Residential Limited Common Elements, as the case may be. (Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit);

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

h. if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase

price of the Unit, insuring that (i) Purchaser has fee title to the Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which the Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the purchase price of the Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Unit. If Sponsor elects to repair any such damage, Purchaser's Purchase Agreement will remain in full force and effect, Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, the Purchase Agreement shall be deemed canceled and Sponsor shall return to Purchaser all sums deposited by Purchaser under the Purchase Agreement, together with interest earned thereon, if any, except if Purchaser is in default under the Purchase Agreement, Sponsor shall retain any such sums as and for liquidated damages.

In the event of the existence of any lien or encumbrance other than Permitted Encumbrances, the sole remedy of Purchasers under the Plan will be to rescind their respective Purchase Agreements within fifteen (15) days after receipt of notice or an amendment disclosing such lien or encumbrance. A Purchaser electing to proceed with the purchase of a Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects, except to incur expenses up to the aggregate amount of $50,000 in respect of the Building and of all Units.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in General Business Law Section 352-e to survive delivery of the deed. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing Date. Sponsor shall have no obligation to complete any work

described herein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall receive prior notice that a Residential Unit is available for inspection pursuant to this Paragraph. as more particularly set forth in the Purchase Agreement in Part II of the Plan and as described in the Section of the Plan entitled "Rights and Obligations of Sponsor." A Purchaser who fails to inspect such Residential Unit shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan. After Closing of title to each Residential Unit the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Residential Unit.

Notwithstanding anything to the contrary set forth above, in no event shall Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen title grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) scratches and imperfections or variations in width, length or tone of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. In no event shall Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph.

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

All personal property located within the Unit on the date of the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance to Purchaser unless specifically excepted in the Plan, as same may be amended from time to time.

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Unit. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice and a Purchaser will not be relieved of Purchaser's obligation under a Purchase Agreement by reason of any change in such charges, fees or taxes.

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

(b) If Purchaser elects to obtain fee title insurance from Commonwealth Land Title Insurance Company, having an office at 655 Third Avenue, New York, New York 10017, (212) 949-0100 or Title Associates Inc. ("Title Associates") underwriting for Chicago Title Insurance Company, having an address at 430 Park Avenue, 17th Floor, New York, New York 10022, (212) 758-0050, Purchaser will pay the premium therefor, which will vary depending upon the purchase price of the Residential Unit. If ordered from Title Associates or Commonwealth Land Title Insurance Company, the premiums as of the date of this Plan will be discounted by reason of the initial sale of the Unit by Sponsor. The discounted premium for owner's title insurance is seventy percent of the sum of $371 for the first $35,000 of fee insurance plus from $6.16 to $2.55 for each $1,000 of additional fee insurance or fraction thereof depending on the amount of insurance. Mortgage title insurance rates are similarly discounted and are seventy percent of the sum of $318 for the first $35,000 of coverage plus from $5.13 to $2.13 for each $1,000 of additional mortgage title insurance or fraction thereof depending on the amount of insurance. Title Associates and Commonwealth Land Title Insurance Company will insure lenders at additionally discounted simultaneous rates if a fee policy and mortgage policy are both obtained by Purchaser.

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

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

(e) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement

for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s).

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

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

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

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

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

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

Example for the purchase of a Residential Unit :

Purchase price = $510,000

(a)	$510,000.00 x 1.425%	=	$ 7,267.50
(b)	$510,000.00 x .4%	=	$ 2,040.00
(c)	$510,000.00 + $9,307.50	=	$519,307.50
(d)	$519,307.50 x 1.425%	=	$ 7,400.13
(e)	$519,307.50 x .4% (rounded up)	=	$ 2,078.00

Under the current policies of the City of New York Department of Finance, where a purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer, the NYC RPT Tax rate where the consideration is $500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of $500,000 will be 2.625%. The City of New York Department of Finance has taken the position that the consideration for the transfer of a Unit under a deed is not aggregated with the consideration for the transfer of other Units under separate deeds for purposes of determining total consideration. There is no

guarantee that The City of New York will not change its positions with respect to the foregoing or require that each Purchaser's allocable portion of the cost of the Resident Manager's Apartment be included in the total consideration.

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

(h) The legal fees of Sponsor's attorneys in the amount of $1,000 will be payable by a purchaser to Stroock & Stroock & Lavan LLP. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Unit: If the Purchaser requests the Closing to occur other than at the offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $700 for each Closing held in any borough outside Manhattan. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $1,000, payable in advance, for preparation of an assignment agreement. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit. In addition to an attendance fee in connection with a completed Unit transfer, Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser's failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor's attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

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

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

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

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

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

If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other

payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Residential Units, including, but not limited to, all selling expenses and commissions payable to Selling Agent for the initial sale of Residential Units pursuant to this Plan, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor (see the Section entitled "Rights and Obligations of Sponsor.")

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building

Subject to the terms and conditions of the Plan, Sponsor shall have the following obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

(a) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details), provided, however, that:

(i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and

(ii) Sponsor shall not materially change the size or location of the Units or Common Elements if such changes affect the percentage of common interest or adversely affect 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 and contract vendees consent in writing to such change.

Under the present construction schedule, it is anticipated that, except for finishing work to stairways, hallways and other areas of the Building which are not intended for the exclusive use of any one Unit Owner and specialized work, if any, which Sponsor agrees to perform in individual Units at the request of Residential Unit Owners, a first temporary certificate of occupancy could be issued in May 1, 2002 and the Building will be substantially completed by May 1, 2002, subject to Unavoidable Delays. Sponsor, however, makes no warranty or representation as to the date of the issuance of the temporary certificate of occupancy or the date of substantial completion due to Unavoidable Delays.

(b) Sponsor will obtain a temporary or permanent certificate of occupancy for the Building. A permanent Certificate of Occupancy is required for permanent residential use of the Building and the Residential Units. Temporary residential use of the Building is permitted upon the issuance of a temporary Certificate of Occupancy, but if a temporary Certificate of Occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent Certificate of Occupancy, residential occupancy of the condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Residential Unit Owners and the Condominium Board to

penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants.

(c) If Sponsor fails to obtain a permanent Certificate of Occupancy for the Property prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section entitled "Procedure To Purchase") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2-b)and 352-h, provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete all alterations and improvements to the public portions and common areas of the Building, then the amount exceeding the sum so certified by Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent an unconditional, irrevocable letter of credit, deposit cash or post a surety bond, or provide other collateral acceptable to the Department of Law, in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work in the public portions and common areas of the Building needed to obtain the permanent Certificate of Occupancy, can be released from escrow upon the receipt by Escrow Agent of a request by Sponsor. Sponsor's counsel will rely entirely upon such certificate in releasing such funds and will not make any independent inquiry or evaluation. All interest and income on such escrowed funds may be paid to Sponsor, as and when earned and collected.

(d) Each Residential Unit and the fixtures and personal property contained therein are being sold and delivered as described in the Plan, at the time of transfer of title to such Residential Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Residential Unit, and the fixtures and personalty contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Residential Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if the Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and the Purchaser in question will immediately thereafter agree to include on the inspection statement a list of incomplete work of a nature to be completed in the Unit. Sponsor may elect to complete such work prior to the Closing, in which event the Closing could be postponed or to complete such work following the Closing for the Unit in question. The failure of Sponsor to complete such work shall not be a ground for Purchaser delaying the Closing. Sponsor shall have no obligation to complete any work described herein which is not specifically designated on the inspection statement by the Purchaser, except for work necessary to cure violations and to obtain a temporary or permanent Certificate of Occupancy. Notwithstanding anything to the contrary set forth herein, nothing contained in the Plan shall be construed as to render Sponsor liable for consequential damages (whether based upon negligence, breach of contract, breach of warranty or otherwise) it being intended that Sponsor's sole obligation shall be to perform its obligations as expressly provided in the Plan. Sponsor

will provide each Purchaser with notice of the date and time of the inspection of the Unit prior to closing as provided in the Purchase Agreement in Part II of the Plan and will establish such procedures as may be required, in Sponsor's discretion, to complete one or more inspections of the Units and perform necessary punch list work therein. In the event a Purchaser fails to inspect or reinspect a Unit after notification and an opportunity to perform such inspection, Sponsor reserves the right, in its discretion, to postpone the scheduled Closing or to deem Purchaser to have waived the right to cause punch list work, if any, to be completed. After closing of title to each Residential Unit, the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Residential Unit.

(e) Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Residential Board, on behalf of all Unit Owners, or the Condominium Board, on behalf of all Unit Owners, as the case may be, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of closing of title to the Unit. Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit.

(f) Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Units, the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to this offering because such Law is applicable to units in buildings of five stories or less.

(g) Prior to the Closing of title for each Unit, Sponsor will cause such Unit and its appurtenant Common Interest, benefits, rights and easements as described in the Declaration and By-Laws to be released from the lien of any mortgages or security agreements encumbering the Unit (other than any mortgage or security agreements obtained by the Purchaser).

(h) Sponsor will bear all costs and expenses incurred by it in connection with the creation of the Condominium and the preparation of the Plan and all selling expenses and compensation payable to sales or other personnel of Sponsor.

(i) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during construction thereof and will cause any and all

mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

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

(k) Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board a complete set of mechanical, electrical and plumbing drawings for the entire Building.

(l) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building.

(m)Sponsor will pay all Common Charges, special assessments and real estate taxes allocated to any Unsold Units or the Commercial Unit in accordance with the provisions of the By-Laws. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. Sponsor will fund its financial obligations from proceeds from the sales of Units, rental income from Unsold Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation.

(n) Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the entitled "Rights and Obligations of Unit Owners and the Boards of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B.

(o) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(p) Sponsor is obligated to deliver to the Condominium Board all books of account and records pertaining to the Building's operation which are in Sponsor's possession on the First Closing.

(q) Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of ten (10) or more Units or twenty (20%) percent of the Units

in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable Law or regulations.

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

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Residential Units. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Residential Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personality or fixtures contained therein.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Residential Unit Owners under their respective Purchase Agreements or to include any financial limitation on Sponsor's liability for failure to perform its obligations under the Plan. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan. Notwithstanding anything to the contrary set forth herein, nothing contained in the Plan shall be construed as to render Sponsor liable for consequential damages (whether based upon negligence, breach of contract, breach of warranty or otherwise) it being intended that Sponsor's sole obligation shall be to perform its obligations as expressly provided in the Plan.

Obligations of Sponsor hereunder with respect to the Residential Section shall be enforceable by the Residential Board on behalf of Residential Unit Owners and obligations with respect to the General Common Elements shall be enforceable by the Condominium Board on behalf of all Unit Owners. To the extent permitted by law, Sponsor will have no liability to any Purchaser, subsequent purchaser of a Unit, Unit Owner, the Residential Board or Condominium Board with respect to its obligations under the Plan (other than for actual, non-consequential damages, including property damage, personal injury or wrongful death, arising as a result of the negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan) in excess of the net proceeds paid to Sponsor from the sale of all Unsold Residential Units after payment of, or reasonable reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in the Plan.

Except as set forth above or as required by Law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective Residential Unit deeds. In the event Sponsor is not financially able to perform its

obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any.

Sponsor has obtained construction financing for the project as more fully set forth in the Section of the Plan entitled "Description of the Property and Improvements" and anticipates obtaining a permanent certificate of occupancy for the Building within two (2) years after the First Closing.

Leasing and Use of Unsold Units

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

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

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

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

presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Residential Unit.

CONTROL BY SPONSOR

Sponsor as the owner of Unsold Units will have voting control of the Residential Board during the period which continues until the later to occur of: (i) any meeting of Residential Unit Owners at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the First Closing. Sponsor as the owner of Unsold Residential Units and the Commercial Unit will have voting control of the Condominium Board during the period which continues until the later to occur of: (i) any meeting of Unit Owners at which the votes cast for Sponsor's nominees do not constitute a majority of the votes cast at such meeting or (ii) five (5) years after the First Closing, or (iii) at such time as Sponsor owns less than two (2) Residential Units. During the period that Sponsor has control of the Residential Board or the Commercial Board (the "Sponsor Control Period") Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners, Commercial Unit Owner and/or Residential Unit Owners as the case may be and will determine the Common Charges to be paid by all Unit Owners, the Commercial Unit Owner and/or Residential Unit Owners, as the case may be and the enforcement of Sponsor's obligations by said Board(s).

The Residential Board shall initially consist of two (2) persons designated by Sponsor, and the Condominium Board shall initially consist of the two members of the Residential Board, and one person designated by the Commercial Unit Owner (who shall comprise the initial Commercial Board).

The Residential Board will call for a special meeting of the Residential Unit Owners to elect a new Residential Board (the "First Annual Meeting") no later than one (1) year after the First Closing. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after the sending of the notice of the meeting.

Commencing with the First Annual Meeting, the Residential Board shall consist of three (3) persons. The three (3) members of the Residential Board shall also serve as members of the Condominium Board. The Commercial Board will consist of two (2) persons who shall also serve as representatives to the Condominium Board. The number of Residential Board members and the number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect members of the Residential Board as a result of its ownership of or interest in Unsold Residential Units. Sponsor shall retain voting control of the Residential Board (and the Condominium Board) if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least two (2) Residential Units, shall have the right, at its option, to designate at least one member of the Residential Board.

Within 10 days after the Sponsor Control Period, one of the members of the Condominium Board designated by Sponsor shall resign and his replacement shall be filled by a majority vote of the remaining members of the Condominium Board. A meeting will be held to elect the new board member unrelated to the Sponsor within thirty (30) days after the expiration of the Sponsor Control Period.

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

During Sponsor Control Period, Sponsor may not exercise veto power over expenses described in the Section entitled "Schedule B-Projected Budget for First Year of Condominium Operation" (the "Budget") or over expenses required (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over expenses other than those described in the foregoing sentence for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five per cent (25%) of the common interest, whichever is sooner.

BOARDS OF MANAGERS

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially be comprised of one (1) representative of the Commercial Board and two (2) members of the Residential Board. Initially, the Condominium Board members shall be designated by Sponsor and the Condominium Board members so designated shall also serve as the Residential Board and the Commercial Board, respectively. On or before the date which is one (1) year after the First Closing, the Residential Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date At the First Annual Meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect a new Residential Board consisting of three (3) members. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Residential Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. The three (3) members of the Residential Board shall also serve on the Condominium Board.

The first annual meeting of the Commercial Unit Owners shall also be called by the Commercial Board for the same date as the First Annual Meeting for the Residential Unit Owners. At such meeting, the Commercial Unit Owners shall elect a new Commercial Board consisting of two (2) members. The two members of the Commercial Board shall serve as the representatives of the Commercial Section on the Condominium Board. Thereafter, at each annual meeting of the Commercial Unit Owners, new members of the Commercial Board and new representatives to the Condominium Board shall be elected. Notwithstanding anything to the contrary set forth above, to the extent there is only one owner of the Commercial Unit, such Unit Owner shall be deemed to have all of the powers of the Commercial Board in connection with the operation of the Commercial Section.

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

The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations which affect only the Residential Section and do not adversely affect the Commercial Section, Commercial Unit Owners or the business of the tenants or occupants thereof, shall be made by the Residential Board. Similarly, all determinations which affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. Generally, all other determinations with respect to the administration of the affairs of the Condominium including those which (i) relate to the Residential Section and do not adversely affect the Commercial Section, and vice versa, or (ii) relate to or affect the General Common Elements, shall be made by the Condominium Board.

As more fully set forth in the By-Laws, (i) all determinations required to be made by the Residential Board or the Commercial Board shall be by majority of the votes cast at any meeting

at which a quorum is present, and (ii) all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present. Any dispute between the Residential Board and the Commercial Board as to which Board or entity shall be entitled to make any determination or with respect to any matter the determination of which is entitled to be made by the Condominium Board shall be settled by arbitration in the manner provided in the By-Laws.

For convenience of operation of the Condominium, any Board may designate any other Board to act as its agent with respect to any matters the determination concerning which is entitled to be made by such designating entity.

Annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the five member Residential Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Residential Board shall mail a notice of each annual or special meeting of the Residential Section to all Residential Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than thirty (30%) percent of the Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners. Except as otherwise provided in the By-Laws or Declaration, if any joint meeting between Residential Unit Owners and the Commercial Unit Owner is held, the presence in person or by proxy of more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of votes cast at any such meeting at which a quorum is present shall be binding on all Unit Owners.

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

The principal officers of the Residential Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Residential Board. The principal officers of the Condominium Board shall be a President who shall be the same person serving as President of the Residential Board, a Vice President and Treasurer who shall be the same person serving as President of the Commercial Board and a Secretary who shall be the same person serving as Secretary of the Residential Board. The initial members of the Condominium Board shall be Alex Forkosh, Galina Anissimova and Mikhail Kurnev, who shall serve as President, Vice President and Treasurer and Secretary of the Condominium Board respectively. Each of these individuals is a principal of or is affiliated with Sponsor or its principals. The Condominium Board and the Residential Board may appoint additional officers. Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the a Board are to

be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, by resolution of such Board, any expenditure in excess of a specified amount by such Board will be countersigned by two members of the said Board, one of whom is also a member of the Residential Board and the other having been designated as a member of the Condominium Board by the Commercial Board.

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

A member of the Residential Board designated or elected by the Residential Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Residential Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Residential Unit Owners; provided, however, that Residential Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Residential Board shall continue to serve on the Residential Board if, during such Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Residential Unit ownership and Residential Board membership shall not apply to members of the Residential Board designated by Sponsor or its designee.

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

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

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

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

It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section, the subdivision of any Commercial Unit into individual commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit. In connection therewith, the Commercial Board may, subject to compliance with all applicable laws and governmental regulations, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARDS OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease such Unit Owner's Residential Unit provided such Unit Owner (the "Transferor") first gives the Residential Board, on behalf of all Residential Unit Owners, notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Residential Board does not elect to purchase or lease the Residential Unit within twenty days after receipt of the offering Residential Unit Owner's notice, the Transferor will have an additional sixty days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Residential Board, provided that the Residential Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Residential Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of Residential Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present and subject to the right of Sponsor to approve such purchase or lease during the period not to exceed five (5) years from the First Closing, as more particularly described in the Section of the Plan entitled "Control by Sponsor." In any vote of all the Residential Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Residential Board for the purpose of determining whether the Residential Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board, and that the Residential Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease approved by the Residential Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

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

A Residential Unit Owner may lease, sell or convey the Residential Unit to a spouse, adult child or grandchild, parent, grandparent or adult sibling, may convey such Unit Owner's Residential Unit by gift, may devise such Unit Owner's Residential Unit by will, or have it pass

by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

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

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

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

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

Use of Units

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

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Residential Board (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted

by law, does not violate the then existing Certificate of Occupancy covering such Residential Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium or in buildings in which principals of Sponsor may have an interest.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

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

The Commercial Unit may be used for any lawful purpose, including, but not limited to, a garage, health club, theaters, retail stores, banks, restaurants and commercial and professional offices. No income derived from any use of the Commercial Unit will constitute income to the Condominium Board or Residential Unit Owners.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Residential Section or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or Boards, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Residential Unit, except that these sign restrictions shall not apply with respect to Unsold Residential Units.

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

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Residential Board or the Managing Agent. In no event will a Residential Unit Owner be entitled to maintain more than two (2) pets in any Unit without the consent of the Residential Board. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit

will be required to abide by any and all reasonable Rules and Regulations of the Residential Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.

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

Mortgage of Units by Unit Owners

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

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

Common Charges: Determination and Assessment

Residential Common Expenses, which are payable only by Residential Unit Owners and are included in their Residential Common Charges, are allocated among Residential Unit Owners in proportion to their respective Residential Common Interests. In addition, the Residential Common Charges include the Residential Unit Owner's allocable portion of the General Common Expenses. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Residential Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Common Elements and Residential Limited Common Elements. Residential Common Expenses may include amounts for certain other items as the Residential Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Residential Board of any Residential Unit.

Commercial Common Expenses will be determined and borne solely by the Commercial Unit Owner. Commercial Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

General Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, managing agent fees and legal and accounting fees will be determined by the Condominium Board. Generally, such expenses will be allocated to the Residential Board and the Commercial Board pro rata in accordance with their aggregate respective Common Interests. The Residential Board will then allocate its pro rata share of such expenses among the Residential Unit Owners in accordance with their respective Residential Common Interests. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law.

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

At least annually (a) the Condominium Board will prepare a budget for General Common Expenses and allocate, as aforesaid, and assess General Common Charges to the Residential Board and the Commercial Board to meet such expenses and (b) the Residential Board will prepare a budget for Residential Common Expenses and allocate, as aforesaid, and assess among

all Residential Unit Owners, Residential Common Charges to meet (i) Residential Common Expenses and (ii) the Residential Board's pro rata share of General Common Expenses.

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

Common Charges: Collection and Lien for Non-Payment

Pursuant to Section 339-z of the Real Property Law and under the provisions of the By-Laws, (a) the Residential Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Residential Common Charges together with interest thereon, assessed against such Unit (b) the Condominium Board, on behalf of all Unit Owners, will have a lien on all Residential Units, for General Common Charges unpaid to it by the Residential Board, together with interest thereon, in proportion to the respective Common Interests of the Residential Units, as well as a lien on the Commercial Unit, for General Common Charges unpaid to it by the Commercial Board, together with interest thereon. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Pursuant to Section 339-aa of the Real Property Law, any lien for unpaid General Common Charges or Residential Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the appropriate Board (acting on behalf of all Unit Owners or all Residential Unit Owners, as the case may be) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the appropriate Board to recover unpaid Common Charges without foreclosing such lien. Notwithstanding the foregoing, during the Sponsor Control Period the Sponsor shall cause the Residential Board or the Condominium Board, as the case may be, to file a lien as provided for in Section 339-aa of the Real Property Law on Units owned by Sponsor in which Sponsor is more than thirty (30) days in arrears of Common Charges.

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

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

RPL §339-jj-Borrowing by Condominium

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

RPL §339-kk-Payment of Rent Where Default in Payment of Common Charges

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

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

> (s) If payment of common charges, assessments or late fees by any non-occupant unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such unit may become directly

payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant unit owner. Where a majority of the Condominium Board has been elected by unit owners who are in occupancy of their respective units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the common charges, assessments and late fees of the non-occupant unit owner have been brought current, the Condominium Board must notify the non-occupant unit owner and tenant within three (3) business days and thereafter the rent will be payable to the non-occupant unit owner or a designated agent.

(t) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying unit owner.

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

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

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

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk 's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the unit, or whether RPL §339-kk 's enactment or compliance therewith by a tenant constitutes a default by the unit owner under said loan, (ii) RPL §339-kk 's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant (i.e., does failure constitute a waiver of the Condominium's rights?), or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant unit owner is brought current in payment of common charges, assessments and late fees.

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

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

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the General Common Elements or Commercial Common Elements or Residential Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of

such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Board as a General Common Expense, (c) in or to the Residential Common Elements, and the Residential Limited Common Elements will be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense and (d) in or to the Commercial Common Elements will be made by the Commercial Board and the cost thereof will be charged to all Commercial Unit Owners as a Commercial Common Expense.

The Declaration further provides that if a Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Limited Common Element at their sole cost and expense.

The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surfaces of all Residential Section windows may, at the option of the Residential Board, be washed and cleaned by the Residential Board and the cost thereof shall be a Residential Common Expense; otherwise Residential Unit Owners shall be obligated to clean such windows at their own cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Residential Board at the sole cost and expense of the owner of such Residential Unit (unless such breakage is caused by the Residential Board, the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Residential Board, the Condominium Board or such Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Condominium Board.

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

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or each Board, be kept in

good appearance in conformity with the dignity and character of the Building by such Unit Owner or Board.

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

Alterations and Improvements of Units and Common Elements

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

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

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

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

certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the Power of Attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

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

Generally all alterations or improvements in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Board as a General Common Expense. Repairs, maintenance, replacements, restorations, improvements, alterations and additions in or to the Residential Common Elements will be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and alterations, additions or improvements in or to the Commercial Common Elements will be made by the Commercial Board and the cost and expense thereof will be charged to all Commercial Unit Owners as a Commercial Common Expense.

The Commercial Unit Owner, without the consent of the Residential Board or the Condominium Board may make any alteration, addition, improvement or repair in or to any Commercial Unit or the Commercial Common Elements provided that the work is performed by the Commercial Unit Owner in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. Sponsor, without the consent of the Residential Board, the Commercial Board or the Condominium Board, may make any alteration, addition, improvement or repair in or to any Unsold Residential Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor and the Commercial Unit Owner may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability for sale or rental of any Unsold Residential Unit or Commercial Unit or the operation of any business of Sponsor, a tenant, occupant managing agent or operator of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Rights of Access

As more fully set forth in the By-Laws, each Board and any managing agents, managers, superintendents and other persons authorized by any Board, will have a right of access to any

Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. The By-Laws give Sponsor a right of access to any Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Building and give service providers the right to access their equipment and the conduit in which such equipment is located in order to install, maintain, operate, repair, replace and service same.

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

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

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

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Residential Board with respect to any damage to or destruction of the Residential Section, the Commercial Board with respect to any damage to or destruction of the Commercial Section and the Condominium Board with respect to any damage to or destruction of the General Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof.

If only the Commercial Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owner will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all

Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit Owner's Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) property insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners

and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to Residential and Commercial Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors and employees of the Condominium, the Residential Section and the Commercial Section; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine. Each Unit Owner shall be an additional insured.

The property insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

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

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

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, bodily injury or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (1) each Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium and Residential and Commercial Sections, (2) the Commercial Unit Owner, and all officers, directors and employees thereof, and (3) each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Residential Limited Common Elements, if any, exclusive to such Unit Owner's Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Residential Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines. The premiums for all insurance referred to above shall be a General Common Expense and shall be borne by the Residential Board and the Commercial Board in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance

carriers thereof or their agents, brokers or such other parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party, the matter shall be determined by arbitration pursuant to the By-Laws.

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

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Liability of Boards of Managers and Unit Owners

Every contract made by the Condominium Board or the Residential Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners or Residential Unit Owners, respectively, and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Residential Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners or Residential Unit Owners, as the case may be, and (ii) to the extent permitted by law, unless otherwise determined by the appropriate Board in its sole and absolute discretion, such Unit Owner's interest in such Unit Owner's Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any

affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within four months after the end of each fiscal year, as more particularly described in the Section of the Plan entitled ""Reports to Unit Owners" in Part I of the Plan.

Termination of Condominium

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

Units Acquired by Residential Board or Commercial Board

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

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

Procedure to Review Real Estate Tax Assessments

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

Mechanics' Liens

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

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Residential Unit Owner to use the General Common Elements and the Residential Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. Sponsor shall have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Building and elsewhere on the Common Elements which shall entitle Sponsor to

utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each a "Sign") permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

Name of Condominium

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

The Declaration and By-Laws

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

REAL ESTATE TAXES

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

It is estimated that the aggregate real estate taxes attributable to all Residential Unit Owners for the first year of Condominium operation will total approximately $340,471, based on an opinion prepared by Jerome Mazursky, MAI, AE dated June 19, 2001 which assumes (a) an assessed valuation attributable to the residential portion of the Property of $681,772 for the 2001/2002 fiscal tax year, (b) an assessed valuation upon completion attributable to the residential portion of the Property of $5,561,295 for the 2002/2003 fiscal tax year and (c) a tax rate of $10.15 per $100 of assessed valuation for the 2001/2002 fiscal tax year and (c) a projected tax rate of $11.00 per $100 of assessed valuation for the 2002/2003 fiscal tax year. **SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS SHOULD NOTE THAT THE FOREGOING ESTIMATES INCLUDE SIX (6) MONTHS OF "PRECOMPLETION" ASSESSED VALUATION. ACCORDINGLY, REAL ESTATE TAXES FOR THE SECOND YEAR OF CONDOMINIUM OPERATION WILL BE APPROXIMATELY TWICE AS MUCH AS IS SET FORTH ON SCHEDULE A.**

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same percentage interest may pay different real estate taxes.

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

The By-Laws provide that the Residential Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses

(including, without limitation, reasonable attorneys' fees) resulting from such proceedings. There are currently no tax certiorari proceedings pending with respect to the Property.

TAXES -- DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

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

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

Deductibility of Mortgage Interest and Real Estate Taxes.

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

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

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Commercial Unit Owner, and interest earned on any reserve

funds (less expenses directly connected with the production of such income). Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income but does budget for certain minimum taxes that might be due.

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

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

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

ATTORNEYS INCOME TAX OPINION OF STROOCK & STROOCK & LAVAN LLP

STROOCK & STROOCK & LAVAN LLP

180 MAIDEN LANE
NEW YORK, NY 10038-4982

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

June 19, 2001

79 Laight Street LLC
c/o Coral Realty LLC
400 Broome Street
New York, New York 10013

Re: Condominium Offering Plan
The Sugar Warehouse (79 Laight Street) (the "Condominium")

Ladies and Gentlemen:

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

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Residential Units will acquire their

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FAX 310-556-5959

200 SOUTH BISCAYNE BLVD.
MIAMI, FL 33131
PHONE 305-358-9900
FAX 305-789-9302

1150 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20036
PHONE 202-452-9250
FAX 202-293-2293

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

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

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

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

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed $100,000 ($50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued

by him or her on (i) acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

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

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership

dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Plan and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2002 (the "2002 Taxable Year"), (ii) the actual gross income and expenditures of the Condominium for the 2002 Taxable Year are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium's first year of operations, as set forth in Schedule B to the Plan, (iii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iv) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2002 Taxable Year.

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

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

* * * * * * * * *

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

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

Very truly yours,

Stroock & Stroock & Lavan LLP

Stroock & Stroock & Lavan LLP

339-i OPINION OF STROOCK & STROOCK & LAVAN LLP

STROOCK & STROOCK & LAVAN LLP

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MICHEL EVANUSA
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BY HAND
June 28, 2001

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

Re: Condominium Offering Plan
The Sugar Warehouse
79 Laight Street
New York, New York 10013

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Andrews Building Corporation as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Andrews Building Corporation.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

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

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

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

Very truly yours,

STROOCK & STROOCK & LAVAN LLP

Stroock & Stroock & Lavan LLP

REAL ESTATE TAX OPINION

Real Estate Tax Estimate
for
The United States Sugar Building
at
79 Laight Street
New York, New York

Prepared for:

79 Laight Street LLC
400 Broome Street
New York, N.Y. 10013

June 19, 2001

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

June 19, 2001

79 Laight Street LLC
400 Broome Street
New York, N.Y. 10013

Attention: Mr. Michael Kurnev

Re: The United States Sugar Building
79-101 Laight Street
Manhattan, Block 217 Lot 6

I, JEROME MAZURSKY, CERTIFY:

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

THAT I have been retained by the Sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the first year's real estate tax obligation of the above-captioned property, after renovation and conversion to condominium status;

THAT in estimating the first year's real estate taxes of the condominium at 79 Laight Street, I am aware of the building's rental values, renovation costs and offering prices of the units;

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

42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788

I have discovered the following:

1) The subject property is improved with a 10-story and basement, fireproof, warehouse (E3) known as The United States Sugar Building. It is located at 79-101 Laight Street in the Borough of Manhattan and is currently identified on the city's tax map as Block 217 Lot 6.

The site has 225' 1 1/4" frontage on the southerly side of Laight Street and extends approximately 62' 8" in depth along the westerly side of Washington Street and the easterly side of West Street. It is rectangularly shaped and contains approximately 14,000 square feet of ground area.

2) The sponsor has filed plans and is in the process of gut-renovating the building and converting it into a 5 and 6-story condominium with four mezzanines and a penthouse. It will contain 33 residential units and a commercial unit in the basement. After completion of the renovation, which is scheduled for January 2002, the building will contain the following approximate square foot areas and uses:

FLOOR	AREA	USE
Basement	14,000	Boiler Room, Super's Shop, Mechanical and Meter Rooms
1	13,390	1-3BR, 2-2BR, 2- BR Apartments, Lobby, Storage Room and Mail Room
2	13,390	6 - 3BR Duplex Apartments
Mezzanine	4,705	Upper Level of Duplex Apartments
3	13,390	6 - 3BR Duplex Apartments
Mezzanine	4,705	Upper Level of Duplex Apartments
4	13,390	6 - 3BR Duplex Apartments
Mezzanine	4,705	Upper Level of Duplex Apartments
5	13,390	6 - 2BR Duplex Apartments and 2-3BR Triplexes
6	13,390	Upper Level of Duplex and Triplex Apartments
Mezzanine	5,804	2 - 4BR Duplex Apartments and Upper Level of 2 Triplex Apartments
Penthouse	3,770	Upper Level of Duplex Apartments

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

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

The Class 4 tax rate for 2000/01 is $9.768 per $100 and the Class 2 tax rate for 2000/01 is $10.847 per $100. Future tax rates will be determined by the City Council. Based upon present factors and past trends, I estimate the 2001/02 and 2002/03 tax rates as follows:

Tax Class 4: $10.15 per $100
Tax Class 2: $11.00 per $100

4) The recent history of assessed valuation of 79-101 Laight Street is as follows:

1999/00	Land	Total
Actual:	$ 450,000	$ 697,500
Transitional:	$ 444,600	$ 608,100

2000/01	Land	Total
Actual:	$ 450,000	$832,500
Transitional:	$ 450,000	$667,500

2001/02	Land	Total
Actual:	$ 450,000	$832,500
Transitional:	$ 450,000	$706,500

7) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, was renewed by the state legislature for the 1999/2000 and 2000/2001 tax years. The legislature's ostensible intention in passing this law was to address, even if temporarily, the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If granted, the law may allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2002. It is unknown, at this time, whether the city will change its assessment practice or whether the law will be renewed for tax year 2001/02 or beyond.

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

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

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

Jerome Mazursky, MAI, CAE

The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788

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

JEROME MAZURSKY, MAI, CAE
President

NYS Certified General R.E. Appraisers
46000001594

QUALIFICATIONS

EDUCATION

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

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

PROFESSIONAL DESIGNATIONS

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

EMPLOYMENT

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

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

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

ARTICLES PUBLISHED

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

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

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

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

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

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

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

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

SCOPE OF APPRAISAL EXPERIENCE

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

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

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

WORKING CAPITAL FUND AND APPORTIONMENTS

The Purchaser of each Residential Unit shall be required to make a contribution at the Closing of such Unit Owner's Unit(s) to the working capital fund of the Residential Section (the "Working Capital Fund"). Such contribution shall be in an amount equal to one (1) month's Residential Common Charges in effect for such Unit(s). No reserve fund is being established for the Condominium.

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

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

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

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

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

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

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

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

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

(9) management fees; and

(10) other customary adjustments.

Adjustments for prepaid expenses between Sponsor and the Board(s), if any, may be deducted from the Working Capital Fund. If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, for closing costs and adjustments in connection with the Resident Manager's Unit, or for such other appropriate

purposes as will be determined by the Residential Board and may be augmented by allocations from the monthly Residential Common Charges collected from each Residential Unit. While Sponsor controls the Residential Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Residential Common Charges.

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

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

MANAGEMENT AGREEMENT

The Condominium Board will enter into a management agreement (the "Management Agreement") with Coral Realty Management LLC, having an address at 400 Broome Street, New York, New York 10013 (the "Managing Agent"), with respect to the Building at or prior to the First Closing. The principals of the Managing Agent are affiliated with Sponsor or its principals.

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

The Managing Agent will receive an annual fee of $19,200 during the first year of condominium operation, $20,160 during the second year of condominium operation and $21,168 during the third year of condominium operation, payable in equal monthly installments. In addition, for services rendered to Residential Unit Owners (other than Sponsor or its designee) in connection with processing applications to sell or otherwise transfer Units and obtaining necessary waivers of the right of first refusal by any Boards, the Managing Agent shall receive the following fees from Residential Unit Owners (i) $550 upon the sale, lease or other transfer of a Unit for reviewing the waiver of the Condominium's right of first refusal and other required documents, (ii) $350 in connection with the processing of a lease renewal application for a Residential Unit Owner, (iii) $350 in connection with a Residential Unit Owner's application for an appraisal or mortgage refinancing an (iv) $300 in connection with the alteration or renovation of a Residential Unit where an alteration does not entail in excess of $10,000 of work. In the event such alterations exceed $10,000 the Managing Agent shall be entitled to a fee equal to $300 or 2% of the cost of the alterations whichever is greater. In addition, refundable fees for move-in may be required of each Purchaser or tenant. Such fees may be retained by the Condominium in the event a Purchaser, tenant or their agents damages the Common Elements during the move in. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Manhattan.

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

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

(1) billing and collecting Residential Common Charges and Commercial Common Charges payable by Unit Owners and General Common Charges payable by the Residential Board and the Commercial Board;

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

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

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

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

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

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

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

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

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

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

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

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

IDENTITY OF PARTIES

Sponsor

Sponsor is 79 Laight Street LLC, a New York limited liability company with an office at c/o Coral Realty LLC, 400 Broome Street, New York, New York, 10013 formed on December 23, 1999.

The two members of Sponsor are Alex Forkosh and Galina Anissimova. Mr. Forkash is a principal of Forkosh Construction which has been active in the construction industry for more than twenty (20) years. He began working as a general contract in 1982 and for a number of years built single family homes in Brooklyn, New Jersey and Long Island. In 1993, Forkosh Construction expanded into high density residential building with the construction of 384 units in eight apartment buildings in Manhattan. Over the next two years the company built or renovated a hotel, apartment houses and student housing. Ms. Anissimova has been an active real estate investor since 1995, investing in the projects of Forkosh Construction. She has a masters degree in economics from an institute in the former USSR where she worked as an economist.

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

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

Selling Agent

The Selling Agent for this offering is Corcoran Group Marketing, LLC, having an address at 490 Broadway, 3rd Floor New York, New York 10012. The Selling Agent has been involved in the sale of coops and condominiums in Manhattan for a number of years.

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

Managing Agent

Coral Realty Management LLC, having an office at 400 Broome Street, New York, New York will be the managing agent for the Building. (See the Section entitled "Management Agreement" in Part I of the Plan). The Managing Agent is affiliated with Sponsor. Principals of the Managing Agent have been engaged in the development ownership, operation and management of New York City residential properties for a number of years.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing

Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

A list of rental and hotel properties which have been managed by the Managing Agent include:

400 Broome Street
New York, New York

636 Greenwich Street
New York, New York

201 East 14th Street
New York, New York

1501 East 14th Street
Brooklyn, New York

Attorneys for Sponsor

Sponsor has retained the law firm of Stroock & Stroock & Lavan LLP, having an office at 180 Maiden Lane, New York, New York 10038 to represent it in connection with the Plan. Stroock & Stroock & Lavan LLP prepared the Plan, the Declaration, the By-Laws and the forms of Purchase Agreement, Residential Unit deed and Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339-i of the Real Property Law. Michel Evanusa, Esq. had principal responsibility for the preparation of the Plan. Stroock & Stroock & Lavan LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor's Architects/Engineers

The architect for the Building is Van J. Brody Architects, P.C., having an office at 381 16th Street, Brooklyn, New York 11215.

The preservation architect for the Building is Joseph Pell Lombardi & Associates having an office at 5 Beekman Street, New York, New York 10038.

Mansour Engineering, having an office at 225 West 34th Street, New York, New York 10122, are the mechanical, electrical and plumbing engineers for the Building.

Anchor Consulting, Architects and Engineers, having an office at 15 Murray Street, New York, New York 10007, were the structural engineers for the Building.

Sponsor's Energy Expert

Mansour Engineering, having an address at 225 West 34th Street, New York, New York 10122, prepared the estimates of energy usage by individual Residential Unit Owners set forth in Part I of the Plan.

Sponsor's Condominium Expert

Andrews Building Corporation, having an address at 666 Broadway New York, New York 10012, estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation," in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget and the adequacy of the Common Charges payable by the Commercial Unit Owner.

The Corcoran Group, Inc. having an address at 490 Broadway, 3rd Floor, New York, New York 10012 provided the opinion regarding Sponsor's compliance with Section 339-i of the Real Property Law.

REPORTS TO UNIT OWNERS

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

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

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

(3) a copy of the proposed annual budget of the Condominium delivered to Unit Owners at least five (5) days prior to the adoption thereof.

RECORDATION, INSPECTION AND DELIVERY OF DOCUMENTS

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years all without charge and for copying for a reasonable charge. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

GENERAL

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

It should be noted that the Building was initially completed in the second half of the nineteenth century. While the Property is undergoing a substantial renovation at the present time, including repair to the facade of the Building, the facade is an existing structural element of the Building and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building.

Under applicable Federal and local law, leaded paint can no longer be used in the construction of the Building. Local Law 38 of 1999 ("Local Law 38") affects apartments built before 1960 in New York City. Under Local Law 38, where an owner has notice that a child under the age of six resides in the apartment, the "owner" must conduct annual inspections for peeling paint and deteriorated surfaces. An owner must abate and repair peeling paint, smooth all bare floors and repair deteriorated sub-surfaces and binding doors and windows, whenever the foregoing inspection reveals such conditions or an apartment becomes vacant. The existence of a lead paint hazard is a Class C immediately hazardous violation. The foregoing requirements would apply whenever a Unit Owner rents such Unit Owner's Unit or sells the Unit to a party other than the party residing in such Unit. For purposes of compliance with Local Law 38, Unit Owners are each deemed the "owner" of their respective Units. Prospective purchasers are urged to review Local Law 38 and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder. Local Law 38 was recently overturned by a state Supreme Court judge who found that the City Council did not follow proper environmental review procedures before passing the statute. The City of New York may appeal the decision. Sponsor makes no representation whether Local Law 38 will be upheld upon appeal, whether the City of New York will adopt another local law dealing with lead based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 38 or any successor statute and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor is not aware of any lead-based paint or lead-based paint hazards in the Building and has no records or materials pertaining to same. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information

regarding lead based paint. In accordance with the terms of the rider annexed to the Purchase Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint. Please refer to the Purchase Agreement set forth in Part II of the Plan for further details.

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

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

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

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

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

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

The Property and the Building have not been the subject of any prior public offerings. Sponsor has previously tested the market pursuant to Cooperative Policy Statement No. 1, File No. CP-1-01/0031

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 4 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property except as indicated in the Description of Property.

PART II

THE SUGAR WAREHOUSE

79 LAIGHT STREET

NEW YORK, NEW YORK 10013

EXHIBIT "1"

PURCHASE AGREEMENT

PURCHASE AGREEMENT

79 Laight Street LLC

Sponsor-Seller

TO

_____

Purchaser

UNIT NUMBER _____

RESIDENTIAL SECTION

OF

THE SUGAR WAREHOUSE
79 Laight Street
New York, New York 10013

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UNIT NUMBER(S) _____

RESIDENTIAL SECTION

OF

THE SUGAR WAREHOUSE
79 LAIGHT STREET
NEW YORK, NEW YORK 10013

(to be executed in quintuplicate)

This agreement (the "Agreement"), made as of the date on the signature page of the Agreement, between 79 Laight Street LLC, a New York limited liability company, having an office at c/o Coral Realty LLC, 400 Broome Street, New York, New York 10013 ("Sponsor"), and

_____, having an address at

_____ ("Purchaser").

W I T N E S S E T H:

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

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

3. THE UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated as Unit in the Declaration, together with the ____ percentage undivided interest in the General Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE.

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

The Purchase Price is payable as follows:

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

(b) $_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the Down Payment shall be made payable to "Stroock & Stroock & Lavan LLP, Escrow Agent." Checks for the balance of the Purchase Price shall be made payable to the direct order of "79 Laight Street LLC" or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. CLOSING OF TITLE.

5.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than thirty (30) days' prior to the scheduled date for closing. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing.

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

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

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

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

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

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

7. FEE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Title Associates Inc. ("Title Associates"), underwriting for Chicago Title Insurance Company, having an address at 430 Park Avenue, 17th Floor, New York, New York 10022, (212) 758-0050 Commonwealth Land Title Insurance Company, having an address at 655 Third Avenue, New York, New York 10017 ((212) 949-0100) (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8. CLOSING ADJUSTMENTS.

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

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

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

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

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

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

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

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

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

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

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

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

13. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

14. PURCHASER'S REPRESENTATIONS. Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at any time, such documents evidencing Purchaser's authority as may be required by Purchaser's title company or Sponsor.

15. DEFAULT BY PURCHASER.

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

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

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

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

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

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

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

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

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

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

15.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser or bring an action against Purchaser for specific performance. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Unit), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

15.3 If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and

the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

16. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE

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

16.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, shall be disbursed in accordance with the provisions of the Section entitled "Procedure to Purchase." After the monies are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

17. SPONSOR'S INABILITY TO CONVEY THE UNIT. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

18. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the Description of the Property in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement. At the Closing, Sponsor shall transfer to Purchaser any assignable

warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit.

19. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept title (without abatement in, or credit against, the Purchase Price or any provision for escrow deposits at the closing of title) notwithstanding the failure to complete construction of (a) minor details of the Unit or the Property, (b) other Units or (c) the Common Elements of the Property which do not prevent Purchaser's use of the Unit. Each Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Residential Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Residential Unit, and the fixtures and personality contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Residential Unit shall have the right to inspect such Unit prior to the Closing Date. However, the failure of Sponsor to complete "punch list" type work shall not be a ground for Purchaser delaying the Closing provided that Sponsor agrees to complete such work promptly after closing. Purchaser will receive at least five (5) business days notice that the Units is available for inspection and Sponsor reserves the right to postpone and/or reschedule any scheduled inspections of the Unit upon one (1) business day's notice and Sponsor reserves the right to schedule additional inspections as Sponsor deems necessary or appropriate. If Purchaser fails to inspect the Unit within said period(s), Purchaser fails to inspect the Unit within said periods, Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Except as expressly provided in this Agreement or the Plan, including but not limited to subparagraph (f) of the subsection entitled "Sponsor's Obligations with Respect to the Building" of the Section entitled "Rights and Obligations of Sponsor," Sponsor shall have no obligation to repair or improve the Unit, any portion of the Property, or the appliances, equipment or fixtures attached to or used in connection with the Unit or the Property. The provisions of this Paragraph shall survive Closing.

Sponsor will not be obligated to correct, and will not be liable to any Board or Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures), as specifically set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

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

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

20.1 The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of closing of title or possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and

Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the respective Boards and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title.

20.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, 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 and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

21. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Residential Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on such Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. The provisions of this Article shall survive the closing of title.

22. 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.

23. BROKER. Purchaser represents to Sponsor that **Selling Agent Sponsor** and [ ] (**collectively** the "Broker") **is [are]** the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and

harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 23 shall survive the closing of title.

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

25. BINDING EFFECT. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed counterpart hereof has been delivered to Purchaser. If this Agreement is not accepted within thirty (30) days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the deposit paid on the execution hereof shall be promptly returned to Purchaser.

26. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan which shall be served in accordance with the Plan or documents for which the method of notice and or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail as well as hand delivered or sent, postage prepaid, by registered or certified mail, or by Federal Express or other reputable overnight courier, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn.: Michel Evanusa, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue. A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in anyway invalidate the such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of Closing Dates or the scheduling or rescheduling of inspections may be made by facsimile to each party's attorneys.

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

28. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the

State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

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

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

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

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

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

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

35. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN

THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE.

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

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

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

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

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

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

42. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

43. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule B, is the "Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation.

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

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

SPONSOR:

79 Laight Street LLC

By: _____
Name: _____
Title: _____

PURCHASER:

_____

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

_____

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

Telephone No. _____

SCHEDULE A

PERMITTED ENCUMBRANCES

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

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

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

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

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

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

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

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

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

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

11. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of

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

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

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

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

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

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

SCHEDULE B

Disclosure of Information on
Lead-Based Paint and/or Lead-Based Paint Hazards
SALES

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below):*

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing *(explain).*

(ii) ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller *(Check (i) or (ii) below*):

(i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing *(list documents below*).

(ii) ☐ Seller has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home.**

(e) _____ Purchaser has (check (i) or (ii) below):

(i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

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

Seller	Date	Seller	Date
Seller	Date	Seller	Date
Seller	Date	Seller	Date

EXHIBIT "2"

POWER OF ATTORNEY

POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 79 Laight Street LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Sugar Warehouse and by the street number 79 Laight Street, New York, New York 10013 under Article 9-B of the Real Property Law of the State of New York, dated _____, 20_, and recorded in the New York County Office of the Register of The City of New York on _____, 20_, in Reel _____, page _____, or (b) in the By-Laws of The Sugar Warehouse (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Unit") in The Sugar Warehouse which is (are) designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 217 of Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board and/or the Residential Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Residential Board or Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Residential Unit Owners, to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Residential Unit Owners, to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) upon determination by the Residential Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Residential Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements which the Condominium Board, with respect to the General Common Elements and the Residential Board with respect to the Residential Section deem necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition,

construction, alteration, repair or restoration of the General Common Elements or the Residential Section as the case may be, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Residential Section which the Residential Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the General Common Elements which the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Residential Board or the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Residential Units, Commercial Unit and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20_.

_____

_____

(ACKNOWLEDGMENT)

EXHIBIT "3"

RESIDENTIAL UNIT DEED

RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20__, between 79 Laight Street LLC, a New York limited liability company, having an office at c/o Coral Realty LLC, 400 Broome Street, New York, New York 10013 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as The Sugar Warehouse and by the street number 79 Laight Street, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Residential Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 20__ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, in Reel _____, page ____, and also designated as Tax Lot(s) ____ in Block 217 of Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____, 20_, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____, 20_, as Condominium Map No. ____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the by-laws of The Sugar Warehouse. (Said by-laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with an undivided _____ percentage interest in the General Common Elements (as such term is defined in the Declaration):

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

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Residential Board or provided in the Declaration or the By-Laws, the Residential Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

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

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

79 Laight Street LLC

By: _____
Name: _____
Title: Member

Grantee: _____

Grantee: _____

(ACKNOWLEDGMENT)

EXHIBIT A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Laight Street and easterly side of West Street;

RUNNING THENCE southerly along the easterly side of West Street, 62 feet 10 inches to a point distant 116 feet 6-1/2 inches northerly from the corner formed by the intersection of the easterly side of West Street and the northerly side of Hubert Street, measured along the easterly side of West Street;

THENCE easterly in a straight line and through a party wall or party walls, 226 feet 8-1/2 inches to the westerly side of Washington Street at a point therein distant 116 feet 4 inches northerly from the northerly side of Hubert Street measured along the westerly side of Washington Street;

THENCE northerly along the westerly side of Washington Street, 62 feet ½ of an inch to the southerly side of Laight Street;

THENCE westerly along the southerly side of Laight Street, 225 feet 1-1/4 inches to the easterly side of West Street, the corner aforesaid, the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO PURCHASE AGREEMENT

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT "4"

DESCRIPTION OF PROPERTY

Van J. Brody Architects P.C.
381 16th Street
Brooklyn, NY 11215
Tel: (718) 832-1860

Architects Report

December 15, 2001

Description of Property and Proposed Building
"The Sugar Warehouse"
79 Laight Street
New York, New York

A. Location of Property

1. Address: 79-101 Laight Street, New York, New York
2. Block and Lot: Block No.: 217 Lot No.: 6.
3. Zoning District: Tribeca Mixed Use District (TMU) in an M1-5 District, Area B-2.
4. Landmark Status: The building is located within the Tribeca North Historic District of Manhattan. All alterations affecting the building exterior were approved by the Landmarks Preservation Commission on October 17, 2000.
5. Permissible Uses: Commercial and industrial use as-of-right. Residential use is permitted through an Authorization pursuant to Section 111-23 of the Zoning Resolution.

B. Status of Construction

1. Year Built:circa 1853, for the Grocers Steam Sugar Refining Company.
2. Class of Construction: The existing building is class I fire-proof construction. The new building will be fire-proof and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code").

3. Certificate of Occupancy: After completion of construction, the developer will apply for a Certificate of Occupancy for the building from the Department of Buildings of the City of New York ("Department of Buildings"). The Department of Buildings will inspect the premises for construction, elevator, mechanical, plumbing, sprinkler and electrical compliance before issuing a Certificate of Occupancy.

4. Alteration work, which has been filed with the New York City Department of Buildings under application entitled Alteration No. 102552284, will include:

- a full gutting of the interior including floor slabs, roof, chimney, flues, elevator shafts and stairs, which will be new;
- refurbishment of the building exterior, including storefront;
- installation of all new building systems, including heating, ventilation, air-conditioning, plumbing, electric, and fire protection;
- installation of all new interior partitions, shafts, appliances, fixtures and finishes.

C. Site

1. Size: The total site area is approximately 14,251 square feet.

The plot is bounded as follows:

> ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, known as Number 79-101 Laight Street, in said City, and bounded and described as follows:
>
> BEGINNING at a point on the southerly side of Laight Street distant sixty three feet more or less southerly from the corner formed by the intersection of the westerly side of Washington Street with the northerly side of Laight Street;
>
> RUNNING THENCE westerly and parallel with Laight Street two hundred twenty seven feet more or less;
>
> THENCE northerly and parallel with West Street sixty three feet more or less;
>
> THENCE easterly along the southerly side of Laight Street two hundred twenty-five feet more or less to the point or place of BEGINING.

2. Number of buildings and use: One individual building occupies the site and it was originally constructed as a sugar refinery.

3. Streets owned or maintained by the project:

(i) Paving: The street around the site is paved with asphalt topping, owned and maintained by the City of New York, and is in good condition.

(ii) Curbing: The existing curbs are concrete and appear to be in poor condition. The existing curbs will be restored.

(iii) Catch basins and drainage: The street is presently pitched to drain through existing catch basins into the New York City storm water drainage system.

(iv) Street Lighting: The existing street lightings in the corner of Laight Street and Washington Street and in the corner of Laight Street and West Street consist of two cobra-head light fixtures, provided by the City of New York.

(v) All items listed above are in conformity with local fire district, and city building codes.

4. Drives, sidewalks and ramps:

(vi) Paving: The sidewalks that define the edge of the site are covered with concrete and appear to be in poor condition. The existing paving will be restored.

(i) Curbing: The existing sidewalk curbs on Laight Street will be restored

(ii) Catch basins and drainage: The sidewalk and street drainage is described in Section C3-(iii).

(iii) Street Lighting: All existing street lighting on Laight Street will remain.

(i) All items listed above are in conformity with local fire district, and city building codes.

D. Utilities

(i) Water: Water supply and combined sewer servicing the building will be provided by the City of New York. Water will be collectively metered.

(ii) Gas: Gas will be collectively metered for the heating, domestic hot water and fireplaces. There will be a gas service line for the building that enters at the cellar level and is piped from the Consolidated Edison Company main on Laight Street. The gas line will run to a shut-off valve and then to a meter for heating, hot water heating and fireplaces.

(iii) Electrical: Electricity will be individually metered. The electric supply for each unit will be 100 amp, 120/208 volt, three phase, 4 wire. The panels will be located in individual apartments. The incoming 4,000 amp 120/208 volt, 3

phase, 4 wire service enters the building at the cellar level from the Con Edison's mains located at Laight Street and located in the electrical room. The service will be modified for apartment building metering, in the cellar. A master meter will be provided for all public areas and building common functions. Commercial Unit in the basement of the building will be separately metered.

(iv) Telephone, Cable and Internet: Telephone, cable and Internet service will be provided by independent private providers. It will be the purchaser's obligation to purchase telephones and cable service and arrange for telephone services for his or her unit.

E. Sub-soil Conditions

1. The existing foundation and footings appear to be adequate for the support of the existing building and its present use and occupancy.
2. There appears to be no danger from flooding due to mudslides or erosion in the area.

F. Landscaping and Enclosures

1. Grass cover: None
2. Plantings: None
3. Trees: None
4. Fencing: None
5. Gates: None
6. Garden walls: None
7. Retaining walls: None
8. Display pools and fountains: None

G. Building Size

79 Laight St stands five stories with an additional smaller six story centered between the Washington and West Street facades.
Total Existing Height: the existing roof slopes so the heights of the buildings vary
+/- 104'-4" (In the center) to the top of the roof peak.
+/- 89'-8" (In the Washington and West Street sides) to the top of the roof peaks.

2. Existing Cellar Height: Varies between +/-8' feet.
Proposed Cellar Height: +/- 7' feet high.

3. Crawl Spaces: None.

4. Number of existing floors:
Five and six stories.

5. Building's Heights: the new heights of the building will be:
   +/- 105'-2" in the center to the top of the skylight.
   +/- 100'-10" in the ends to the top of the skylight.

   In most areas of the building the new floor to ceiling height will be +/- 8'. In some areas of the building the new floor to ceiling height will be +/- 14'.

6. Equipment Rooms: The height of the cooling tower will be approximately +/-9' above the level of public terrace in the central portion of the building.

7. Roof Railings: There will be a 3'-6" high steel railings enclosing the recreational area.

H. Structural System

1. Exterior and interior of Building:

   (i) Structural System: The existing structural system of Laight Street consists of thick exterior load bearing walls with an internal structure of cast iron columns supporting steel floor beams.

   The entire building is to have a completely new interior steel structure and concrete floor system. The existing foundation and column footings have been reinforced to accommodate new oversized columns. There is no evidence of settlement or moisture penetration.

   (ii) Existing Exterior Description:

   The Laight Street facade consists of twenty-two bays of segmentally arched window openings with brownstone sills. At the street level is a raised basement level. The window openings belonging to that level have been sealed and the areaway that serviced those windows also have been filled in. The ground floor contains windows consistent with the rest of the facade, as well as several larger arched openings that served as loading bays. Later changes added additional openings in the facade and added concrete loading docks. There are remnants of supporting hardware for awnings at several locations above the loading bay openings. The windows are of casement cast iron sash with outer wood screens. The windows at the ground and second floors have hardware for accommodating fireproof iron shutters, some of which remain in place. There is evidence of painted signage on the facade. Both the fifth and sixth stories of the building are edged by a corbelled brick cornice, which is topped by a copper gutter. Elevator bulkheads flank the five-story portion of the building, and there is a chimney at the northeast corner. Roof of the six-story portion of the building peaks to a central glass skylight.

The facades of the Washington and West Street sides of the building feature identical windows to the Laight Street facade. The Washington street facade has fireproof iron shutters at the windows from the second story to the fifth, the West Side Highway only at the second floor. There are five arched loading bay openings at the ground floor level at the Washington Street facade; the West Street facade features two arched openings, and one later-added opening. The West Street facade has five filled-in basement window openings. There are four star-shaped tie-rod ends located at every other floor on both facades. Both facades are capped by the same corbelled brick cornice as the Laight Street facade. Painted signage is evidenced at both facades.

(iii) Condition of the cellar: Ceiling and floor have been completely replaced. Walls evidence no defects and are in stable and good condition.

(iv) The building lies within the Tribeca North Historic District so that all alterations affecting the building exterior have been presented to the Landmarks and Preservation Commission and approved at the public hearing of 10/17/2000, under LPC No. 00-3654. The approved work includes the restoration of the exterior brick masonry, restoration of the original loading bays, restoration or replacement of the existing windows and the construction of the new roof top addition.

2. The Proposed Exterior Restoration Program is as follows:

(i) Exterior Masonry:
Cleaning, restoration and replacement where required of existing brick masonry. Any settlement cracks noted in the Local Law 11 Report dated May 11, 2000 prepared by Joseph Pell Lombardi Architects, have been repaired and based upon my observation over the past 10 months, are now in stable condition. Sponsor is in the process of completing the balance of the repair work recommended in the Local Law 11.

(ii) Bays & Storefronts:
The original loading bays will be restored and retained as approved by the Landmarks and Preservation Commission requirements, and used as residential and commercial entries. One of the loading bays will be converted to a street-level entrance, which will be part of the Commercial Unit. All concrete docks are to be removed. All other openings on the facade will be restored to the original window openings, and fitted with cast-iron windows to match the existing historic windows. The awning over the main loading bay entrance will be restored. The basement window openings will be reopened, and the original areaway in front of those windows is to be excavated and restored. New metal railings will surround the areaway. The brick facade is to be cleaned and the painted signage, graffiti, and the coat of paint that covers the ground floor level are to be removed. New light fixtures are to be placed over each entrance. Painted glass signage will be placed on the new entryways.

The painted signage strips are to be removed and replaced with signage that identifies the building.

(iii) Windows:

There are no lot line windows in the building. All windows, facing the streets, are to be restored or replaced to match the existing historic windows. All new windows, facing the streets, will be painted with a historically appropriate color that will be determined through a paint analysis and approved by the Landmark and Preservation Commission of the City of New York. All original window openings are to be reopened or restored, as necessary. All windows at the basement, ground, and second floors are to have the original cast-iron shutters restored or replaced as necessary. Shutter hardware will also be restored or replaced as required. All new windows, facing the streets, will be custom manufactured and installed by Forkosh Construction, Inc., the general contractor for the project. All new windows will have a 10 year guarantee for materials and insulation.

All windows, facing two courtyards of the building, will be made of aluminum and insulating glass. The Manufacturer is All United Windows Corp. Five year warranty on labor and materials be given by the window contractor Forkosh Construction, Ten year materials warranty on the insulating glass units by the manufacturer. The U value of the glass will be .40 or less; the shading coefficient will be .69 or less.

(iv) Roof:

The existing roof surfaces will be completely repaired and resurfaced with a new roof system, as more particularly described in Paragraph 7 below. The reconstruction will feature terraces on both of the 9-story portions of the building, and all roof peaks with also feature skylights to match the existing skylight above the six-story portion. The terrace areas will be covered with polymer pavers, appropriate for recreational use. All parapet walls, and copings will be repaired, replaced and repointed with matching materials in the required locations. The waterproofing materials will also be installed.

3. Parapets and copings:

(i) All parapet walls, and copings will be repaired, replaced and repointed with matching materials in the required locations. They appear to be in good condition. The existing parapets and copings will be repaired where necessary. Supplemental railing will be provided where necessary to achieve the required minimum height of 3'-6".

4. Chimneys and caps:

(i) The will be four chimneys on the roof of the building. The existing defunct chimney located at the North-East corner will be restored. The new chimneys will be provided where shown on the exterior plans, approved by the Landmarks and Preservation Commission (ref. LPC No. 00-3654). Two new chimneys will be places on the six-story portion of the building, one chimney will be placed on the East wing of the building and one chimney will be constructed on the west wing. All five chimney are built of brick clad and metal.

(ii) All interior bathrooms, kitchens, washer/dryer rooms, refuse rooms and toilet rooms will be vented mechanically through sheet metal ducts to the exterior at the roof, as per New York City Building Code requirements.

(iii)Fireplaces: wood burning fireplaces, manufactured by The Majestic Products Company, model SC42. Fireplaces will be available in all Unit except for Units 1A, 1B, 1C, 1D, 1E, 2B, 2C, 2D, 2E, 3B, 3C, 3D and 3E.

(iv)Refuse chutes of heavy gauge steel by All-City Metal are to be located on all residential floors near the stair and elevator cores.

5. Balconies and Terraces:

(i) Decking finish in the roof terraces will be polymer pavers over the roofing system. The are no balconies.

6. Exterior entrances:

(i) Exterior doors and frames: exterior double doors in the entrance leading to the residential lobby fronting Laight Street.

(ii) Exterior stairs: There are no exterior stairs.

(iii)Railings: Metal railings will be installed along the perimeter of the building.

(iv)Lighting: Incandescent and fluorescent lighting will be installed at the entranceway and throughout the lobby.

(v) Canopy: retractable awnings located at main entrance are Residential Common Elements.

(vi)Other entrances: Side entrances on Washington and Laight Streets to the ground floor residential units.

7. Roof and roof structures: the existing roof will be restored with new skylight construction and partially new roofing system. The roof construction will comprised of patched existing corrugated iron panels approximately 1/8" thick. Then they will be covered

with new roofing materials. The developer will provide a 10 year guarantee for the new roof system for materials and insulation. R-factor for the roof will be R-19.

8.

(i) Type of New Roof:

a) Material: Built up modified bitumen roof with insulation
b) Insulation: fiber glass batt insulation.
c) Surface finish: Concrete or wood pavers at terraces and new roof
d) Bond or guarantee: Warranty: 10 years
e) Flashing material: Metal
f) Parapet Coping: Metal.

(ii) Roof Drains:

a) The roof will be pitched to the drains towards the perimeter of the terraces and roof surfaces. The roof drains will be extra heavy duty round, cast iron adjustable top.

b) Copper gutters and leaders will be located along the horizontal and vertical surfaces of the rooftop bulkheads and penthouse construction.

(iii) Skylights:
Three skylights will be installed on all three roof peaks (two on each peak). In addition the sloping portion of the roof will have 22 skylights installed along the outside perimeter of the roof. All skylights will be made of aluminum and glass.

(iv) Bulkheads:

a) Fire Stairs: One new stair bulkhead in the central portion of the rooftop will be constructed of metal studs and stucco. A ventilating skylight will be installed in the top of the bulkhead.
b) The two existing elevator bulkheads that flank the six story portion of the building will be removed.

(v) Metal work at roof levels:
a) Railings: See description of Parapet/Roof Railings (Sec. G-6)
b) Hatches to roof: None.
c) Vertical ladders: metal access ladders, as required, to cooling tower & elevator and stair bulkhead.

(vi) Rooftop Facilities: The roof areas of the building include three public terraces for recreational use of the building occupants, located in the middle, east and west portion of the roof. All terraces are to be finished with polymer pavers over the roofing system. All terraces will be accessible to the public through fireproof metal doors, in addition, some apartments will have a direct access to a terrace

through a glass door. Some apartments will have direct access to public terraces, and such access will be provided through glass and aluminum doors.

a) The condominium management will have unlimited access to all areas of the roof or cellar for the purpose of making inspections and repairs.
b) No additional enclosed area can be built as-of-right on the roof. Any change to the location, configuration or materials of the bulkheads and access stairs to the roof from the top floor unit(s) requires a permit from the Department of Buildings. Any additional roof terrace construction, including any terrace paving, plumbing work, electrical work, or terrace structures requires a permit from the Department of Buildings and Landmark Preservations Commission.

9. Fire Escapes: None

10. Yards and Courts: No yards. Two paved open spaces of approximately 431 sf each will be built in the building, neither open area will not be accessible to the occupants of the building except for Units directly adjoining the open spaces (Units 1A, 1D).

11. Interior Stairs:

i) Fire Stair: There are six proposed interior stair cores, two located to the east, two located to the west and two located to the south. These enclosed fire stairs will serve floors cellar through the roof.

a) Enclosure: The six new fire stairs will be enclosed with drywall of the required fire rating.
b) Stair construction: The proposed fire stairs will be concrete and metal pan construction.
c) Stringers: Steel stringers.
d) Treads: Concrete filled pan.
e) Risers: Steel.
f) Guard Rails: Steel pipe.

ii) Interior Unit Stairs: There will be closed riser wood stairs in each duplex/triplex unit, connecting all the levels internally.

a) Enclosure: None.
b) Stair construction: Wood.
c) Stringers: Wood stringer.
d) Treads: Wood.
e) Risers: Wood.
f) Guard Rails: metal or wood hand rail on drywall
g) Balustrade: Wood on drywall

12. Interior Doors and Frames:

i) Unit Entrances: All unit entrances shall have a metal security door or shall have a direct access from elevator cabin, as approved by the New York Fire Department, and will meet the New York City Building Code requirement.

ii) Stair Doors and Frames: All doors and frames leading to fire stairs shall be hollow metal and will meet the New York City Building Code requirements.

iii) Roof Doors, Cellar Doors and Frames: These doors and frames shall be hollow metal and will meet the New York City Building Code requirements.

13. Elevators

i) There will be three new passenger/service elevators, elevators (No.1) and (No.3) will be servicing the building from the first floor through the fifth floor and elevator (No.2) will be servicing the building from the cellar through the sixth floor. The elevators will conform to New York City Local Law 87 and ADA requirements. They are to be cellar machine tracking passenger elevators. They are to be 2,500 lb./10-12 person capacity automatic geared passenger elevators rated at 350 ft. per minute operation speed, with sliding metal fireproof doors.

ii) Elevator machinery will be manufactured by Hollister Whitney model #53, cabs by Park Avenue Cab, Inc., controllers by O'Thompson.

ii) Required certificates of inspection and permits for the operation of the elevators will be issued prior to the residential occupancy of the building.

14. Elevator Cabs

i) Floor Material: Vinyl tile
ii) Walls: Metal Paneling
iii) Ceiling: Metal
iv) Lighting: Incandescent down-lighting
v) Doors: The doors for the cabs will be sliding metal fireproof doors, and the elevator enclosure on four sides will consist of drywall as per code.

I. Auxiliary Facilities

1. A washer and dryer will be provided individually in each apartment, which will be vented as described in Section N.

2. Refuse Disposal

i) Compactor (New): there will be five hopper door extruder type compactors, with automatic electric eye control and bi-label fire rated, model MC 4000 by Metropak.

ii) Approvals: none.

iii) Storage Location: The compacted bags will be stored in three refuse rooms in the cellar until they are transferred to the street level.

iv) The bags from the residential refuse room will be picked up from the sidewalk containers by the New York City Department of Sanitation.

3. Mail Room: Individual mailboxes for the residences will be located in the lobby's mailroom.

4. Bike/Storage Room: Located in the ground floor.

J. Plumbing and Drainage

1. New Water Supply:

i) Domestic water for the building will be provided from the City of New York. Street main shut-off valve, DCV back flow preventor and meter will be provided.

ii) One (1) 6" diameter fire services for the building will be provided from an independent city main owned by the City of New York. Street main shut-off valves, DCDA backflow preventer with by-pass meter will be provided.

2. Fire Protection System: The primary water supply to the combination sprinkler and fire standpipe system will be a fire pump located in the cellar.

i) Standpipes: The standpipe risers will be located in staircase enclosures so that all portions of each floor are reachable by a 125 feet long hose.

ii) Sprinkler heads: Automatic sprinklers supplied from the standpipe system will be provided throughout the building. The sprinkler heads are cast brass, ordinary temperature rating, concealed type.

iii) Siamese Connection: The secondary source of supply will be from Siamese connections located on street level.

(iv) New standpipe and sprinkler systems will be installed in accordance with NFPA-13, NYC Building Code and NYC Fire Department requirements. ASTM A-53, Grade B, Schedule 40 or equal piping will be used. The entire system will be pressure tested and witnessed by NYC Fire Department, and signed-off by Licensed Plumber and NYC Building Department.

3. Domestic water pressure will be maintained by a duplex domestic water boosted pumping system with a bladder tank, which will provide water to all plumbing fixtures with a pressure of minimum 40 psi. Hot water will be generated by a modular domestic hot water system. The material of the new water pipes will be copper type L.

4. Sanitary Sewage System

   i) Sewage Piping: A sewage piping system will convey all waste from fixtures. New above ground waste pipes will be of cast iron, no hub. New underground waste pipes will be of cast iron, hub and spigot. All equipment will discharge to gravity sanitary house sewer. Vent piping system will extend from fixtures, drains, equipment and stacks to point of termination above the roof.

   ii) Sewage Disposal: Sanitary drainage system will convey all soil and waste from fixtures and equipment located on the ground floor and above through vented fixtures branches, stacks and house drains. The Sanitary House Sewer will extend outside the building wall and connect to the exterior sewer.

5. Permits: All permits required for the plumbing and drainage systems will be obtained from the appropriate agencies of the City of New York.

6. Storm Drainage System

   i) Storm drainage system will convey storm water from roof areas, areaways, etc. through new leaders to new house drains. The Storm House Drain will extend outside the building wall and connect to the exterior sewer. Storm drainage piping above ground will be of cast iron, no hub type. Underground storm drainage piping will be of cast iron, hub and spigot type.

   ii) Leaks: No frequent or active leaking is expected since the system will be brand new.

K. Heating

1. The heating system will consist of a boiler, pumps and fan coil units for the apartments. The heating plant will be located in the Boiler Room in the cellar. The capacity is adequate for the anticipated heating needs of the occupants of the building. The R-factor for the walls will be R-13, the material used will be fiber glass batt insulation.

2. The boiler is Mightymax PHH1000M with 1000 MBH input by Teledynelaars. The boiler will provide hot water in the closed loop systems. Circulating pumps will be located in the boiler room. The domestic water will be heated by the boiler plant. Boiler plant will be controlled by Tekmar Electronic control system.

3. The fan coil units will be located within each apartment. The size of the unit varies and will depend upon its location. Fan coil units will be manufactured by CUSTOMAIR – TEBA, model VCF. Capacity of each fan coil unit will be a) cooling - 8.25 MBH or more; b) heating - 9.28 MBH or more. Air flow (high speed) 300 CFM. The fan coil units in each Unit are set forth in Schedule A attached hereto.

4. All required certificates of inspection and permits for the operation of the new boiler will be issued prior to the residential occupancy of the building.

L. Gas Supply

1. A complete gas system will be provided to all hot water boilers, water heaters, fireplaces etc., requiring gas. The gas service to this equipment will be master metered.

2. Gas will be supplied by gas service connection to the Con Edison main and extend into the building. The gas service will be provided with a required meter in accordance with the utility company requirements.

3. Gas meter will be located in the cellar.

4. All gas system, service and piping will be new. New piping shall be ANSI/ASME B36.10, or better, Schedule 40. Fittings shall be malleable, as per Con Edison and NYC Building Code.

M. Air Conditioning

1. Air conditioning system is designed to meet all requirements of N.Y. State Energy Code. Separate HVAC Units are provided for Lobby and Elevator Machine Rooms.

2. A cooling tower will be located on the roof, and a chiller will be located in the cellar. The cooling tower will be of adequate capacity, and it shall be manufactured by

Evapco model LRT8-93 or approved equal. The capacity of the cooling tower will be 185 TR/ 46,850 CFM. The condenser water piping will be a Schedule 40 Black Steel and/or copper class "L". The chiller will be manufactured by MULTISTACK and model number is MS30C2A2W or approved equal. The capacity of the chiller will be 183 TR.

3. The residential units will be cooled by individual fan coil units, and they are adequate for the anticipated cooling load in each residential unit. The air conditioner manufacturer will be Customair – Teba, model VCF.

N. Ventilation

All interior baths, boiler rooms, meter rooms and dryers are ventilated mechanically in accordance with New York City Building Codes. Duct risers from each bathroom will be provided to roof exhaust fans, mounted on the roof. Every dryer will have a ducted exhaust system through the roof as per New York City Code.

O. Electrical System (All New Systems)

1. New electric service will be 120/208 volt, 3 phase, 4 wires complete with main switches and distribution panels for the entire building. The electric service for the building common areas will be provided from a 2,000 amp service switch, while the residential portion of the building will be powered from three (3) 600 amp service switches. The apartments will be provided with new electrical risers, protected by 100 amp fusible 3 pole switches at the main meter assembly within the cellar. The apartments will be provided with 100 amp, 3 phase, 4 wire, 30 circuit breakers panels. The electrical service will be adequate for residential use, including central air conditioning.

2. The incoming service will enter the building at the cellar level from the Con Edison mains located at Laight Street and enter the electrical room and apartment metering main switchboard which will be located in the Electric Room in the cellar. A master meter will be provided for all public areas and building common function, a separate meter will be provided for each residential unit. From each apartment meter, the service will go to the individual apartment panels located within each apartment. Each unit will be separately metered by Con Edison.

3. Apartment Lighting and Receptacles:

Kitchens are to be illuminated by a ceiling mounted incandescent lighting fixture. Bathrooms are to be illuminated by ceiling incandescent lighting fixtures. There will be a ground fault protected duplex receptacles provided at the kitchen and bathrooms. Living rooms, dining rooms and bedrooms are to be provided with convenience duplex receptacles in accordance with the New York City electrical code. In each

room one convenience receptacle will be controlled by a switch located at the entry door. Attached is Schedule A setting forth the electrical outlets in each Unit.

P. Telephone, Intercom and Cable TV

1. Telephone and Intercom: The building will be provided with a telephone system. The jacks for this telephone will be standard wall telephone jacks located throughout each residential unit. Each residential unit will be pre-wired to permit the installation of telephone jacks. Residential phones shall be compatible with the Intercom system, allowing concierge to announce visitors and guests.

2. Cable TV System: Wiring will be installed in each residential unit to enable the unit owner to obtain cable television service. No outlets will be provided for connecting to these wires. Such connections will be installed by the cable television company.

Q. Public Area Lighting

All public area lighting will be adequate or exceed NYC Code minimums.

1. The lobby is to be lit with incandescent and fluorescent ceiling fixtures.
2. Utility Rooms will be lit with fluorescent fixtures.
3. Corridors and stairs are to be lit with ceiling and wall mounted fluorescent lighting fixtures.

R. Parking Area:
None. The Sponsor may apply for parking use variance and if such variance will be granted, the Sponsor may provide parking space. Until a special permit is applied for and such permit is granted, if at all, Sponsor cannot determine the number of spaces or their location within the Commercial Unit.

S. Swimming Pool:
None

T. Tennis Court:
None

U. Permits and Certifications

The following permits must be received and inspections conducted for this project:

1. Boiler Safety Approval and Inspection.
2. Elevator Safety.

3. Department of Environmental Protection Cross Connection Domestic/Fire Standpipe.
4. Construction.
5. Plumbing.
6. Mechanical.
7. Electrical.
8. Structural.
9. Sprinkler / Standpipe.

The project will comply with Local Low 58 requirements as per New York City regulations.

V. Violations

There are some open Department of Building violations and ECB violations on record. These violations will be resolved during renovation and will be dismissed prior to the issuance of the Certificate of Occupancy (C of O).

W. Unit Information

The alteration work in each of the residential units, which includes the following finishes and fixtures, is a complete renovation of the space, with entirely new plumbing, mechanical, electrical and finish materials.

Appliance & Finish Schedule:

The following list of appliances, finishes, bathroom fixtures and accessories will be as specified in this schedule or equal or better:

1. Finish schedule for typical apartment

Space	Floor	Walls	Ceiling
Entry Hall	ST	P	P
Living Room	WD	P	P
Kitchen	WD	P	P
Bedrooms	WD	P	P
Bathrooms	ST/MT	CT	P
Closets/W-D Clos.	WD/CT	P/CT	P/P

2. Bathroom Fixtures

Master Bathroom

Fixture	Manufacturer	Model
Sink	Kohler	K-2210-0
Faucet	Watermark	LOFT 24-2-L4-SN
Water Closet	Crane	3-835 WHT
Bath Tub	Kohler	Tee-For-Two K-863-0/ or Maestro K-840-0
Tub Fittings	Watermark	LOFT 24-8.5-L4-SN
Shower Fittings	Watermark	LOFT 24-6.2-L4-SN

Second Bathroom

Fixture	Manufacturer	Model
Lavatory	Watercrest	25 X 22 WHT
Faucet	Watermark	LOFT 24-2-L4-SN
Water Closet	Crane	3-835 WHT
Bath Tub	Kohler	K-715-0 WHT
Tub&Shower Fittings	Watermark	LOFT 24-3.2-L5-SN

Powder Room

Fixture	Manufacturer	Model
Lavatory	ST Thomas	Richmond 5124-080
Faucet	Watermark	LOFT 24-2-L4-SN
Water Closet	Crane	3-835 WHT

3. Kitchen Appliances

Appliance	Manufacturer	Model
Dishwasher	Bosch	SHU8815SS

Cooktop	Thermador	CEM304ZB
Refrigerator	Viking	VCBB362
Oven	Bosch	HBL635
Sink	Moen	22355 UMTL
Sink Fittings	Danze	4561-13
Washer/Dryer	Maytag	LSG 7806

4. Lobby

Floor	Walls	Base	Ceiling
ST	P	ST	P

Abbreviation for Finishes:

CT -ceramic tile
MT -marble tile
P -paint
ST -stone tile
WD -wood

Y. Fire Protection System

1. The building will be provided with a combination fire standpipe and sprinkler system and fire pump.

2. Sprinklers will be provided throughout the building.

3. Siamese connection to be installed at the exterior walls, as required by NYC Building Code.

4. Hose valved outlets with cap and chain will be installed at each residential floor landing in each stairwell.

5. Hose station will be installed at floor landing at retail floor and cellar.

6. Central fire hose cabinet will be installed in the residential lobby, at the first floor.

7. Each apartment will contain a smoke detector in the vicinity of the bedrooms, connected to the panel in the apartment.

8. The building fire alarm system will be provided to monitor the tamper and water flow switches throughout the building, along with the smoke detector in the electrical room in the cellar.

Z. Description of Units

Each residential unit will be measured horizontally from the exterior of the exterior walls (columns, mechanical pipe shafts, shaft ways, chases, chase ways and conduits are not deducted) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators, and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior wall. Each Unit will be measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling. However, any Common Elements located within a Unit (including any structural slabs separating floors of a Unit located on more than one floor) shall not be considered a part of such Unit.

Sworn to before me this
16th day of December ~~2000~~ 2001 LR

Leah Riman
Notary Public

Van J. Brody Architects P.C.

Stamp

REGISTERED ARCHITECT
BRODY VAN JAN
UNIVERSITY OF THE STATE OF NEW YORK

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

Fan Coil Units, Electric Outlets and Fireplaces

Unit	Unit Description	Number of Fan Coil Units/Electrical Outlets in the Living Room	Number of Fan Coil Units/Electrical Outlets in the First Bedroom	Number of Fan Coil Units/Electrical Outlets in the Second Bedroom	Number of Fan Coil Units/Electrical Outlets in the Third Bedroom	Number of Fireplaces in the Unit
1A	3BR, 2.5 Baths	2/5	1/5	1/4	1/4	–
1B	2BR, 2.5 baths	2/5	1/5	1/4	–	–
1C	2BR, 2.5 Baths	2/5	1/5	1/4	–	–
1D	1BR, 1.5 Baths	2/5	1/4	–	–	–
1E	1BR, 1 Bath	1/4	1/4	–	–	–
2A	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
2B	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	–
2C	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	–
2D	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	–
2E	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	–
2F	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
3A	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
3B	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	–
3C	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	–
3D	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	–
3E	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	–
3F	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
4A	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
4B	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	1
4C	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	1
4D	3BR, 3.5 Baths, duplex, fireplace	2/6	1/5	1/4	1/4	1
4E	3BR, 2.5 Baths, duplex, fireplace	1/6	1/6	1/5	1/5	1
4F	3BR, 3.5 Baths, duplex, fireplace	2/5	1/6	1/4	1/5	1
5A	2BR, 3.5 Baths, triplex, fireplace	1/5	1/4	1/4	–	1
5B	2BR, 2.5 Baths, duplex, fireplace	2/5	1/4	1/4	–	1
5C	2BR, 3.5 Bath, triplex, fireplace	1/5	1/4	1/4	–	1
5D	2BR, 2.5 Baths, fireplace	1/5	1/4	1/4	–	1
5E	2BR, 2.5 Baths, fireplace	1/5	1/4	1/4	–	1
5F	2BR, 3.5 Baths, triplex, fireplace	1/5	1/4	1/4	–	1
5G	2BR, 2.5 Baths, duplex, fireplace	2/5	1/4	1/4	–	1
5H	2BR, 3.5 Baths, triplex, fireplace	1/5	1/4	1/4	–	1
6D	3BR, 3.5 Baths, duplex, fireplace	2/6	1/4	1/4	1/4	1
6E	3BR, 3.5 Baths, duplex, fireplace	2/6	1/4	1/4	1/4	1

Approximate Clearance Between The Top Of The Slab And The Bottom Of The Finished Ceiling In The Units

Unit	Unit Configuration	Clearance in Living Room	Clearance in Master Bedroom	Clearance in Second Bedroom	Clearance in Third Bedroom
1A	3BR, 2.5 Baths	8'2"	8'2"	8'2"	8'2"
1B	2BR, 2.5 baths	11'2"	11'2"	11'2"	-
1C	2BR, 2.5 Baths	11'2"	11'2"	11'2"	-
1D	1BR, 1.5 Baths	8'2"	8'2"	-	-
1E	1BR, 1 Bath	8'2"	8'2"	-	-
2A	3BR, 3.5 Baths, duplex, fireplace	14'8"	14'8"	7'10"	7'10"
2B	3BR, 2.5 Baths, duplex, fireplace	14'8"	7'10"	7'10"	7'10"
2C	3BR, 3.5 Baths, duplex, fireplace	14'8"	7'10"	7'10"	7'10"
2D	3BR, 3.5 Baths, duplex, fireplace	14'8"	7'10"	7'10"	7'10"
2E	3BR, 2.5 Baths, duplex, fireplace	14'8"	7'10"	7'10"	7'10"
2F	3BR, 3.5 Baths, duplex, fireplace	14'8"	14'8"	7'10"	7'10"
3A	3BR, 3.5 Baths, duplex, fireplace	14'9"	14'9"	7'9'	7'9'
3B	3BR, 2.5 Baths, duplex, fireplace	14'9"	7'9'	7'9'	7'9'
3C	3BR, 3.5 Baths, duplex, fireplace	14'9"	7'9'	7'9'	7'9'
3D	3BR, 3.5 Baths, duplex, fireplace	14'9"	7'9'	7'9'	7'9'
3E	3BR, 2.5 Baths, duplex, fireplace	14'9"	7'9'	7'9'	7'9'
3F	3BR, 3.5 Baths, duplex, fireplace	14'9"	14'9"	7'9'	7'9'
4A	3BR, 3.5 Baths, duplex, fireplace	14'10"	14'10"	7'10"	7'10"
4B	3BR, 2.5 Baths, duplex, fireplace	14'10"	7'10"	7'10"	7'10"
4C	3BR, 3.5 Baths, duplex, fireplace	14'10"	7'10"	7'10"	7'10"
4D	3BR, 3.5 Baths, duplex, fireplace	14'10"	7'10"	7'10"	7'10"
4E	3BR, 2.5 Baths, duplex, fireplace	14'10"	7'10"	7'10"	7'10"
4F	3BR, 3.5 Baths, duplex, fireplace	14'10"	14'10"	7'10"	7'10"
5A	2BR, 3.5 Baths, triplex, fireplace	9'5"	8'2"	8'2"	-
5B	2BR, 2.5 Baths, duplex, fireplace	9'5"	8'2"	8'2"	-
5C	2BR, 3.5 Bath, triplex, fireplace	9'5"	8'2"	8'2"	-
5D	2BR, 2.5 Baths, fireplace	9'5"	8'2"	8'2"	-
5E	2BR, 2.5 Baths, fireplace	9'5"	8'2"	8'2"	-
5F	2BR, 3.5 Baths, triplex, fireplace	9'5"	8'2"	8'2"	-
5G	2BR, 2.5 Baths, duplex, fireplace	9'5"	8'2"	8'2"	-
5H	2BR, 3.5 Baths, triplex, fireplace	9'5"	8'2"	8'2"	-
6D	3BR, 3.5 Baths, duplex, fireplace	14'2"	14'2"	8'2"	8'2"
6E	3BR, 3.5 Baths, duplex, fireplace	14'2"	14'2"	8'2"	8'2"

EXHIBIT "5"

ASBESTOS REPORT

DALTON
ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
New Suffolk, NY 11956
516 - 734 - 6450
Fax 516 - 734 - 5152

ASBESTOS REPORT

- for -

79-101 Laight Street
New York, NY

Prepared For

Coral Realty
400 Broom Street
New York, NY 10013

BY

DALTON ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
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Fax 516 - 734 - 5152

Date: December 30, 1999
DEL # 991220-249-875

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ASBESTOS REPORT

79-101 Laight Street
New York, NY

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EXECUTIVE SUMMARY

Property Location: 79-101 Laight Street, New York, NY
Site Inspection Visit(s): December 27, 1999
Inspection Supervisor: **DALTON ENVIRONMENTAL Ltd.,** by D. Truglia, J.D., M.S., C.A.I.
Owner's Representative Present: T.J. Dunn

Scope: This asbestos investigation was limited to compliance with the requirements of the New York State Attorney General for the disclosure of asbestos containing material under Part 20 of Title 13 NYCRR.

Inspection Opinion: Building is an unoccupied public warehouse with no heating system. No suspected asbestos containing material (SACM) was present in this structure. See detailed summary of findings Section 3.0.

Exposure Risk Factor: None. See inspection notes, Sections 3.1 and 3.2.

Recommendation: None.

Addendum

Lead-Based Paint Disclosure: Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint in residential housing, and notwithstanding the present non-residential use and character of the building, and depending upon applicability with regard to final interior structural configuration, the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, if any, available for inspection at its office, during business hours via appointment. Sponsor may also distribute to each purchaser, a copy of EPA 747-K-94-001 detailing general lead-based paint information if required to do so. Sponsor will comply with all laws and applicable regulations pursuant to the requirements of the New York State Attorney General in Part 20 of Title 13 NYCRR. See Section 4.4 for detailed summary.

1.0 GENERAL INFORMATION

DALTON ENVIRONMENTAL Ltd., has performed an asbestos survey to investigate the presence of asbestos containing material (ACM) in the subject premises and to render an opinion for further study, treatment, or such operations and maintenance program, as is deemed advisable. The scope of the report is limited to compliance with the requirements of the New York State Attorney General, regarding disclosure of the presence of ACM in offering plans for buildings undergoing conversion to cooperative or condominium status. The required information must include an evaluation of the ACM in the building, recommended methods of removal and/or treatment, and a protocol for the future management of asbestos or operations and maintenance (O&M) program, which will remain in the building.

"Asbestos" is the name of a class of magnesium-silicate minerals that occur in fibrous form. The most common minerals that are included in this group are chrysotile, amosite, and crocidolite. Whenever any of these materials is subjected to physical disturbance, vibration, or an airstream of significant velocity and duration, there is a likelihood of the release of respirable (breathable) airborne asbestos fibers. The exact relationship between exposure level to asbestos and health risk is a matter of debate although some epidemiological studies have established a correlation between exposure to respirable particles and some forms of fibrogenic disease. The US Environmental Protection Agency's efforts to regulate and control ACM in buildings is based upon its finding that airborne asbestos constitutes a hazardous emission, 40 CFR 61, Subpart M, (National Emission Standards for Hazardous Air Pollutants).

Asbestos containing material has been used in a wide variety of manufactured goods and building materials including various types of pipe, tank and boiler insulation such as is commonly found in older buildings in New York City.

The potential for an asbestos-containing product to release breathable fibers depends on its degree of friability. "Friable" means that the material can be crumbled with hand pressure and is therefore likely to emit fibers upon minimal physical disturbance. Pipe and tank insulation may be friable whenever they are damaged or deteriorated. Conversely, asbestos containing materials which are not friable may be managed in-place indefinitely until ultimately replaced with non-ACM during renovation.

1.1 Site Assessment Methods

The site assessment and review were conducted under the direct supervision of Dunewood Truglia, (M.S. Environmental Science,) a NYC Certified Asbestos Investigator qualified by experience, education and training in the investigation of asbestos containing building materials and approved bulk sampling techniques for suspected asbestos containing materials.

An inspection of all interior accessible space in the subject building was made in the presence of a representative of the owner or managing party. In order to determine whether or not a suspected material should be classified as asbestos it is usually necessary to collect a sufficient number of samples to insure a statistically significant result based on a reasonable amount of analytical data. In instances where where no suspect material is present and building materials and fixtures are reasonably identifiable as non-ACM, bulk samples are deemed unnecessary, as was the case here.

If bulk samples are collected during a site investigation, they are analyzed by standard petrographic polarized light microscopy (Dispersion Staining) performed by an independent laboratory qualified for asbestos analysis and certified in NIST/NVLAP and NYS ELAP programs. Analysis protocol is EPA's "Interim Method for the Determination of Asbestos Bulk Insulation Samples," 600/M-4-83-020 (PLM/DS). Asbestos containing materials as defined by federal, state and local law are those materials which contain more than 1% asbestos.

Site inspection methods, document review and analytical protocol employed here were appropriate to and commensurate with experience, knowledge, observation, and familiarity with similarly situated property in this locale and although our opinion is rendered with a reasonable degree of environmental inspection certainty, no warranties of any nature may be inferred and no representation to the contrary is intended.

Photographs were taken during the site visit, which fairly and accurately depicts the conditions observed at the time of the inspection. No site plan or as-built drawings were available.

2.0 SITE DESCRIPTION and CHARACTERISTICS

2.1 Physical Site Inspection

The subject property is a five story warehouse structure, with a sixth floor penthouse, located on the south side of Laight Street at West Side Highway in lower Manhattan. The building's construction is brick and concrete with supporting columns throughout. It contains two elevators and two open stairways which provide access to each floor. A full basement is located below grade level. The building (approx. 62' x 225)' was originally constructed around 1850, with nine floors and a tenth floor penthouse which encompasses roughly one third of the top floor. It was reconfigured in the early 1900s to five stories with a sixth floor penthouse and has been used as a public warehouse since that time. Each floor is open plan with cast iron columns for support.

DALTON ENVIRONMENTAL, Ltd., conducted a site inspection of the entire building which is presently unoccupied, on December 27. During the inspection each floor was accessed as well as the roof and the basement.

3.0 FINDINGS

No suspected asbestos containing materials were visible or accessible anywhere in the structure.

3.1 Inspection Notes - Common and Utility Areas

Stairwells

No suspected ACM was present in any of the stairwells.

Basement

The basement is located below grade-level and contained a number of rooms and open areas which were investigated. Basement had brick walls, concrete floors and ceilings with steel beam and cast iron columns. No suspected ACM was present.

Boiler Room - None; the building contains no heating system.

Pump Room - A pump room at the east end of the basement contained uninsulated piping which feeds the dry sprinkler system present on each floor throughout the building. No insulation or other suspect material was present on any piping in the building.

Elevator Machine Rooms - No suspected asbestos containing material present.

3.2 Inspection Notes - Floor Spaces

All floor spaces on floors one through five (and penthouse on six) were identical except for ceiling heights. Configuration is open warehouse space with 20' - 22' foot ceiling heights with brick walls, concrete ceiling decks, wooden floors and cast iron columns. Uninsulated sprinkler system piping was observed at approximately ceiling level. No suspected asbestos containing material was present.

Administrative Office - A small office was present on the first floor. It had electric space heaters and no suspected asbestos containing material. There were two bathrooms (one non-functional) on the first floor. No insulated piping or suspected asbestos containing material was present. The roof was inspected and unremarkable. No suspected asbestos containing material was visible or accessible.

4.0 CONCLUSIONS and RECOMMENDATIONS

4.1 Conclusion

No suspected asbestos containing material was visible or accessible anywhere in this structure.

4.2 Remediation, Recommendations

None.

Applicable Asbestos Standards

Federal -

29 CFR 1910.1001;51 CFR 1926.58; 29 CFR 1910.134
29 CFR 1910.145; 30 CFR 230 & 231; 40 CFR 61 Subpart M
40 CFR 763 (as applicable)

State of New York -

New York State Environmental Conservation Laws
Article 27 Title 3 Part 364
Article 27 Title 6 & 7 Part 360
Chapter 775 of the Laws of the State of New York
Labor Law, Article 30, Industrial Code Rule 56
Title 12 NYCRR as applicable
Title 13 NYCRR, Parts 18, 20 and 21

City of New York -

Local Laws 70 and 76 of 1985 City of New York (where applicable),
Local Law 21 of 1987 City of New York (where applicable), each as codified in Title 15 of the Rules of the City of New York

4.3 Operations and Maintenance Protocol

Not applicable.

4.4 Lead-based Paint Regulation Disclosure

Due to age and construction configuration of the subject premises, it is possible that lead-based paint may be present in a variety of areas throughout the building. Pursuant to various federal, state or local laws mandating the disclosure of information concerning the presence of lead-based paint, and notwithstanding the non-residential character of the building and depending upon applicability with regard to final interior structural configuration, sponsor may distribute to each prospective purchaser, a copy of EPA 747-K-94-001 detailing important lead-based paint information.

The Attorney General's regulation requires disclosing the existence of applicable federal, state or local laws concerning lead-based paint, see regulatory advice below. Under subdivision (dd) of Section 20.7 of Title 13 NYCRR, a sponsor must disclose any records, reports, violation and any other information know or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards. Therefore the sponsor will make all documents concerning the presence of lead-based paint which it has in its possession, if any, available for inspection at its office, during regular business hours via appointment. Finally, the sponsor will comply with all laws and applicable regulations concerning lead-based paint pursuant to the requirements of the New York State Attorney General in Part 20 of Title 13 NYCRR.

Applicable Lead-based Paint Regulations

Federal -
42 USC 485 2d, 24 CFR Part 35, EPA HUD final Rule, 40 CFR Part 745

State of New York -
Part 20 of Title 13 NYCRR (subdivision (dd) of Section 20.7) of the regulations of the New York State Attorney General

City of New York -
NYC Local Law 1 codified at NYC Housing Maintenance Code § 27-2013(h) and *cf.*, Title 28 RCNY 11

5.0 LIMITED WARRANTY

Dalton Environmental, Ltd., warrants that it uses reasonable and ordinary care in the site inspection, compilation and transcription of data which it obtains from a variety of government and non-government sources. This limited warranty is in lieu of all other express warranties which might otherwise arise with respect to the Report. No one is authorized to change or add to this limited warranty. This limited warranty is extended by Dalton Environmental, Ltd., only to the original purchaser of the accompanying asbestos report and it may not be assigned to any other person. The period of warranty coverage is six months from the date of the report and said warranty will automatically expire after that period.

5.1 Disclaimer of Liability

Dalton Environmental, Ltd., has not and can not verify the accuracy, correctness or completion of the information contained in the report except where it has specifically undertaken to do so by physical observation of factors or conditions which are patent and reasonably susceptible to observation and interpretation during a normal site inspection. Information is included which is obtained from a variety of sources (government, owner, manager, laboratory, etc.,) and errors are common in such information. Dalton Environmental, Ltd., cannot control the accuracy or completeness of the information contained in the report or the uses which may be made of the information contained therein, THEREFORE ALL LIABILITY TO ANYONE FOR ANY EVENT ARISING OUT OF THE USE OF THE INFORMATION CONTAINED HEREIN IS DISCLAIMED. DALTON ENVIRONMENTAL, LTD., SHALL INCUR NO LIABILITY FOR ANY DAMAGE, CAUSED DIRECTLY OR INDIRECTLY, THROUGH THE USE OF THE INFORMATION CONTAINED IN THE REPORT, WHETHER OR NOT DALTON ENVIRONMENTAL, LTD., HAS BEEN ADVISED OR HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGE AND IN ADDITION THERETO, DALTON ENVIRONMENTAL, LTD., DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

DALTON ENVIRONMENTAL, Ltd.

by: _____

Dunewood Truglia, President

Seal

APPENDIX A

Bulk Sample Analyses
(None)

Subject Property

79-101 Laight Street
New York, NY

APPENDIX B

Inspection Notices

None (unoccupied warehouse)

Subject Property

79-101 Laight Street
New York, NY

APPENDIX C

PHOTOGRAPHS

(December 27, 1999)

Subject Property and Immediate Vicinity of:

79-101 Laight Street

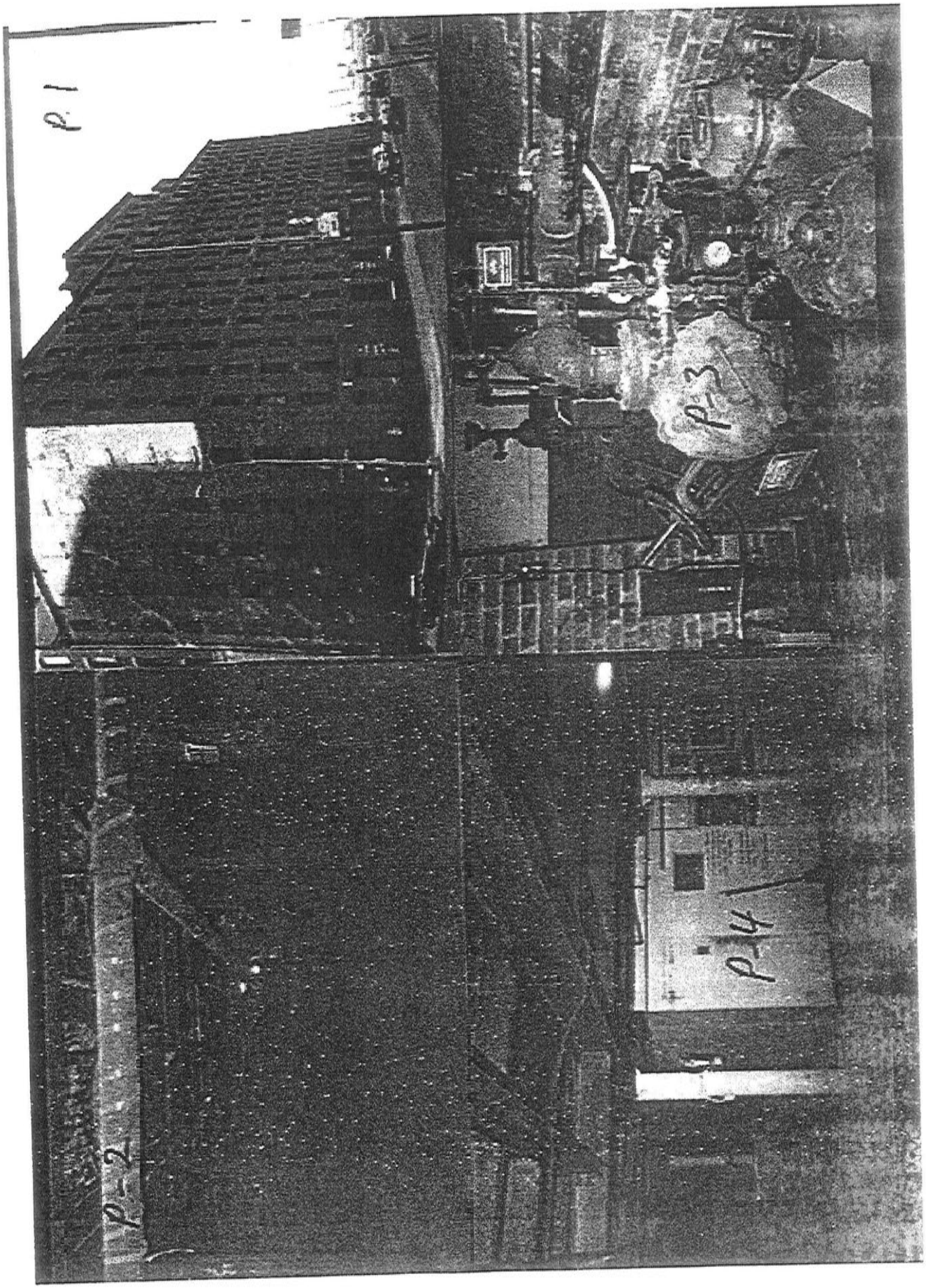
New York, NY

P-1 Exterior northeast elevation

P-2 Typical basement view

P-3 Pump Room

P-4 Typical floor plan view


P. 1
P-2
P-3
P-4

APPENDIX D

OPERATIONS & MAINTENANCE PROGRAM

(Not applicable)

APPENDIX E

DUNEWOOD TRUGLIA
PRESIDENT

Education

J.D., Widener College, The Delaware Law School, 1976; Admitted in NY and Washington, DC; also M.S., Environmental Science, Hunter College, CUNY, Honors.

Environmental Project Experience

Since 1986, director and coordinator for more than eight hundred environmental inspections, remediation and quality assurance monitoring projects. Author of numerous legal and trade publication articles on the science of environmental management, asbestos and OSHA regulatory compliance matters.

Formerly principal, **THE COURDITH-ROBERTS GROUP**, an environmental science and engineering firm specializing in the management of environmental projects, compliance audits, the production of technical specifications, air monitoring and forensic support services. Current principal, **DALTON ENVIRONMENTAL, Ltd.**, a Long Island based environmental consultant specializing in environmental/ legal matters.

US EPA AHERA Training; Director, CRG Continuing Education Program; Courses at The McCrone Institute in Polarized and Phase Contrast Light Microscopy; Robert Wood Johnson University, Mid-Atlantic Asbestos Training Center, NIOSH 582, Phase Contrast Microscopy and Polarized Light Microscopy; NYC Certified CAI, (NYC DEP); NJ Certified AST (SNJ DCA); former CRG Lab QA/QC Director; former NYS Certified RH-II and RH-III; OSHA 40 Hr.

Teaching Experience

Part-time lecturer, St. George's University, School of Medicine, Granada, WI, 1981 to 1989; New York University, The Real Estate Institute, 1987 to 1989 (Regulatory Update Seminars); Guest lecturer for asbestos regulatory compliance courses for various commercial and educational entities; member of various professional legal and environmental organizations.

DALTON
ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
New Suffolk, NY 11956
516 - 734 - 6450
Fax 516 - 734 - 5152

ASBESTOS RE-INSPECTION ADDENDUM

- for -

79 - 101 Laight Street
New York, NY 10013

Prepared For

Coral Realty
400 Broom Street
New York, NY 10013

by

DALTON ENVIRONMENTAL, Ltd.

First Street P.O. Box 222
New Suffolk, NY 11956
631 - 734 - 6450
Fax 631 - 734 - 5152

Date: June 20, 2001
DEL # 010619-249-901

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Environmental Consultant

EXECUTIVE SUMMARY

Property Location: 79-101 Laight Street, New York, NY

Site Re- Inspection Visit(s): June 19, 2001

Inspection Supervisor: **DALTON ENVIRONMENTAL Ltd.,** by D. Truglia, J.D., M.S., C.A.I.

Owner's Representative Present: Leo Forkosh

Scope: This asbestos investigation was limited to compliance with the requirements of the New York State Attorney General for the disclosure of asbestos containing material under Part 20 of Title 13 NYCRR.

Inspection Opinion: Building is an unoccupied public warehouse with no heating system. No suspected asbestos containing material (SACM) was present in this structure. Currently undergoing residential construction using all new non-asbestos materials. See findings detailed in the initial site visit report dated December 30, 1999 (DEL # 991220-249-875).

Exposure Risk Factor: None. See prior inspection report referenced above.

Recommendation: None.

Addendum

This addendum consists of findings and observations resulting from a re-inspection of the premises which was performed on June 19, 2001. The purpose of the re-inspection was to update the prior asbestos report and to confirm the prior findings for these premises. See prior inspection report (DEL # 991220-249-875) dated December 30, 1999 detailing findings and conclusions from original site inspection performed on December 27, 1999.

1.0 Re-Inspection Notes

The building has nine stories in its east portion and ten stories in the western portion plus a full basement. All floors and the basement were re-inspected. The building is currently undergoing residential construction using all new non-asbestos building materials. Other than construction progress, no changes were observed with respect to the original findings and conclusions as stated in the initial site visit report dated December 30, 1999 (DEL # 991220-249-875).

2.0 FINDINGS

No additions or corrections to the original site inspection findings, see prior report issued for this structure.

3.0 CONCLUSIONS and RECOMMENDATIONS

3.1 Conclusion

No suspected asbestos containing material was visible or accessible anywhere in this structure.

3.2 Remediation, Recommendations

None.

Applicable Asbestos Standards

Federal -

29 CFR 1910.1001;51 CFR 1926.58; 29 CFR 1910.134
29 CFR 1910.145; 30 CFR 230 & 231; 40 CFR 61 Subpart M
40 CFR 763 (as applicable)

State of New York -

New York State Environmental Conservation Laws

Article 27 Title 3 Part 364
Article 27 Title 6 & 7 Part 360
Chapter 775 of the Laws of the State of New York
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City of New York -

Local Laws 70 and 76 of 1985 City of New York (where applicable),
Local Law 21 of 1987 City of New York (where applicable), each as codified in Title 15 of the Rules of the City of New York

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DALTON ENVIRONMENTAL, Ltd.

by: _____
Dunewood Truglia, President

DUNEWOOD TRUGLIA
PRESIDENT

Education

J.D., Widener College, The Delaware Law School, 1976; Admitted in NY and Washington, DC; also M.S., Environmental Science, Hunter College, CUNY, Honors.

Environmental Project Experience

Since 1986, director and coordinator for more than eight hundred environmental inspections, remediation and quality assurance monitoring projects. Author of numerous legal and trade publication articles on the science of environmental site assessment, remediation project management, and OSHA regulatory compliance matters.

Formerly principal, **THE COURDITH-ROBERTS GROUP**, an environmental science and engineering firm specializing in the management of environmental projects, compliance audits, the production of technical specifications, air monitoring and forensic support services. Current principal, **DALTON ENVIRONMENTAL, Ltd.**, a Long Island based environmental consultant specializing in environmental/ legal matters.

US EPA AHERA Training; Director, CRG Continuing Education Program; Courses at The McCrone Institute in Polarized and Phase Contrast Light Microscopy; Robert Wood Johnson University, Mid-Atlantic Asbestos Training Center, NIOSH 582, Phase Contrast Microscopy and Polarized Light Microscopy; NYC Certified CAI, (NYC DEP); NJ Certified AST (SNJ DCA); former CRG Lab QA/QC Director; former NYS Certified RH-II and RH-III; OSHA 40 Hr; assorted lead-based paint, petroleum contamination and groundwater remediation seminars.

Teaching Experience

Part-time lecturer, St. George's University, School of Medicine, Granada, WI, 1981 to 1989; (Regulatory Update Seminars,) New York University, The Real Estate Institute, 1987 to 1989; Instructor in US EPA AHERA regulatory compliance for National Asbestos Training Institute; member of various professional legal and environmental organizations.

EXHIBIT "6"

LOCAL LAW 11 REPORT

THE CITY OF NEW YORK
DEPARTMENT OF BUILDINGS

Technical Report
Periodic Inspection of
Exterior Walls and Appurtenances

February 21, 1999 - February 21, 2002
Please File 3 Copies
This Form Must Be Typewritten and Microfilmed with the Report

RECEIVED
DEPARTMENT OF BUILDINGS
MAY 19 2000
CITY OF NEW YORK
BOROUGH OF MANHATTAN

Control # for location
From DOB LL 11/98 Master printout

Cycle Number: 1

1 Filing Status

X Initial Filing	Amended Filing indicate initial filing date: ___/___/___	Supplemental Cycle 4 Local Law 11/98 Filing
Was filing made for any previous cycles (yes/no)? If yes, indicate last filing date: ___/___/___		Indicate initial filing date: ___/___/___

2 Location

Borough: Manhattan | Block: 217 | Lot(s): 6 | BIN: 1002815
House No(s): 79-101 | Street Name: Laight Street
A.K.A. address(es)

3 Applicant

Last Name: Lombardi | First Name: Joseph | M.I.: P.
Business Name: Joseph Pell Lombardi & Associates Architects | Business Phone: (212) 349-0700
Address: 5 Beekman Street | City: NY | State: NY | ZIP: 10038
P.E. | X R.A. | Lic. No.: 10287

4 Owner

Last Name: Kournov | First Name: Mikhail | M.I.:
Business Name: Coral Headquarters L.L.C. | Business Phone: (212) 219-3800
Address: 400 Broome Street | City: NY | State: NY | ZIP: 10013

5 Building Characteristics

Number of Stories: 10 | Exterior Wall Type: Brick

6 Prior Status - Last Cycle Local Law 10/80

Ongoing Maintenance Program	Precautionary Conditions	Unsafe Conditions
Conformed with Code Requirements	Current Completion of Work Estimated to be ___ %	Current Completion of Work Estimated to be ___ %

7 Current Field Report - Critical Examination

SAFE — All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives

X SAFE WITH A REPAIR AND MAINTENANCE PROGRAM — All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the recommended Repair and Maintenance work described in the report and below:

See attached report.

UNSAFE — All observed conditions conform to Code Requirements and applicable Rules, Regulations and Directives except for the unsafe conditions described in the report and below

8 Statements and Signatures

Falsification of any statement is a misdemeanor under Section 26-124 of the Administrative code and is punishable by a fine or imprisonment, or both. It is unlawful to give to a city employee, or for a city employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration. Violation is punishable by imprisonment or fine or both.

PE/RA Seal: REGISTERED R. HITE — JOSEPH PELL LOMBARDI — No. 010287 — STATE UNIVERSITY OF NEW YORK

Applicant's name (print): Joseph P. Lombardi
I hereby state that the owner has authorized me to make this application. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

Applicant's signature:
Date: 5/11/00

Owner's name (print): Mikhail Kournov
I, hereby state that I am the owner of the premises referenced in the attached report. Furthermore, I hereby state that I have received a copy of the attached report and that I am aware of the required repairs and/or maintenance, if any, and the recommended time frame for same.

X Owner's signature:
Date: 5/11/00

SEE INSTRUCTIONS ON REVERSE SIDE

TR-6 Revised 09-9

LOCAL LAW 11/98
PEROIDIC INSPECTION OF EXTERIOR WALLS AND APPURTENANCES
79-101 LAIGHT STREET
NEW YORK, NEW YORK

Report of the Periodic Inspection of Exterior Walls and Exterior Appurtenances of Buildings, as required under Local Law #11, administrative code for the City of New York.

INSPECTION DATE:	March 21, 2000
ADDRESS:	79-101 Laight Street New York, New York
LOCATION:	occupies northern half of block
BLOCK:	217
LOT:	6
APPROX HEIGHT OF BUILDING:	101'-1"

NAME OF OWNER:	Mikhail Kournev
ADDRESS OF OWNER:	400 Broome Street New York, New York 10013
AGENT OR PERSON IN CHARGE:	Mikhail Kournev
NO. OF STORIES:	9
EXTERIOR WALL CONSTRUCTION:	Brick Masonry

1. BUILDING DESCRIPTION

The building at 79 Laight Street occupies the entire 225-foot blockfront on Laight Street, and sixty-two-foot facades on Washington Street and the West Street, in the Tribeca North Historic District of Manhattan. The Laight Street façade measures 225.1 ¼ feet, the Washington Street façade 62.0 ½ feet, and the West Street façade 61.1 ½ feet.

The building at 79-101 Laight Street was constructed in 1853 by an unknown architect. It stands nine stories with an additional smaller tenth story centered between the Washington and West Street facades. It is constructed of thick exterior load-bearing walls on all four sides of the lot, with an original internal structure of cast-iron columns supporting steel floor beams.

The Laight Street façade spans twenty-two bays of segmentally arched window openings with brownstone sills. At the street level is a raised basement level. The window openings at this level have been closed, and the areaway that serviced this level has also been filled. The ground floor is about four feet above the street level, and contains windows consistent with the rest of the façade, as well as several larger arched openings that served as loading bays. Later changes added additional openings in the façade and added concrete loading docks. There are remnants of supporting hardware for awnings at several locations above the loading bay openings. The windows are of casement cast-iron sash with numerous outer wood screens. The windows at the ground and second floors have hardware for accommodating fireproof iron shutters, some of which remain in place. There is evidence of painted signage on the façade. The ninth floor features six star-shaped tie-rod ends. Both the ninth and tenth stories of the building are edged by a corbelled brick cornice, which is topped by a copper copping. Elevator bulkheads flank the tenth-story portion of the building, and there is a chimney at the northeast corner. The roof of the tenth-story portion of the building is peaks to a central glass skylight.

The facades of the Washington and West Street sides of the building feature identical windows to the Laight Street façade. The Washington street façade has fireproof iron shutters at the windows from the second story to the ninth, the West Side Highway only at the second floor. There are five arched loading bay openings at the ground floor level at the Washington Street façade; the West Street façade features two arched openings, and one later-added opening. The West Street facade has five filled-in basement window openings. There are four star-shaped tie-rod ends located at every other floor on both facades. Both facades are capped by the same corbelled brick cornice as the Laight Street façade. Painted signage is evidenced at both facades as well.

The façade at the interior lot line of the block still exists, but all window openings at this façade have been filled in. The window configuration at this façade is similar to the Laight Street façade, with variations in size and placement mainly on the east side of the façade, which accommodated the original elevator configuration of the building, and other support equipment. The façade at the interior lot line is now abutted by the exterior lot line wall of the neighboring building.

2. DESCRIPTION OF EXTERIOR APPURTENANCES

All three facades have a brick cornice that projects from the top edge of the building. There is a copper coping seated on this cornice. There are four drainage pipes running from the coping to the street level – two at the south side of the east and west facades, and two flanking the central ninth-story on the north façade. All three facades feature star-shaped tie rod end caps securing the building walls to the interior structure, which is a later feature of the building. The windows of all three facades have slightly projecting brownstone sills. Select windows on all three facades feature cast-iron shutters, and numerous other windows retain shutter hardware. All shuttered windows also feature securing brackets for when the shutters are in an open position. Some of the windows on the Laight Street façade have wood-frame screens fitted in the openings. There are also a number of window openings that have been boarded over.

The Laight Street façade features signage above the main entrance. The main entrance also has a slightly projecting roll door assembly. Canopy hardware is located above several of the entrance bays of this façade as well.

3. PROCEDURES USED IN MAKING CRITICAL EXAMINATION

-direct visual inspection from street level perimeter and roof
-direct physical inspection from scaffolding of a representative sample of the exterior wall
-use of a 35mm camera with a 260mm telephoto lens

4. REVIEW OF PREVIOUS CYCLE INSPECTION REPORT

There were no previous inspection reports on file at the Building Department.

5. PRESENT STATUS OF EXTERIOR CONDITION

SCOPE OF INSPECTION

The inspection documented within this report was performed pursuant to the guidelines set by the Department of Buildings of New York. This report does not guarantee or warrantee the physical condition of the building. No surface was penetrated, nor any core samples taken as part of this inspection.

The condition of this building was deduced from, and limited to its exterior appearance. This report does not offer relief to the owner of his responsibility to properly maintain his building, nor from taking the proper steps to remove any other potential hazards that might develop, be discovered, or brought to his attention.

FIELD INSPECTION

The building facades and appurtenances appear to be in safe condition, and the building appears to be water-tight. The following precautionary conditions were found:

General

A majority of the brownstone sills have suffered some form of mild deterioration (spalling, erosion, etc.) There are cracked or open mortar joints across all three facades. The masonry suffers from cracks in several locations, and on the east wing of the Laight Street façade, a portion of the façade has settled, resulting in a crack that has damaged the masonry and the most of the sills in that particular bay of windows. There are loose bricks evident in a few locations on the facade, particularly in those areas where the brownstone sills have cracked and the masonry has settled. There is some deterioration of the gutterwork on the roof – several of the supporting brackets have become loose or detached. In a few places, the gutter is separating from the capstone. In one place the gutter has corroded to the point where it has been patched, but otherwise, it seems to be in fair condition. The brick cornice and the capstones are suffering from deteriorating mortar joints, as are the capstones on the elevator bulkheads.

Photographs

OVERALL VIEWS

A - **northeast corner**
B - **northwest corner**
C - **north face, east wing**
D - **east face, 1st to 3rd floors**
E - **west face, 1st to 3rd floors**
F - **north face, 1st to 3rd floors, 10th-12th windows from east corner**
F - **north face, 3rd floor to roof, 10th-12 windows from east corner (continued)**
G - **north face, 2nd to 3rd floors, 4th-6th windows from east corner**
G - **north face, 3rd floor to roof, 4th-6th windows from east corner (continued)**

DETAIL VIEWS AND DESCRIPTION

1. - **northeast corner, sidewalk level** - there are several missing bricks and open mortar joints.
2. - **north face, fifth line of windows from east corner** - stone window sills are broken and bricks are out of alignment due to settling. There are numerous small cracks and damaged brick observed, as well as open mortar joints.
3. & 4. - **north face** – open mortar joints and spalling below the cornice.
5. & 6. - **north face** - cornice has a few missing pieces and open mortar joints. Portions of the gutter are loose.
7. - **north face** - open mortar joints and spalled area below window sill.
8. - **north face** - small holes and cracks in stone sill. Bottom part of sill has eroded.
9. - **north face** - vertical crack on brick wall.
10. - **north face** - vertical crack on brick wall at west side of window.
11. & 12. - **north face** - stone sill has cracks and signs of erosion. Open mortar joints and cracks below the sill. Wire screen is loose.
13. - **north face** - stone window sill has several cracks and is eroding.
14. - **north face** - several open mortar joints and small cracks on brick wall.
15. & 16. – **north face**- stone sill has several cracks and shows signs of erosion. Open mortar joints and small cracks on brick wall beside window.
17. – **north face** – open mortar joints and small cracks on brick wall below sill.
18. – **north face** – stone window sill is eroding.
19. – **north face** – open mortar joints and small cracks on bricks below sill.
20. – **north face** – stone sill is eroding. Signs of water damage on mortar joints below sill.
21. – **north face** – top of sill is cracked and eroding.
22. – **north face** – vertical crack on brick wall at west side of window.
23. – **north face** – top of stone sill is eroding. Small cracks on bricks at east side of window
24. – **north face** – small cracks on front and side of sill. Top of sill is eroding.
25. & 26. – **north face** – open mortar joints and erosion of bottom of sill.
27. – **north face** – small cracks on brick wall and window head
28. – **north face** – window sill is eroding
29. & 30. – **north face** – small cracks at east side of window. Stone sill is eroding
31. - **north face** – open mortar joints below sill. Horizontal crack on arched brick window head.
32. – **north face** – weather damage to aluminum roll-up door casing
33. – **north face** – stone sill has cracks, small holes, and signs of erosion
34. & 35. – **north face** – window sill is damaged. Several outer-layer bricks are missing. Several open mortar joints below and around the window.
36. – **north face**- stone sill is broken. Several open mortar joints and cracks on bricks below sill.
37. – **north face** – several open mortar joints, loose or damaged bricks, spalling.
38. – **north face** – stone sill is broken, with several small cracks and holes. Cracked and damaged bricks below the sill. A diagonal crack is visible between the sill and the arched brick window head below.
39. – **north face** – stone window sill has eroded. Open mortar joints, damaged bricks, numerous holes and cracks in brick wall beneath sill.
40. – **east face** – open mortar joints, loose bricks and missing bricks below and beside first floor windows.
41. & 42. – **west face** – open mortar joints, loose bricks, missing bricks along entire basement window level of the west wall.
43. – **west face** – window sills are eroded. Long vertical crack on right side of window.
44. & 45.- **roof, west side** – some securing brackets for gutter are loose or detached.
46. - **roof, center wing** – mortar around cap stone is deteriorated.
47. - **roof, center wing** – gutter is separating from capstone. Mortar joints are deteriorated.
48. - **roof, center wing** – patch of corroded area of gutter
49. - **roof, east wing** – replaced capstones of elevator bulkhead parapet.
50. - **roof, center wing** – cracks in skylight.

6. RECOMMENDED MONITORING AND PRECAUTIONARY WORK

Window sills are to be repaired to prevent further spalling and erosion. Loose stone is to be removed. Cracks are to be sealed and repaired (photographs 7, 8, 12, 13, 14, 15, 16, 18, 20, 21, 23, 24, 25, 28, 29, 30, 31, 33.) Loose or broken sills are to be repaired or replaced if necessary, particularly those sills shown in photographs 2, 17, 25, 27, 28, 31, 35, 38, 39, 43.

All wood screens are to be removed from the façade, as shown on photographs 2, 8, 11, 12, 15, 19, 20, 22. All signage is also to be removed (photograph F). Any panel that is in front of a window is to be removed if possible. If the panel must remain due to some condition such as closing the opening for a missing or badly damaged window, then that panel is to be secured if not already (photographs 2, 29, 34, 38, 39, 43.)

Windows that are not sound and secure are to be repaired as necessary. Windows that are too badly damaged to be repaired are to be removed and stored, and the opening is to be securely closed. Broken panes are to be repaired or removed as necessary (photograph 24, 28.) Loose glass is to be removed.

Cast-iron shutters that are not sound and secure are to be repaired as necessary. Shutters that are too badly damaged to be repaired are to be removed and stored. Loose shutter hardware is to be removed, and the anchoring masonry to be repaired if necessary (photograph 29.)

All mortar joints are to be repaired and repointed as necessary (photographs 2, 7, 8, 10, 11, 12, 14, 15, 17, 19, 23, 25, 26, 27, 30, 46, 47.) Cracks are to be sealed and repaired (photographs 2, 5, 9, 10, 22, 30, 36, 43.) Any loose masonry and mortar is to be removed, and replaced/repointed with masonry and mortar to match the existing (photographs 1, 15, 18, 21, 29, 34, 35, 37, 41, 42.) Any missing masonry is to be replaced to match existing masonry (photograph 1, 6, 34, 35, 37, 41, 42.)

The drainage pipes should be checked to ensure that they are secure to the building.

Any loose or detached securing brackets for the gutter are to be reattached and secured (photographs 44, 45). Any loose capstones are to be secured (photograph 46, 49.)

Cracked glass in the skylights should be replaced as necessary. Any deteriorated caulk and waterproofing should be scraped and replaced with new caulk (photograph 50.)

7. GENERAL MAINTENANCE

It is recommended that the building façade and appurtenances be inspected regularly by a licensed Professional Engineer to monitor building conditions so that they do not progress to unsafe condition status. These conditions, including such items as awnings, railings, signs, window glass, sills, etc., should also be monitored regularly by building maintenance personnel to minimize potential problems. Particular attention should be devoted to areas where deterioration has already occurred. As described in this report, these conditions should be corrected as soon as possible. The owner or property manager should also advise window washers or other contractors working on the building to inform him of any deterioration or other problems observed during the course of his work. The management should be certain that all window guards required by law are properly installed, maintained, and secured. Window screens should also be monitored. All building components should conform to code requirements.

The owner or property manager should be certain that no loose items or objects (such as potted plants) are placed on sets, fire escapes, or other areas where they could fall. He should also be certain that window sills are kept free of debris. Similarly, the building owner or manager must be sure that window air conditioning units are properly installed, maintained, and supported at all times. The building manager should continually examine the premises and monitor conditions of this nature, and require the removal or correction of any potentially unsafe items of this kind. It is advisable to require that window air conditioning units be properly installed by a competent professional in accordance with manufacturers recommendations and good safety practice. Building management should be certain that unsafe conditions do not result from items of this nature (potted plants on ledges, window air conditioner, etc.) Items of this nature are frequently installed on a temporary basis, and cannot be the responsibility of the engineer.

It is also recommended that the owner or property manager keep records of all exterior building repairs and of all problems related to the building's exterior. These records should be made available to the Engineer performing the Local Law #11 inspection or providing services relative to exterior façade conditions

8. LIMITATIONS OF INSPECTION AND REPORT

The sole purpose of this report is to provide a critical examination of the building exterior as defined by Local Law 11, Section C27-129 of the Administrative Code of the City of New York. The undersigned architect has not been retained to determine causes for the conditions noted in the report. This report renders an opinion as to the condition of the exterior walls only as of the dates on which the examination was conducted. This report has been prepared for no other purpose. The owner is advised to have follow-up inspection reports filed after repair work has been performed.

The architect assumes no responsibility for the adequacy of the design or construction of the original building; nor for the adequacy of installations, alterations, maintenance or repair work either performed in the past, present, or future by contractors or maintenance personnel; nor for any construction details which are not visible. Nothing in this report should be construed as indicating a warranty of any nature by the architect relative to any of these items. The architect also assumes no responsibility for the condition or safety of glass items. In particular, nothing shall be interpreted from this report as indicating that the architect has offered an opinion regarding the adequacy of the building's construction, suitability of appurtenances, or availability to furnish support for scaffolds, washing equipment, or other devices. No such opinion has been offered.

All dimensions of building height, location, and size are approximate within the accuracy requirements of this report, and are not to be used for other purposes. In addition, the accuracy of items such as the building owner, principal officer, date of construction, usage, etc., cannot be guaranteed by the architect. As described in this report, this inspection was a visual inspection utilizing methods and techniques approved for Local Law 11 inspections. This report is without benefit of an inspection involving subsurface exploration, testing, or structural analysis. Should this inspection report cover any portions of the building not required by Local Law 11, the information is furnished to the owner for his own use.

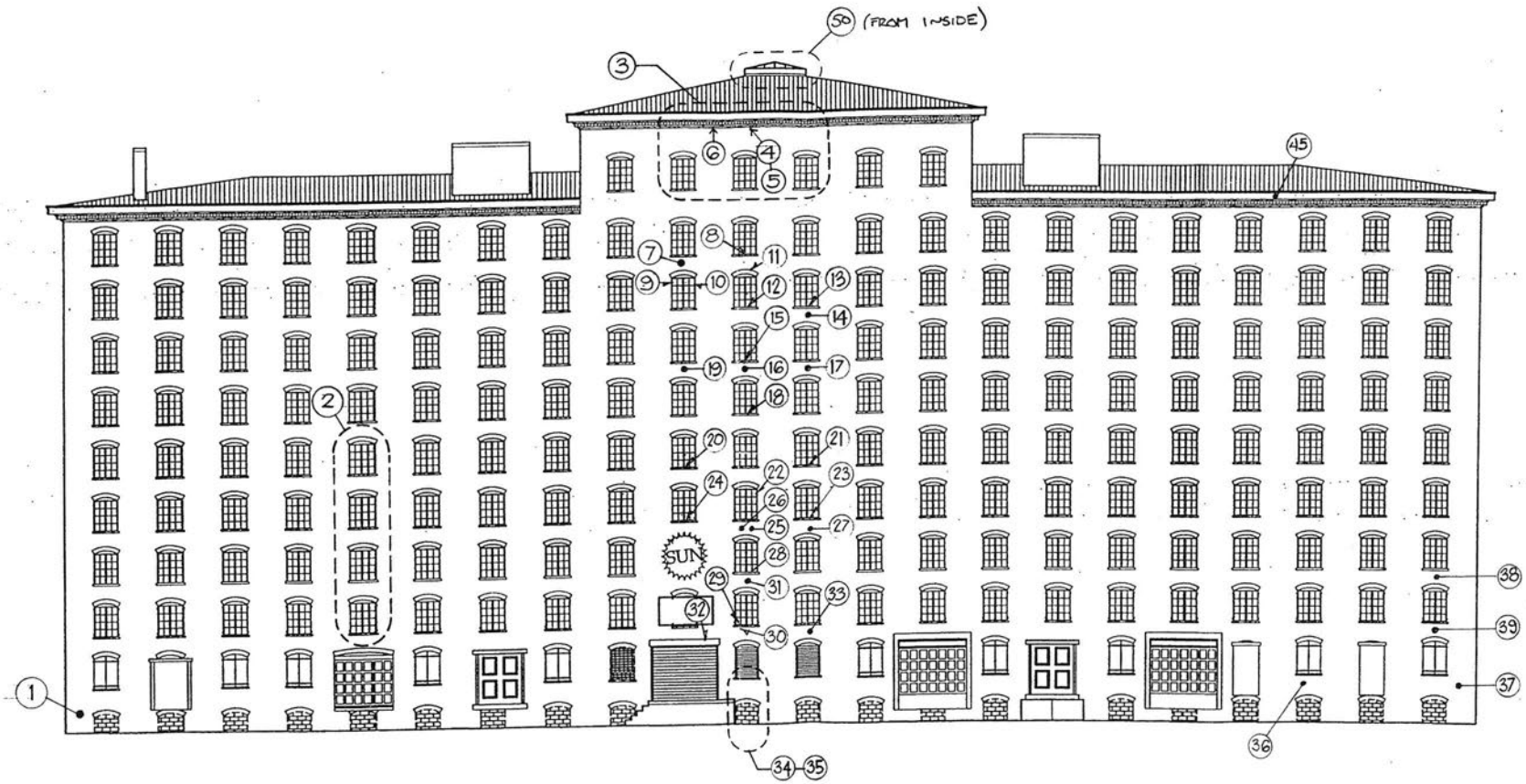
As noted above, this report renders an opinion relative to the building face condition only as of the dates the inspection was performed. It is noted that the buildings of this nature and their appurtenances will change and undergo deterioration with the passage of time. As such, the previously made recommendation in this report of periodic reinspection of the building façade is an important one.

A copy of this report shall be provided to the owner. A copy of this report should be kept by the owner for future use. This Local Law 11 inspection was performed by and under the supervision of the undersigned.

Joseph Pell Lombardi

KEY PLAN
N.T.S.

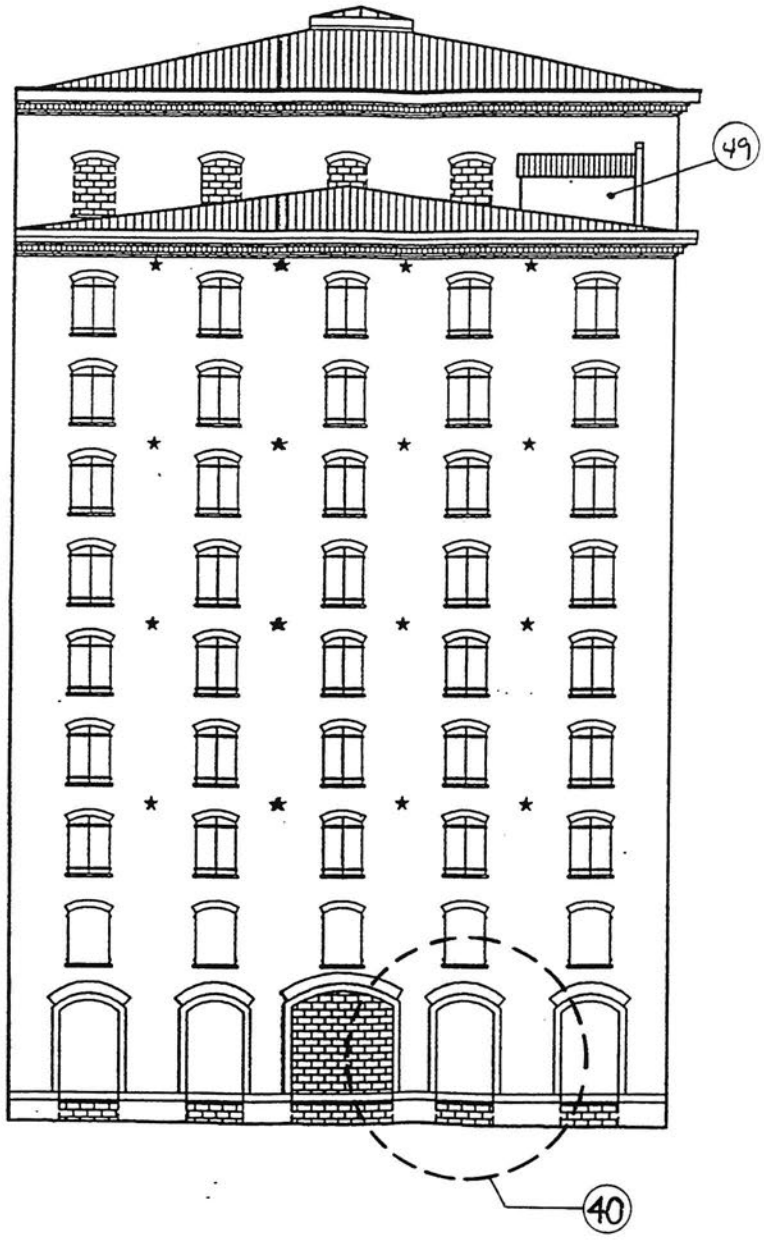
NORTH



The Office of
Joseph Pell Lombardi & Associates
Architects and Preservation Architects
5 Beekman Street, New York, New York 10038

EXISTING
NORTH ELEVATION

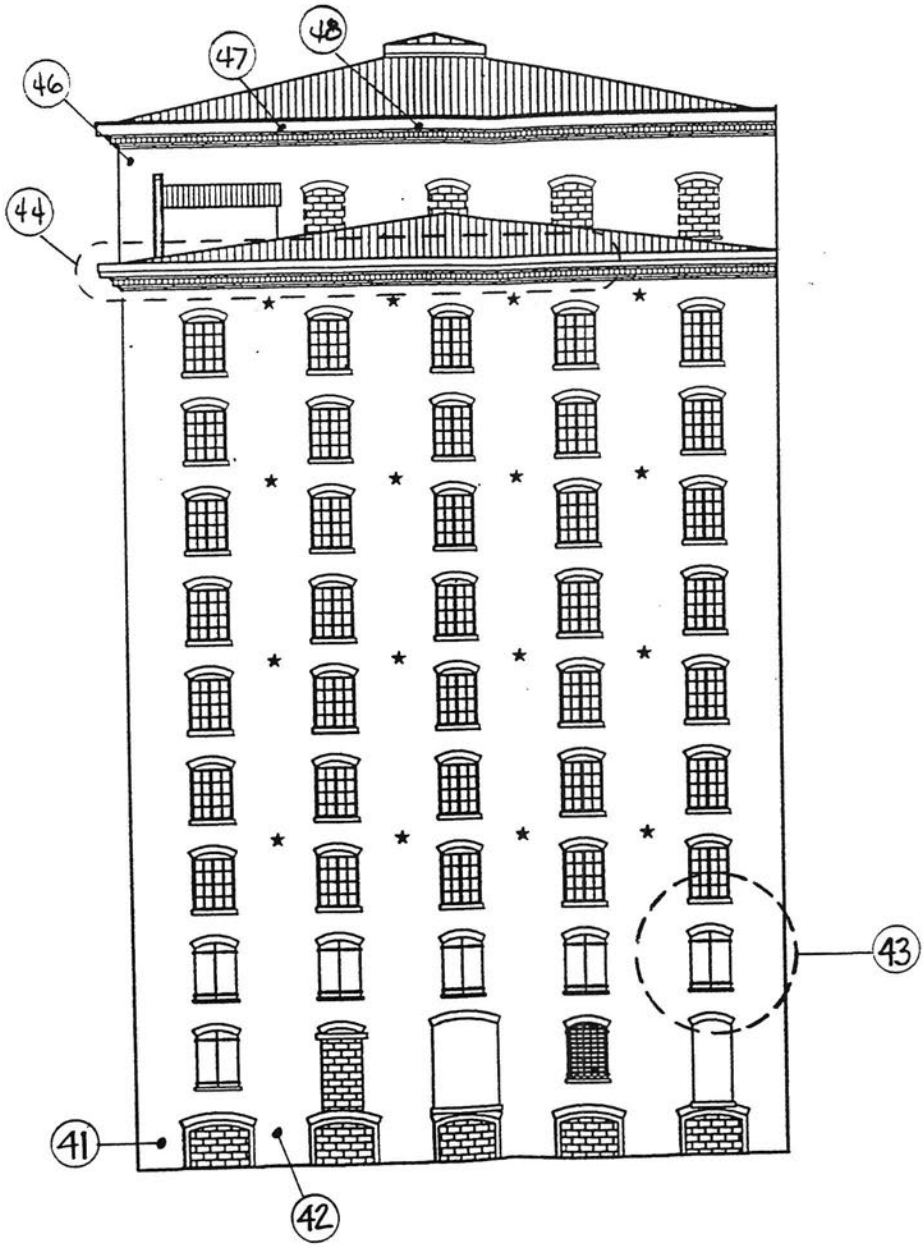
The Sugar Warehouse
79 Laight Street
New York, New York



The Office of
Joseph Pell Lombardi & Associates
Architects and Presevation Architects
5 Beekman Street, New York, New York 10038

EXISTING
EAST ELEVATION

The United States Sugar Building
79 Laight Street
New York, New York



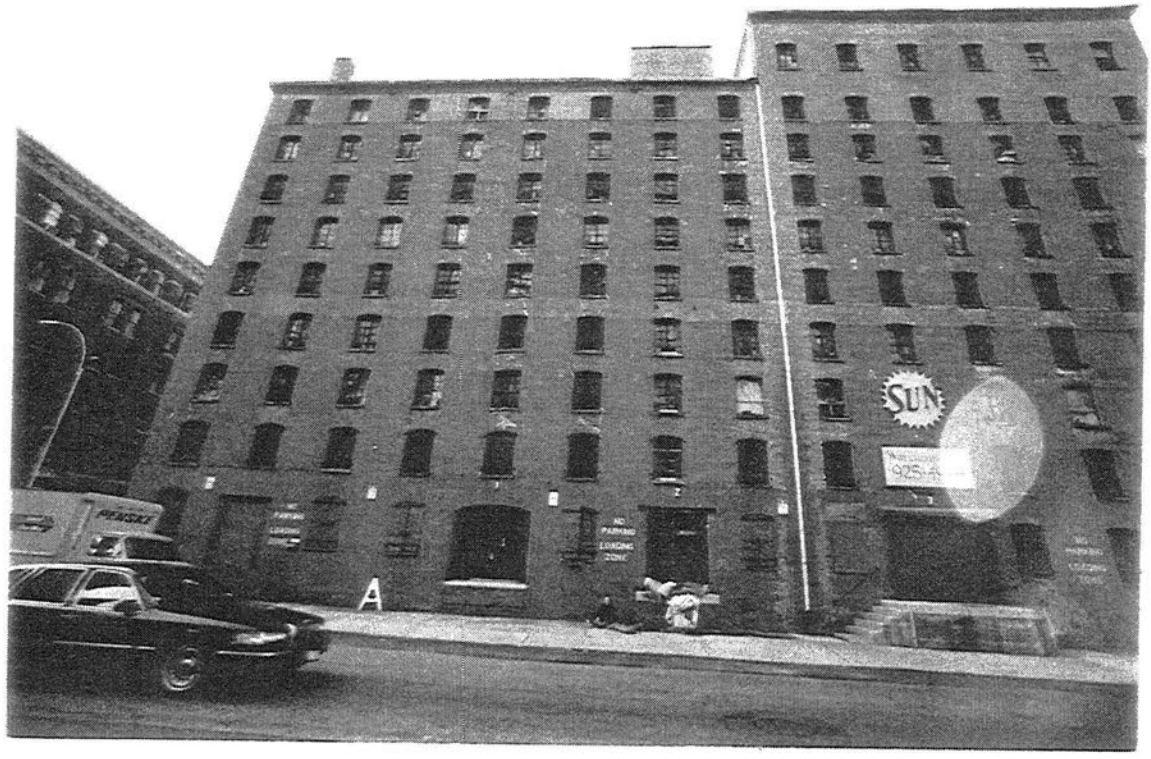
The Office of
Joseph Pell Lombardi & Associates
Architects and Preservation Architects
5 Beekman Street, New York, New York 10038

EXISTING
WEST ELEVATION

The United States Sugar Building
79 Laight Street
New York, New York

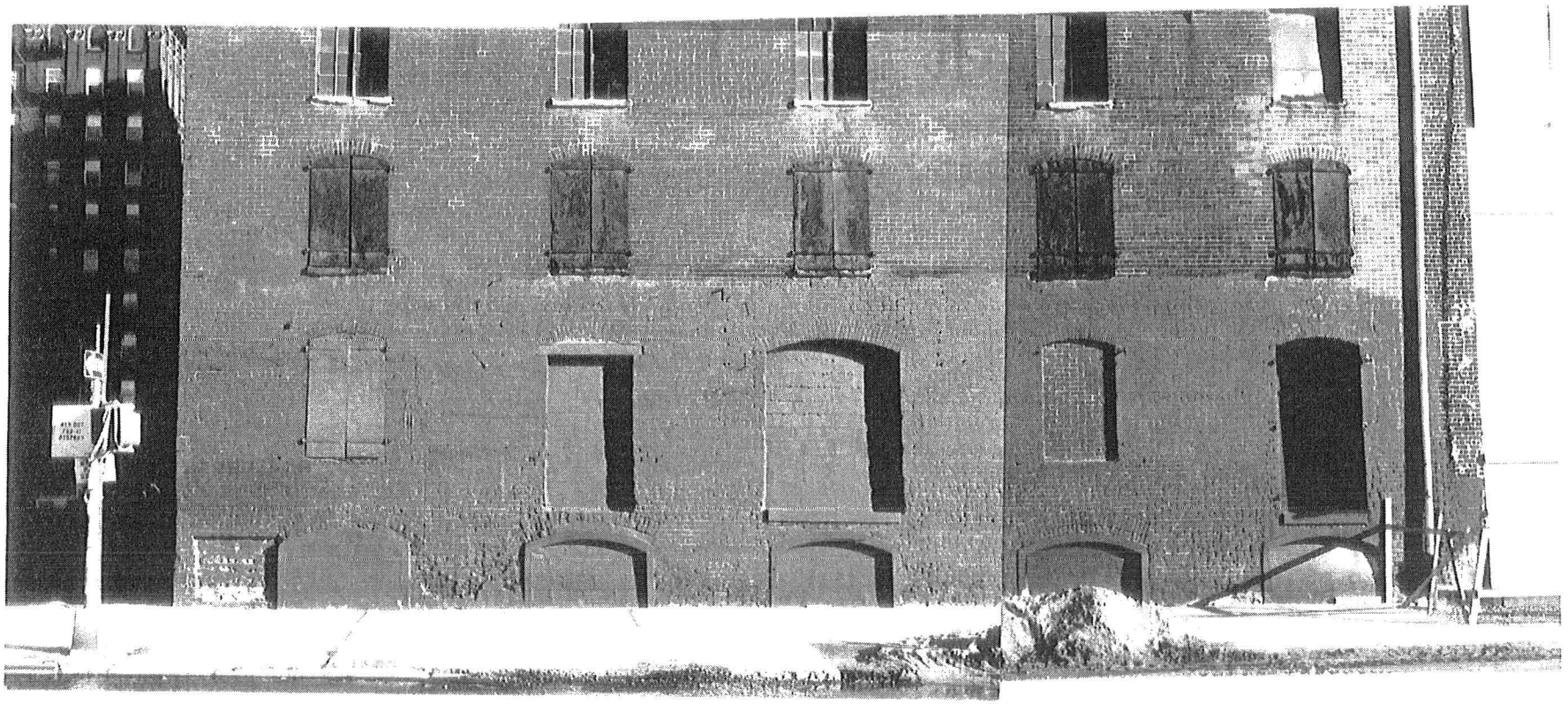
(A) NORTHEAST CORNER

(B) NORTHWEST CORNER



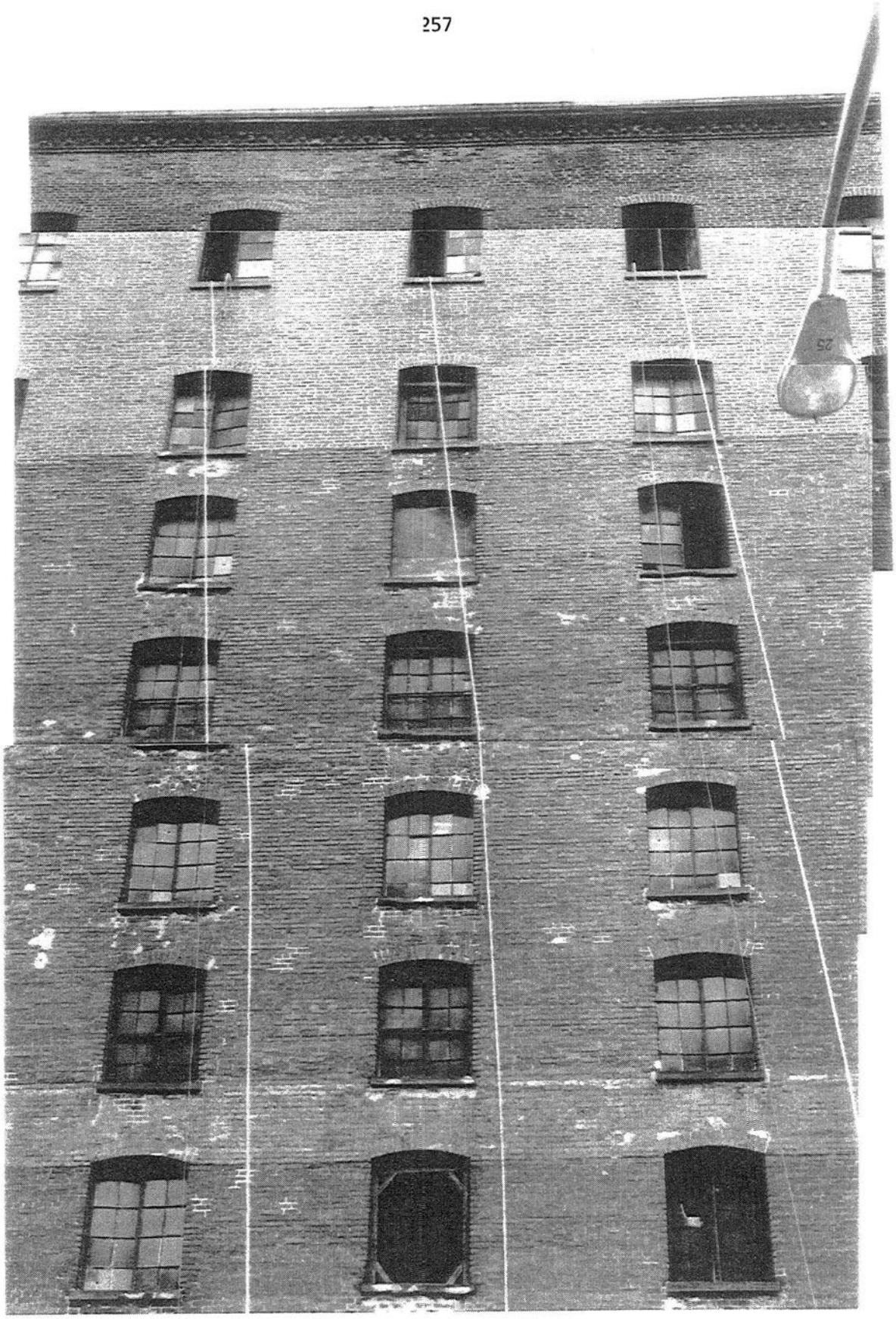
C NORTH FACE, EAST WING

D EAST FACE, 1ST TO 3RD FLOORS



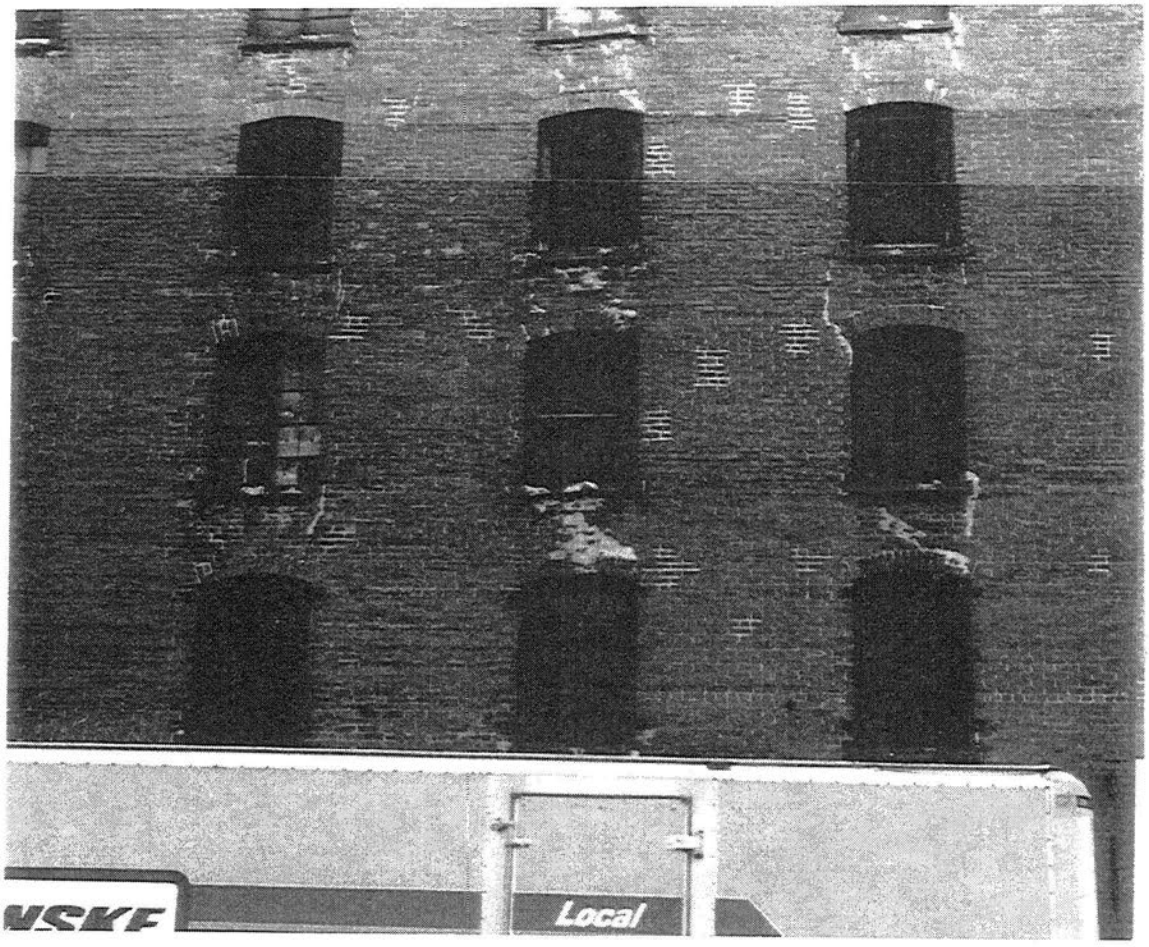
(E) WEST FACE, 1ST TO 3RD FLOORS

(F) NORTH FACE, 1ST TO 3rd FLOORS
10th, 11th & 12th WINDOWS
FROM THE EAST CORNER



F. (CONTINUED)

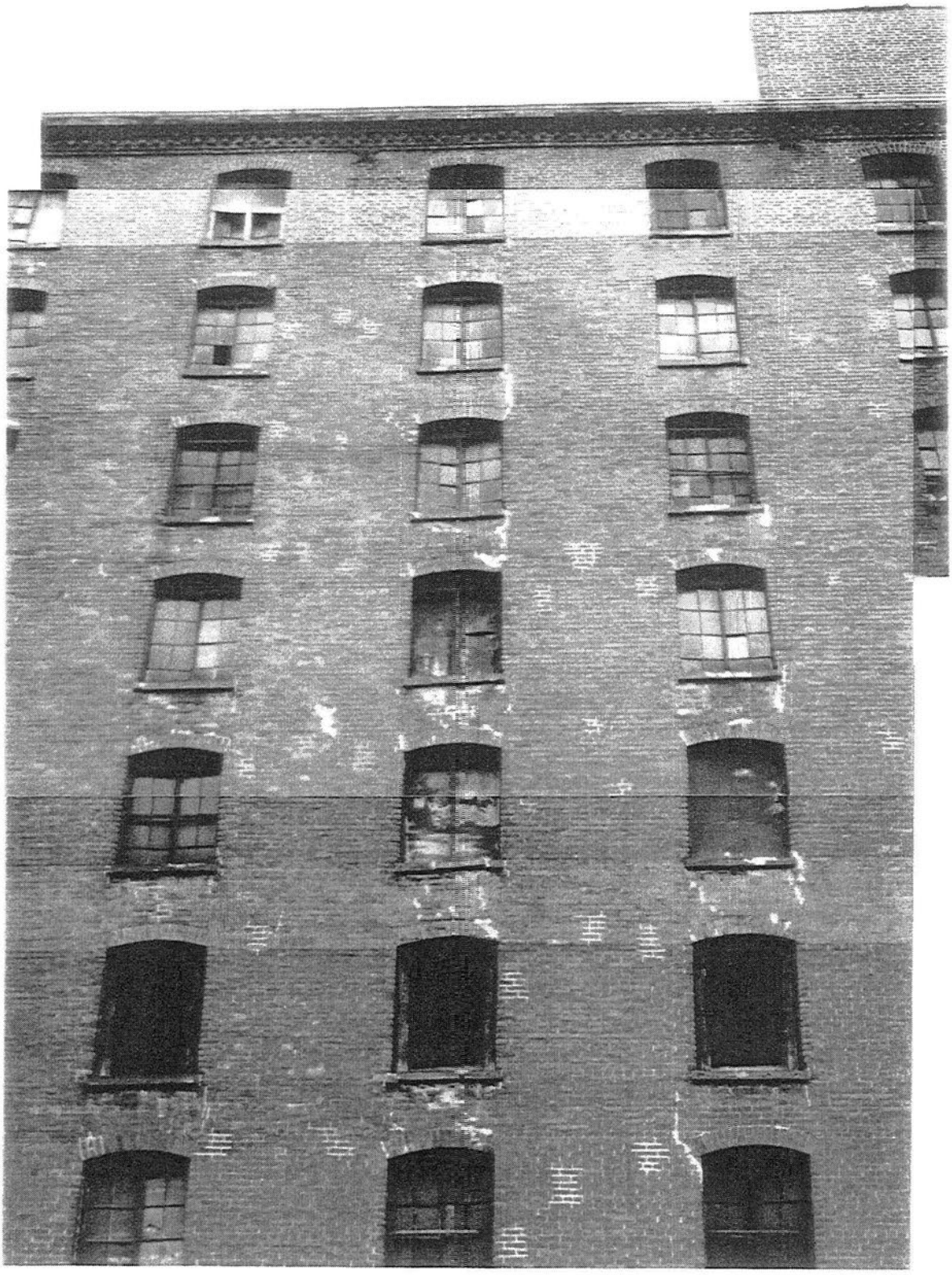
3RD FLOOR TO ROOF



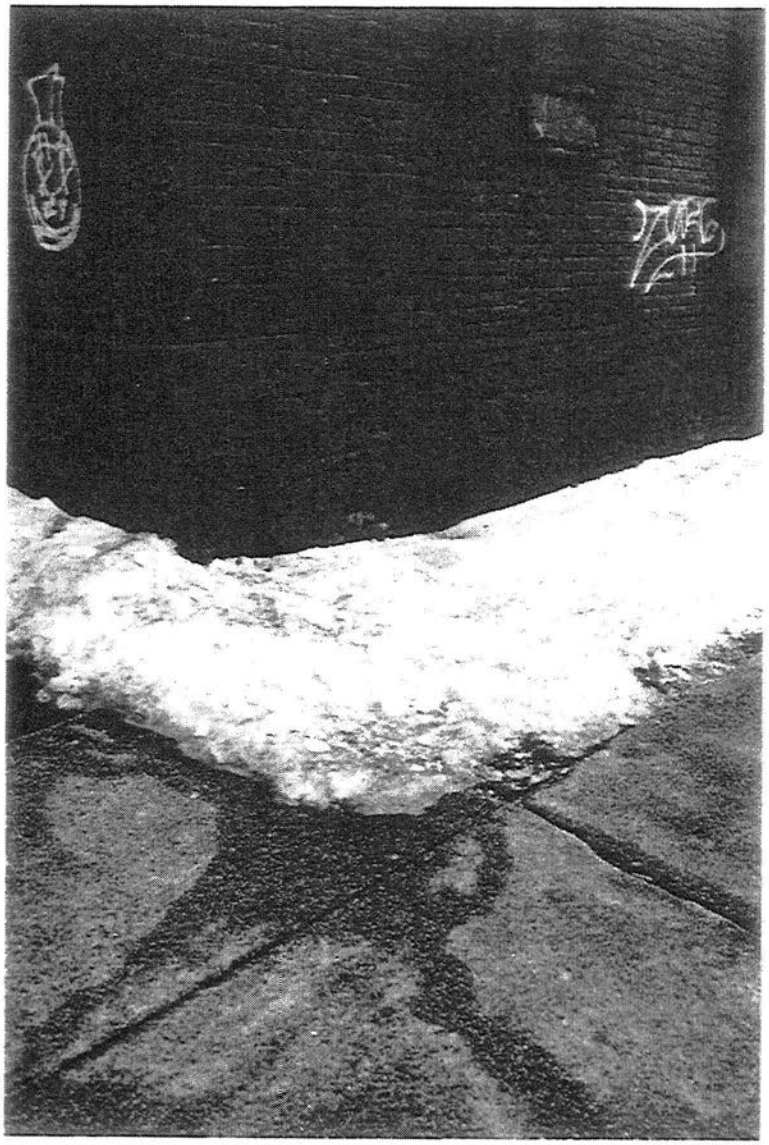
Ⓖ NORTH FACE, 2ND TO 3RD FLOORS

4th, 5th & 6th WINDOWS

FROM THE EAST CORNER



(G) (CONTINUED) 3RD FLOOR TO ROOF



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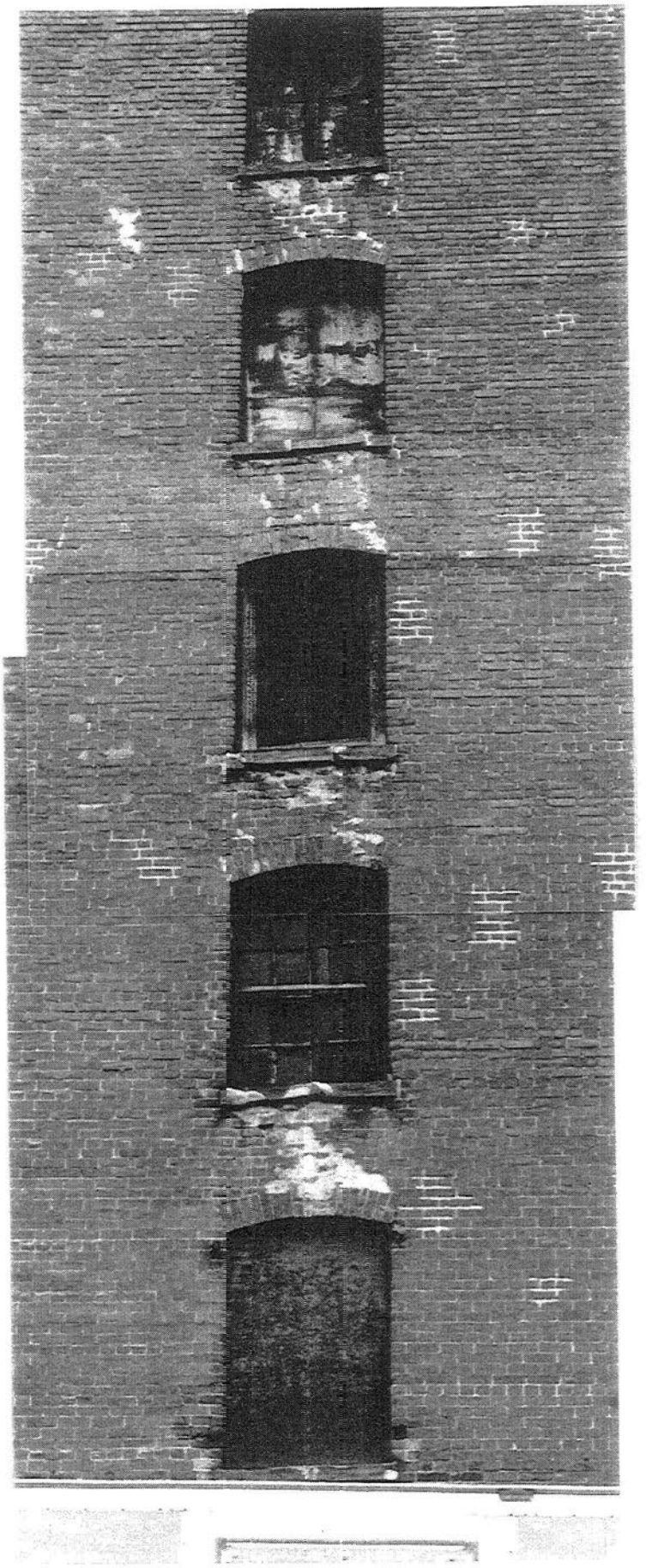

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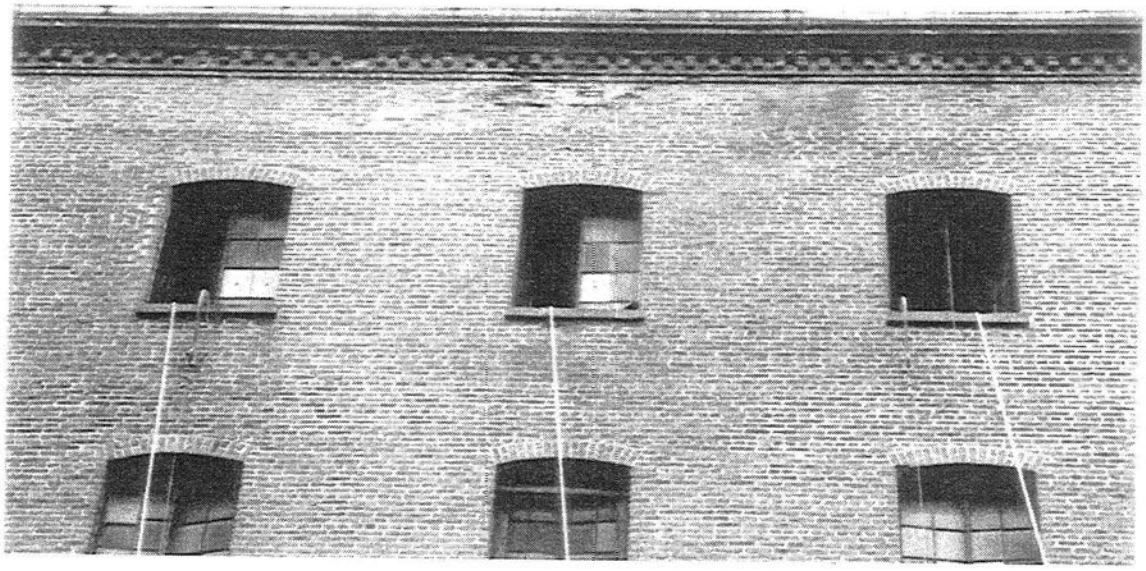

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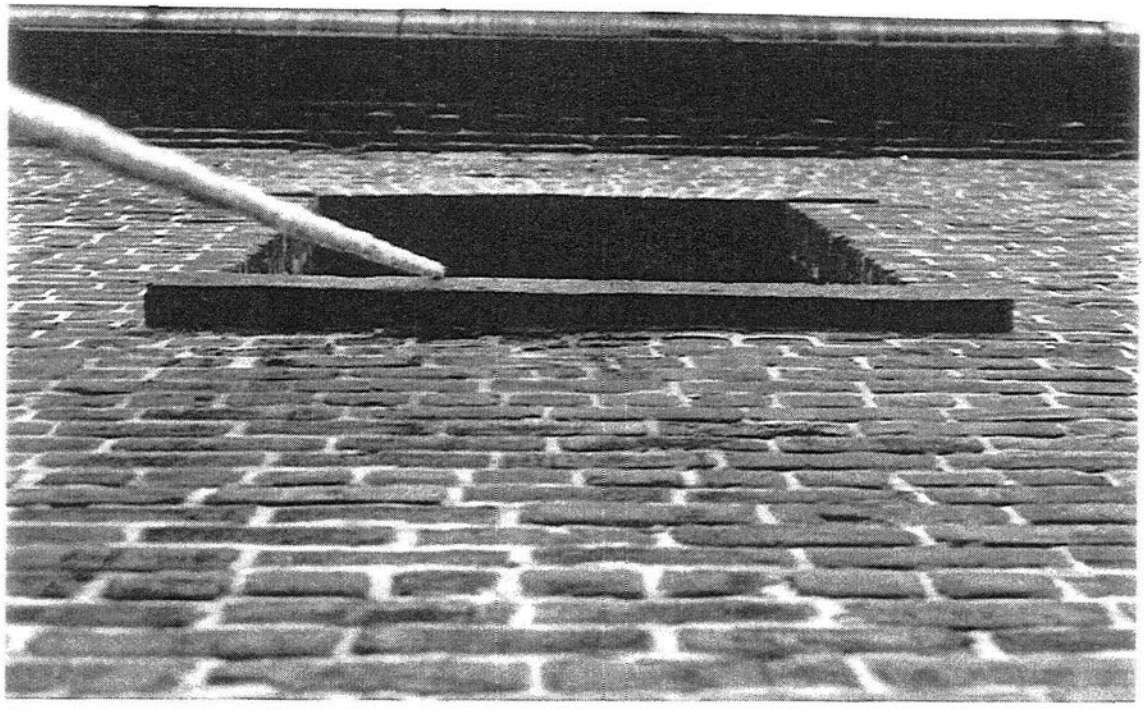

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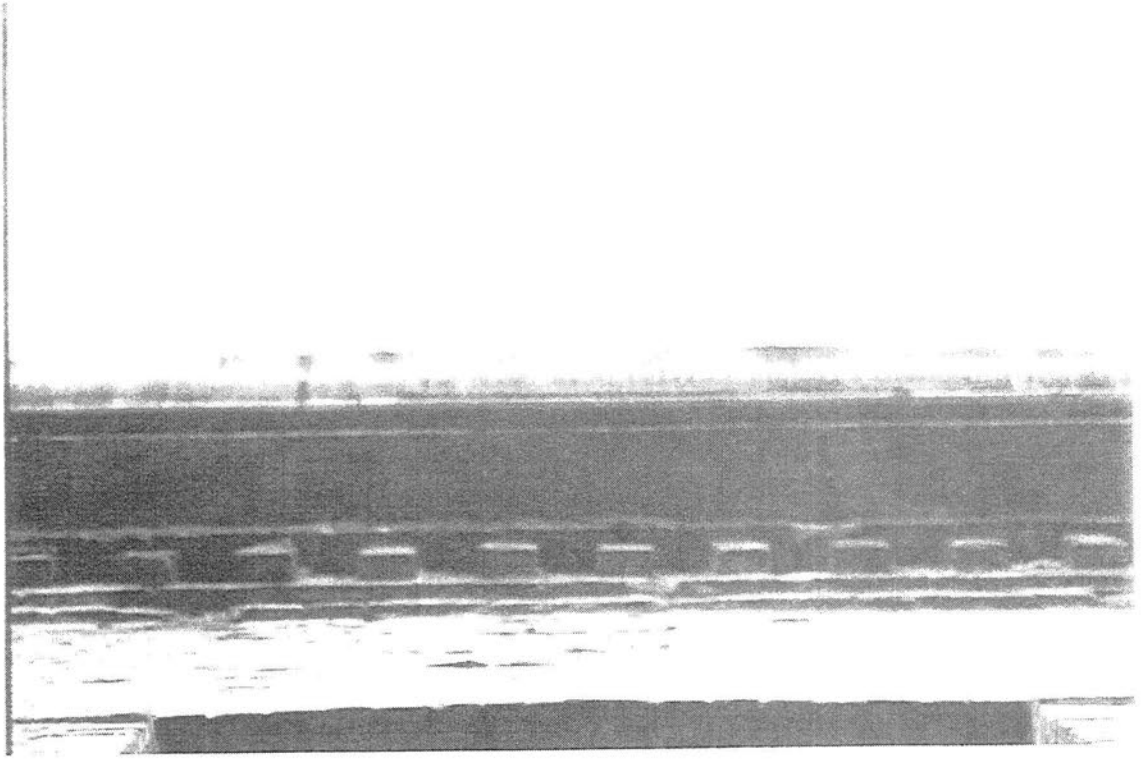

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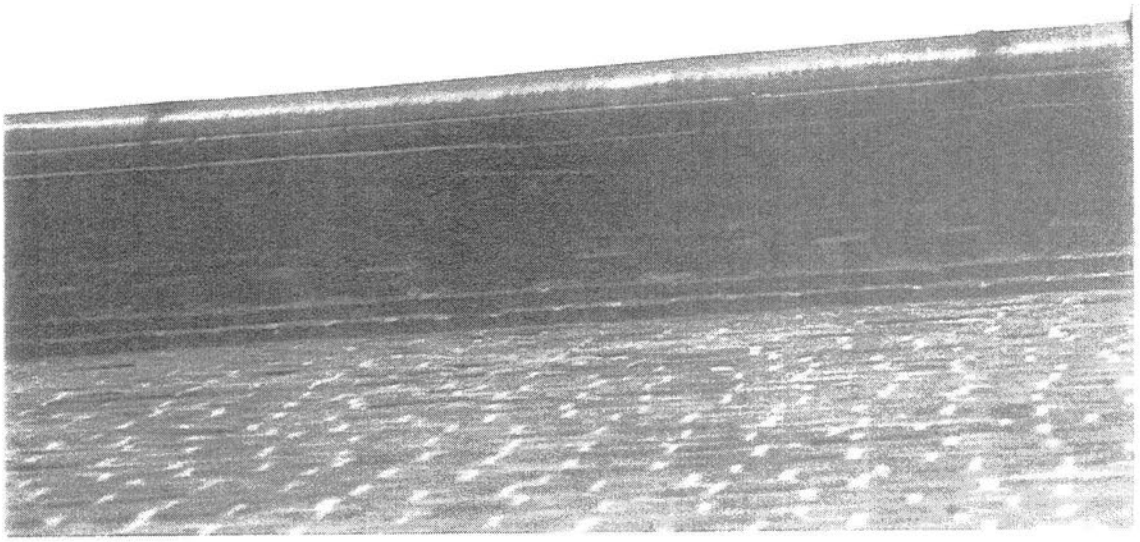

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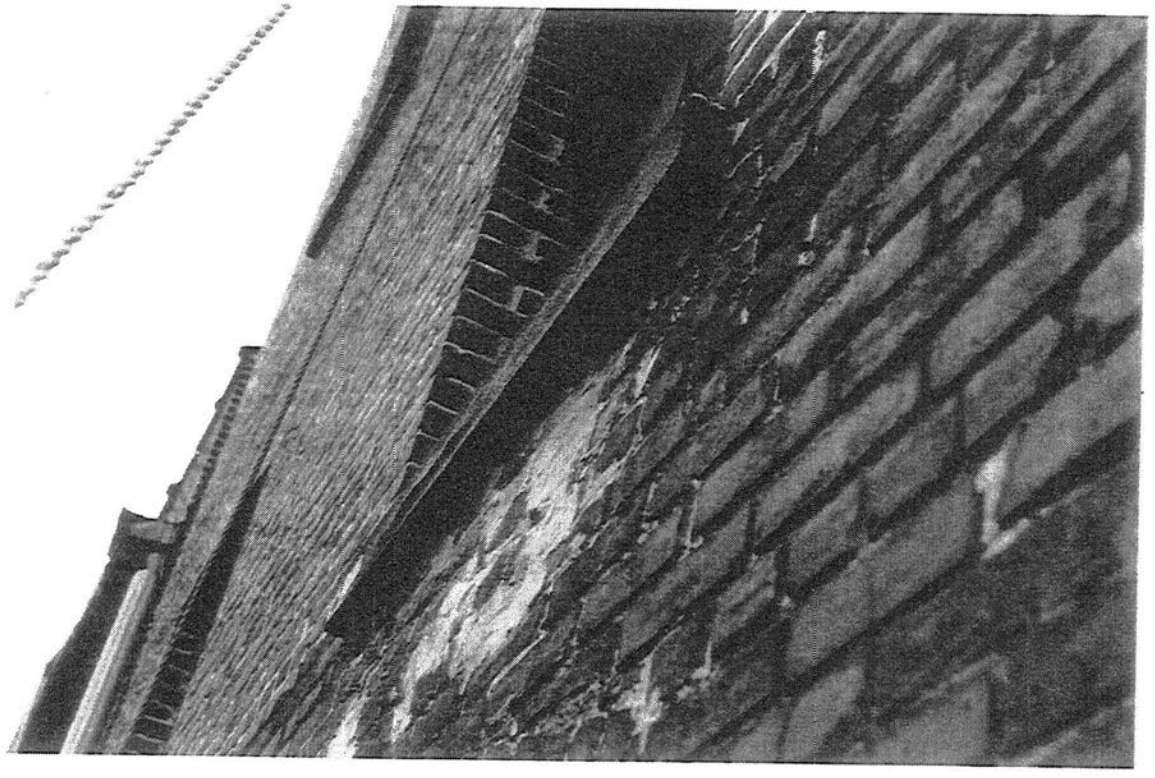

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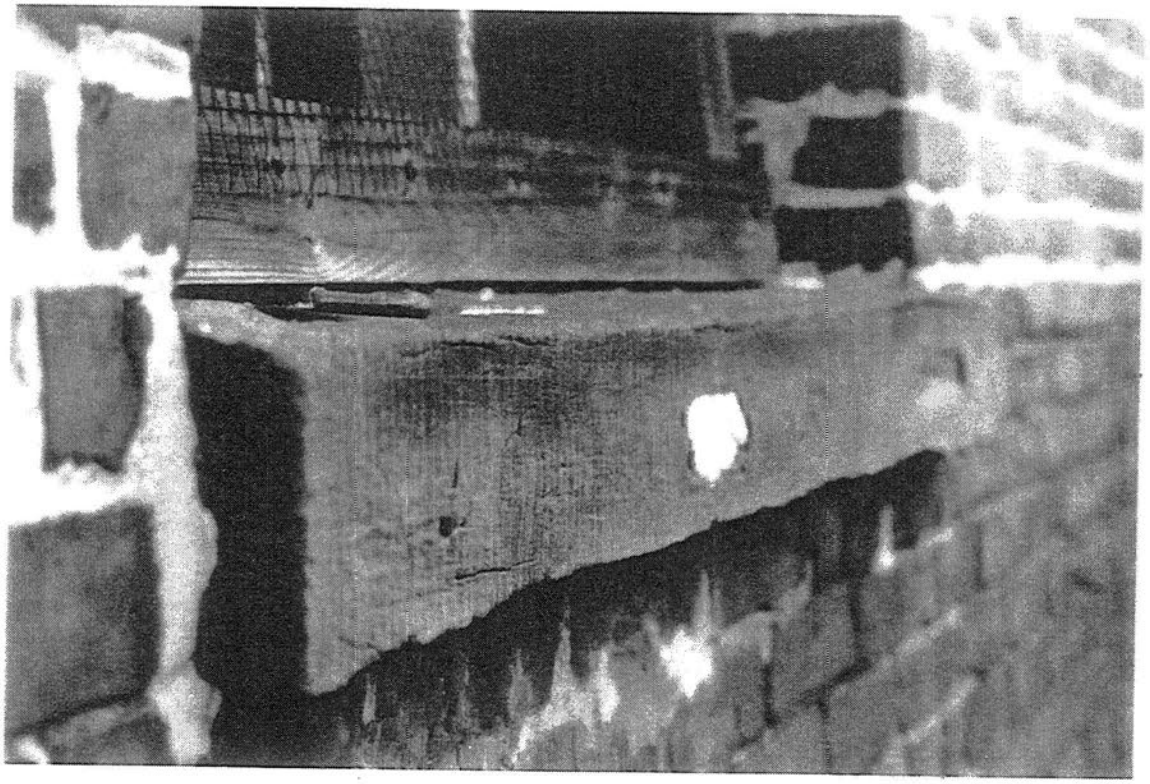

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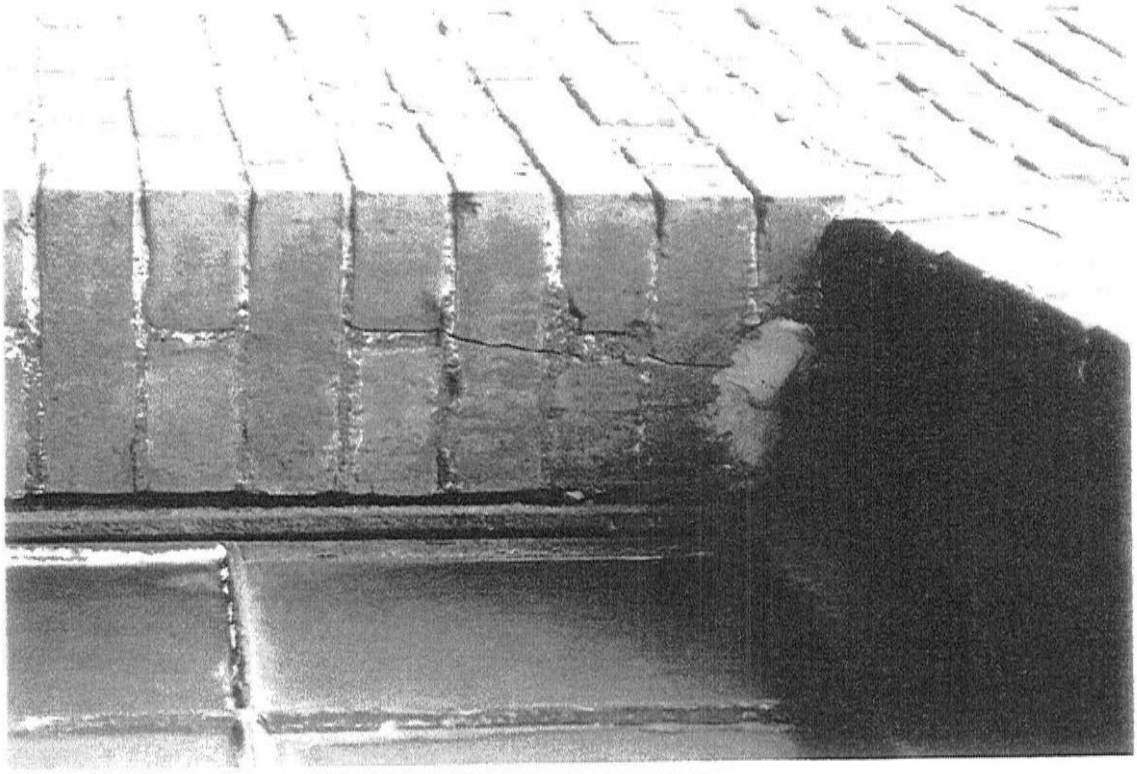

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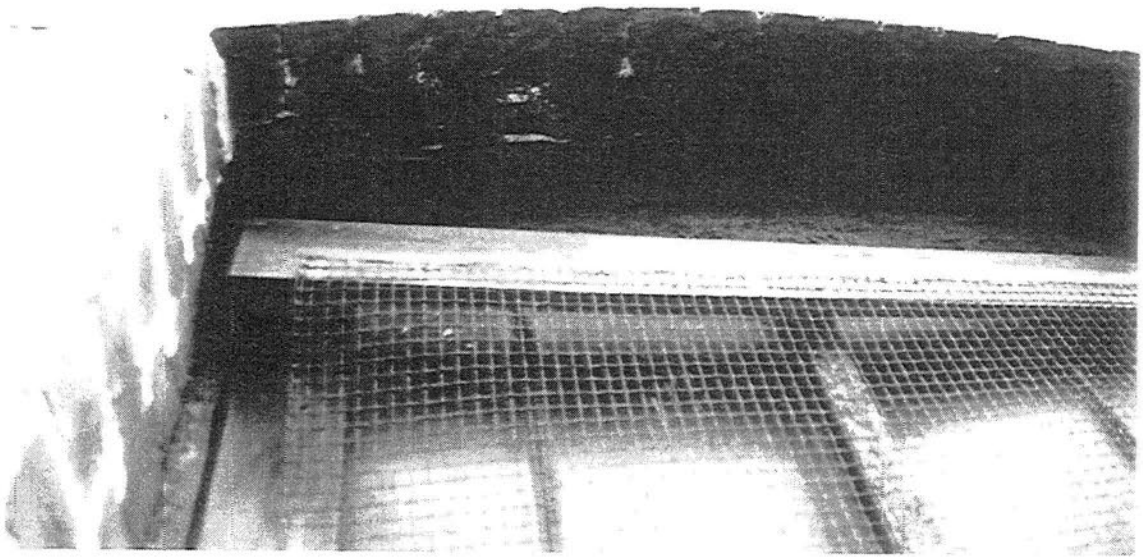

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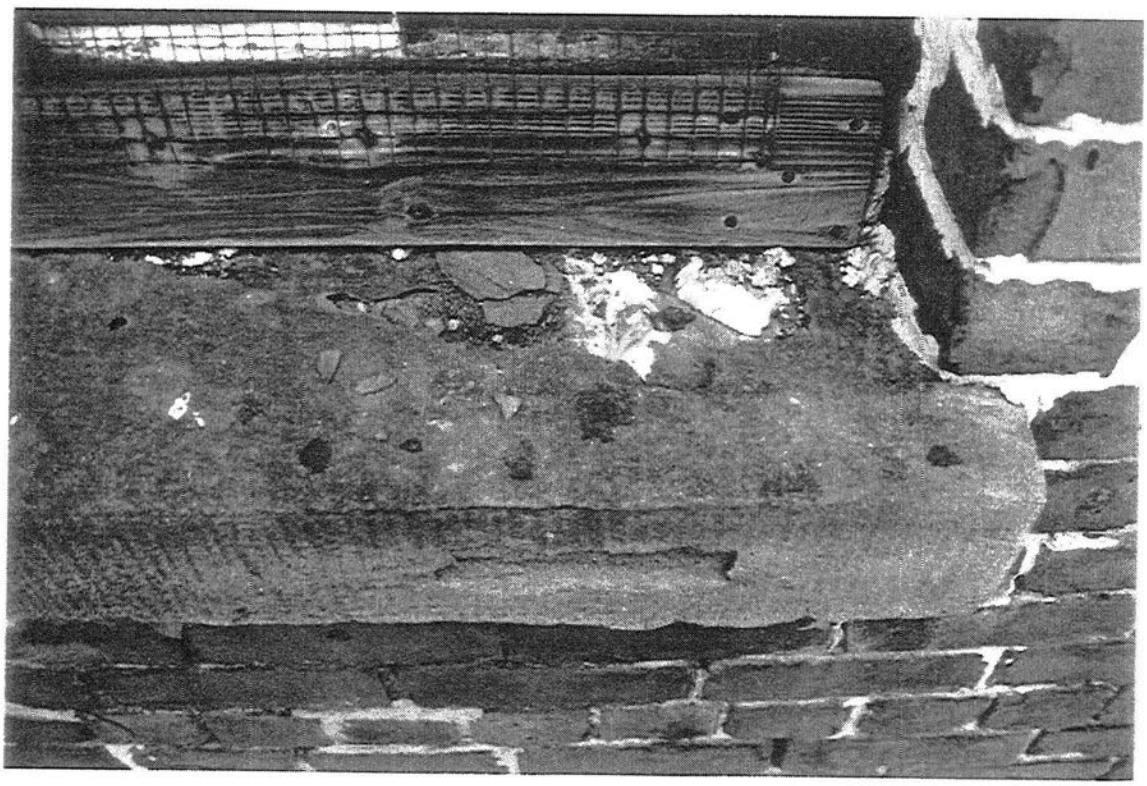

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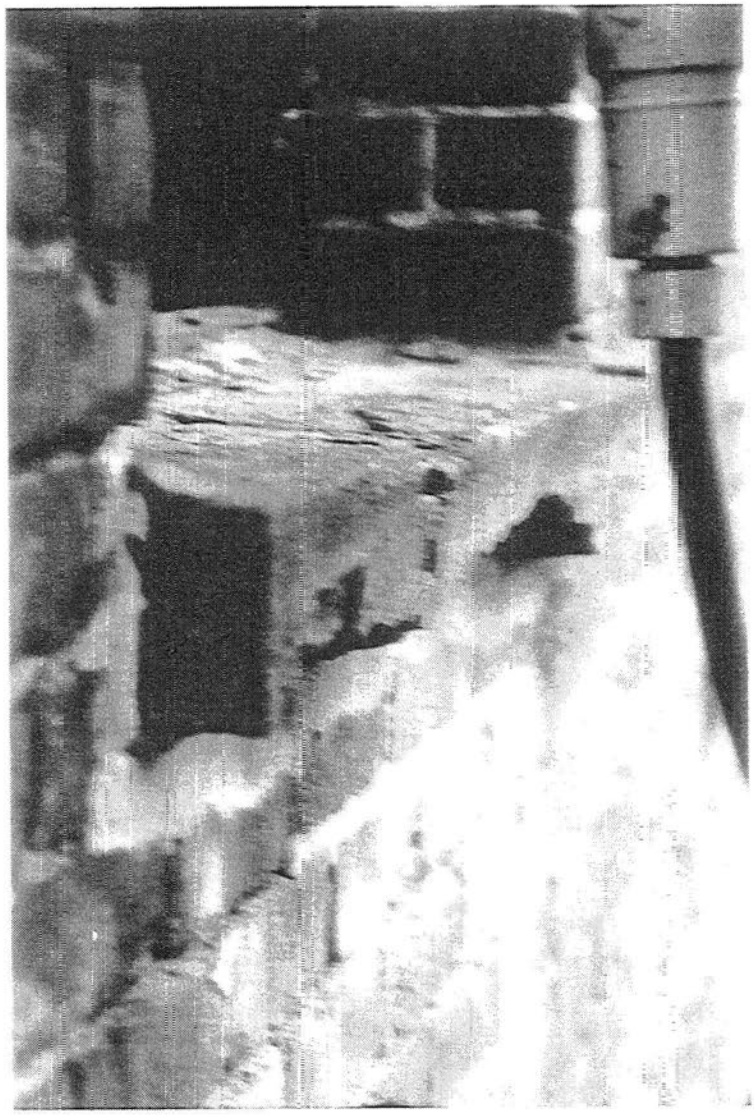

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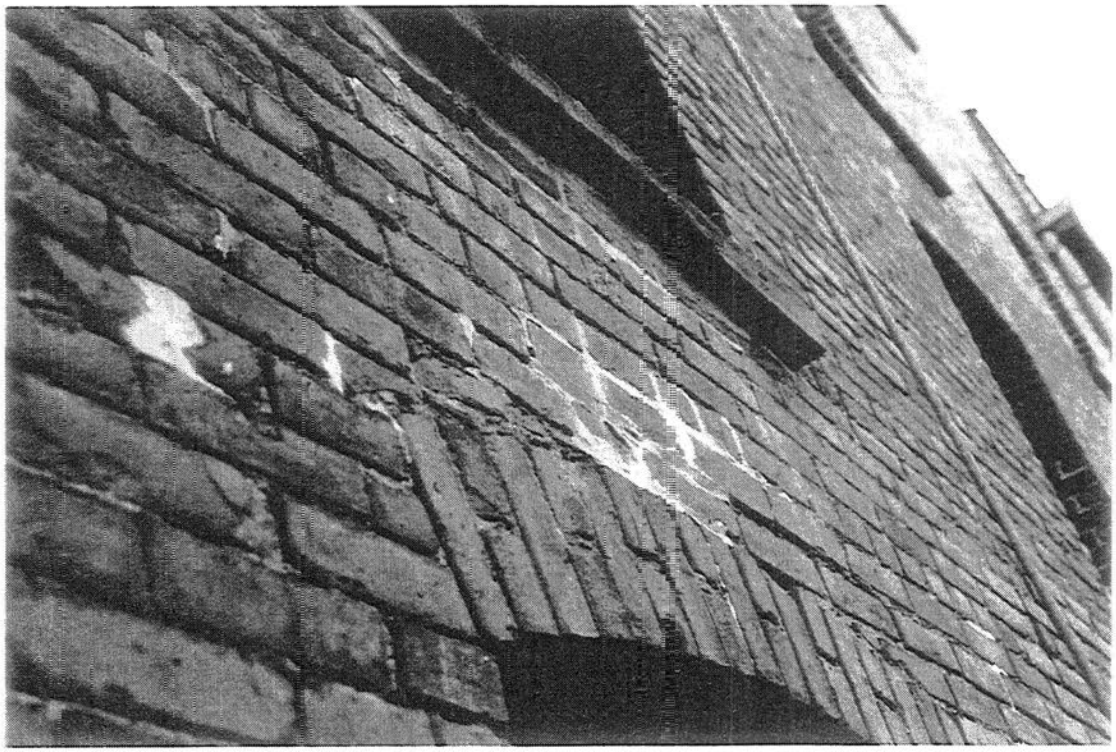

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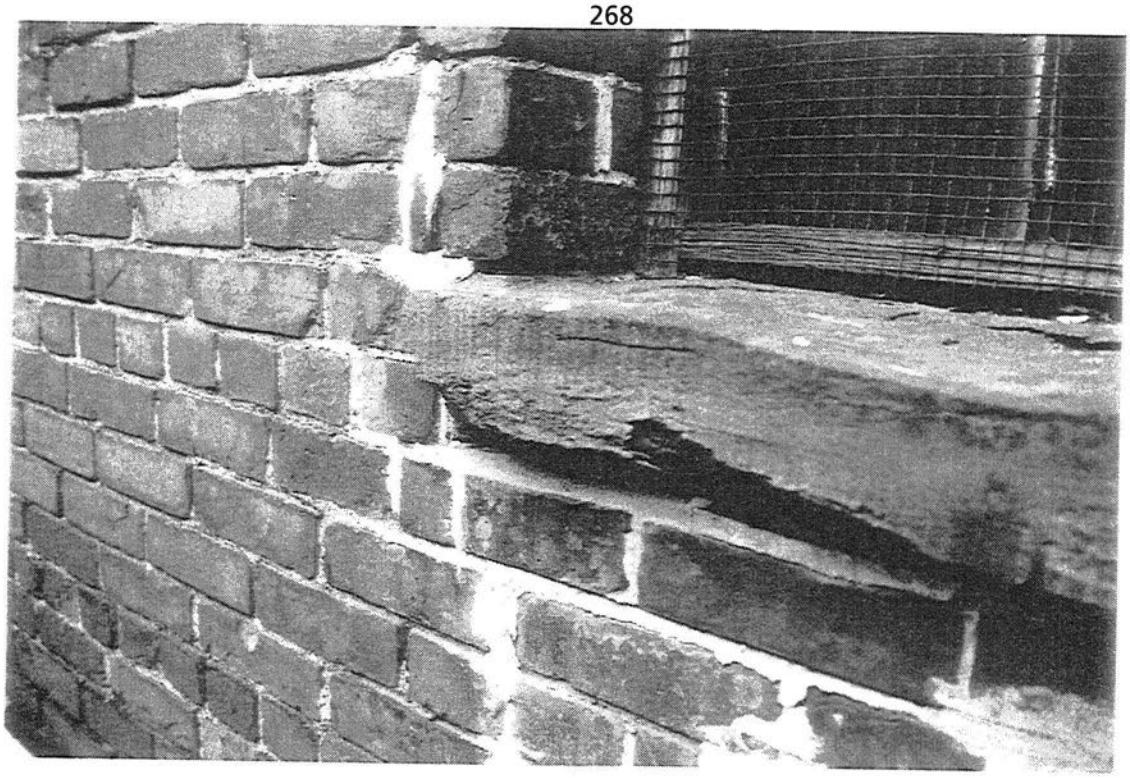

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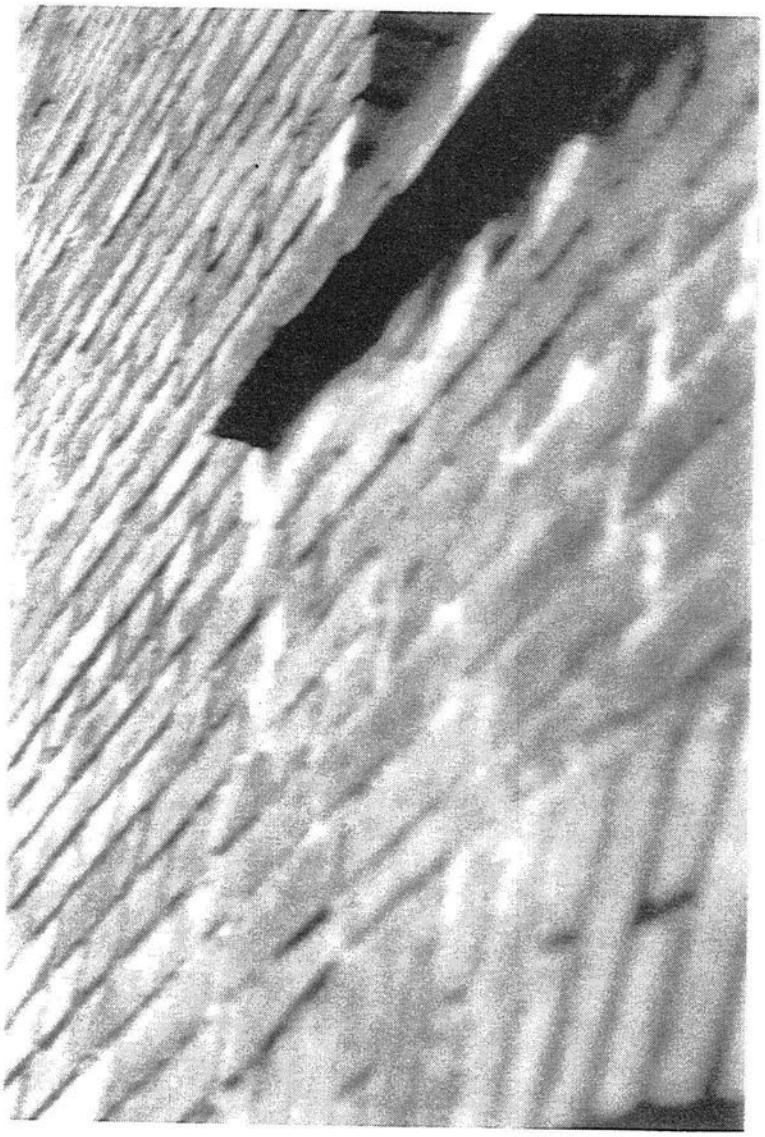

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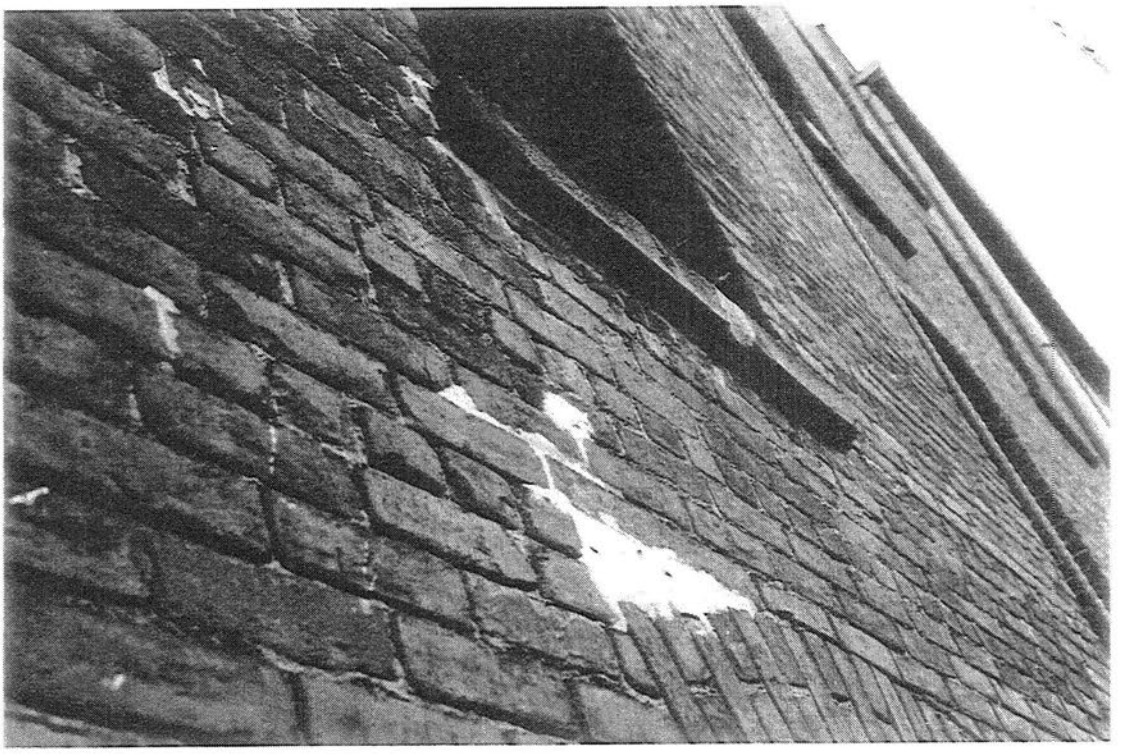

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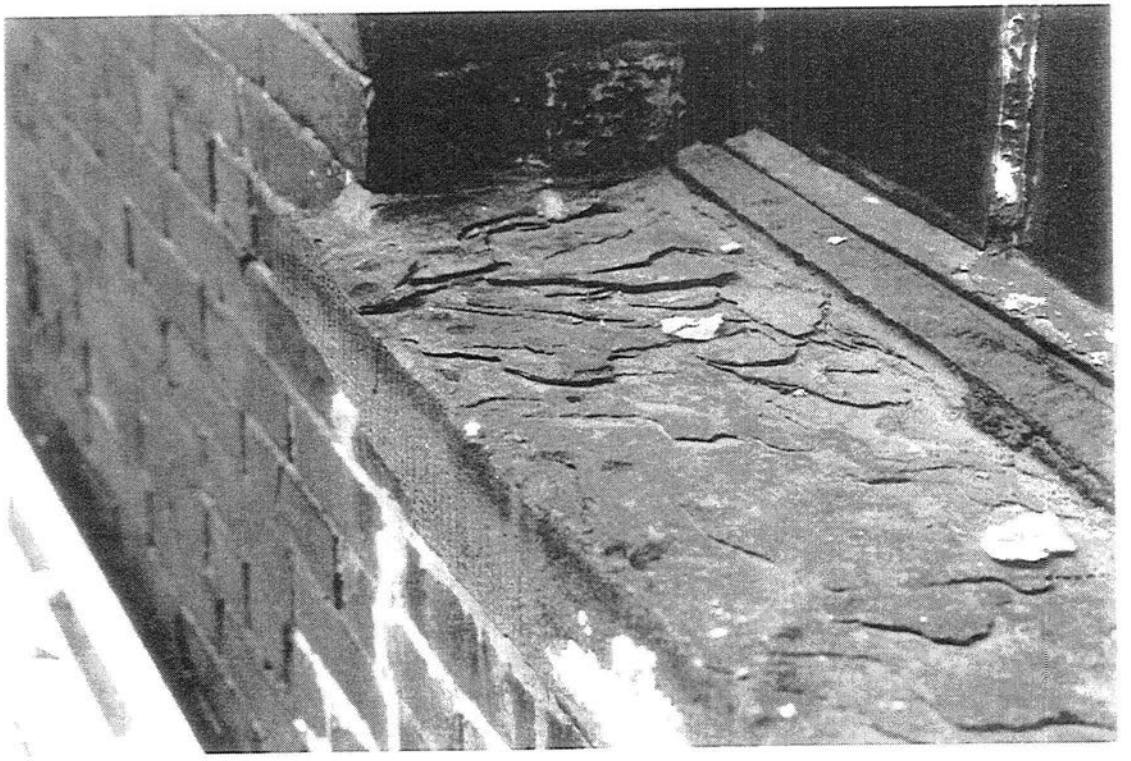

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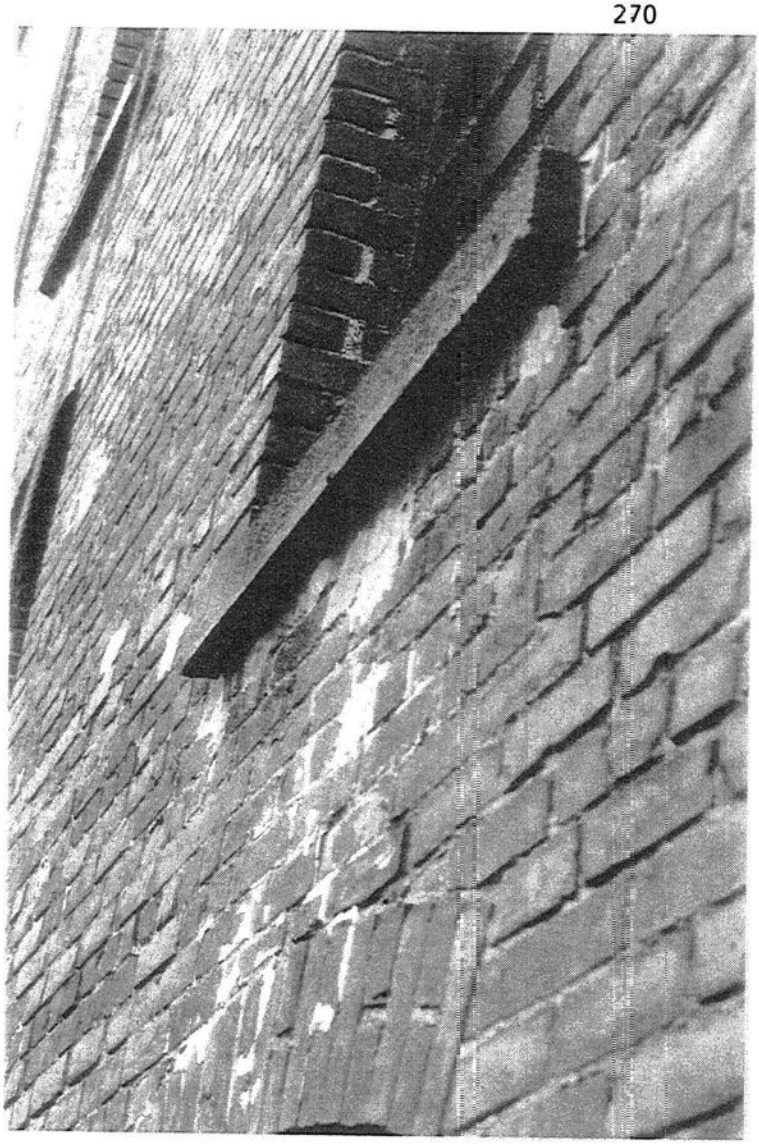

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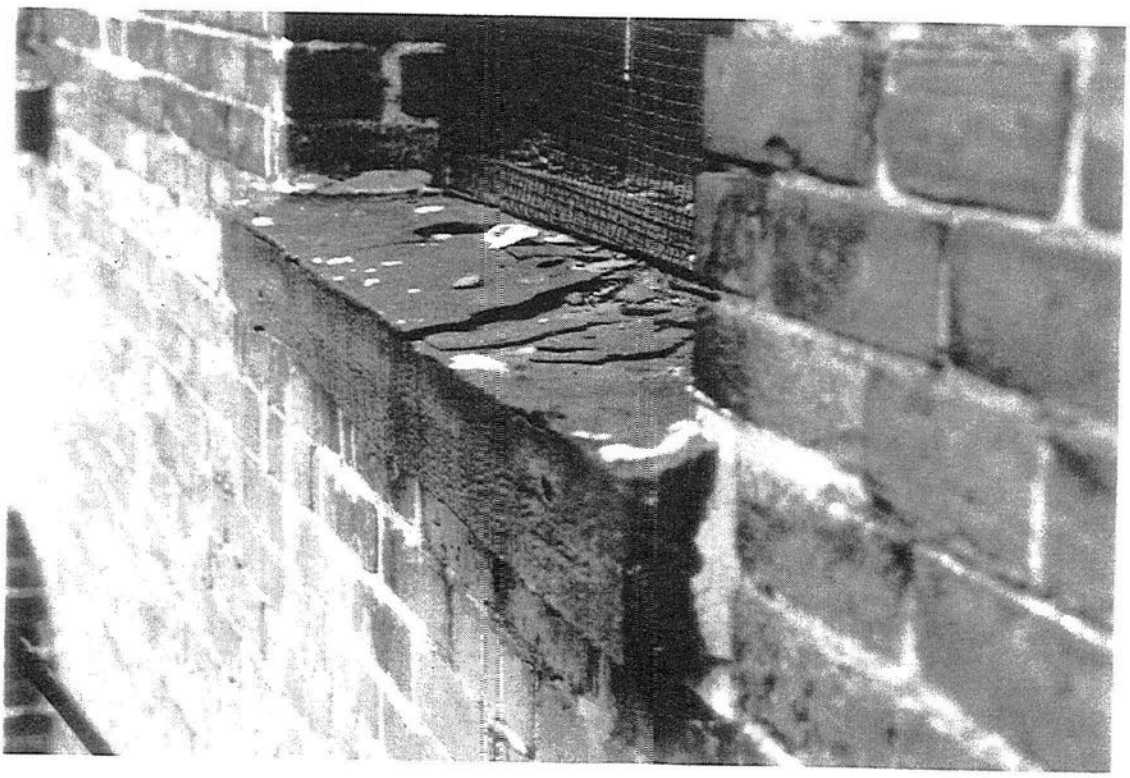

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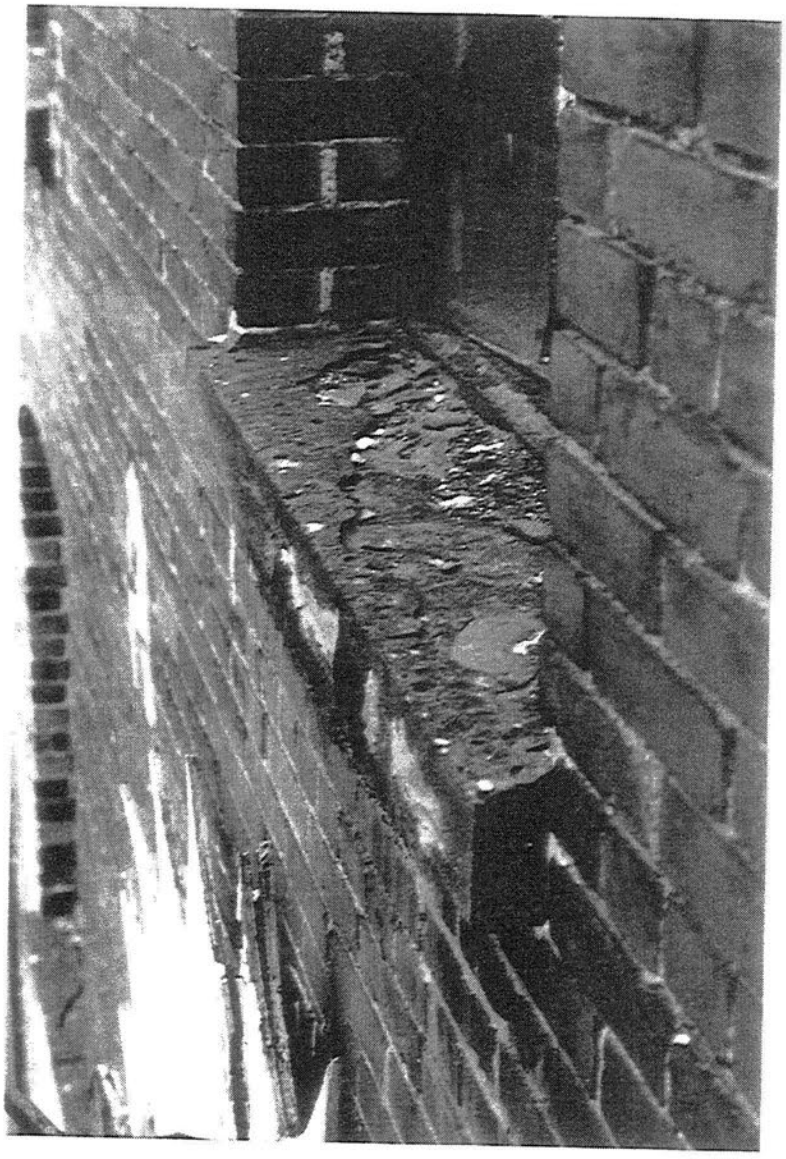

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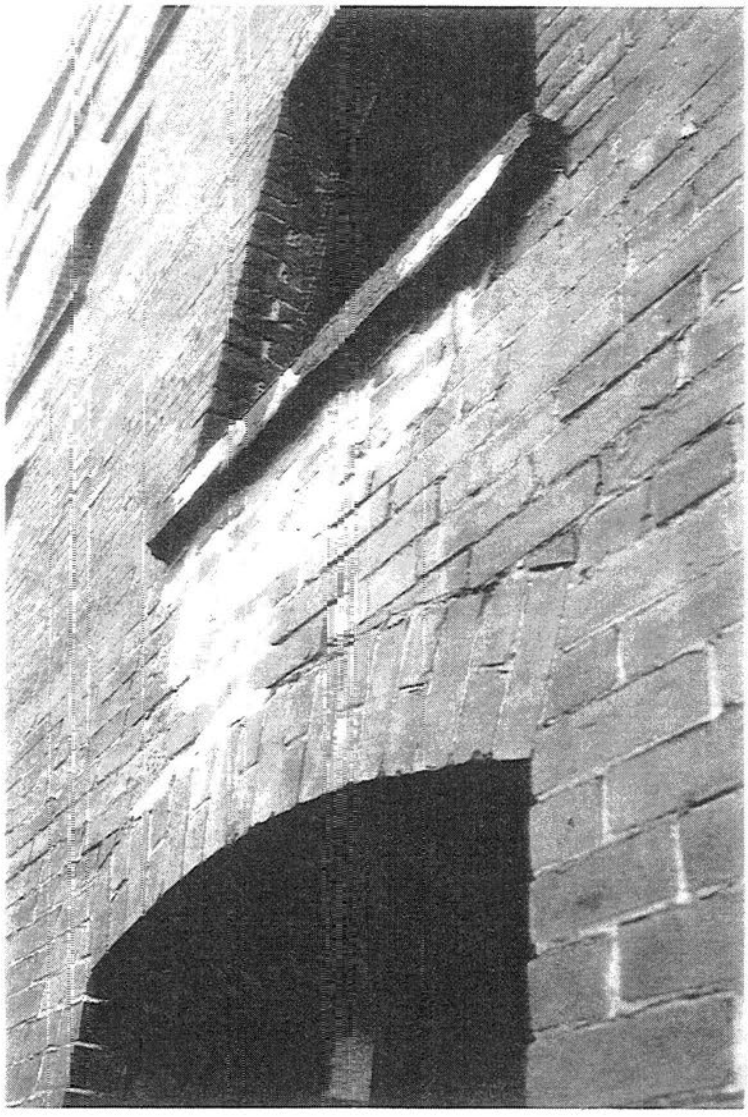

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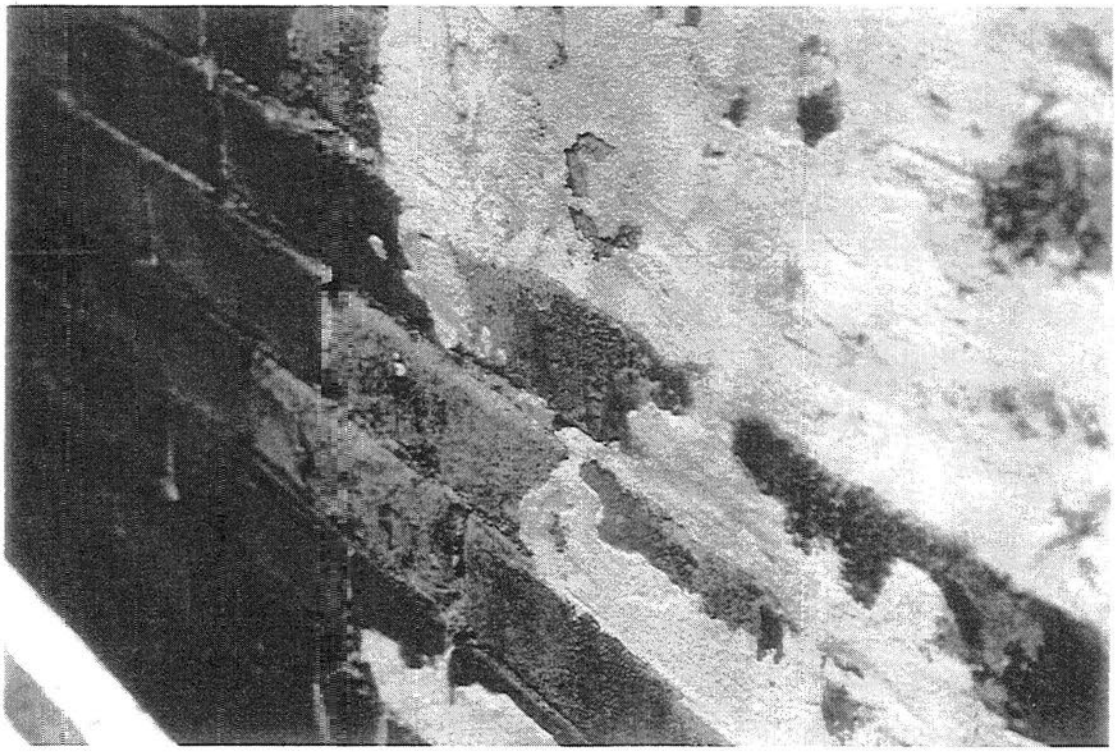

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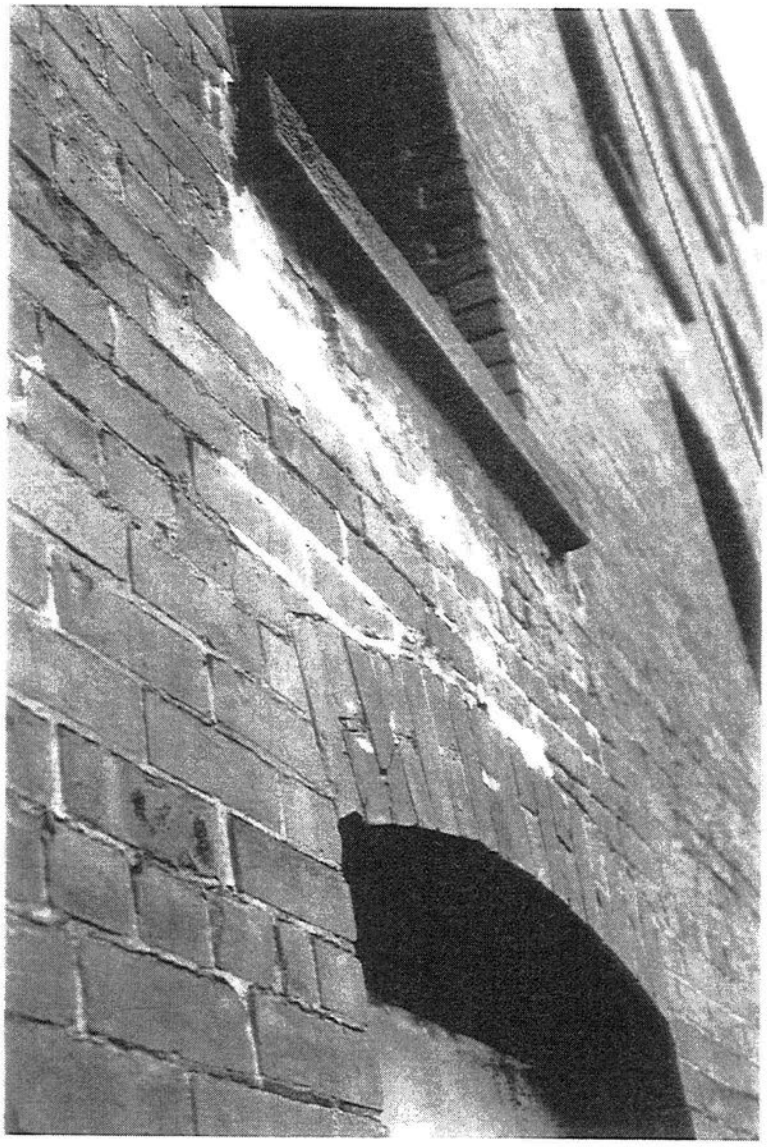

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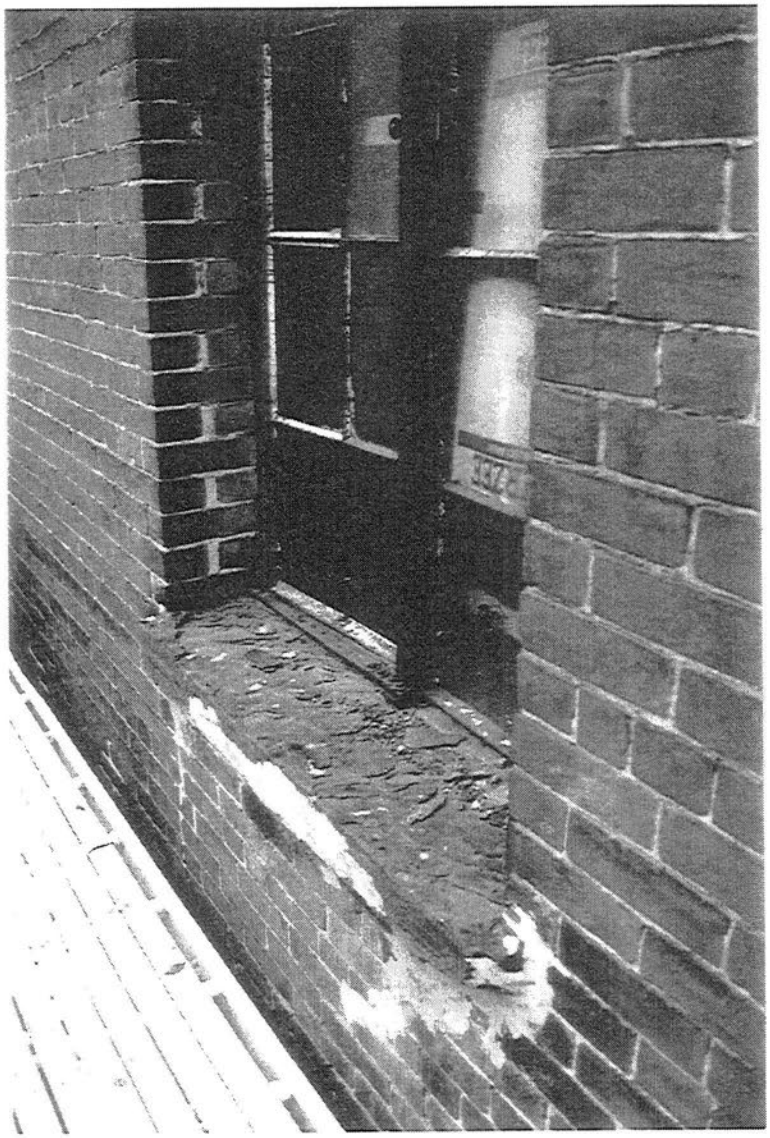

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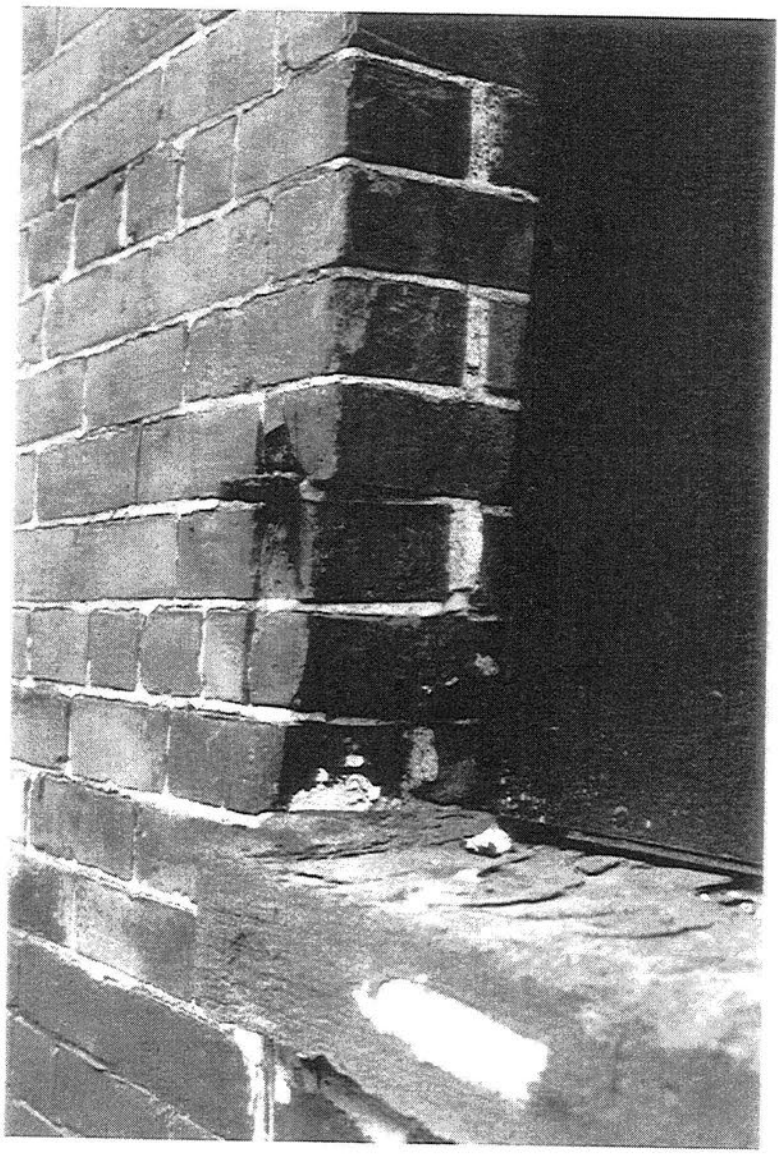

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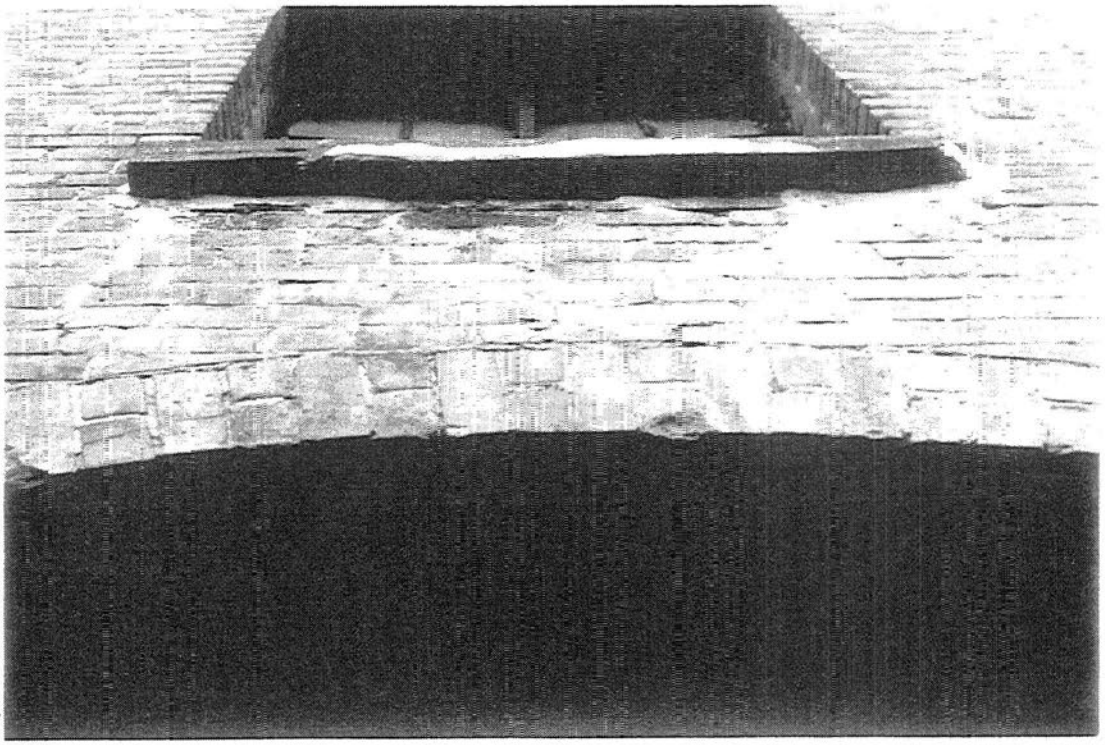

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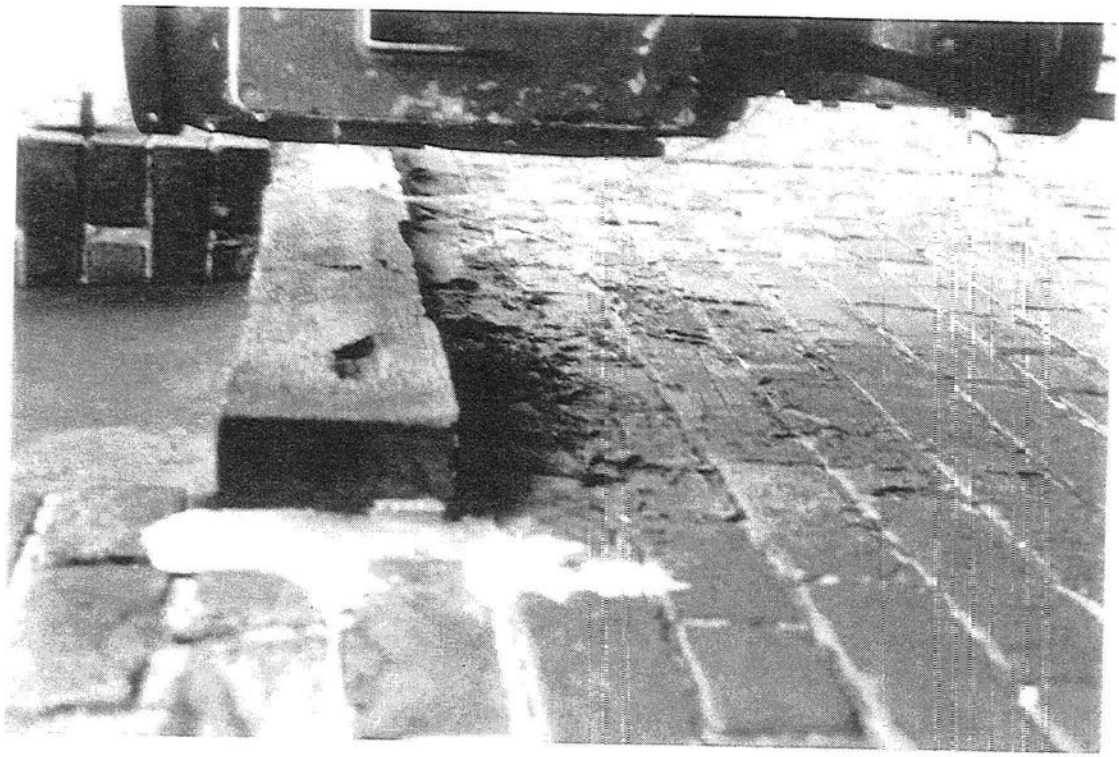

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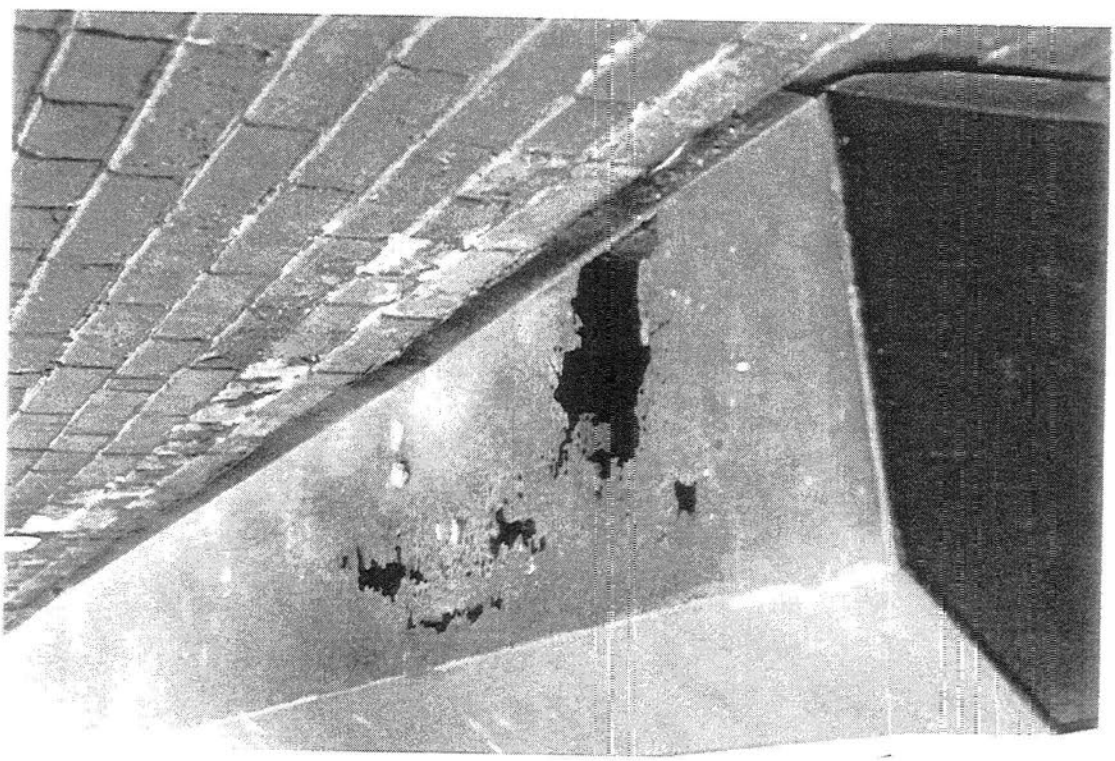

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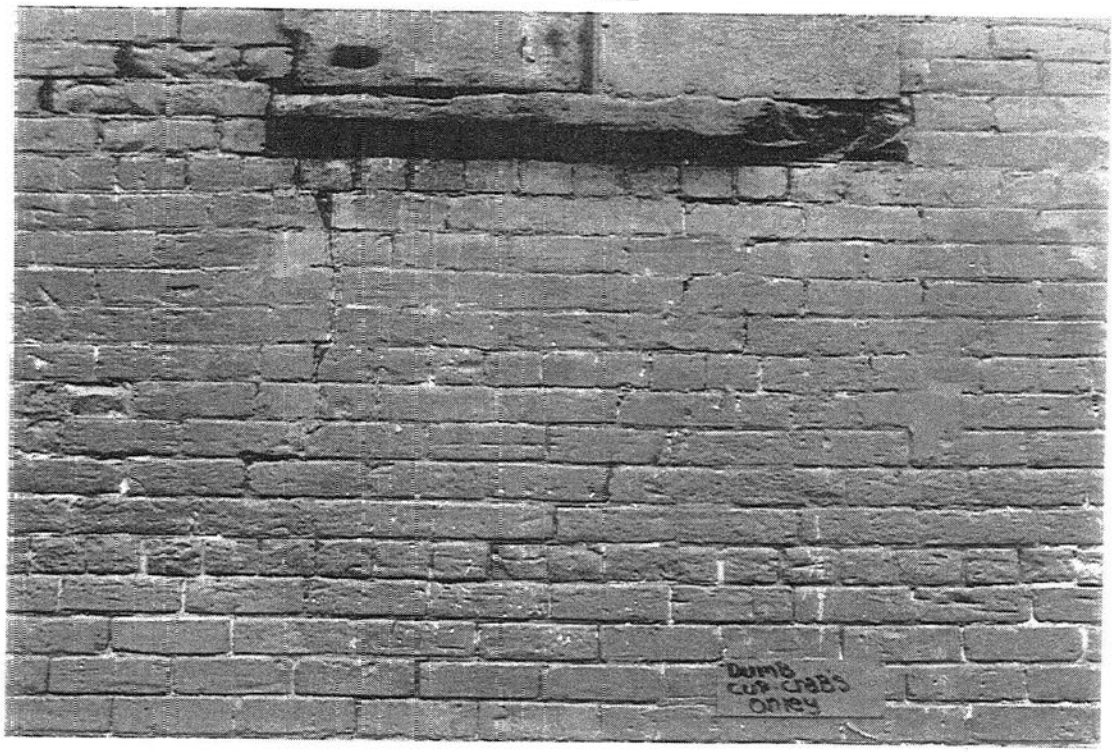

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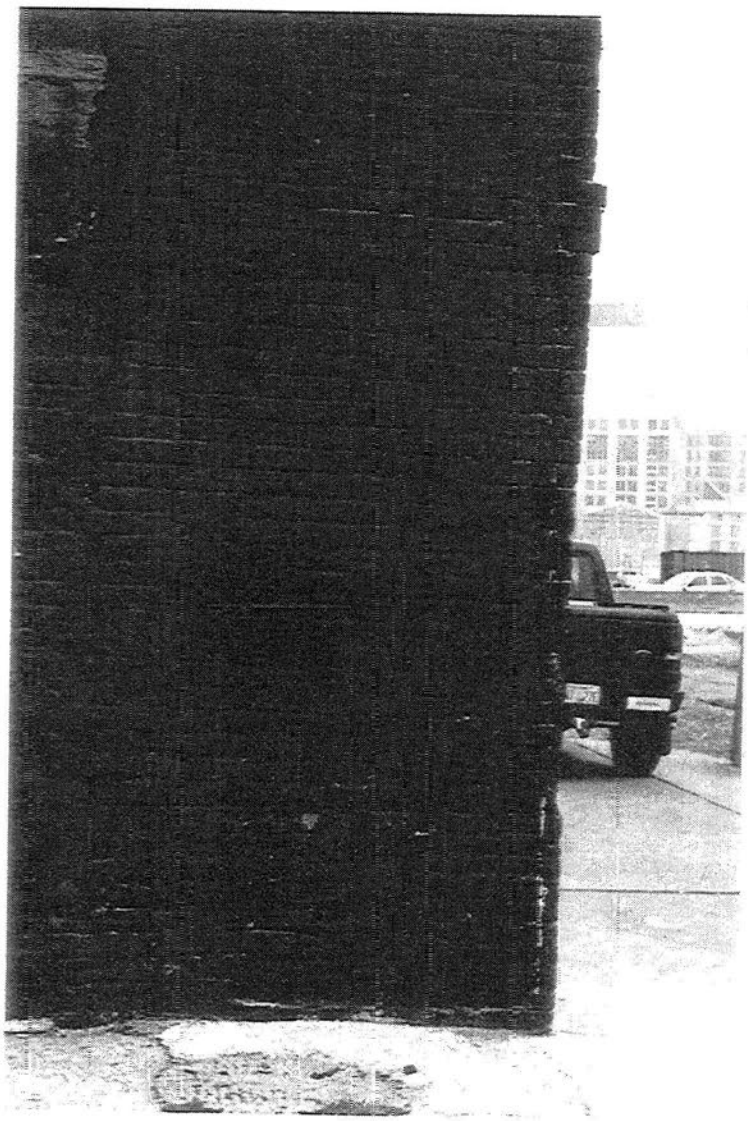

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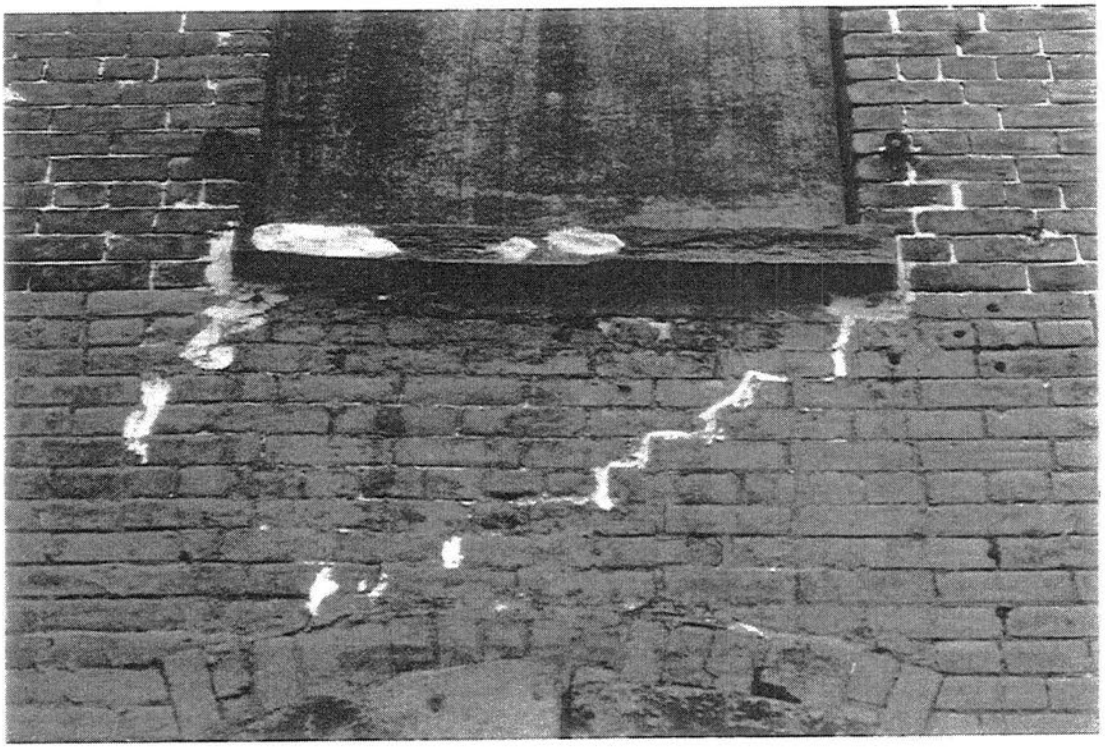

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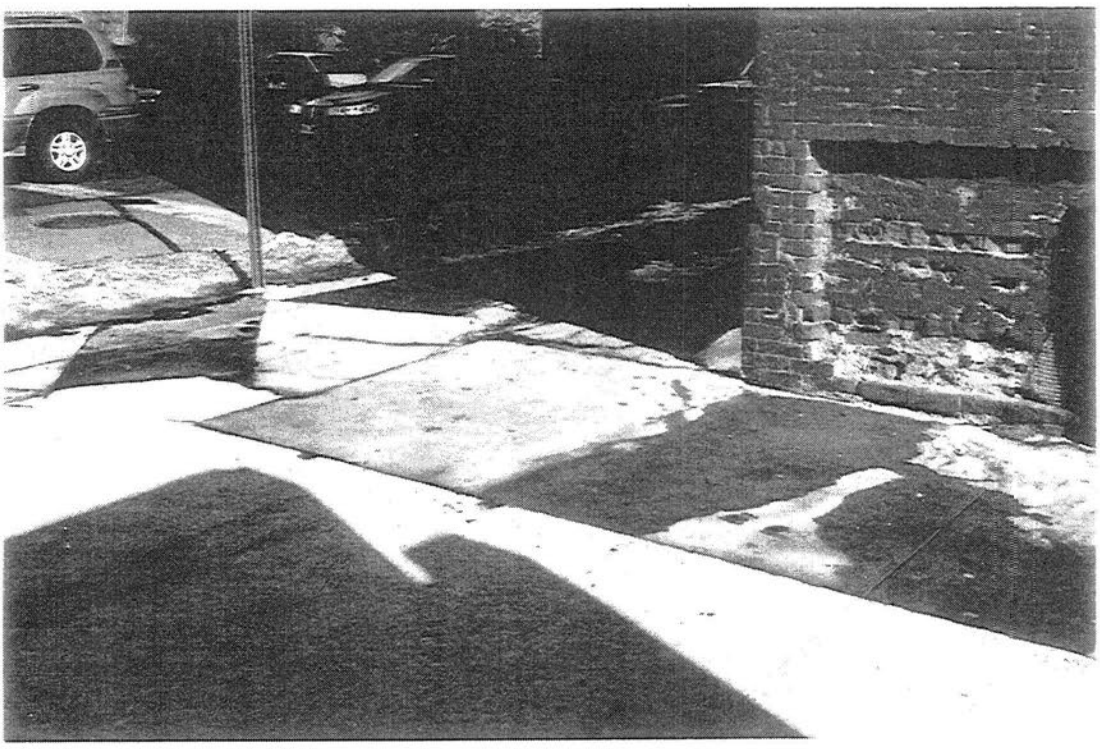

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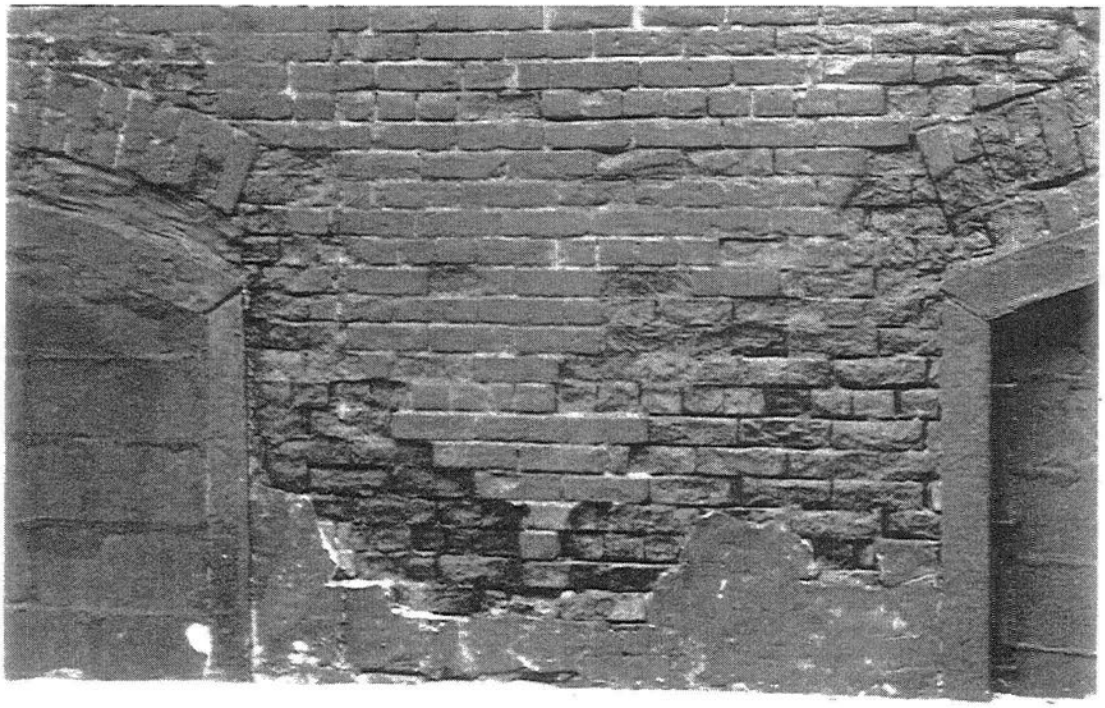

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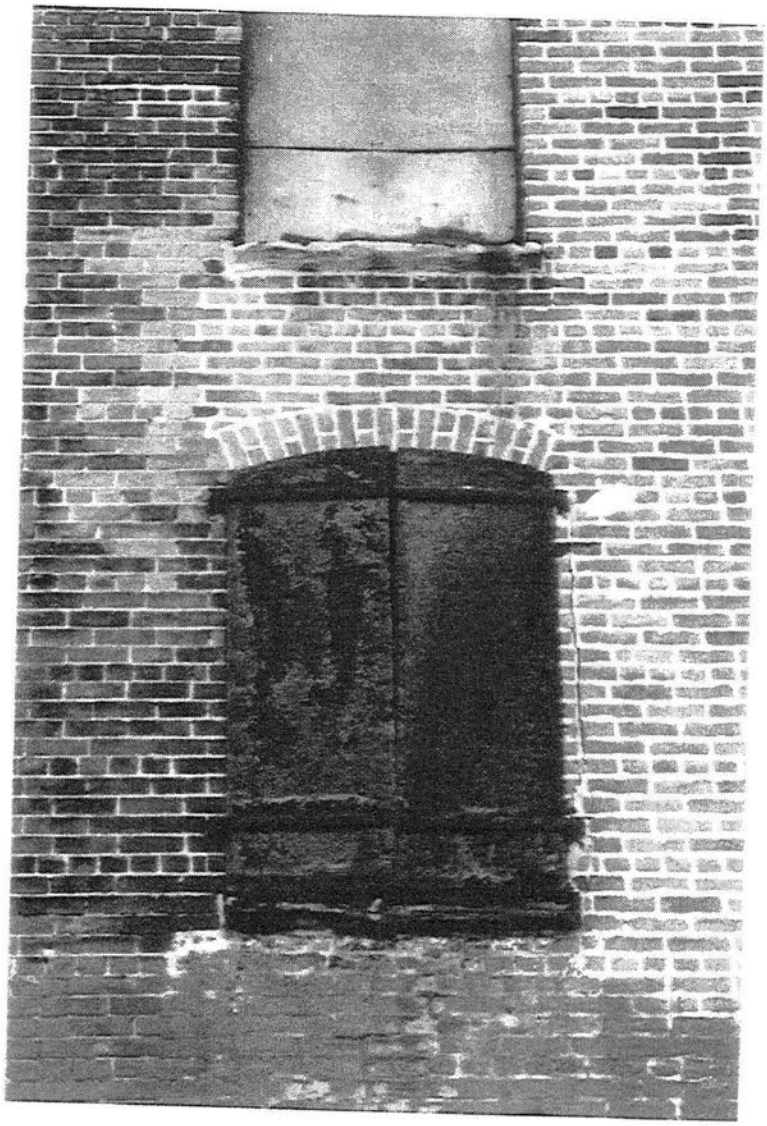

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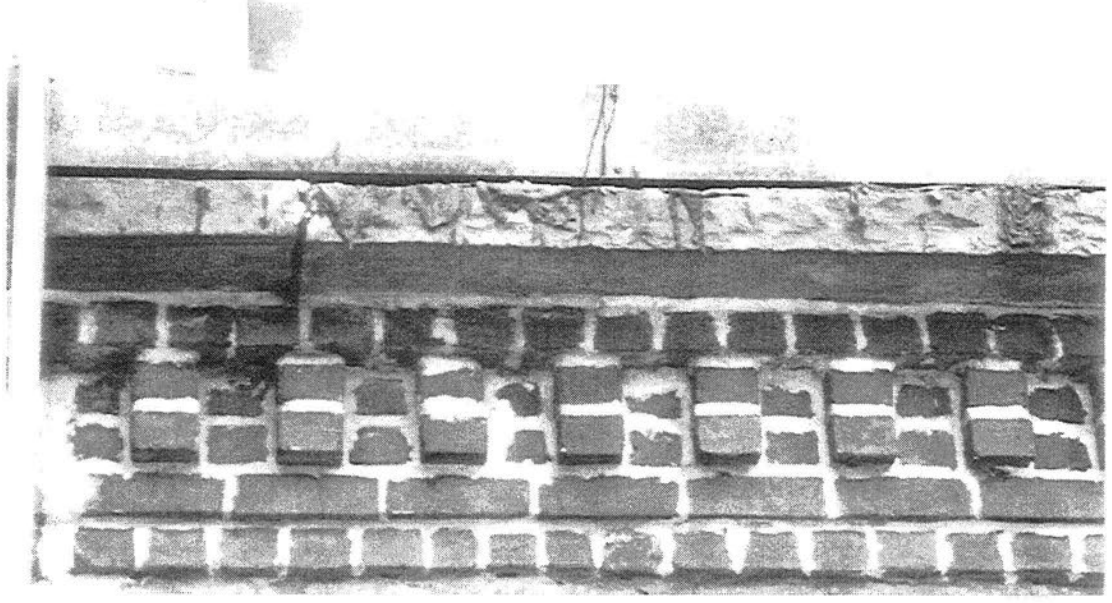

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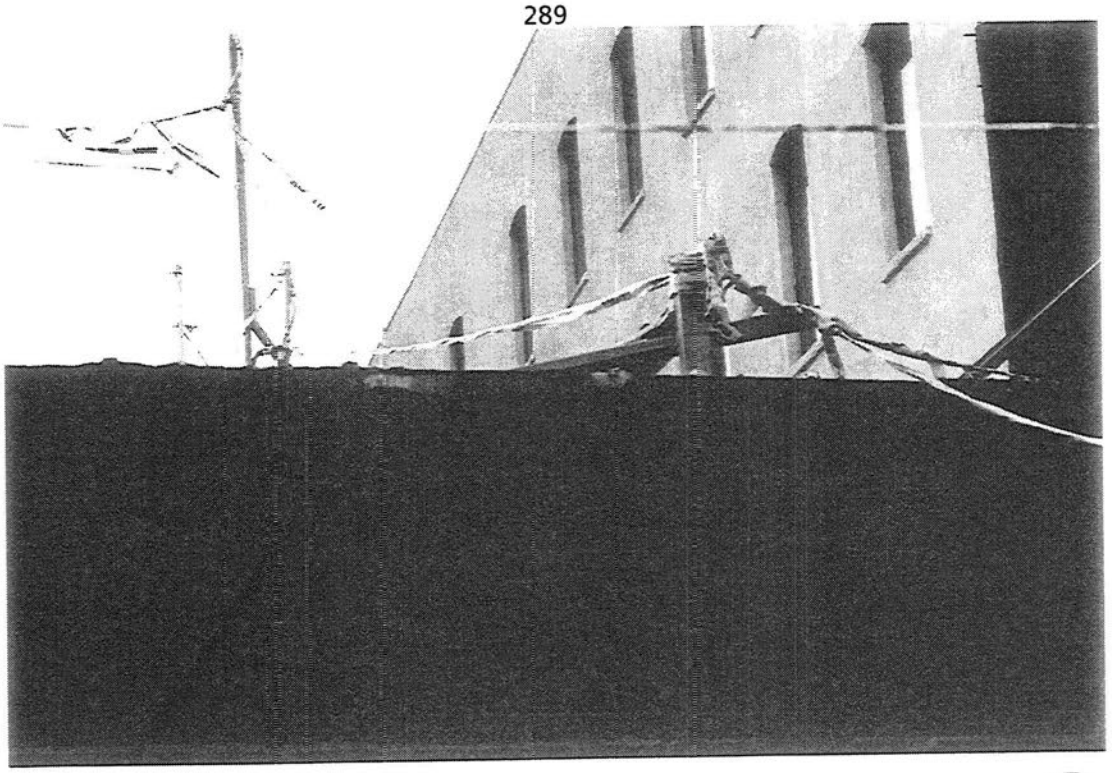

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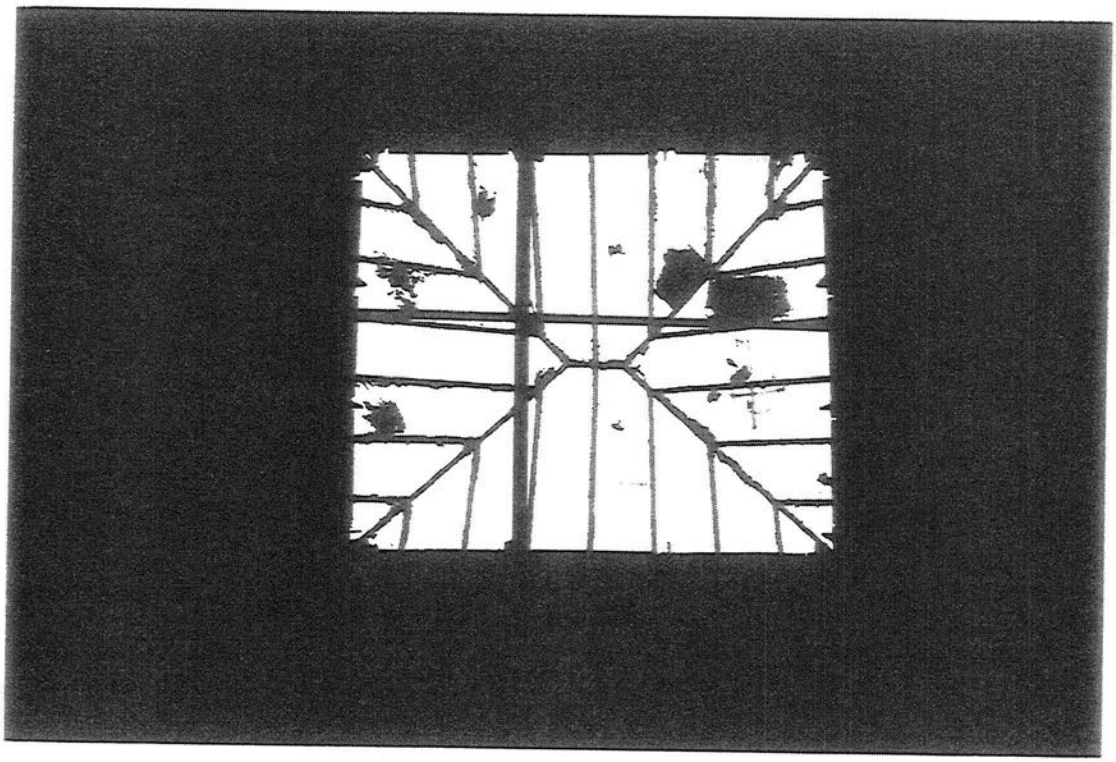

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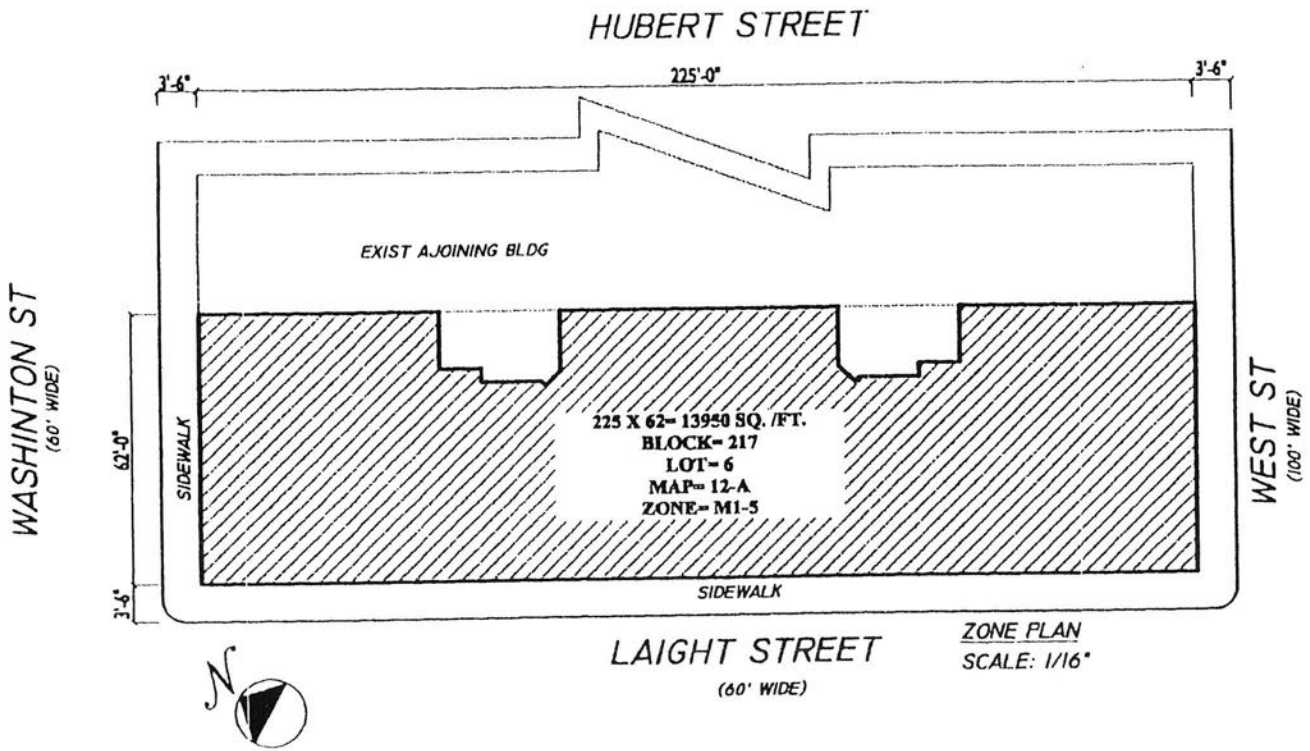
EXHIBIT "7"

FLOOR PLANS



ZONE PLAN
SCALE: 1/16"

8/6/01

1-ST FL: 5 APT.= (5 SINGLE)
2-ND --> 4-TH FL.: 18 APT =18 DUPLEX
5-TH FL.: 8 APT.= (4 TRIPLE, 4 DUPLEX)
6-TH FL.: 2 APT.= (2 DUPLEX)
TOTAL APT= 33 APT

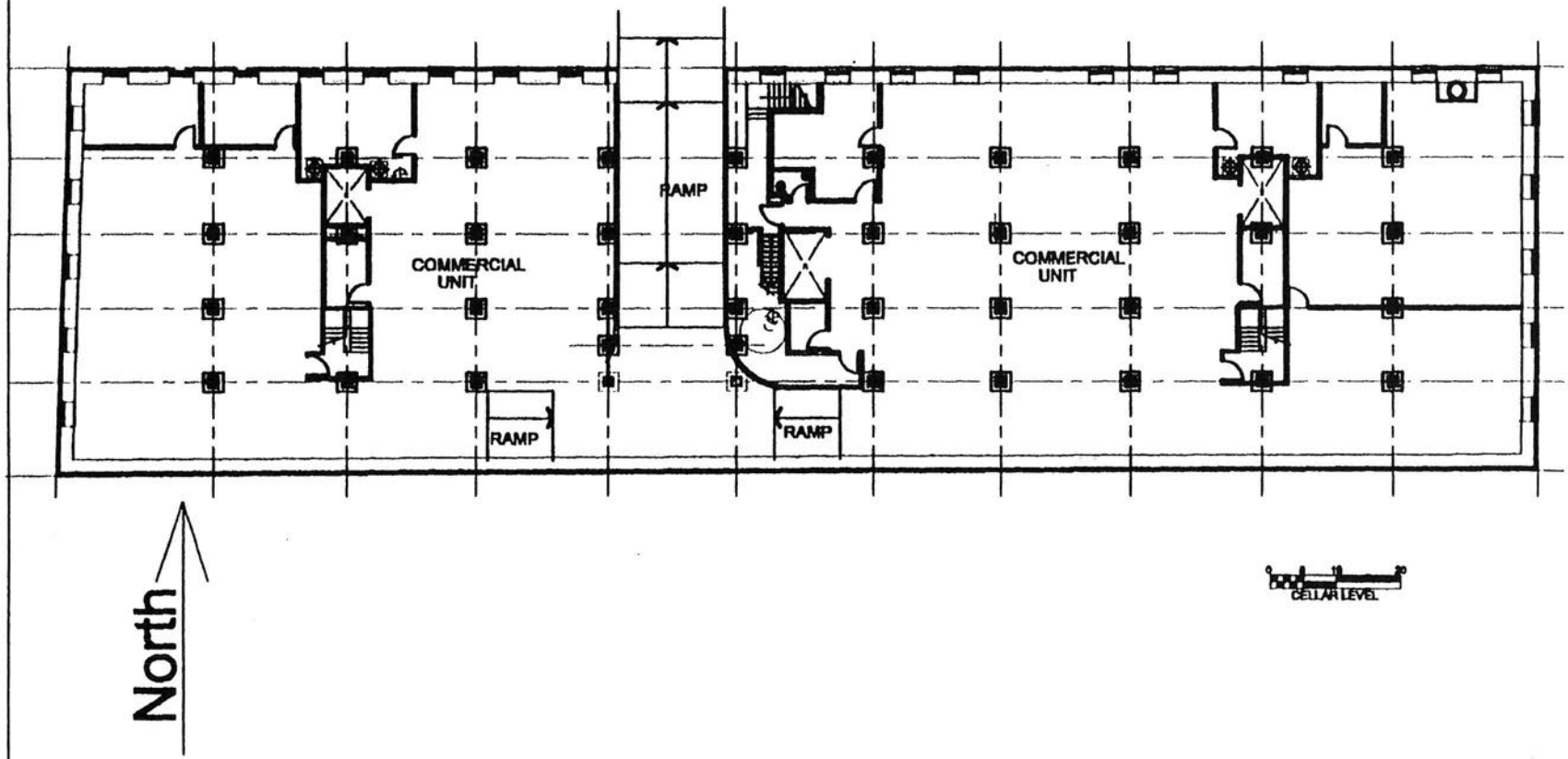
BASEMENT
1-ST TO 6-TH FL
2-ND TO 6-TH MEZZ

Sugar Warehouse

79 Laight Street
New York,NY 10013

CITE PLAN

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.



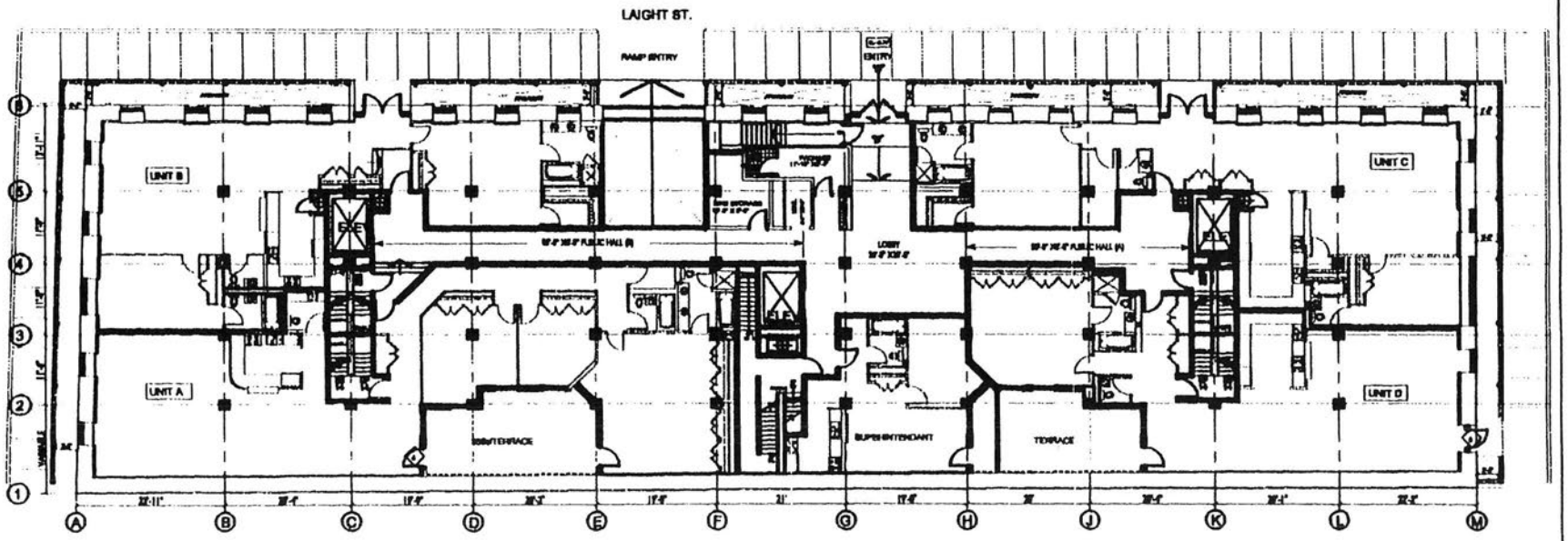
Cellar

Sugar Warehouse

79 Laight Street
New York, NY 10013
CELLAR

Commercial Unit-> 10,097 SF.

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.



GROUND FLOOR PLAN

UPPER DUPLEX LEVEL

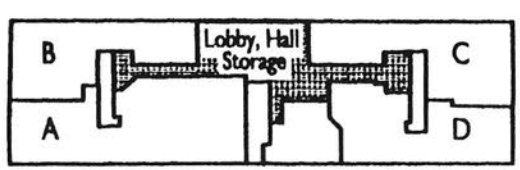
8/6/01

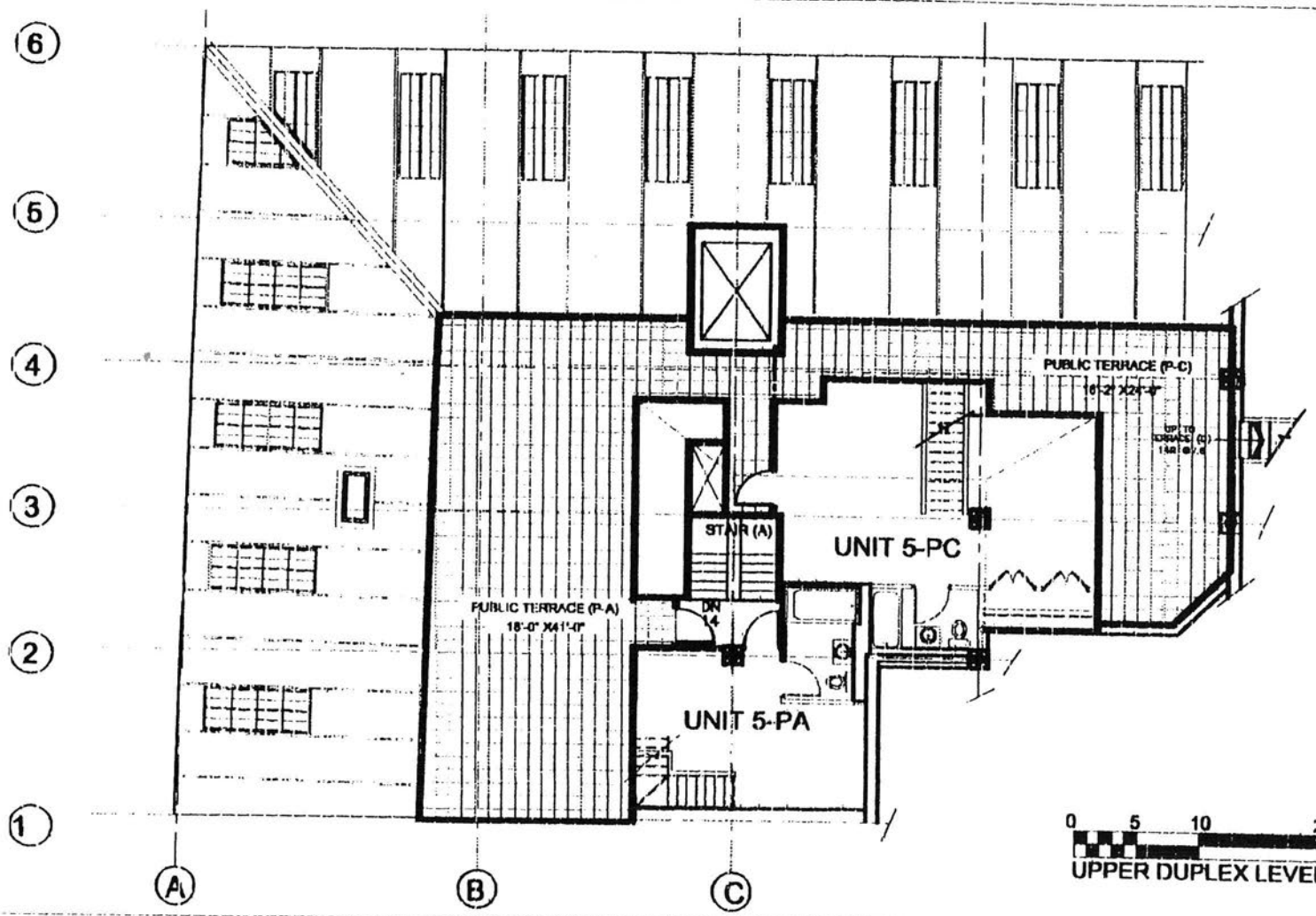
PUBLIC HALL (A)= 480 SF.
PUBLIC HALL (B)= 330 SF.
LOBBY = 683.7 SF.
MAIL= 59 SF.
BIKE STORAGE= 81.6 SF.
PACKAGE= 60 SF.
TOTAL= 1,694.3 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
LOBBY, STORAGE

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





TERRACE (P-C), (P-A)
TERRACE P-C=384 SF.
TERRACE P-A= 738 SF.
TOTAL: 1122 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
PUBLIC TERRACE

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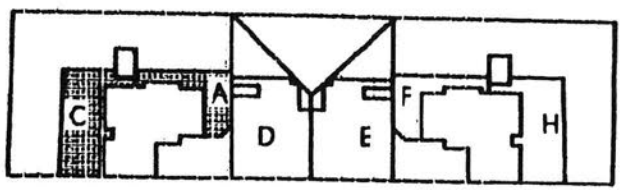

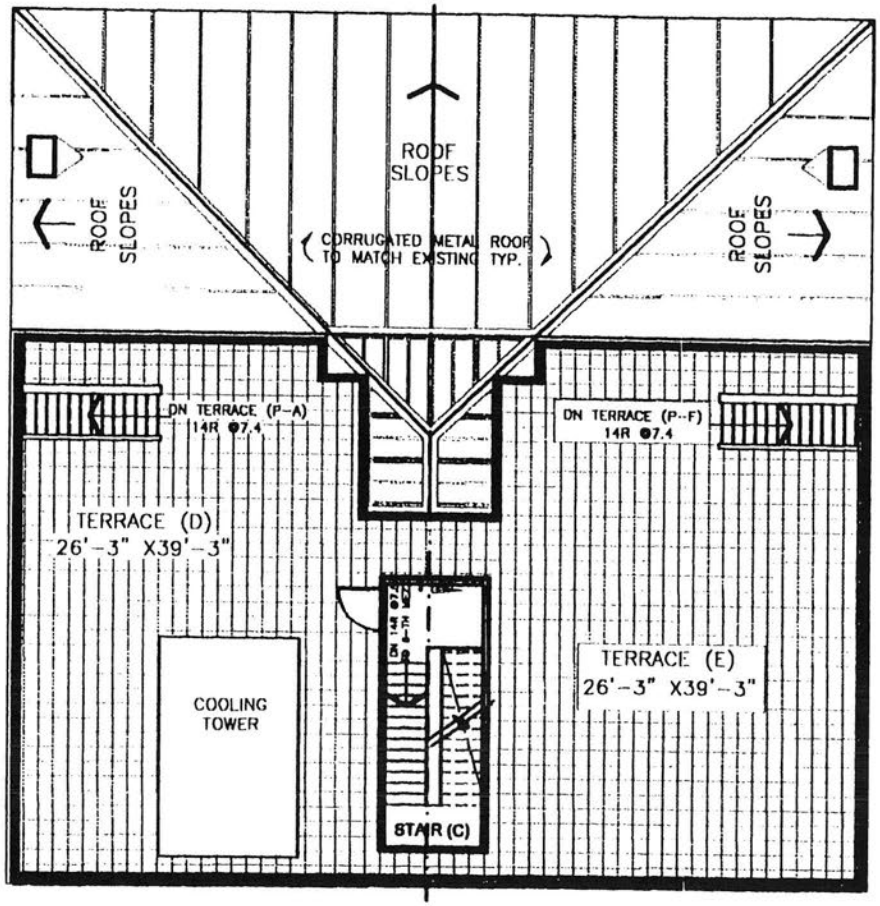

UPPER DUPLEX LEVEL

TERRACE (D-E)

TERRACE D=1,033 SF.

TERRACE E= 1,033 SF.

TOTAL: 2,067 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
PUBLIC TERRACE

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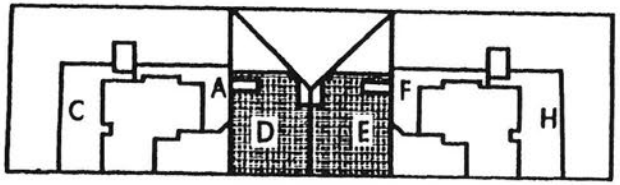

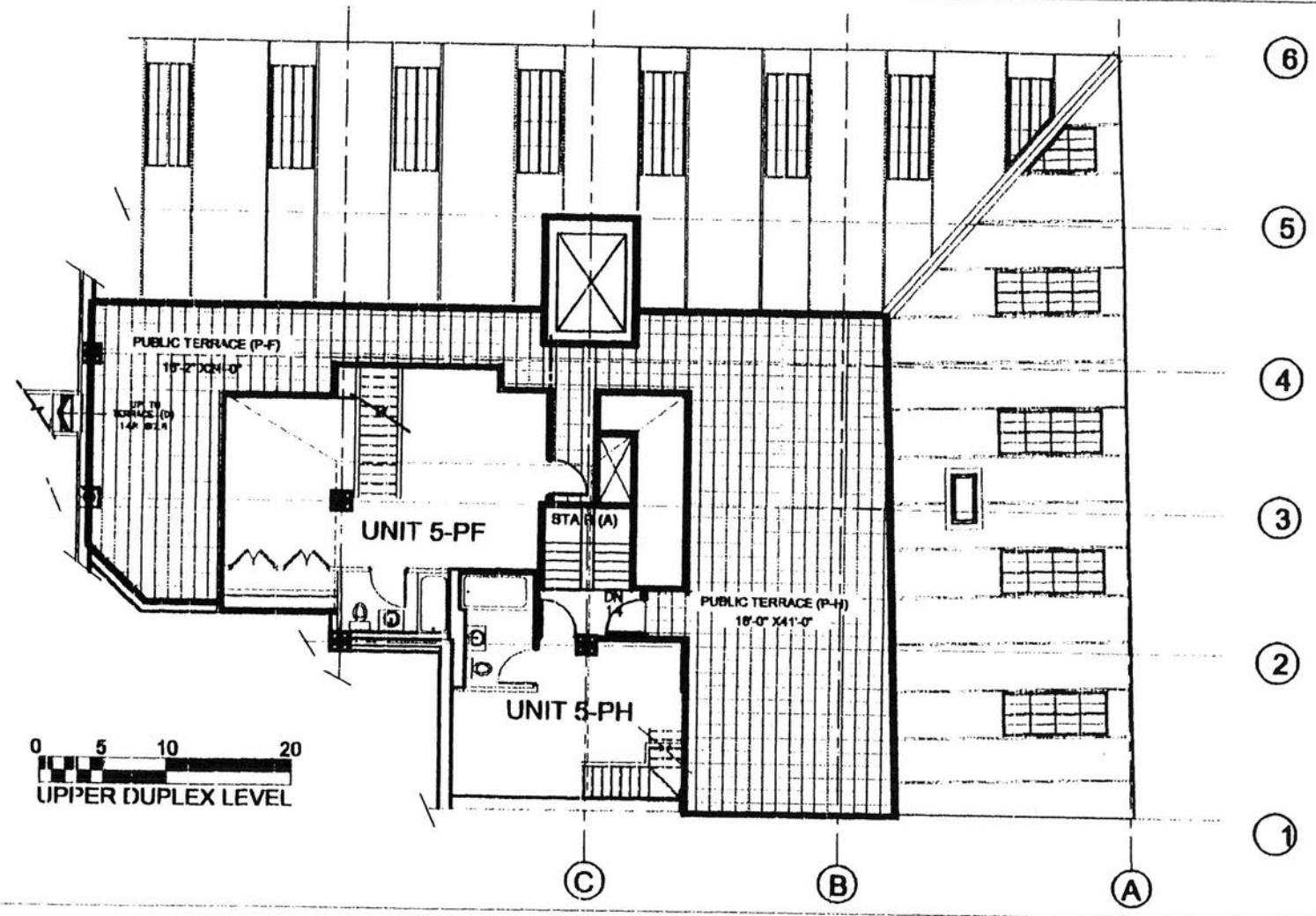

TERRACE (P-F), (P-H)

TERRACE P-F=384 SF.

TERRACE P-H= 738 SF.

TOTAL: 1122 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
PUBLIC TERRACE

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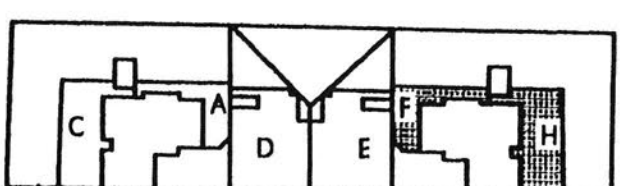
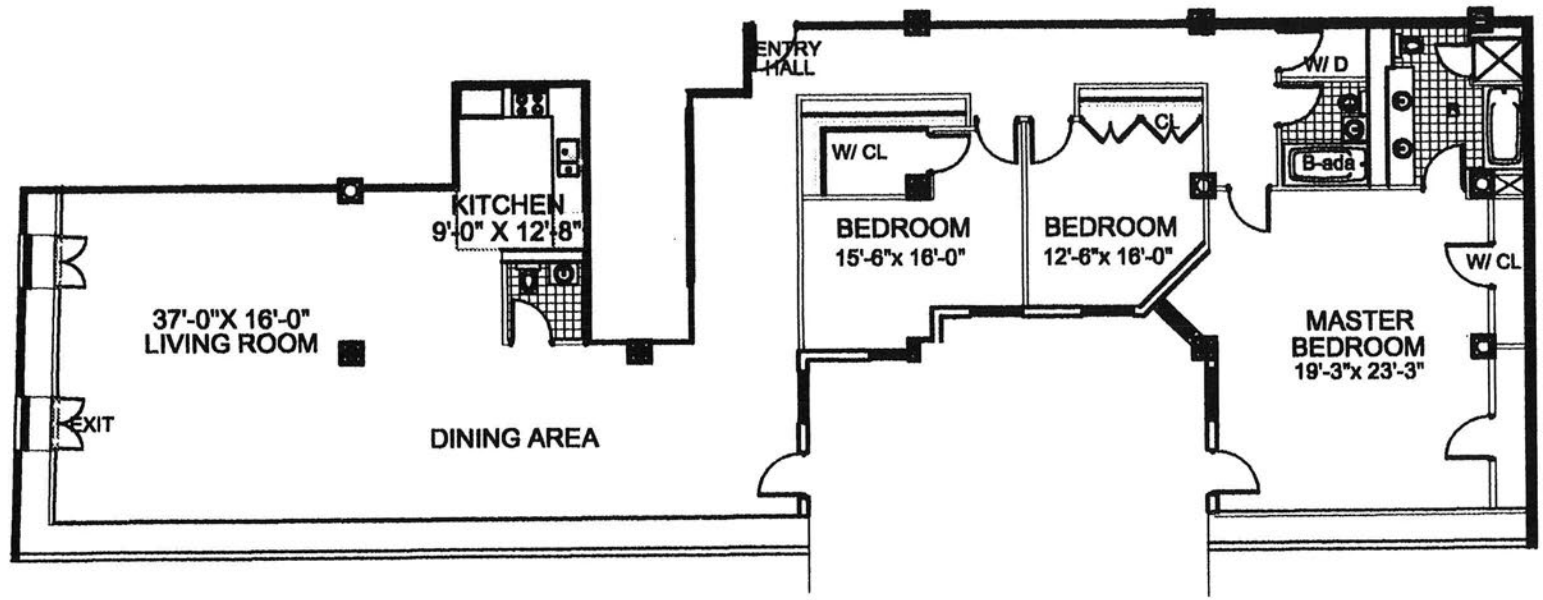
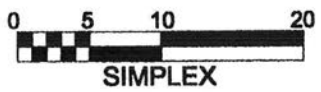






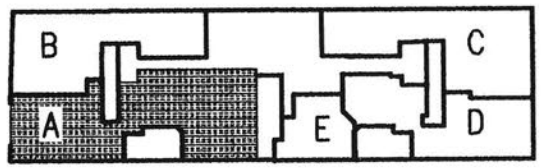
First Floor

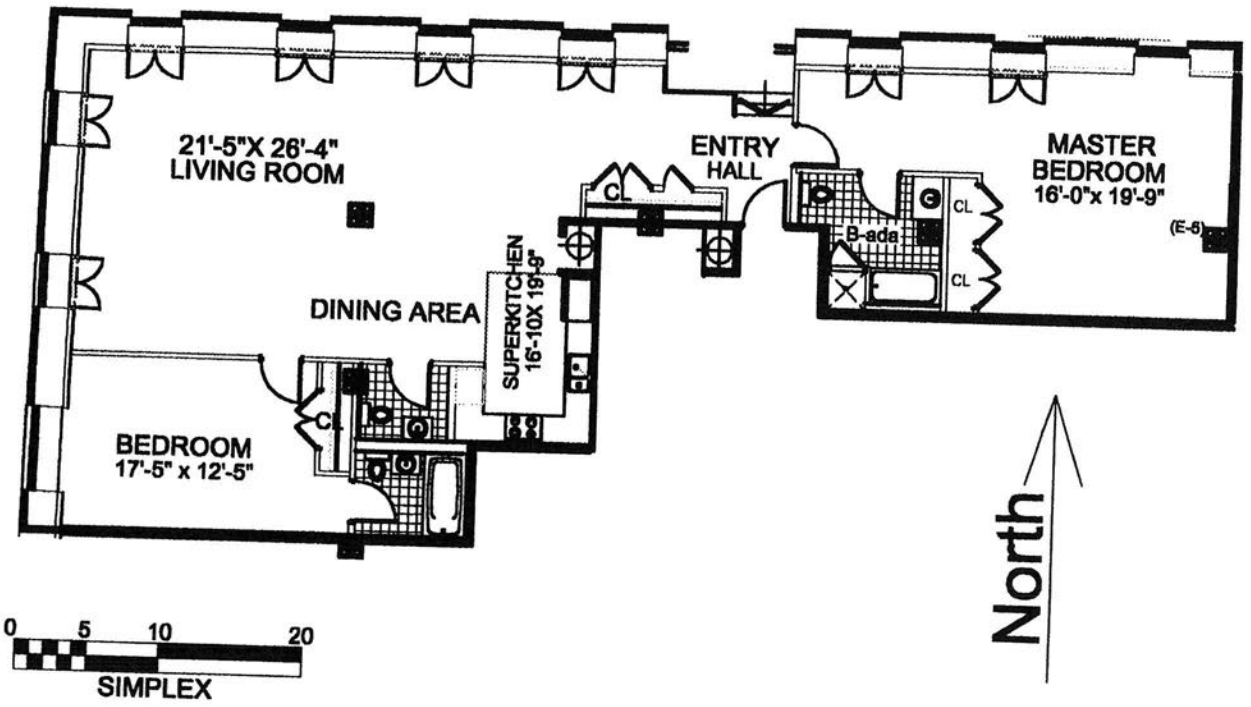
3bedroom, 2 1/2 baths
Apartment–> 2,934.5 SF.

Sugar Warehouse

79 Laight Street
New York, NY 10013
UNIT 1-A

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





First Floor

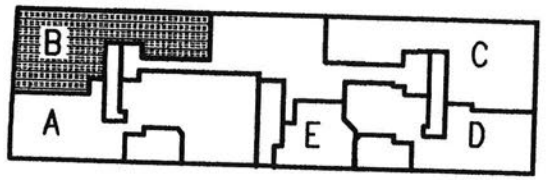
2bedroom, 2 1/2 baths

Apartment–> 2180 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 1-B

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.



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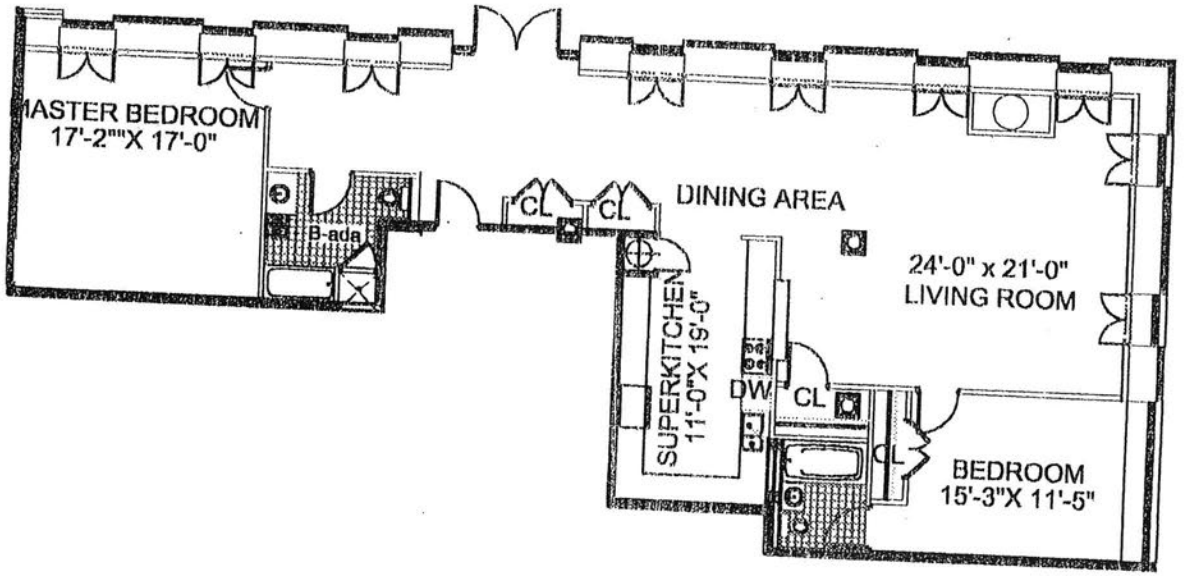
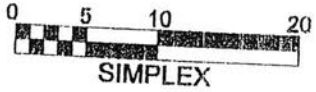




First Floor

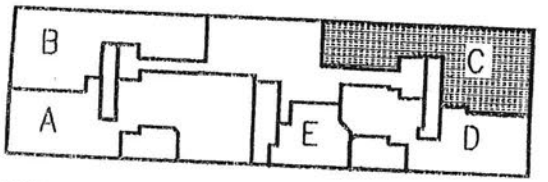
Sugar Warehouse

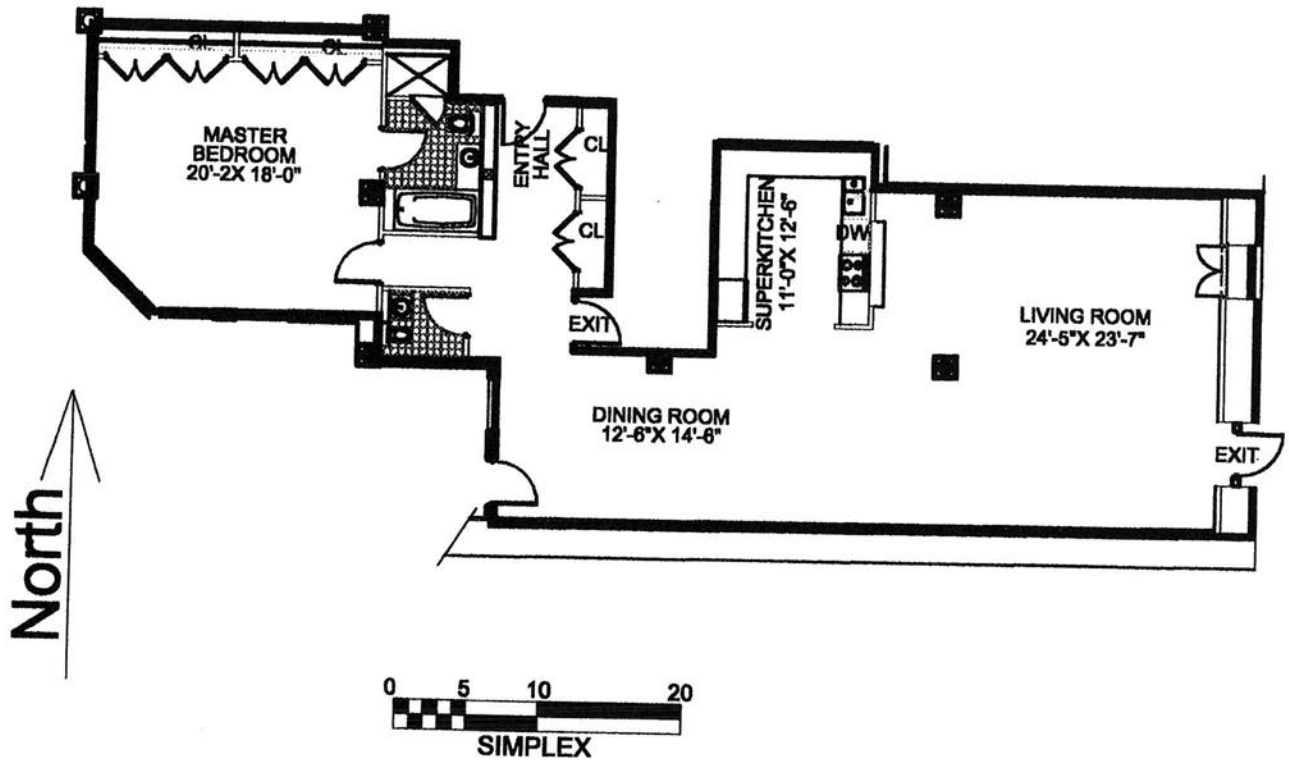
79 Laight Street
New York,NY 10013
UNIT 1-C

2bedroom, 2 1/2 baths

Apartment–> 2,030 SF.

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





First Floor

1bedroom, 1 1/2 baths

Apartment–> 1,981 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 1-D

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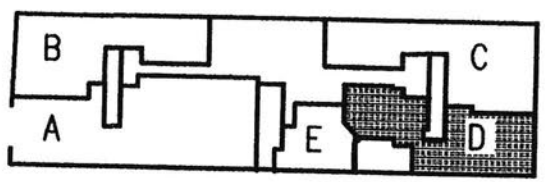

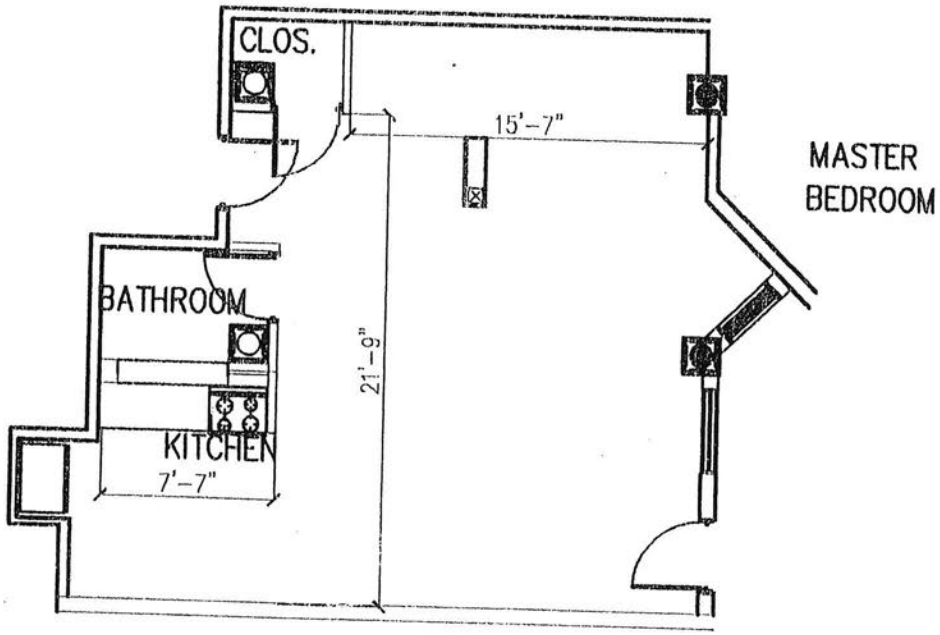

North

First Floor
1bedroom, 1 bath

Sugar Warehouse
79 Laight Street
New York,NY 10013
UNIT 1-E

Apartment--> 686.5 SF.

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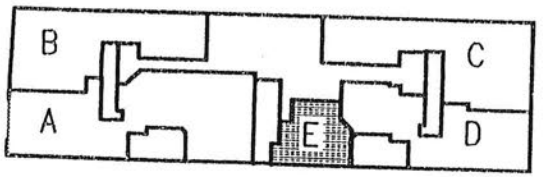
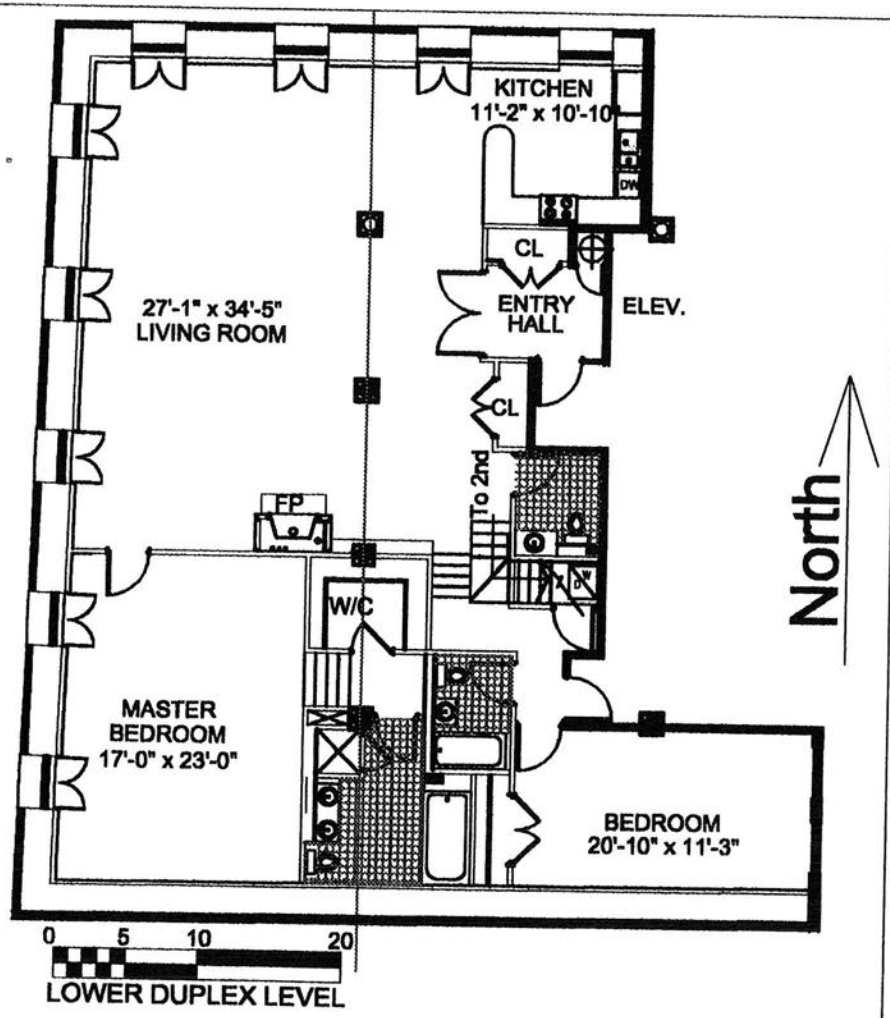
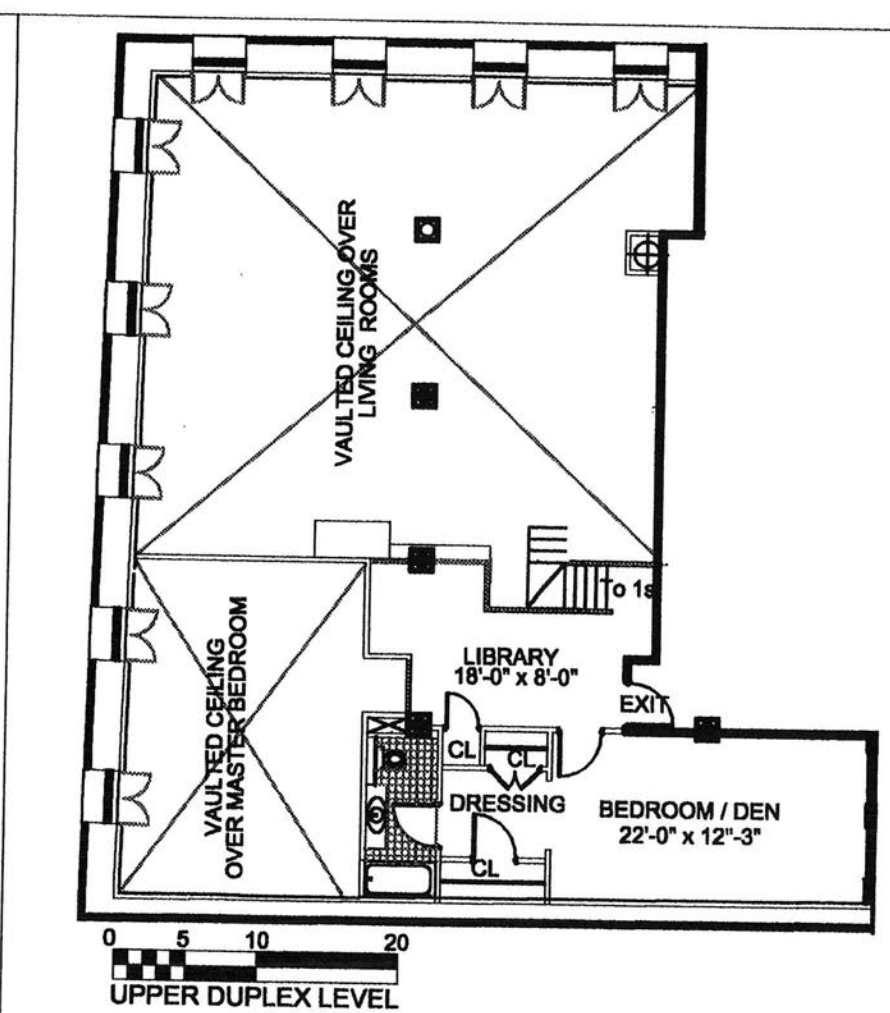






North

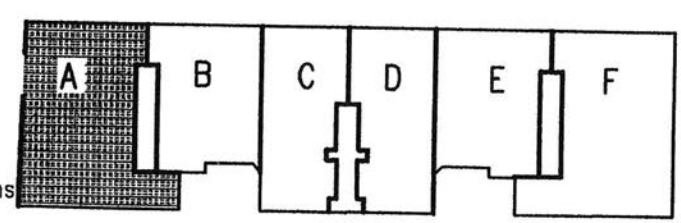
Second Floor

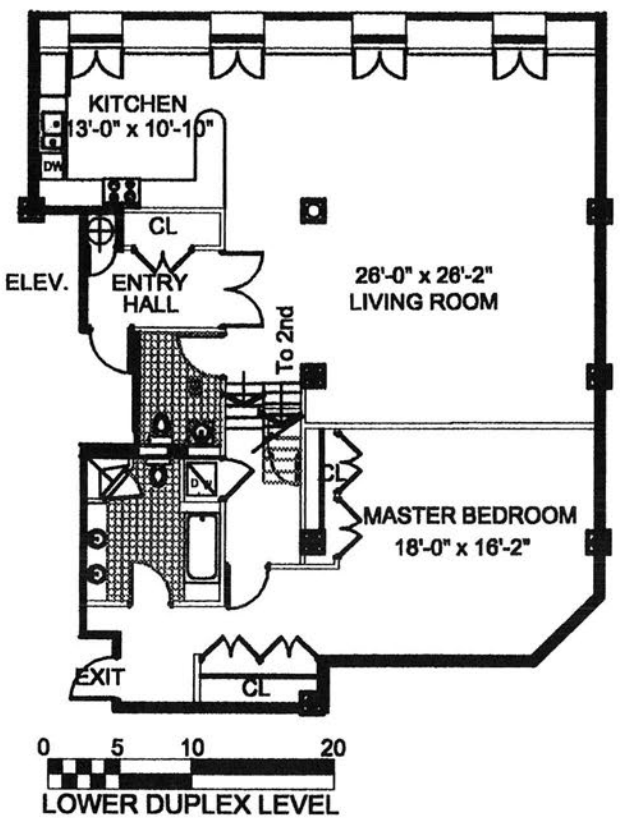
3bedroom, 3 1/2 baths
Upper----> 799 SF.
Lower---> 2,756 SF.
Apartment-> 3,555 SF.

Sugar Warehouse

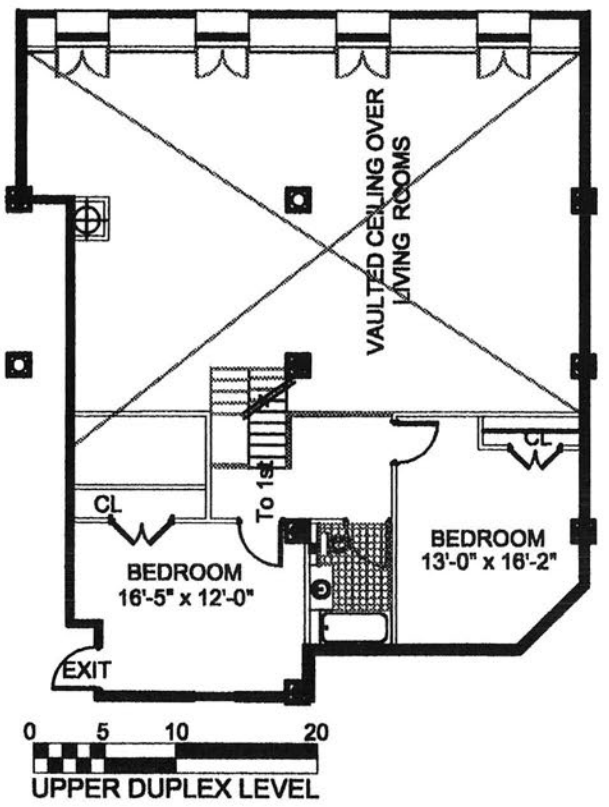
79 Laight Street
New York,NY 10013
UNIT 2-A

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





North



Second Floor

3bedroom, 2 1/2 baths

Upper----> 643 SF.
Lower---> 1,751 SF.
Apartment-> 2,394 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 2-B

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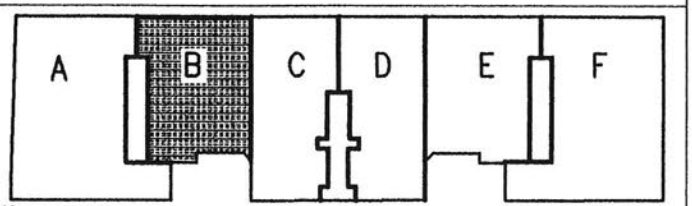
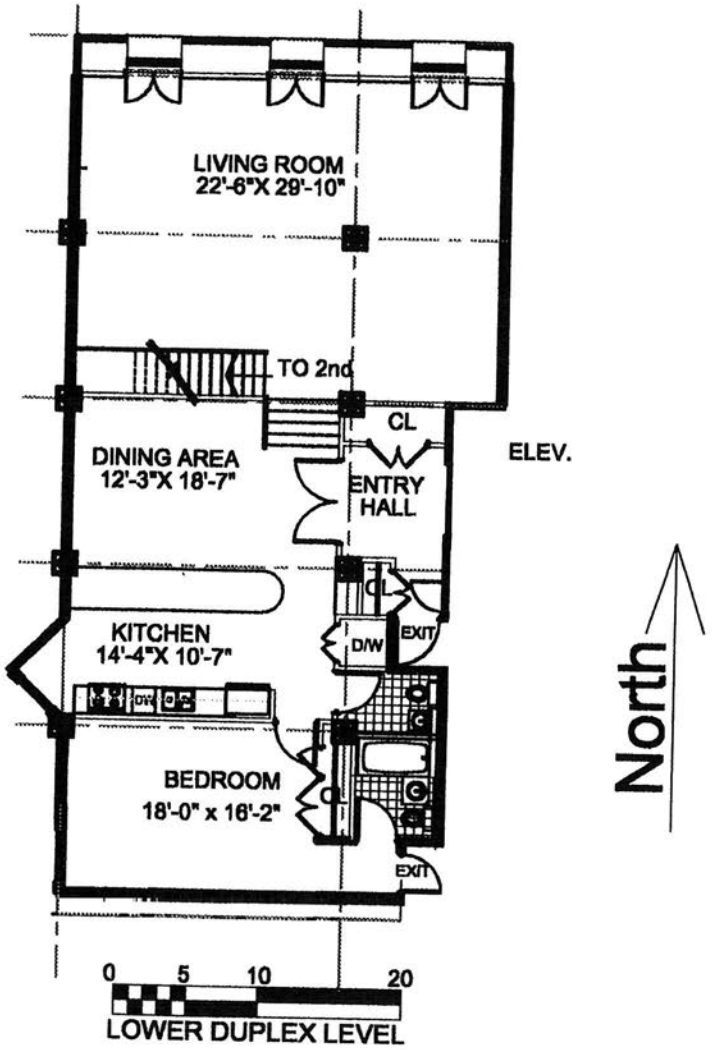
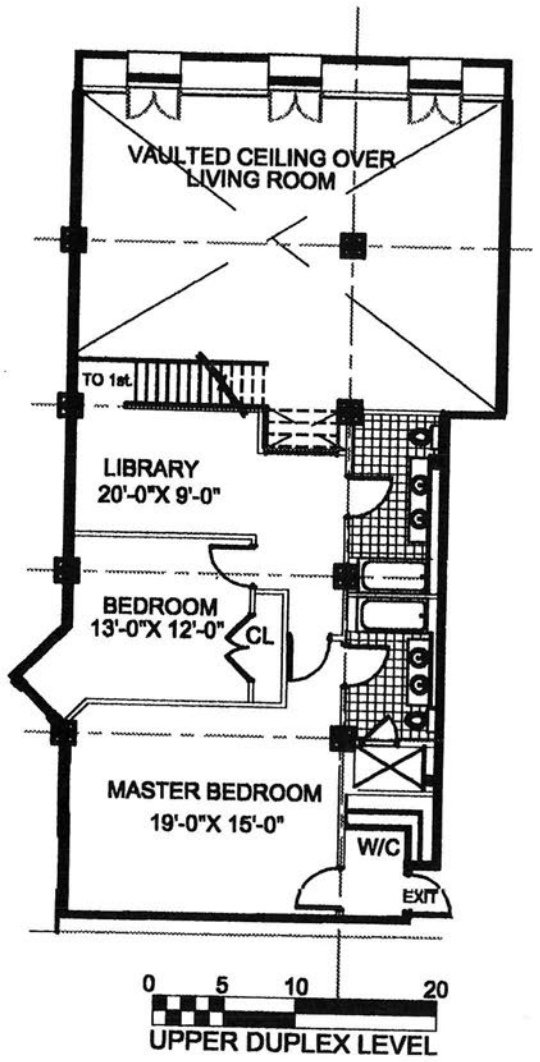




ELEV.

North



Second Floor

3bedroom, 3 1/2 baths

Upper----> 993.5 SF.
Lower---> 1,749.5 SF.
Apartment-> 2,743 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 2-C

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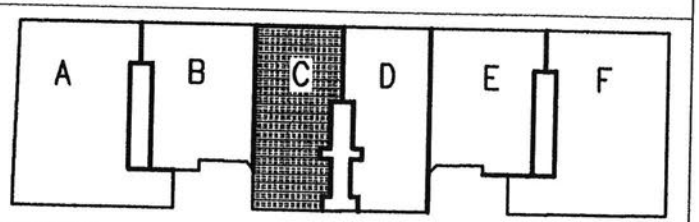

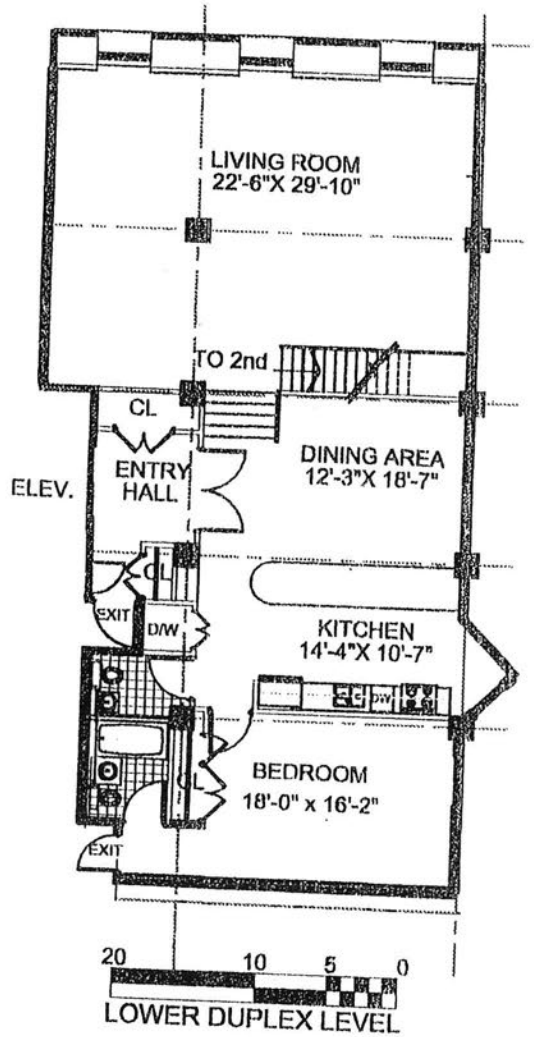

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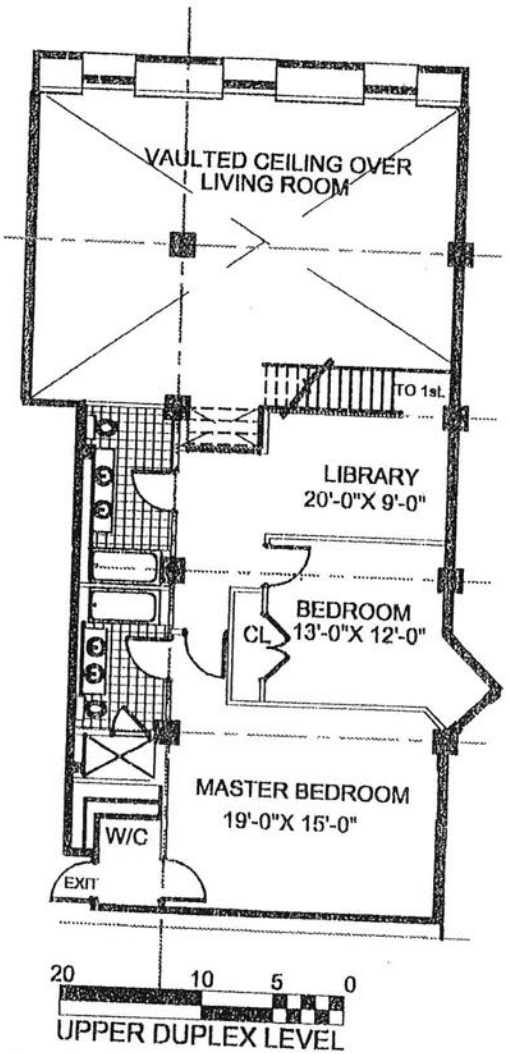

Second Floor
3bedroom, 3 1/2 baths

Upper-----> 993.5 SF.
Lower----> 1,749.5 SF.
Apartment--> 2,743 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 2-D

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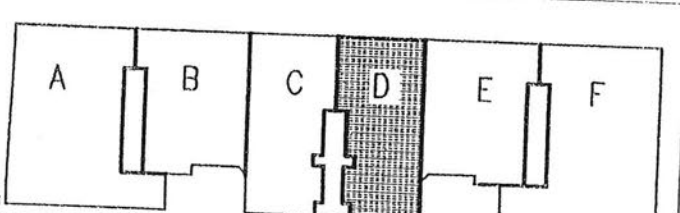
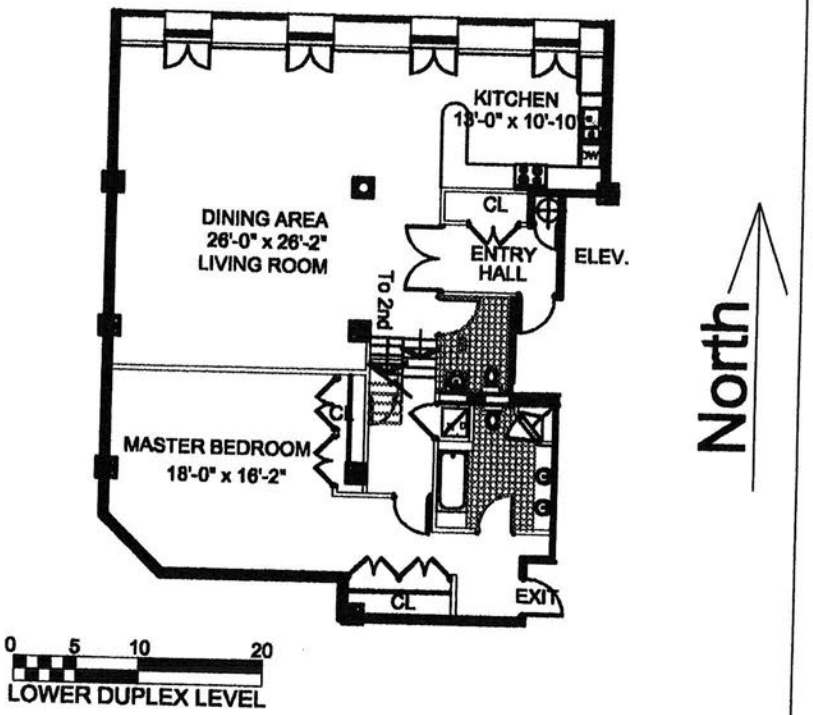
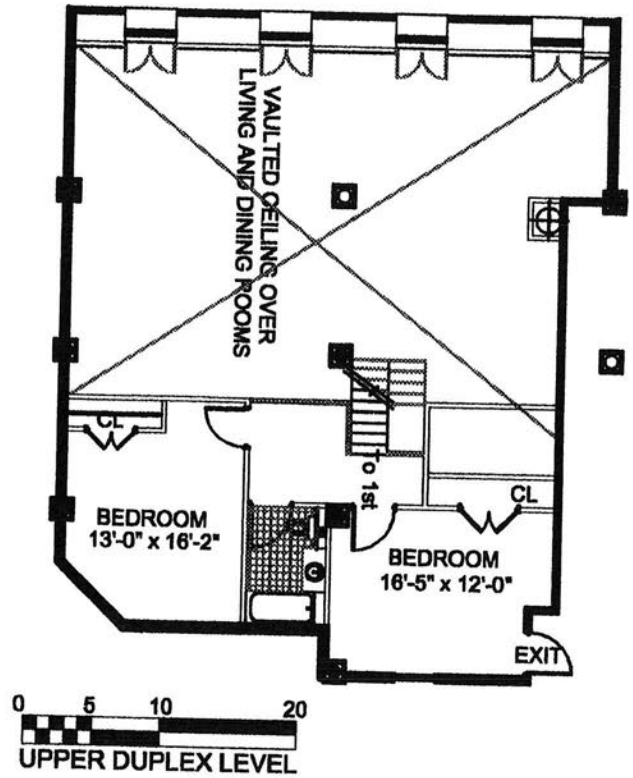




North



Second Floor

3bedroom, 2 1/2 baths

Upper-----> 650 SF.

Lower---> 1,743.5 SF.

Apartment-> 2,393.5 SF.

Sugar Warehouse

79 Laight Street
New York, NY 10013
UNIT 2-E

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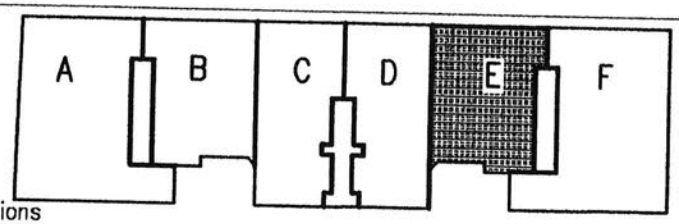

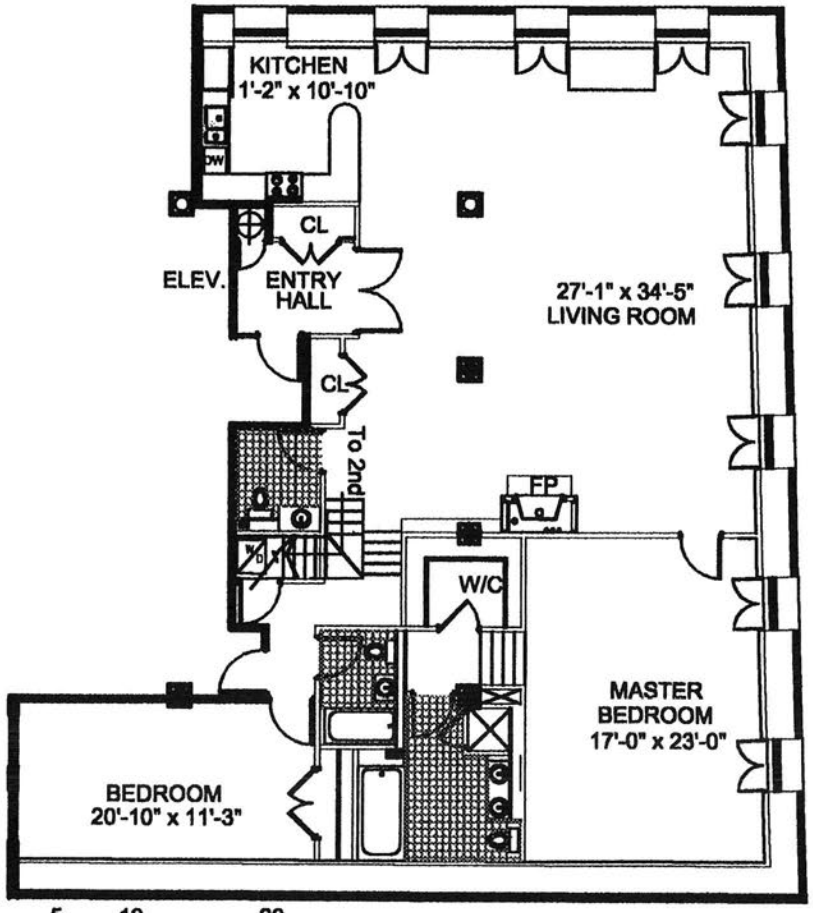

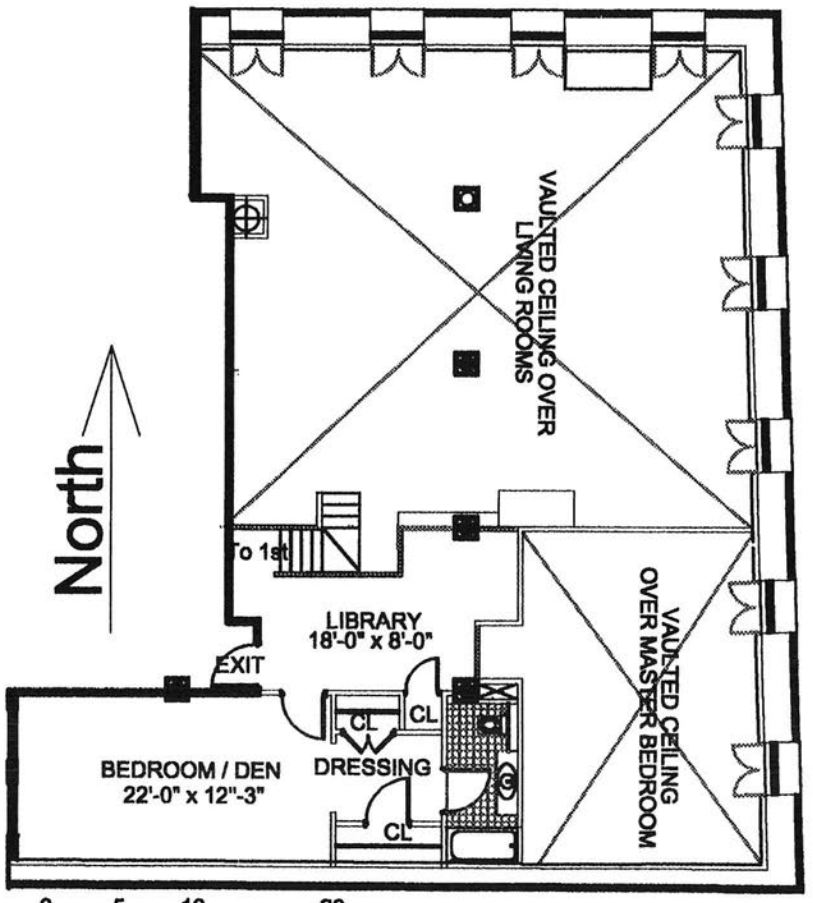

Second Floor

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 2-F

3bedroom, 3 1/2 baths
Upper----> 755.5 SF.
Lower---> 2,638.5 SF.
Apartment-> 3,394 SF.

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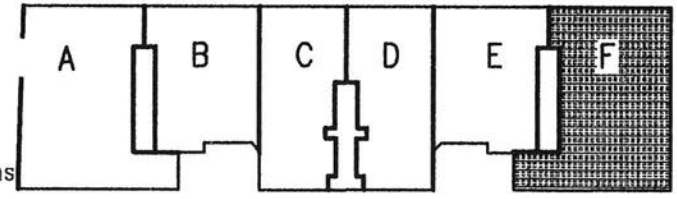

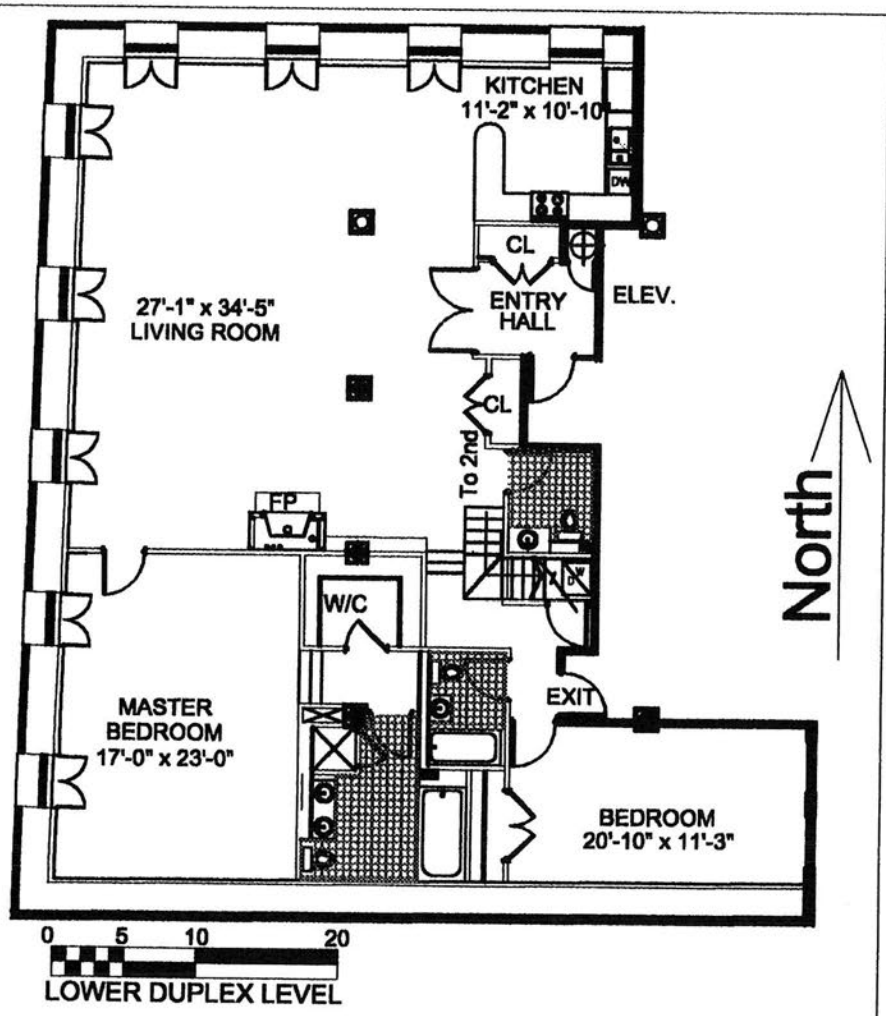

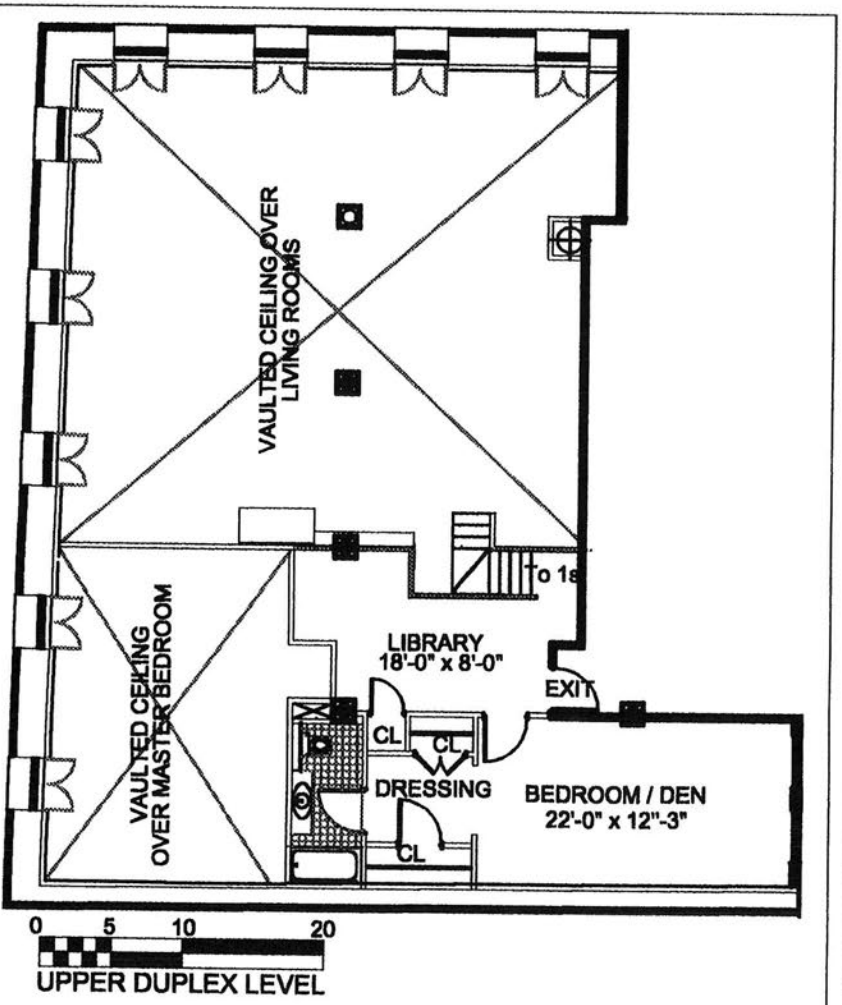

Thrird Floor

3bedroom, 3 1/2 baths
Upper----> 799 SF.
Lower---> 2,756 SF.
Apartment-> 3,555 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 3-A

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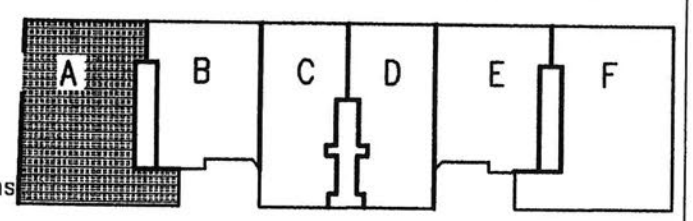
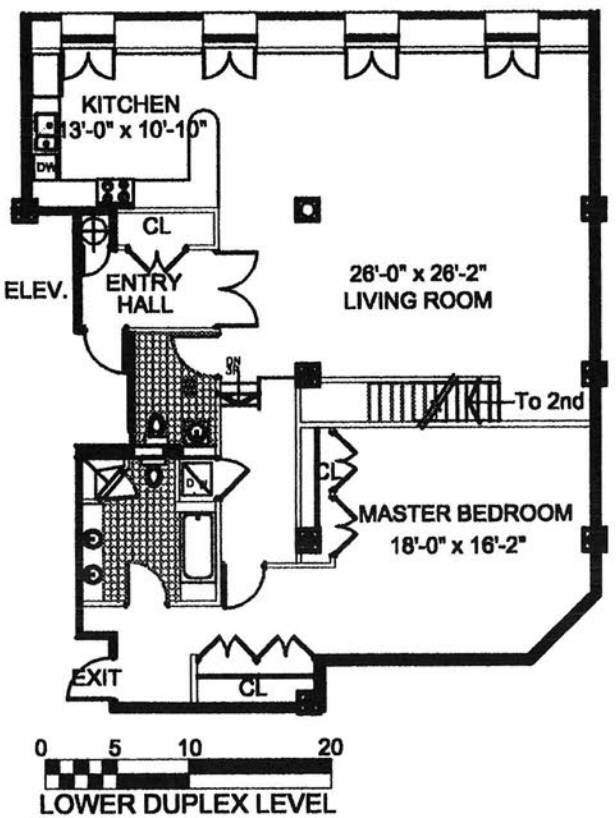
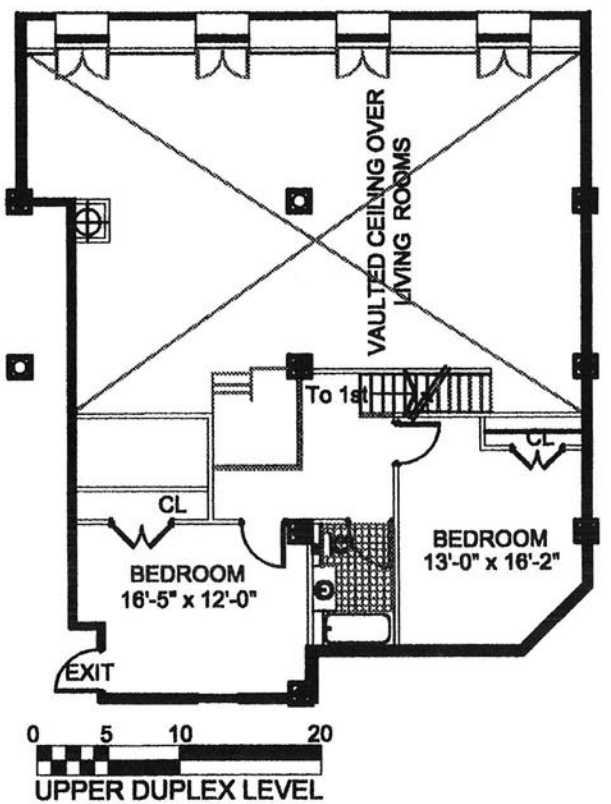




North



Trird Floor

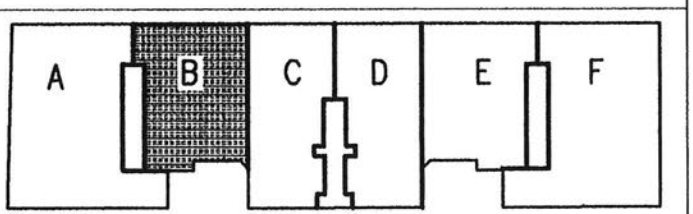
3bedroom, 2 1/2 baths

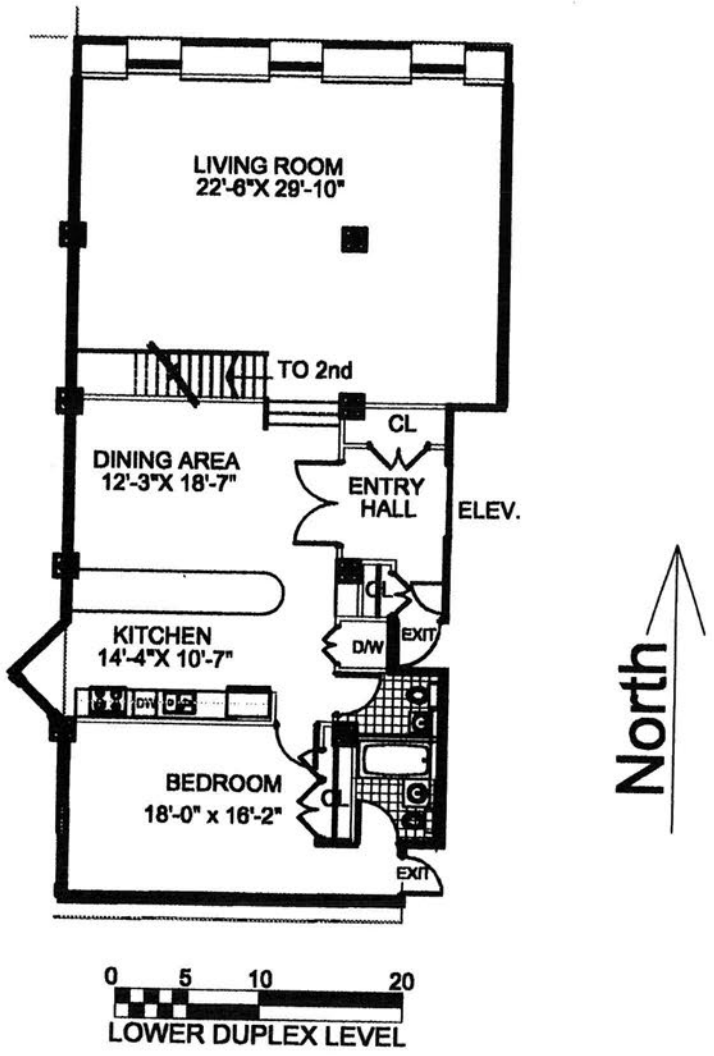
Upper-----> 643 SF.
Lower---> 1,751 SF.
Apartment-> 2,394 SF.

Sugar Warehouse

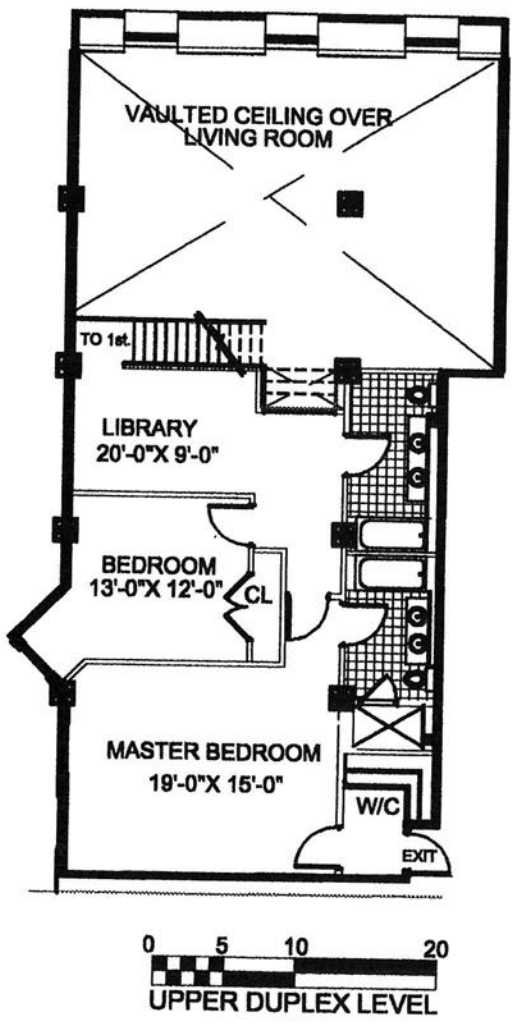
79 Laight Street
New York,NY 10013
UNIT 3-B

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





North



Third Floor

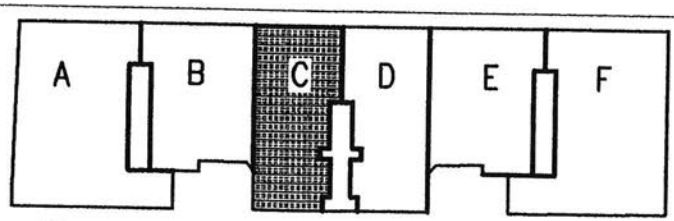
3bedroom, 3 1/2 baths

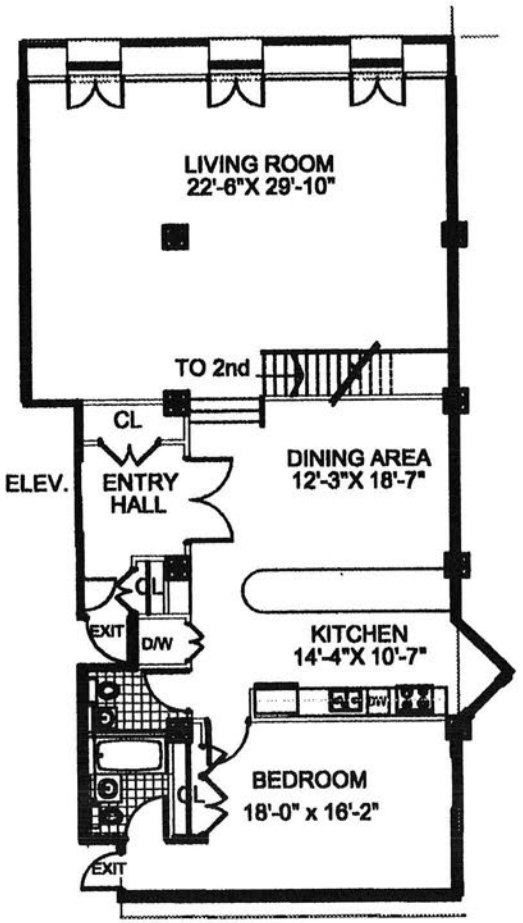
Upper----> 993.5 SF.
Lower---> 1,749.5 SF.
Apartment-> 2,743 SF.

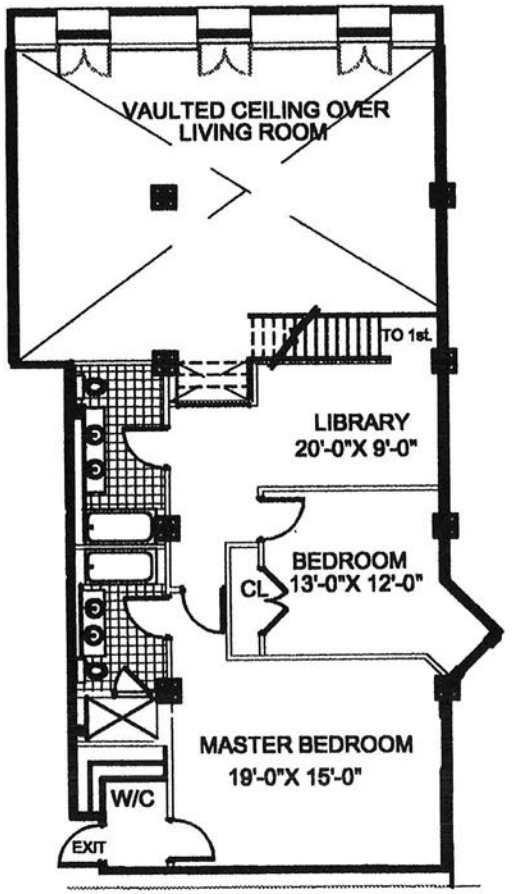
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 3-C

All dimensions are approximate and subject to construction conditions variances. We reserve the right to make changes due to in accordance with the offering plan.







0 5 10 20

LOWER DUPLEX LEVEL

0 5 10 20

UPPER DUPLEX LEVEL

Third Floor

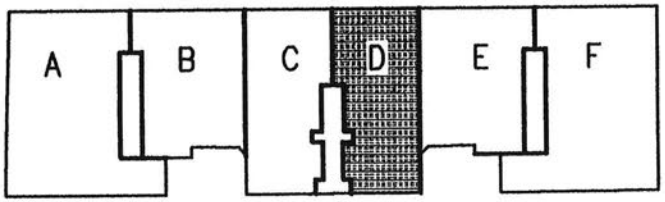
3bedroom, 3 1/2 baths

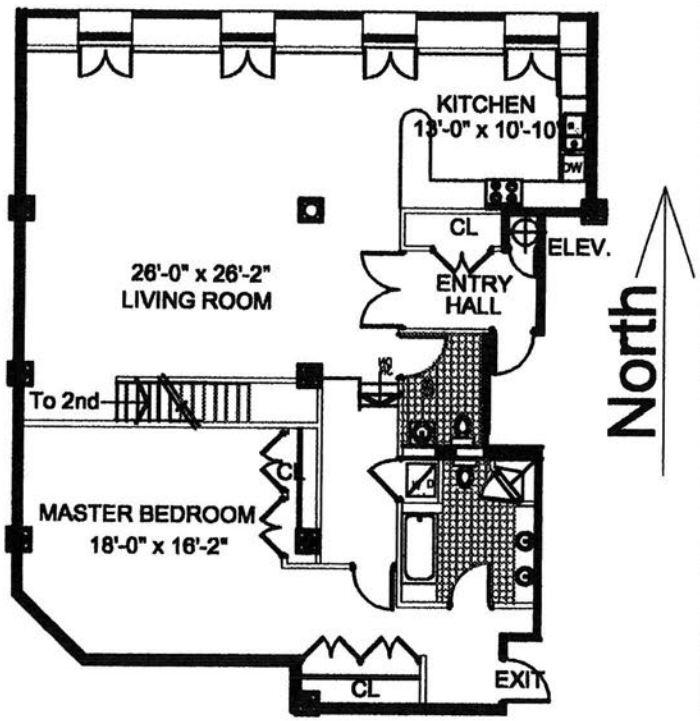
Upper-----> 993.5 SF.
Lower---> 1,749.5 SF.
Apartment-> 2,743 SF.

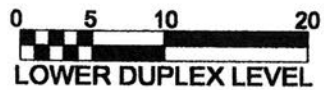
Sugar Warehouse

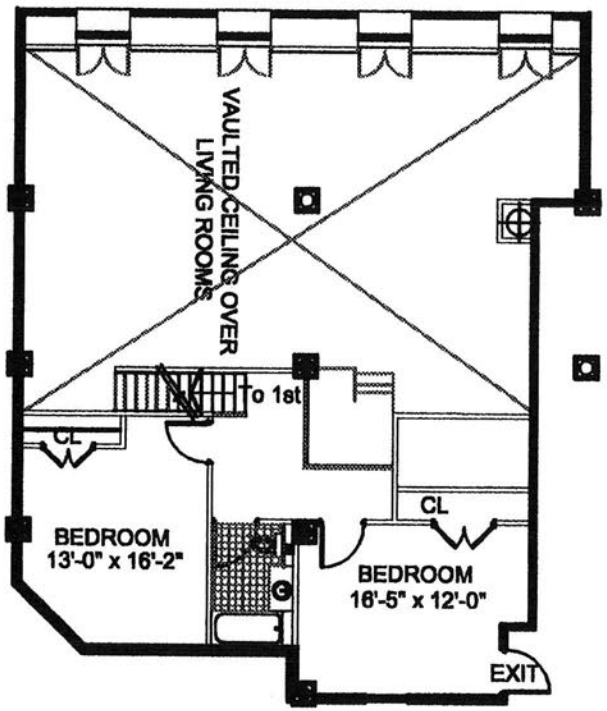
79 Laight Street
New York,NY 10013
UNIT 3-D

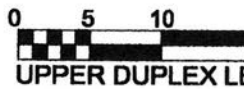
All dimensions are approximate and subject to construction conditions variances. We reserve the right to make changes due to in accordance with the offering plan.











Third Floor

3bedroom, 2 1/2 baths

Upper----> 650 SF.

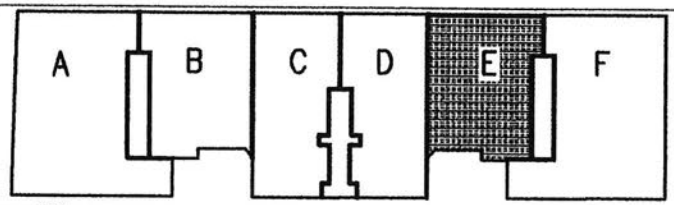
Lower---> 1,743.5 SF.

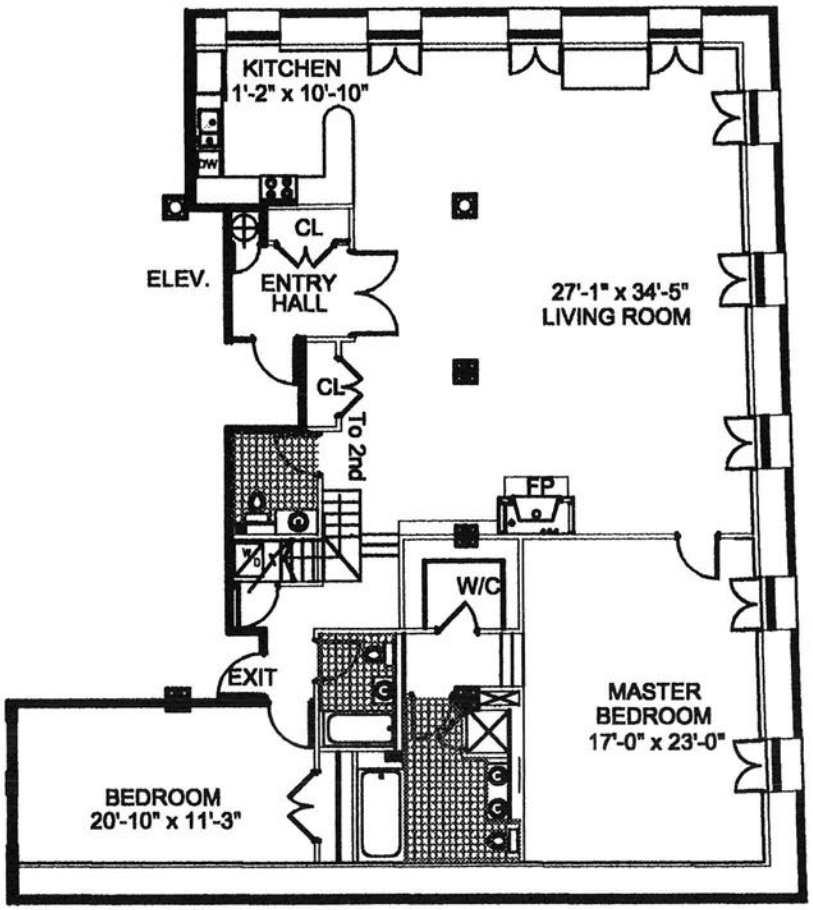
Apartment-> 2,393.5 SF.

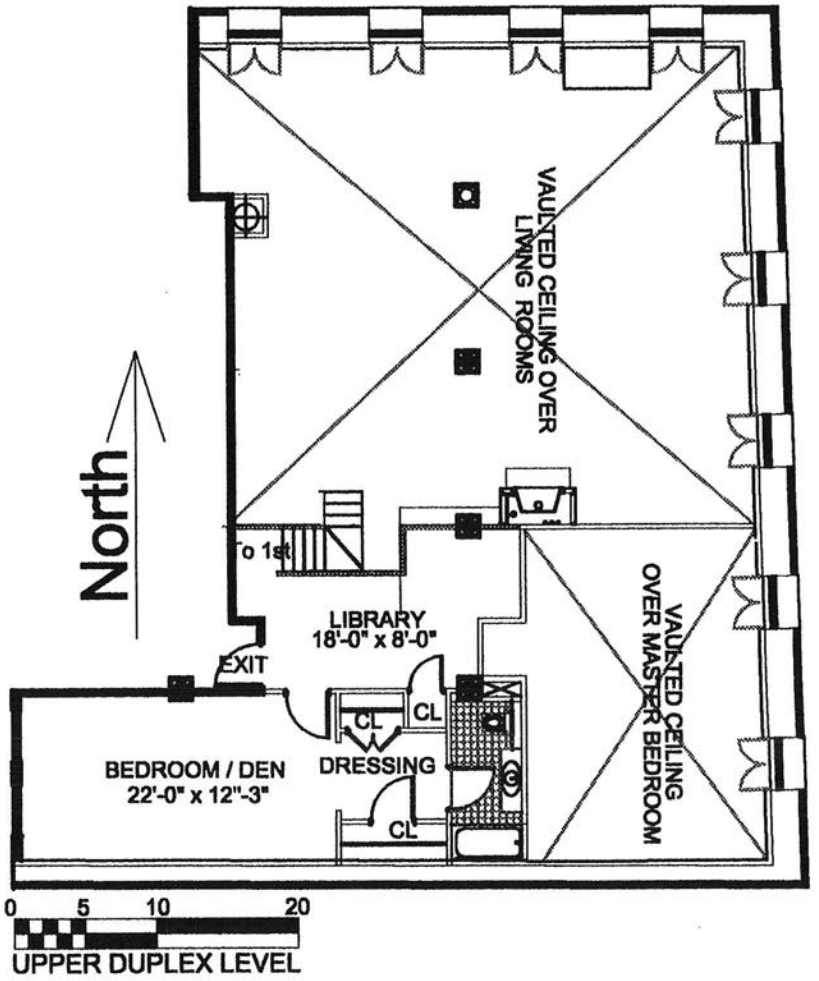
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 3-E

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.







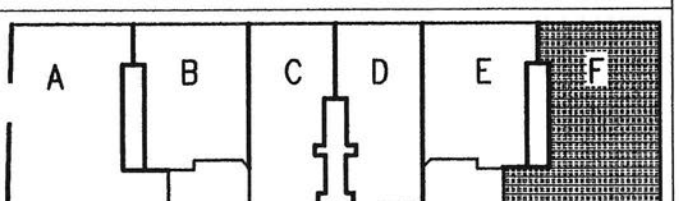
Thrird Floor

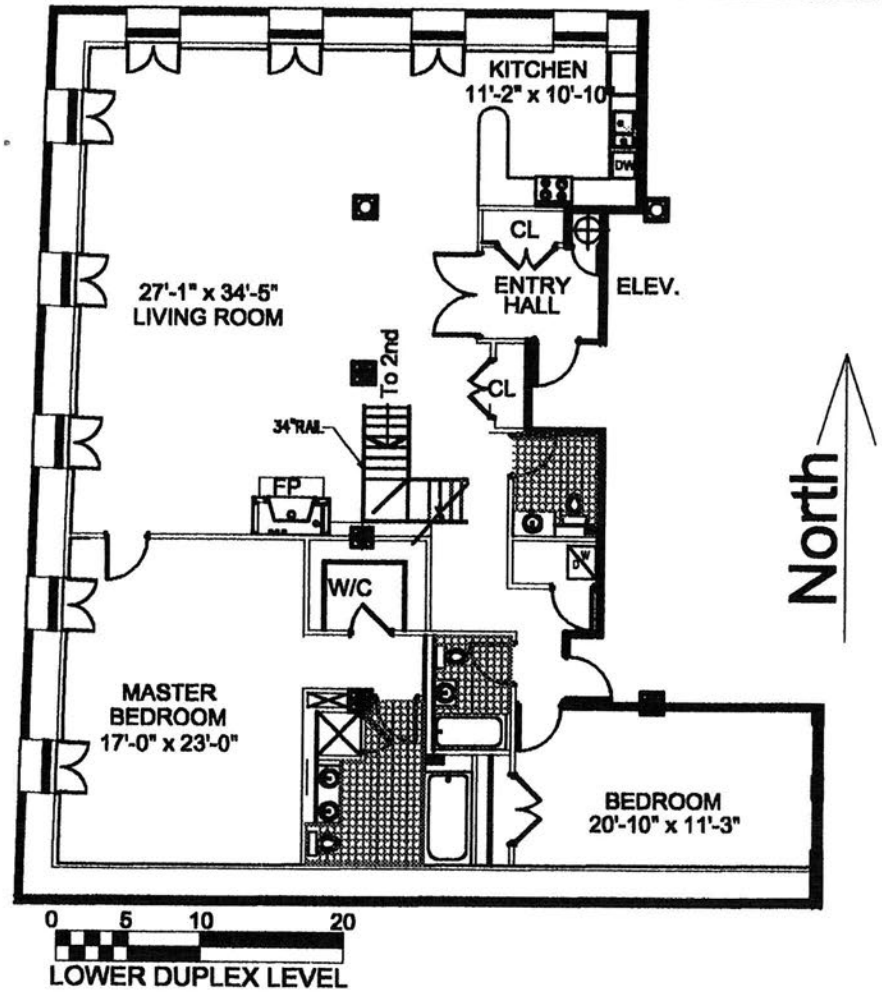
3bedroom, 3 1/2 baths
Upper----> 755.5 SF.
Lower---> 2,638.5 SF.
Apartment-> 3,394 SF.

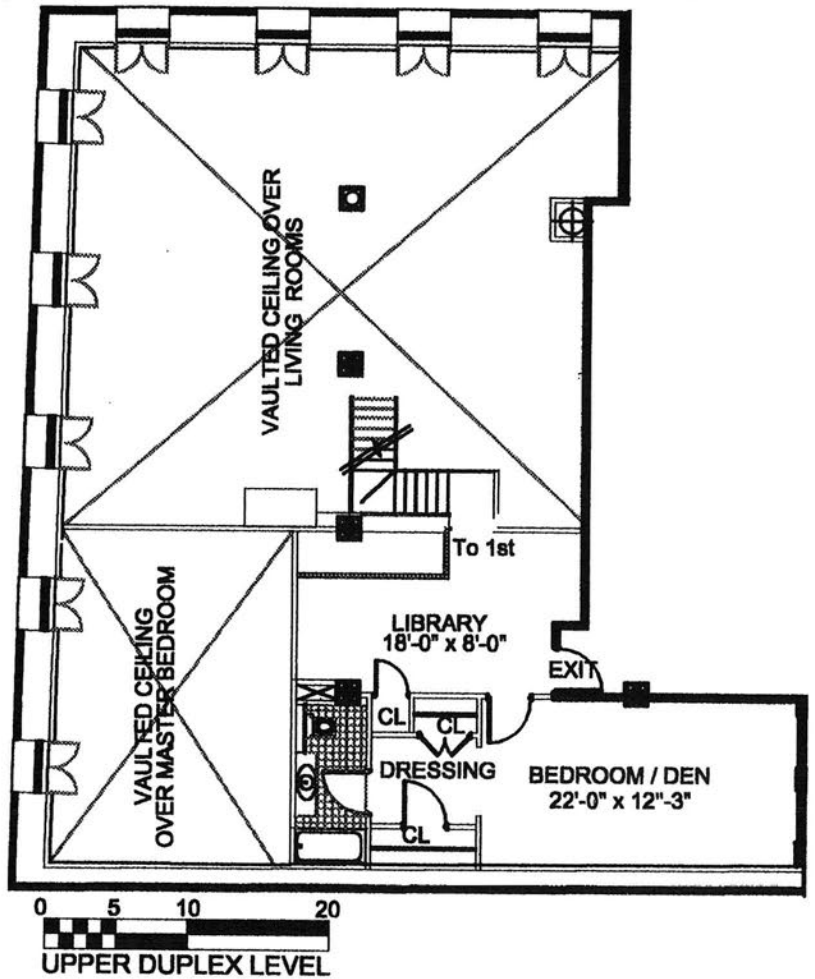
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 3-F

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





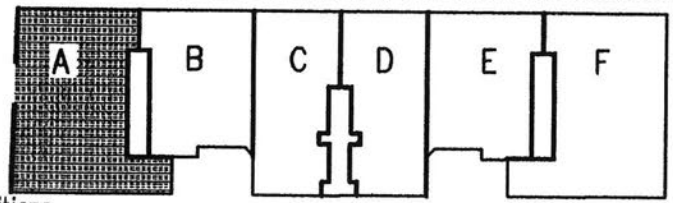


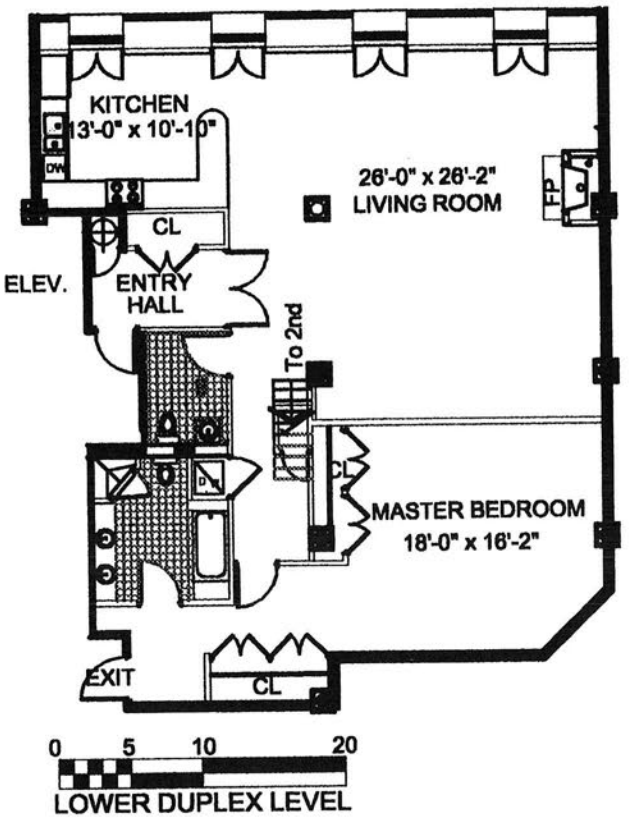
Fourth Floor

3bedroom, 3 1/2 baths
Upper----> 799 SF.
Lower---> 2,756 SF.
Apartment-> 3,555 SF.

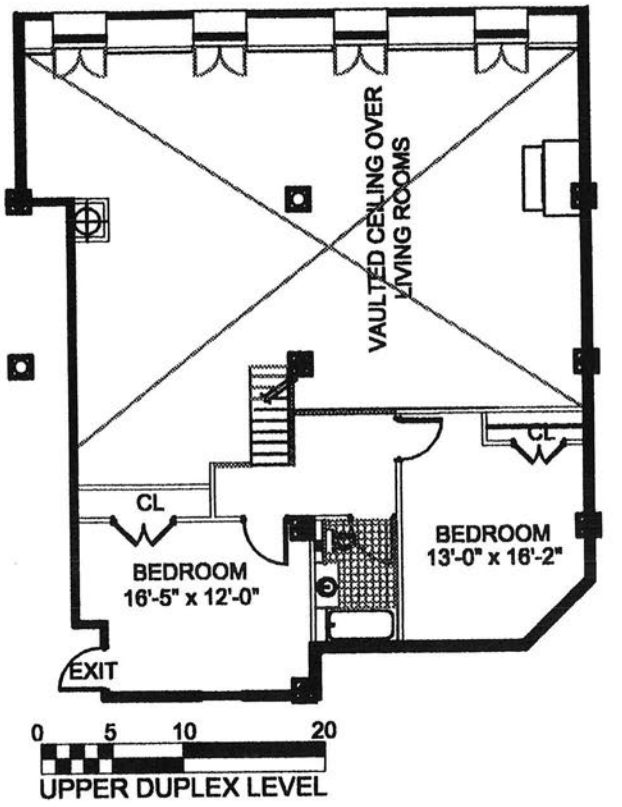
Sugar Warehouse
79 Laight Street
New York,NY 10013
UNIT 4-A

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





North



Fourth Floor

3bedroom, 2 1/2 baths

Upper----> 643 SF.

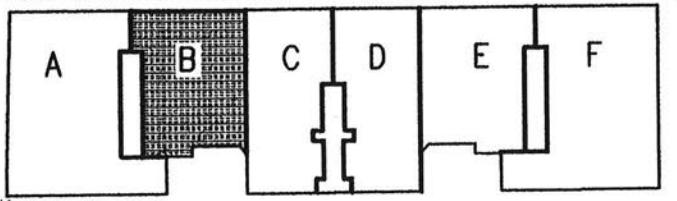
Lower---> 1,751 SF.

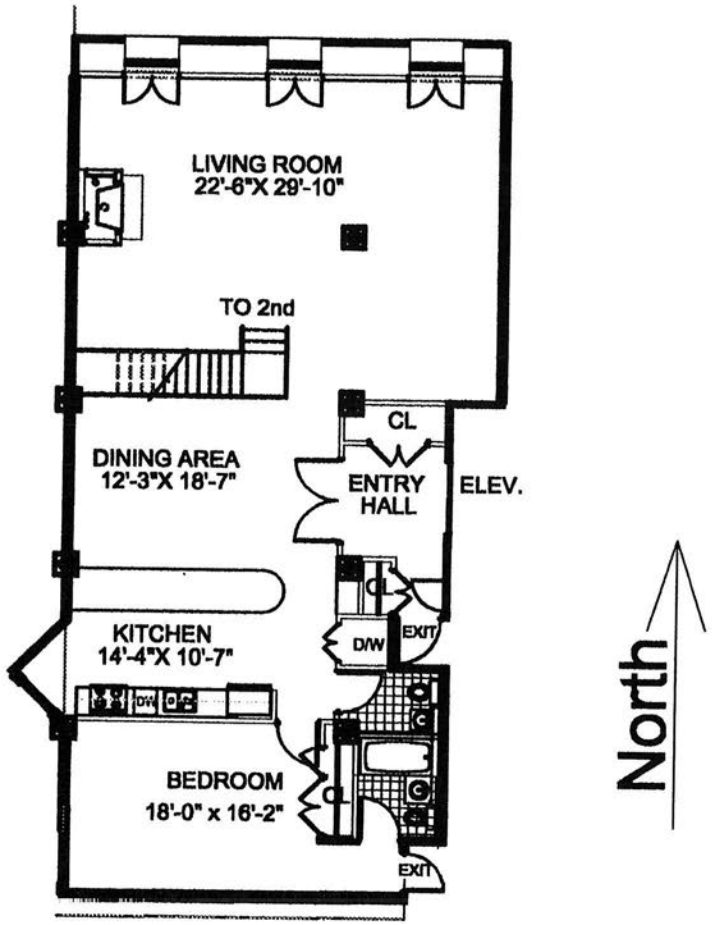
Apartment-> 2,394 SF.

Sugar Warehouse

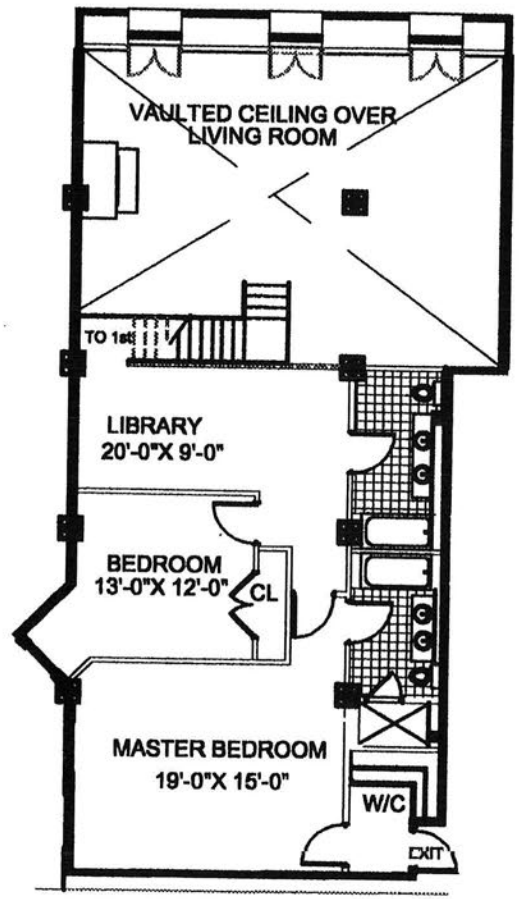
79 Laight Street
New York,NY 10013
UNIT 4-B

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





North



Fourth Floor

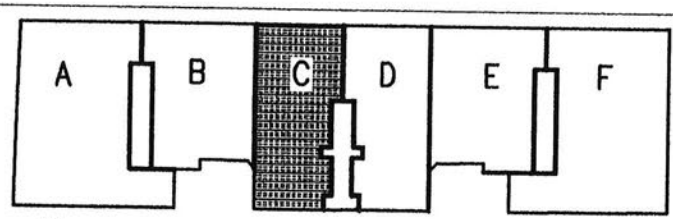
3bedroom, 3 1/2 baths

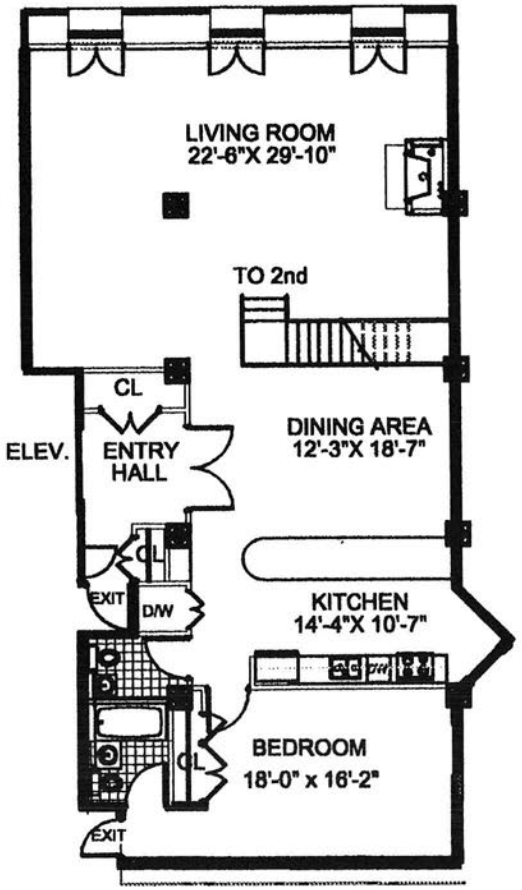
Upper----> 993.5 SF.
Lower---> 1,749.5 SF.
Apartment-> 2,743 SF.

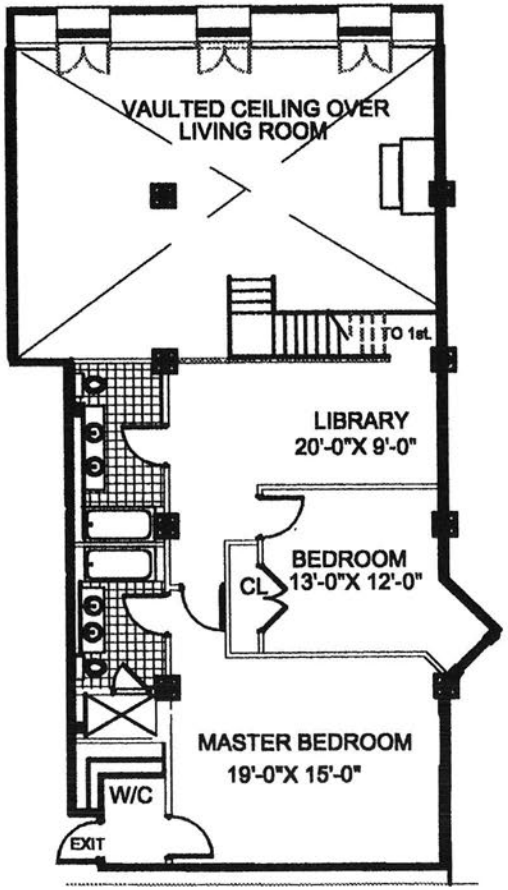
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 4-C

All dimensions are approximate and subject to construction conditions variances. We reserve the right to make changes due to in accordance with the offering plan.







0 5 10 20

LOWER DUPLEX LEVEL

0 5 10 20

UPPER DUPLEX LEVEL

Fourth Floor

3bedroom, 3 1/2 baths

Upper-----> 993.5 SF.
Lower---> 1,749.5 SF.
Apartment-> 2,743 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 4-D

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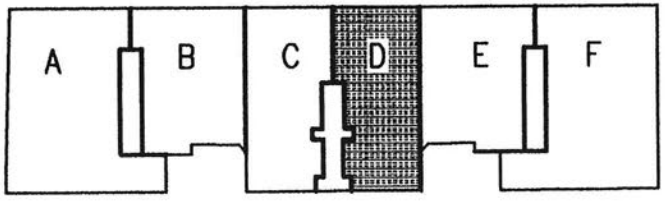
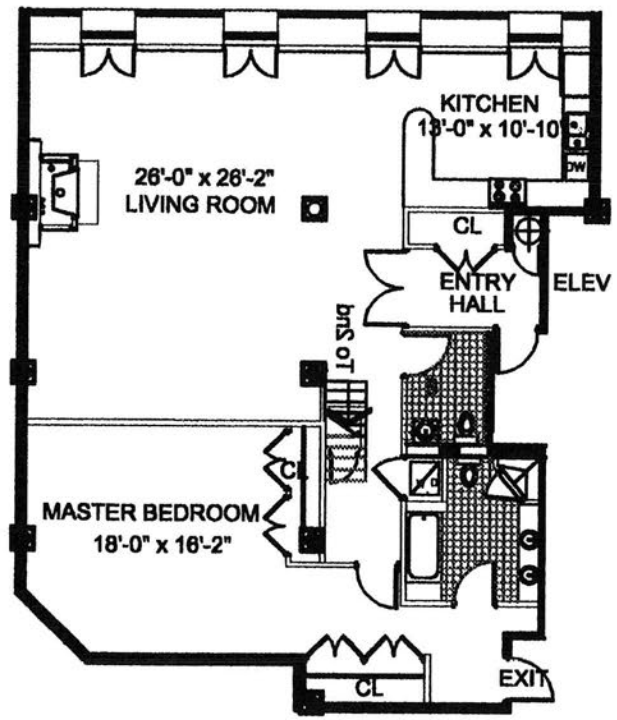
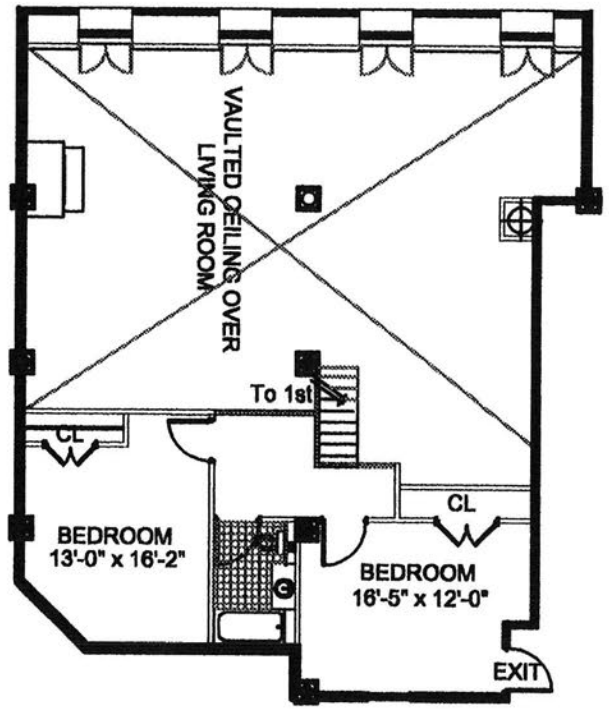




0 5 10 20

LOWER DUPLEX LEVEL

North



0 5 10 20

UPPER DUPLEX LEVEL

Fourth Floor

3bedroom, 2 1/2 baths

Upper----> 650 SF.

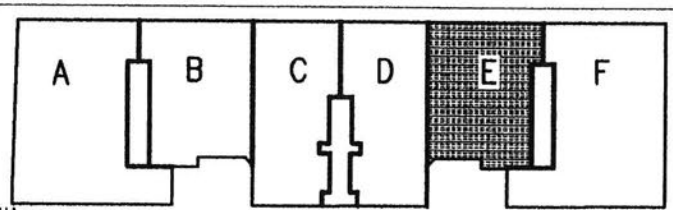
Lower---> 1,743.5 SF.

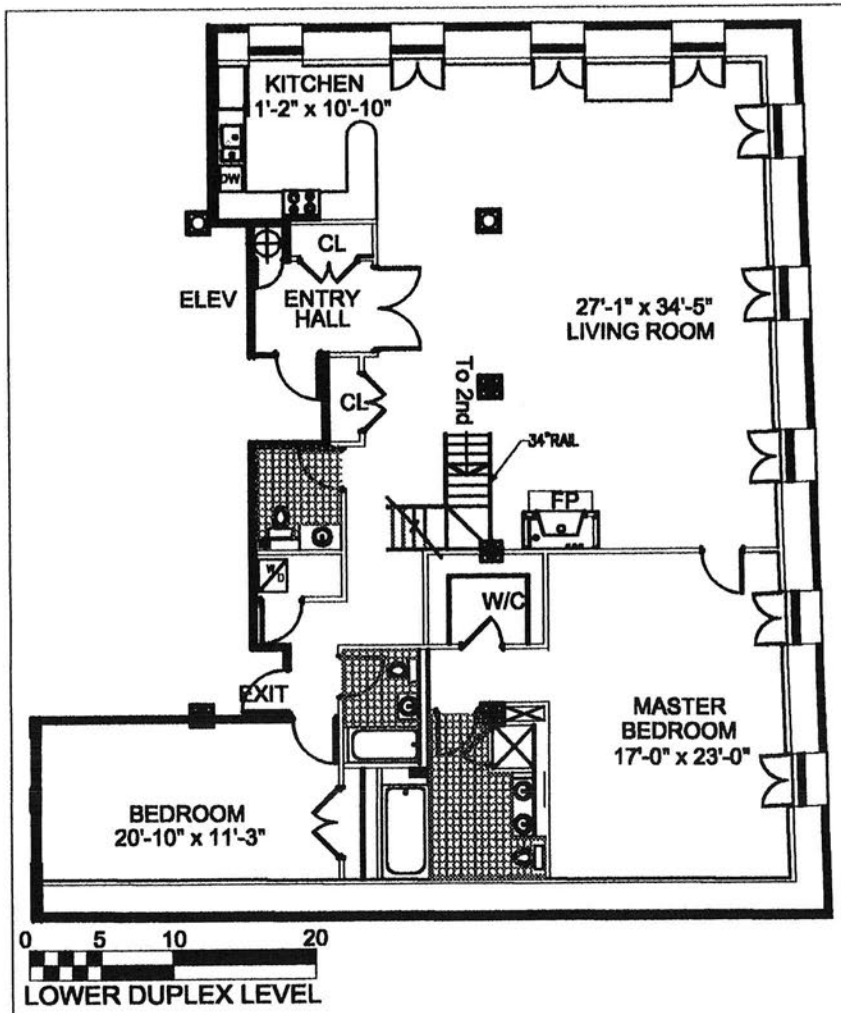
Apartment-> 2,393.5 SF.

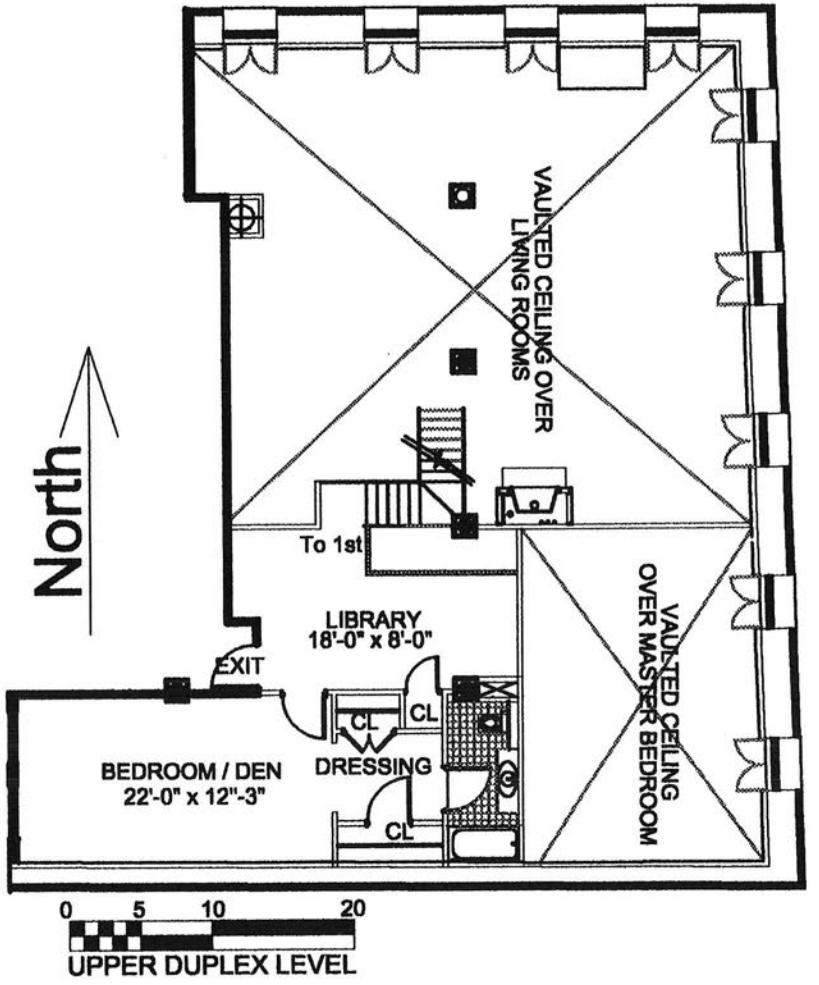
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 4-E

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





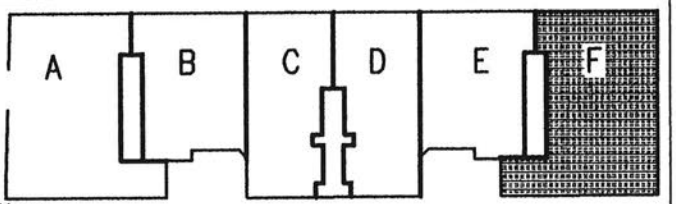


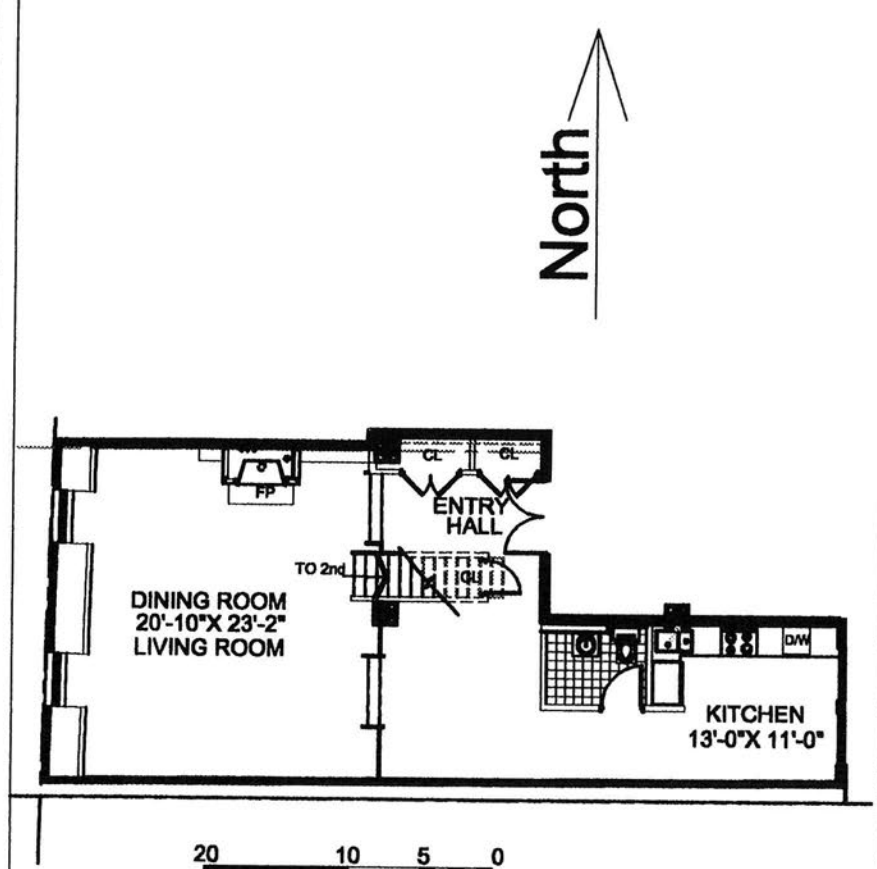
Fourth Floor

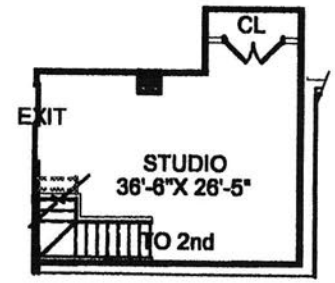
3bedroom, 3 1/2 baths
Upper-----> 755.5 SF.
Lower---> 2,638.5 SF.
Apartment-> 3,394 SF.

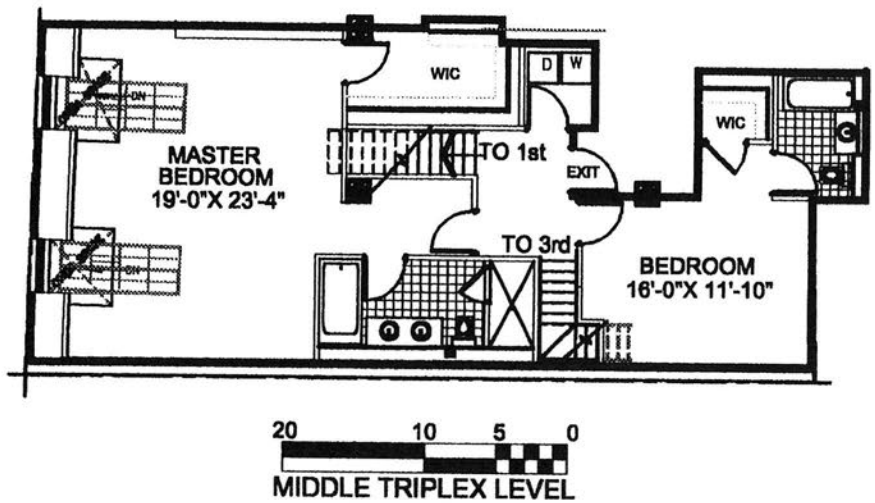
Sugar Warehouse
79 Laight Street
New York,NY 10013
UNIT 4-F

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.









Fifth Floor

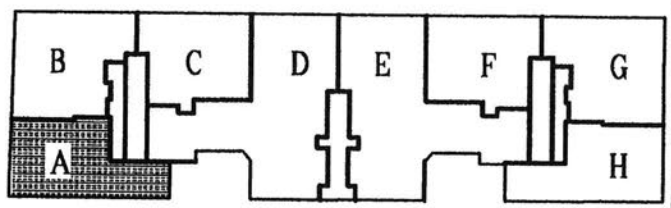
2bedroom 2 1/2 baths

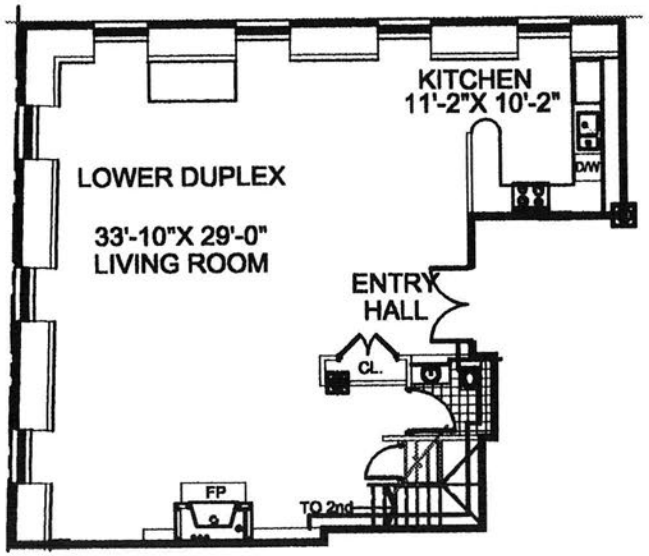
Upper--> 315 SF.
Middle--> 1,236 SF.
Lower--> 1,105 SF.
Apartment 2,723 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 5-A

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.

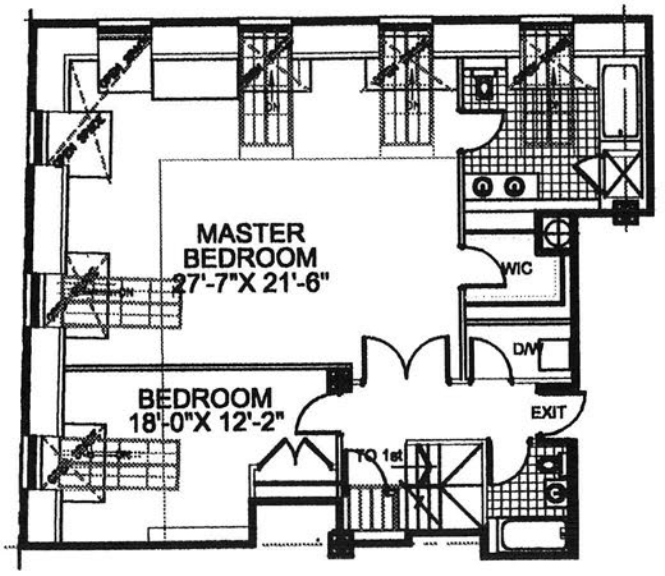




20 10 5 0

LOWER DUPLEX LEVEL

North



20 10 5 0

UPPER DUPLEX LEVEL

Fifth Floor

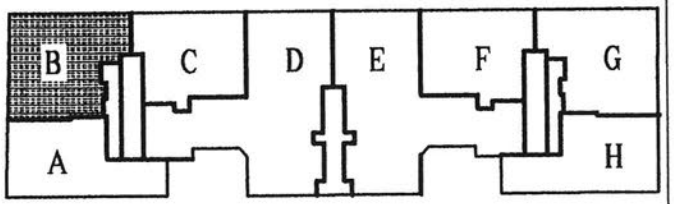
2bedroom 2 1/2 baths

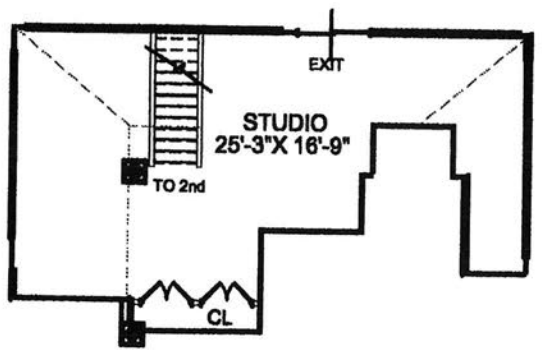
Upper—> 1,333 SF.
Lower—> 1,487 SF.
Apartment 2,820 SF.

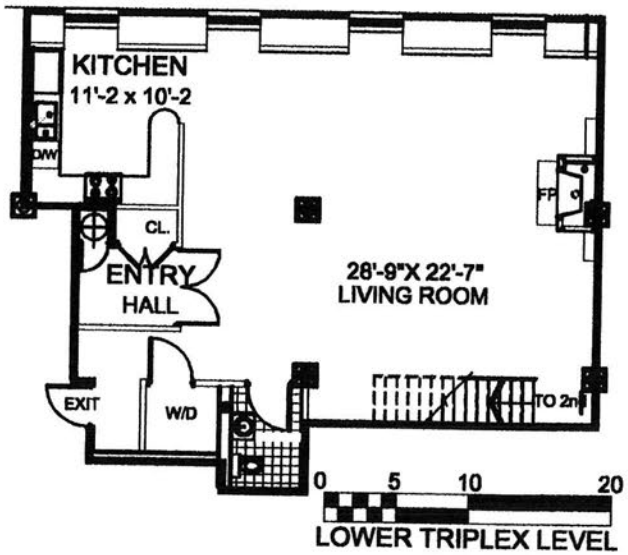
Sugar Warehouse

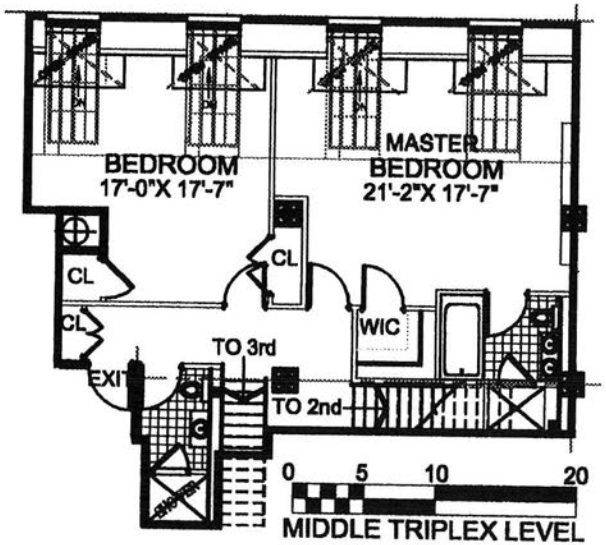
79 Laight Street
New York,NY 10013
UNIT 5-B

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.









Fifth Floor

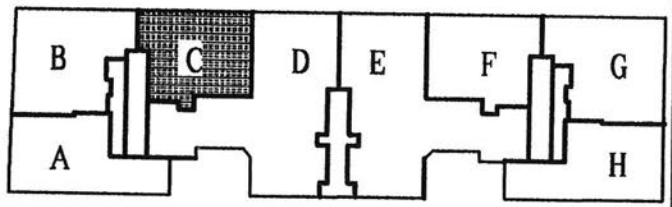
2bedroom 2 1/2 baths

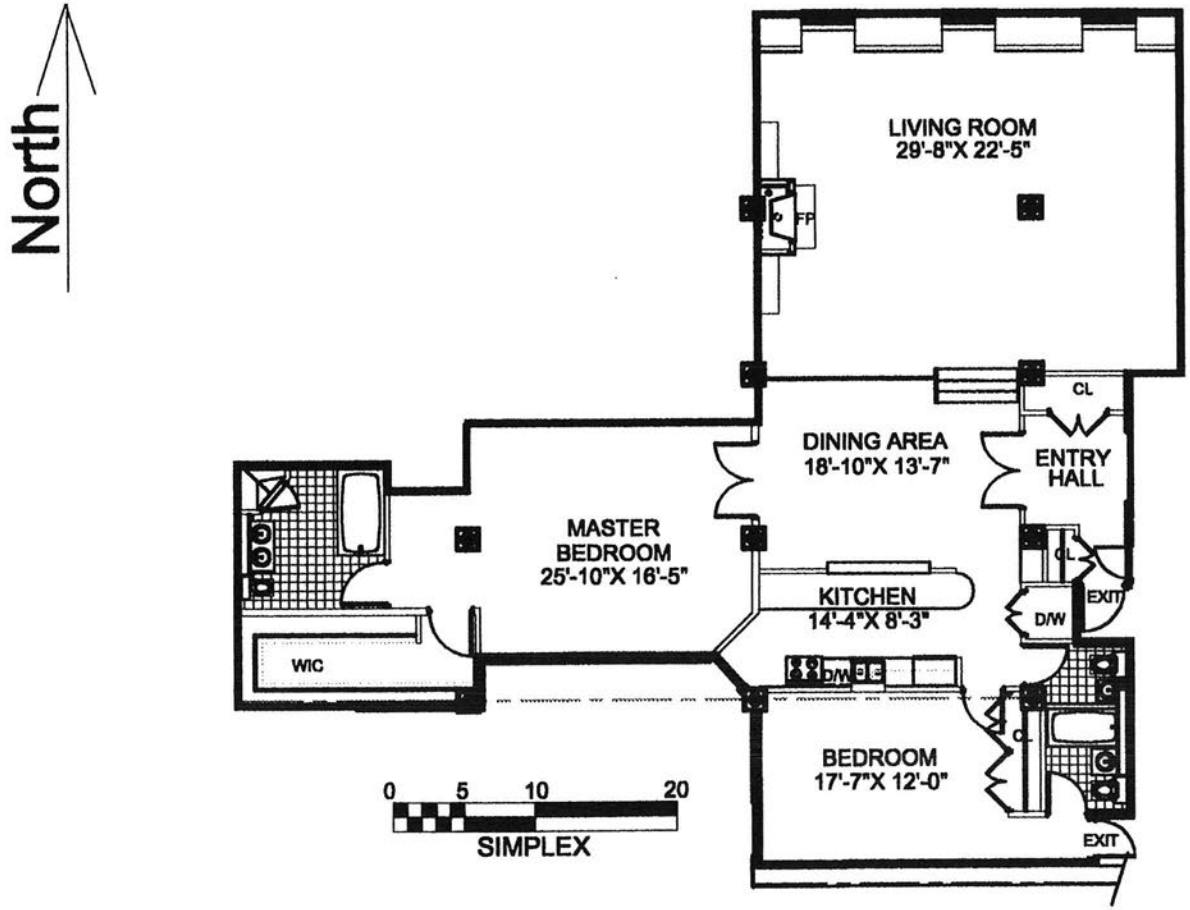
Upper—> 627 sf.
Middle—> 1,148 sf.
Lower—> 2,332 sf.
Apartment 2,888.5 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 5-C

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





Fifth Floor

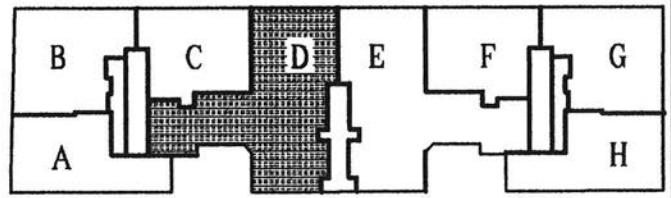
2bedroom 2 1/2 baths

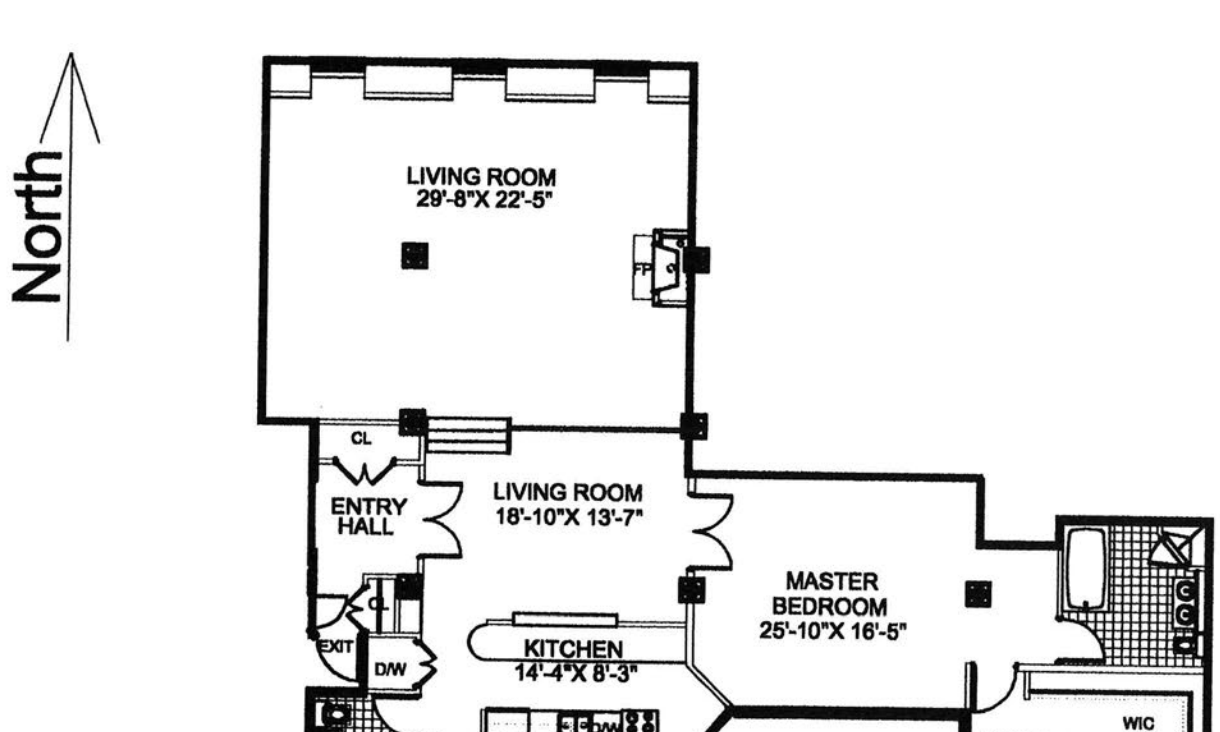
Lower—> 2,332 SF.
Apartment 2,332 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 5-D

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





Fifth Floor

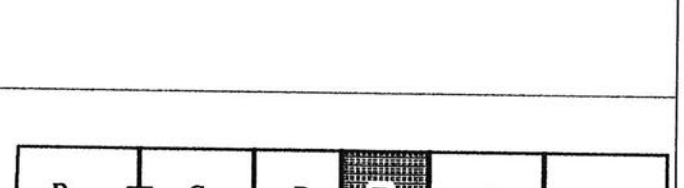
2bedroom 2 1/2 baths

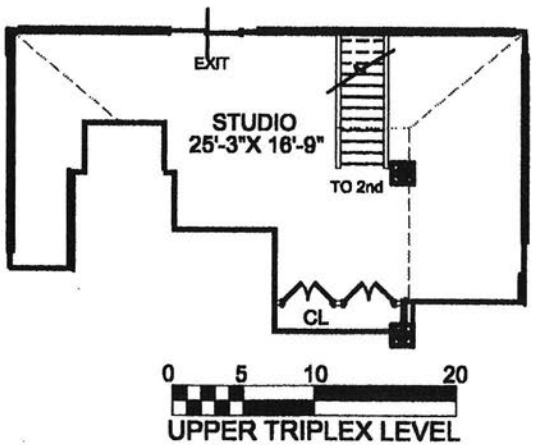
Lower--> 2,332 SF.
Apartment 2,332 SF.

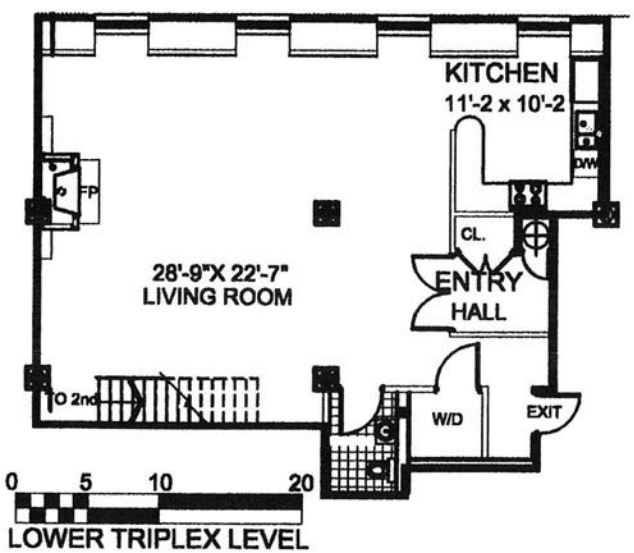
Sugar Warehouse

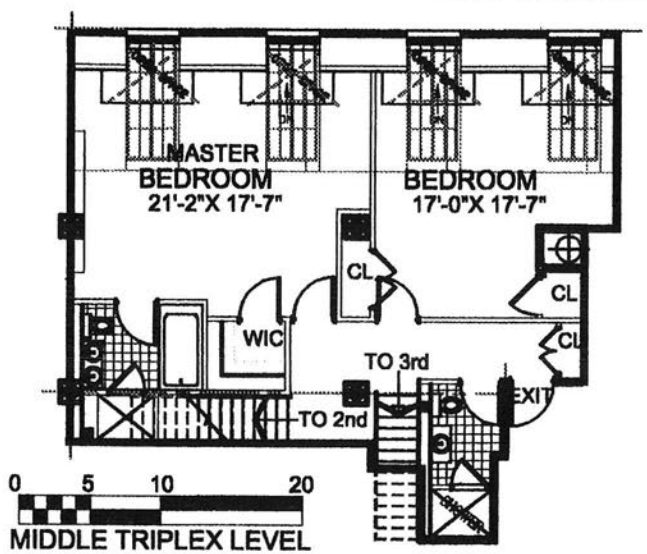
79 Laight Street
New York,NY 10013
UNIT 5-E

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.









Fifth Floor

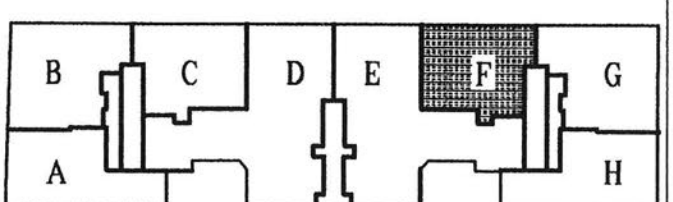
2bedroom 2 1/2 baths

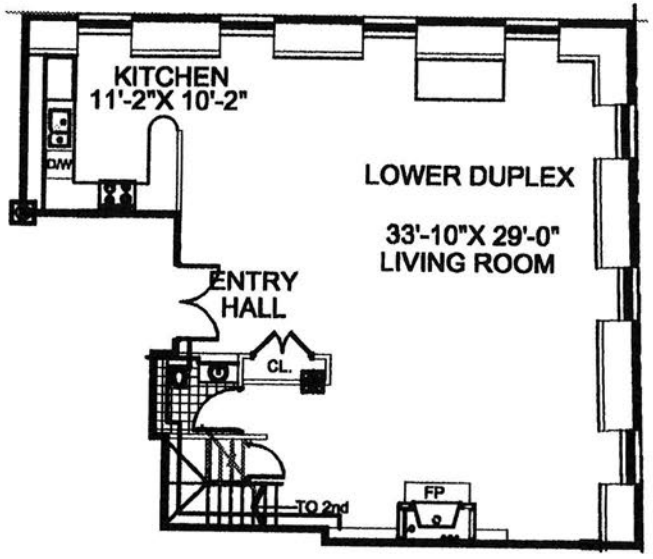
Upper—> 627 sf.
Middle—> 1,148 sf.
Lower—> 2,332 sf.
Apartment 2,888.5 SF.

Sugar Warehouse

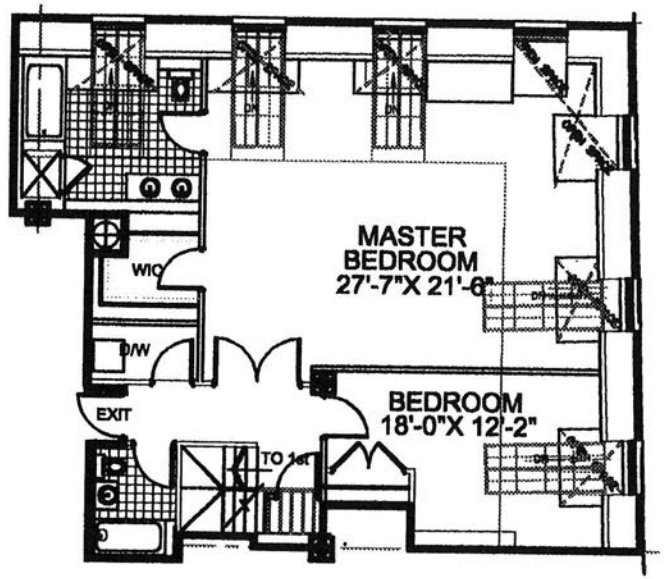
79 Laight Street
New York,NY 10013
UNIT 5-F

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.





North



Fifth Floor

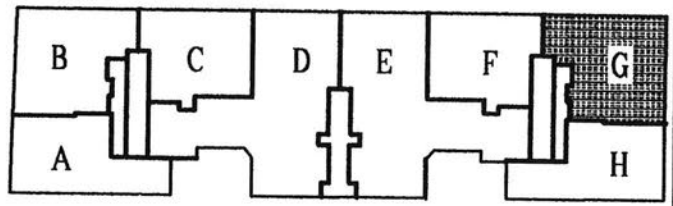
2bedroom 2 1/2 baths

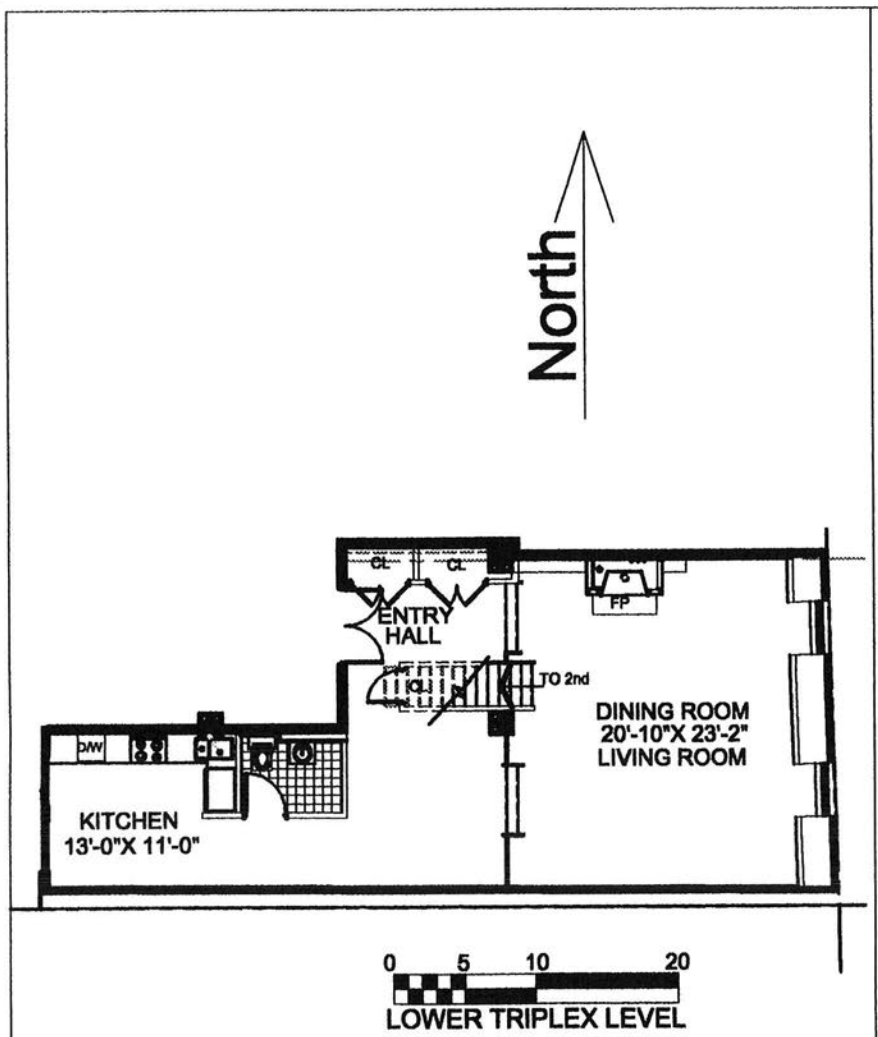
Upper—> 1,333 SF.
Lower—> 1,487 SF.
Apartment 2,820 SF.

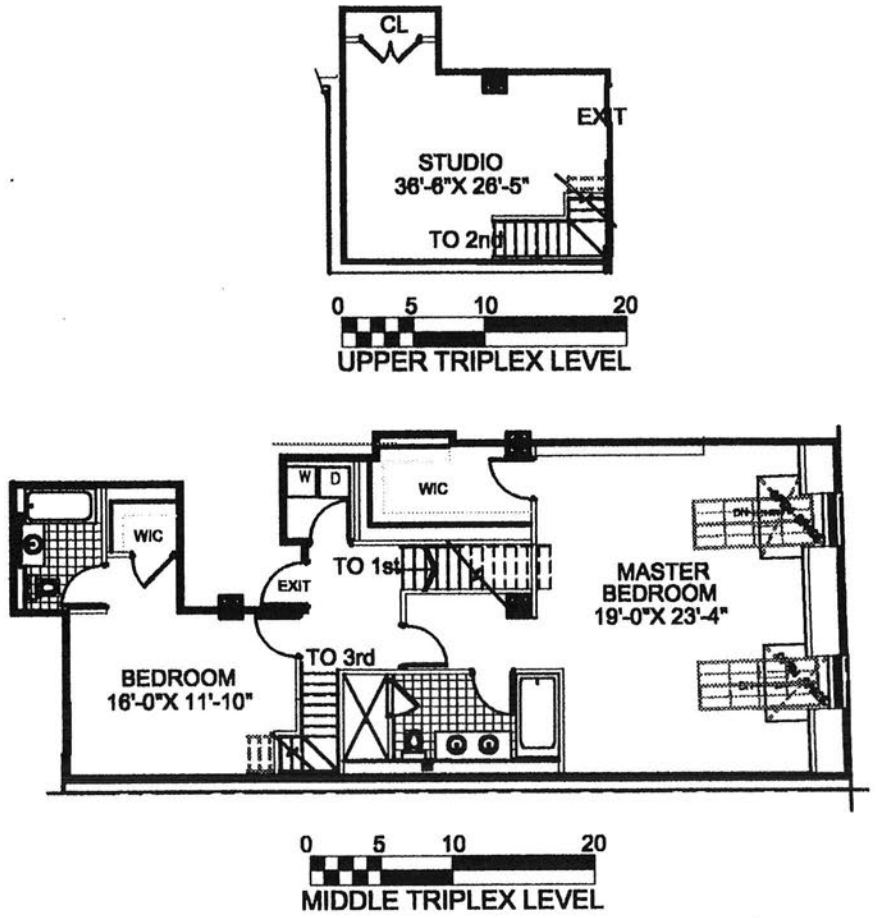
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 5-G

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.







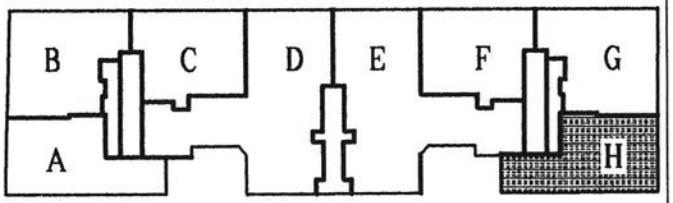
Fifth Floor

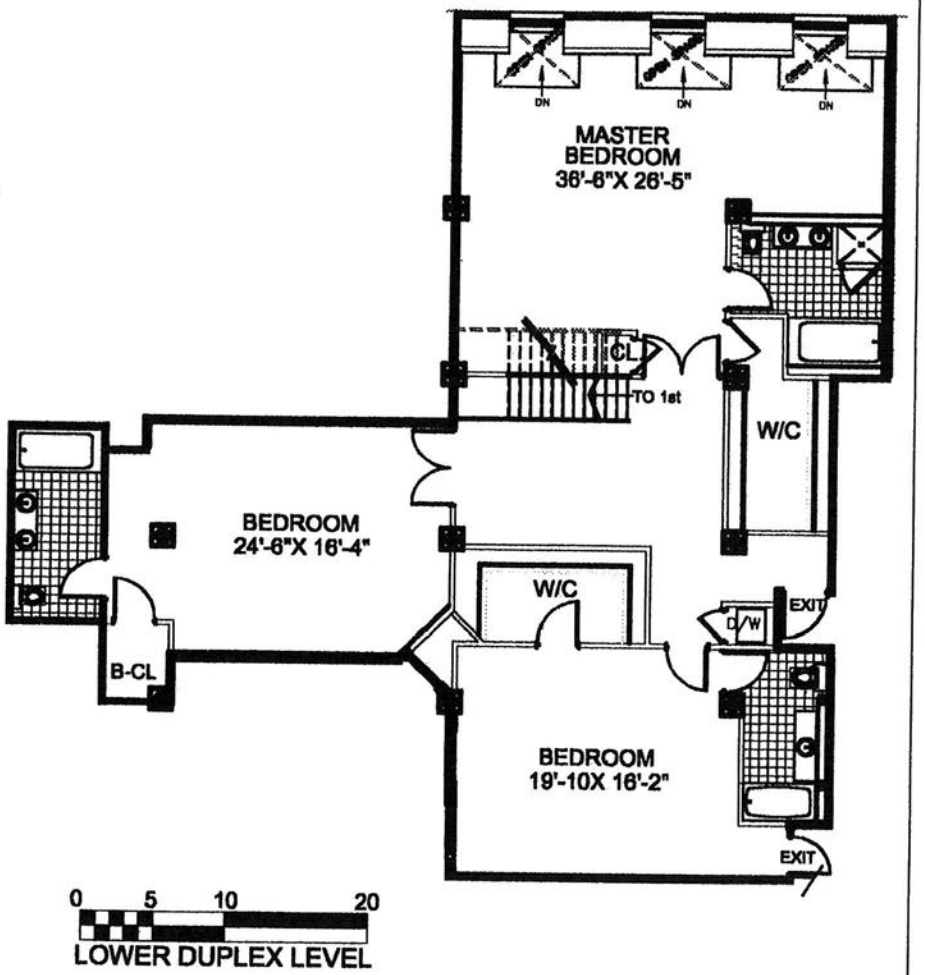
2bedroom 2 1/2 baths
Upper—> 315 SF.
Middle—> 1,236 SF.
Lower—> 1,105 SF.
Apartment 2,656 SF.

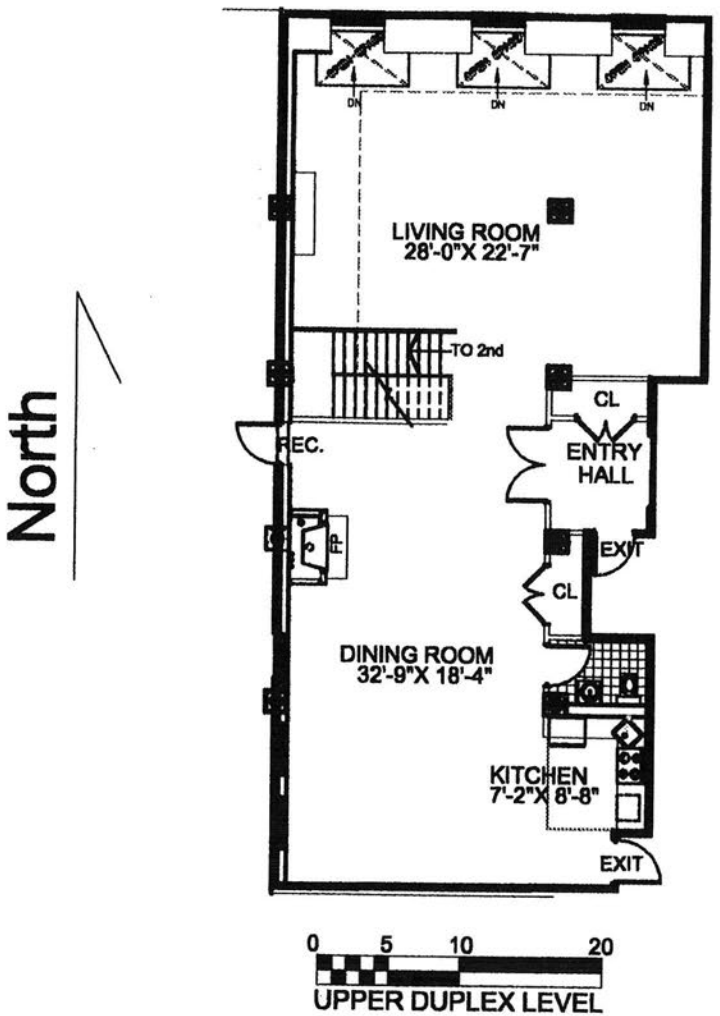
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 5-H

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.







Sixth Floor

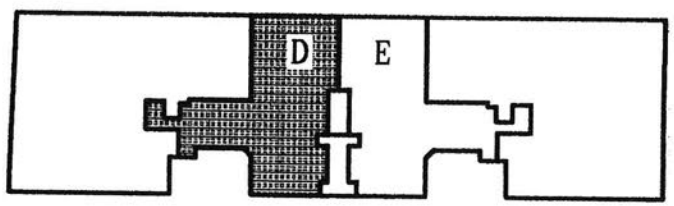
2bedroom 2 1/2 baths

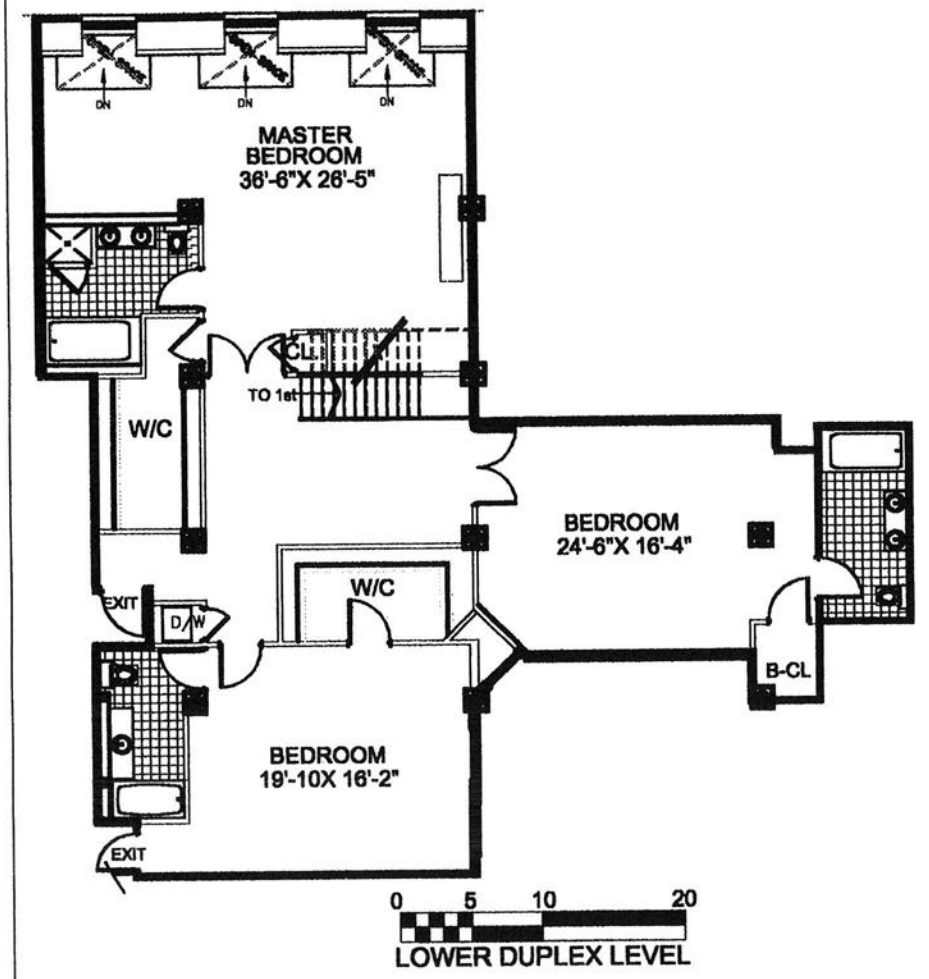
Upper--> 1,725 SF.
Lower--> 2,232 SF.
Apartment 3,957 SF.

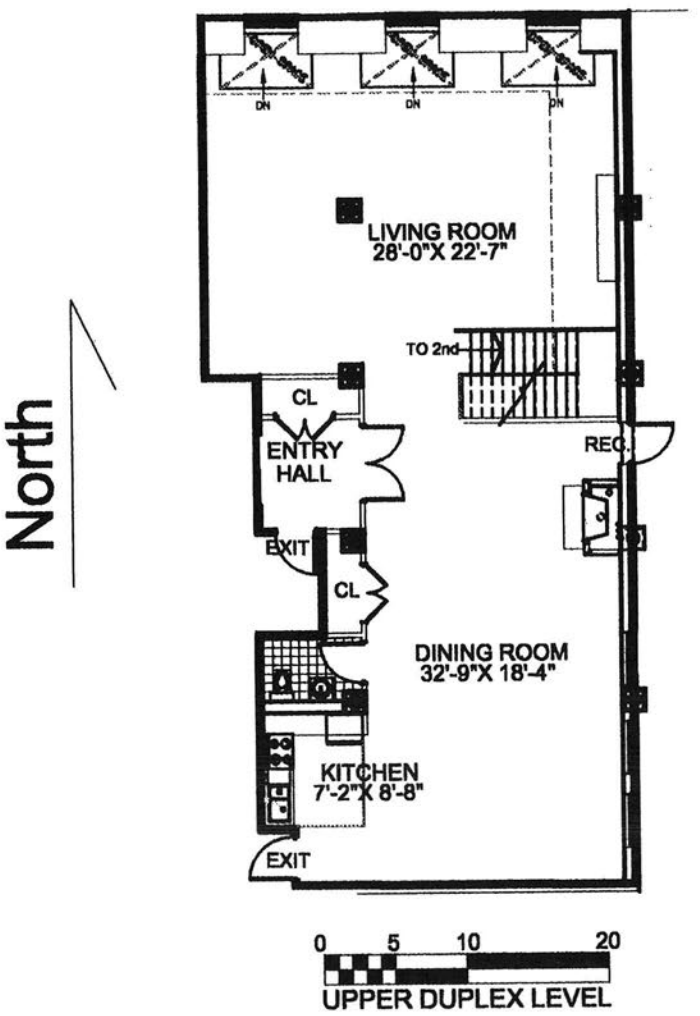
Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 6-D

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.







Sixth Floor

2bedroom 2 1/2 baths

Upper--> 1,725 SF.
Lower--> 2,266 SF.
Apartment 3,991 SF.

Sugar Warehouse

79 Laight Street
New York,NY 10013
UNIT 6-E

All dimensions are approximate and subject to construction variances. We reserve the right to make changes due to conditions in accordance with the offering plan.

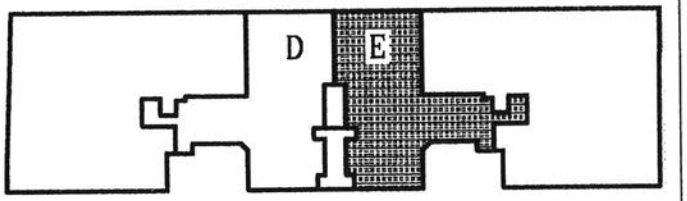


EXHIBIT "8"

CONDOMINIUM DECLARATION

DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises known as
79 Laight Street
New York, New York 10013

Pursuant to Article 9-B of the Real Property
Law of the State of New York
Name
THE SUGAR WAREHOUSE
Declarant
79 Laight Street LLC
c/o Coral Realty LLC, 400 Broome Street
New York, New York 10013

Date of Declaration

The land affected by the within instrument lies in
Section 1, Block 217 formerly known as Lot 6,
now known as Lots ____ - ____
on the Tax Map of the Borough of Manhattan, City of New York

Stroock & Stroock & Lavan LLP
Attorneys for Declarant
180 Maiden Lane
New York, New York 10038
(212) 806-5400

INDEX TO DECLARATION

Article	Subject	Page
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16	Easements And Name Of Condominium	
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29	Incorporation By Reference	

Exhibits

A. Description of the Land
B. Description of the Units
C. Definitions
D. By-Laws
E. Power of Attorney

DECLARATION
OF
THE SUGAR WAREHOUSE

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

79 Laight Street LLC, a New York limited liability company, having an office at c/o Coral Realty LLC, 400 Broome Street, New York, New York 10013 ("Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "The Sugar Warehouse" (the "Condominium").

2.2 Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 3

THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 14,251 square feet.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 is a building (the "Building") consisting of one (1) commercial unit, located on a portion of the First Floor and Cellar Floor ("the Commercial Unit") and 33 residential units (collectively, the "Residential Units" and individually, a "Residential Unit"). The Commercial Unit and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The Residential Units, together with the Residential Common Elements and the Residential Limited Common Elements (as hereinafter defined), are collectively referred to as the "Residential Section." The Commercial Unit together with the Commercial Common Elements and the Commercial Limited Common Elements (as hereinafter defined) are collectively referred to as the "Commercial Section." The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners." The owner of the Commercial Unit at any time, or its designee, is herein called a "Commercial Unit Owner" and to the extent the Commercial Unit is divided each of the owners of the Commercial Units shall collectively be called the "Commercial Unit Owners." The Residential Unit Owners and the Commercial Unit Owners are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner." The Commercial Unit may be used for any lawful uses.

ARTICLE 5

THE BUILDING

The Building consists of one Class I fireproof building, having ten stories above grade. The Building is constructed of exterior load bearing masonry walls with an internal structure of cost iron columns supporting steel floor beams. The floors in the Building are named (from bottom to top): Cellar, First Floor, Floors 2 through 6. The Commercial Unit occupies portions of the Cellar and First Floor.

The Building is located in the Tribeca North Historic District.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; and (vi) the percentage interest in the General Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by _____, and intended to be approved by the Real Property Assessment Bureau of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, front entrance doors and any other entrance doors to such Unit, flooring, wallcoverings, non-load bearing interior walls and partitions (including sheet rock), smoke detectors, all plumbing, gas and heating fixtures and equipment such as heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit by a Unit Owner other than Declarant, to the extent located within a Unit from the panel and serving or benefiting only that Unit including, but not limited to, any freight elevators or freight entrances servicing a Commercial Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

6.3 The Commercial Unit will include all escalators, elevators, stairs, if any, and all related Facilities exclusively serving that Commercial Unit including outdoor Signs for the Commercial Unit.

6.4 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS

Each Unit will be measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements (as hereinafter defined); or to the Unit side of the opposite exterior walls. Each Unit will consist of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling. However, any Common Elements located within a Unit (including any structural slabs separating floors of a Unit located on more than one floor)shall not be considered a part of such Unit.

ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the General Common Elements and the Limited Common Elements (as hereinafter defined). The General Common Elements include, but not are not limited to the Land and all parts of the Building and improvements thereon other than the Units and the Limited Common Elements and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium consist of those Common Elements that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (b) one or more but not all of the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) the Commercial Unit or the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Limited Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, Sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, door, railing, coping, step, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.3 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.4 The General Common Elements consist of the following:

8.4.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.4.2 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, (except to the extent

included in Sections 8.5 or 8.7), together with those portions of the exterior walls of the Building from and below the slab over the First Floor of the Building.

8.4.3 The six fire staircases servicing the Building from the Cellar level to the landing on the First Floor.

8.4.4 The rooms and Facilities located as follows: electric room, Con Edison room, and telephone room, pump room, toilette, sink and janitor's sink, mechanical equipment room, all located on the Cellar level.

8.4.5 Any other Facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.5 The Residential Common Elements consist of the following:

8.5.1 Any of the following: all columns, girders, floor slabs and ceilings, beams, and supports within each Unit, the exterior facade and the interior load bearing walls and from above the slab over the First Floor of the Building to the roof.

8.5.2 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter and direct burial telephone cables serving exclusively the Residential Section.

8.5.3 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section.

8.5.4 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party.

8.5.5 The rooms and Facilities located as follows: residential telephone room, residential storage room, pump room, residential refuse room and refuse turntable located in the Cellar; service/passenger elevator, No. 2 its shaft, pit, machine room and Facilities serving the Cellar through 6th Floor; passenger elevators Nos 1 and 3, their shafts, pits, and Facilities serving the First Floor through 5th Floor, the refuse chutes running through the Building to the residential refuse room in the Cellar; the mechanical equipment rooms and areas and the elevator machine rooms located on the roof; the residential lobby, mail room, concierge station, storage and sitting area.

8.5.6 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, Residential Limited Common Elements or part of the Commercial Unit, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements.

8.5.7 The six fire staircases servicing the Building from the landing on the First Floor to the roof.

8.5.8 The roof (including the recreational area) excepting that portion thereof which is a Residential Limited Common Element.

8.5.9 The windows in the Residential Section.

8.5.10 The water cooling tower on the roof.

8.5.11 All other Facilities exclusively serving the Residential Section, excluding the Residential Units, the Residential Limited Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.5.12 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the Residential Section's costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners. In addition, except as otherwise provided in Subsection 6.9.2.1 of the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Residential Common Element at their sole cost and expense.

8.6 The Residential Limited Common Elements consist of the following:

8.6.1 The fireplace flues servicing the individual Residential Units.

8.6.2 That portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Residential Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner who is so served or benefited by such Residential Limited Common Element shall have the exclusive right to use such Residential Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.6.3 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.7 The Commercial Common Elements consist of the following:

8.7.1 Any of the following: all columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls located within any Commercial Unit or separating a Commercial Unit from a Residential Unit or a Residential Common Element.

8.7.2 All windows in the Commercial Section other than windows which are part of the Commercial Unit.

8.7.3 All remaining Facilities exclusively serving the Commercial Unit, excluding the Commercial Unit, the Commercial Limited Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit.

8.8 The Commercial Limited Common Elements consist of any portion of the Property, in the event of the subdivision of the Commercial Unit, excluding the Commercial Unit, the Commercial Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all Commercial Units. As of the date of the date of the Declaration there are no Common Elements falling into the category of Commercial Limited Common Elements.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws, Residential Units may be used for residential purposes only. Any Residential Unit may be used for professional purposes, or for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Residential Unit, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, (4) compliance with the By-Laws and (5) the prior written permission of the Residential Board, which permission shall in no event be granted unless such Board affirmatively finds that the conditions in (1) through (3) above have been met. An home office use hereunder shall only be accessory to the residential use of the Residential Unit. No clients or business invitees shall be permitted to visit a home office and no Signs shall be allowed in connection with the home office. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Residential Board, (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it as a professional office or for any other purpose, provided such use is permitted by law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations and (2) use any Unsold Residential Units owned by it as models and

sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Commercial Unit may be used for any lawful purposes, including, without limitation, as a garage, department and other retail stores and outlets, storage, theaters, banks, restaurants and commercial and professional offices and studios.

ARTICLE 10

CHANGES IN THE RESIDENTIAL SECTION

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms in, any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a Unit or a Common Element as part of a newly created or expanded Residential Unit, Residential Limited Common Element, Commercial Unit, Commercial Common Element, Commercial Limited Common Element or General Common Element or designate all or part of a Residential Unit as a newly created or expanded Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element, Commercial Limited Common Element or General Common Element; and (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Residential Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Residential Units, including, without limitation, the right to combine two or more adjacent Residential Units owned by such Residential Unit Owner. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Residential Board a written certification stating

that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

ARTICLE 11

CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with Article 15 or the By-Laws or prohibited by law, each Commercial Unit Owner shall have the right, subject to the approval of the Commercial Board, which shall not be unreasonably withheld, but without the vote or consent of the Residential or Condominium Boards, other Unit Owners or Residential Mortgage Representatives, if any, to: (1) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Limited Common Elements; (2) change the layout or number of rooms in the Commercial Unit from time to time; (3) change the Commercial Unit, by subdividing the same, into any desired number of commercial condominium units, combining any of the Commercial Units or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Units, or otherwise; (4) designate a Unit or a Common Element as part of a newly created or expanded commercial condominium unit or designate all or part of a Commercial Unit as a newly created or expanded Residential Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element; (5) reapportion among the newly created or expanded Commercial Units and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, and provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units and/or Residential Units than existed for the original Commercial Unit; and (6) change, alter or modify the facade or portion of the exterior wall appurtenant to the Commercial Unit provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Unit owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom.

ARTICLE 12

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section.

ARTICLE 13

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 The percentage interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

13.2 The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the percentage interest of such Residential Unit bears to the Common Interests of all Residential Units.

ARTICLE 14

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, Residential Board or Commercial Board, as the case may be, or made by Declarant or its designee, a Commercial Unit Owner in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 15

ACCESS TO COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use all Common Elements located in the Building, including those located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit including an easement to connect to existing utilities including, but not limited to utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all

Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, the Condominium Board, the Residential Board, the Commercial Board or their agents, to the extent such Boards are permitted to act by the By-Laws for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 15 shall be exercised in such a manner, to the extent practicable, as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entries shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16

EASEMENTS AND NAME OF CONDOMINIUM

16.1 Except as set forth in this Declaration, each Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and the General Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, an easement for the exclusive use of the Commercial Elements and an easement for the use of the General Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Commercial Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency including but not limited to an easement by the Commercial Unit Owner for emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not

unreasonably interfere, to the extent practicable, with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.5 The Residential Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Residential Common Elements and the Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units, the Residential Common Elements; or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere, to the extent practicable, with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.6 Each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements or the Commercial Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of any Commercial Unit, the Commercial Common Elements or the Commercial Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere, to the extent practicable, with the use of the Commercial Unit or Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.7 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.8 Declarant or its designee and the Commercial Unit Owner and their successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each a "Sign") on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Unit and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be. Declarant shall have an easement to utilize the Common Elements of the Building for purposes of sales of the Unsold Residential Units. Declarant shall have an easement to utilize the Common Elements of the Building in connection with its sales and leasing efforts relative to the Unsold Residential Units. Declarant and the Commercial Unit Owner will have an easement and the right to change the facade of the Building and alter, replace, restore, renovate, remodel and reconstruct the existing facade of the Building

through and including the second floor of the Building, provided that such penetration does not materially weaken the structural soundness of the Building.

16.9 Declarant and the Commercial Unit Owner have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by law.

16.10 Declarant or its designee and the Residential Board with respect to the Residential Section, the Commercial Board with respect to the Commercial Section and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities or otherwise construct any shafts, flues or install an air conditioning compressors or other equipment on the roof or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, the Residential Board, the Commercial Board or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that the Condominium Board shall not grant such additional easements within a Commercial Unit without the consent of the Commercial Unit Owner thereof and provided further that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any company providing the utilities or services and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of the aforementioned easements to in order to install, maintain, operate, repair, replace and service same, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes.

16.11 Declarant and its designee, assignee and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its designees, assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant, its designees, assignees or licensees shall be the exclusive property of Declarant, its designees, assignees or licensees and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in the Commercial Unit without the consent of the Commercial Unit Owner and provided further that access to any Unit or Common Element in furtherance of such easement shall be exercised in a manner as will not unreasonably interfere

with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

16.12 Any easements granted to Declarant, any Board, any Unit or any Unit Owner under this Declaration and the By-Laws may be exercised by such Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, members, tenants and/or tenant-shareholders, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by Declarant, the Unit Owner or Board.

16.13 The Condominium and the Building shall be designated and known as "The Sugar Warehouse." Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building.

ARTICLE 17

POWER OF ATTORNEY TO THE BOARDS

17.1 Each Residential Unit Owner shall grant to the Condominium Board and the Residential Board an irrevocable power of attorney, coupled with an interest (annexed as Exhibit E to this Declaration or otherwise in such form and content as the Condominium Board and the Residential Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board or Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting (i) the General Common Elements or the entire Property which the Condominium Board deems necessary or appropriate or (ii) affecting the entire Residential Section which the Residential Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Property or the Residential Section or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Units or the Common

Elements which the Condominium Board or the Residential Board deems necessary or appropriate.

17.2 Each Commercial Unit Owner shall grant to the Commercial Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Commercial Board shall determine) following due authorization (if required) from the Commercial Unit Owner (a) to acquire or lease any Commercial Unit or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Commercial Unit or portion thereof so acquired, or to sublease any Commercial Unit or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owners, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

17.3 Each Unit Owner shall grant to Declarant a power of attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration.

ARTICLE 18

ACQUISITION OF UNITS BY BOARDS

18.1 If (a) any Residential Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c)

the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 If (a) any Commercial Unit Owner surrenders such Unit Owner's Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Common Elements, Commercial Limited Common Elements and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Commercial Board or it designee, corporate or otherwise, on behalf of all Commercial Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Commercial Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Commercial Board or its designee shall be held by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners in proportion to their respective interests in the Common Elements.

18.3 The Residential Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Residential Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall

be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such Unit Owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

19.3 Subject to Section 19.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20

AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any

Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Unit or the Commercial Unit Owner may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to any Commercial Unit shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives (as defined in the By-Laws), if any and no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) the Residential Board as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (3) the Commercial Board as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by the Commercial Unit Owners so to act as their attorney-in-fact, as the case may be.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said

subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant or its designee causing such changes is given the right by the Residential Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Residential (or Condominium) Board to execute, and record in the City Register's Office and elsewhere, if required by law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Residential (or Condominium) Board) to reflect the changes made by the Residential Unit Owner, all without the approval of any Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Unit belonging to the Owner causing such change is reapportioned among any newly created or expanded commercial condominium units resulting from any subdivision of the Commercial Unit, any combining of the Commercial Units or of any units resulting from a subdivision, any alteration of the boundary walls between commercial condominium units, or otherwise, or (b) a Commercial Common Elements or Commercial Limited Common Elements is designated as part of a newly created or expanded commercial condominium unit or all or part of a Commercial Unit is designated as a newly created or expanded Commercial Common Elements or Commercial Limited Common Element, all in accordance with Article 11 hereof, then the Commercial Board (or the Commercial Unit Owners causing such changes) shall have the right to execute, or (upon request) to require any other Board or Unit Owner to execute, and record in the City Register's Office, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as (the Commercial Unit Owners or) the Commercial Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of the Commercial Unit into separate commercial condominium units, the combination of the Commercial Units or of any newly created or expanded commercial condominium units resulting from a subdivision, the alteration of boundary walls between commercial condominium units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created or expanded commercial condominium units or (ii) such designation of a Commercial Common Element or Commercial Limited Common Element as part of a newly created or expanded commercial condominium unit or such designation of part of a Commercial Unit as a newly created or expanded Commercial Common Element or Commercial Limited Common Element, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Unit or with the subdivision, combination or

alteration of the Commercial Unit, or of any newly created or expanded commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and in connection therewith the Commercial Board, (or, when permitted, the Commercial Unit Owners) will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding anything to the contrary set forth above, Declarant and the Commercial Unit Owners shall have the right to amend the Declaration, without the consent of any Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and the Commercial Unit Owners under the terms of this Declaration and the By-Laws.

20.5 The provisions of Sections 20.1 and 20.2 and this Section 20.5 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee, and the provisions of Sections 20.1, 20.3, and 20.4 and this Section 20.5, may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Board.

ARTICLE 21

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and its designees have conveyed title to all Residential Units and Commercial Unit, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 24

CERTAIN REFERENCES

24.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board or otherwise, shall, upon prior reasonable written request at the expense of any

such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner, 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

26.3 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to perform, execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 27

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant or such designee no longer owns any Units.

ARTICLE 29

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 200_.

79 Laight Street LLC

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

EXHIBIT A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Laight Street and easterly side of West Street;

RUNNING THENCE southerly along the easterly side of West Street, 62 feet 10 inches to a point distant 116 feet 6-1/2 inches northerly from the corner formed by the intersection of the easterly side of West Street and the northerly side of Hubert Street, measured along the easterly side of West Street;

THENCE easterly in a straight line and through a party wall or party walls, 226 feet 8-1/2 inches to the westerly side of Washington Street at a point therein distant 116 feet 4 inches northerly from the northerly side of Hubert Street measured along the westerly side of Washington Street;

THENCE northerly along the westerly side of Washington Street, 62 feet ½ of an inch to the southerly side of Laight Street;

THENCE westerly along the southerly side of Laight Street, 225 feet 1-1/4 inches to the easterly side of West Street, the corner aforesaid, the point or place of BEGINNING.

EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

TO BE COMPLETED PRIOR TO RECORDATION OF CONDOMINIUM DECLARATION

The Sugar Warehouse							
Unit Designation	Tax Lot Number	Number of Bedrooms/ Bathrooms	Location (Building Facade)`	Square Footage	Residential Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements

364

The Sugar Warehouse							
Unit Designation	Tax Lot Number	Number of Bedrooms/ Bathrooms	Location (Building Facade)`	Square Footage	Residential Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements
TOTAL							

365

EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

"Board" or "Boards" refers to either or both the Residential Board or the Commercial Board, as the case may be.

"Building" refers to the structure and improvements including above and below grade segments, known as 79 Laight Street, New York, New York 10013 in which the Units of the Condominium are located.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D of the Declaration, as same may be amended from time to time.

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

"Commercial Board" refers to the board of managers comprised of representatives of the Commercial Unit Owners.

"Commercial Common Charges" refers to assessments payable to the Commercial Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Expenses.

"Commercial Common Expenses" refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owners.

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.

"Commercial Section" refers to all Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements, if any.

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

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

"Common Charges" refers to General Common Charges, Commercial Common Charges, and Residential Common Charges.

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

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

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

"Condominium" refers to The Sugar Warehouse.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time, and presently found in the New York Real Property Law, Article 9-B.

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and of the Commercial Board.

"Declarant" refers to 79 Laight Street LLC, a New York limited liability company, and its successors and assigns.

"Declarant and/or its designee(s)," "Declarant or a designee of Declarant" or similar term refers to Declarant, any of the partners of Declarant, any affiliate of Declarant, any affiliate of any of the general or limited partners of Declarant, any officer or shareholder of a corporate partner of Declarant, or any partner of a partnership which is a partner of Declarant or any party designated in writing as a designee. As used in this paragraph, an affiliate shall be deemed to be a person or an entity who or which owns more than 50% of the legal and beneficial interest of Declarant or of any partner, a person or an entity with respect to which either Declarant or any partner owns more than 50% of the legal and beneficial interest, or an entity as to which more than 50% of its legal and beneficial interest is owned by a person or an entity which owns more than 50% of the legal and beneficial interest of Declarant or of any partner.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time.

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

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of The City of New York and filed with the City Register's office.

"General Common Charges" refers to assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.

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

"General Common Expenses" refers to costs and expenses incurred or projected and attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and as otherwise provided in the Declaration and By-Laws.

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

"Law or Laws" refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property, the Land, the Building, and Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

"Limited Common Elements" refers to the Residential Limited Common Elements and the Commercial Limited Common Elements.

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

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

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

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

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" refers to assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting Residential Common Expenses and each Residential Unit Owner's pro rata share of General Common Charges.

"Residential Common Elements" refers to those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.

"Residential Common Expenses" refers to the costs and expenses incurred or projected in connection with the operation, repair, maintenance, replacement, restoration, improvement, alteration and addition of and to the Residential Common Elements or the Residential Limited Common Elements (to the extent such costs and expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which such Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners or as otherwise provided in the Declaration or By-Laws.

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

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

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

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

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

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

"Section" refers to the Residential Section or Commercial Section. Both of such Sections are collectively referred to as "Sections."

"Signs" refers to any and all signs, awnings, canopies, marquees, banners, flags, pennants, aerials, antennas or the like located in any Unit or upon any Common Elements.

"Unit" or "Condominium Unit" refers to a space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific apartment or a portion of the commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements, and as the case may be, in the Residential Common Elements, the Residential Limited Common Elements, the Commercial Common Elements or in the Commercial Limited Common Elements. All of such Units are collectively referred to as "Units."

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

"Unsold Residential Unit" refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant or its designee; a Residential Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant or one or more of the principals of any of them, is a member; or a Residential Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Declarant or the designee of a holder of such a Permitted Mortgage.

EXHIBIT "9"

CONDOMINIUM BY-LAWS

EXHIBIT D

BY-LAWS

OF

THE SUGAR WAREHOUSE
79 LAIGHT STREET
NEW YORK, NEW YORK 10013

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BY-LAWS

ARTICLE 1

GENERAL

1.1 **Purpose.** The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The Sugar Warehouse (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 14,251 square feet of land (the "Land") which forms a part of Block 217 of Section 1 the Tax Map of the Borough of Manhattan, City, County and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 **Principal Office of Condominium.** The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARDS OF MANAGERS

2.1 **Number, Term and Qualification.**

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"), the affairs of the Residential Section shall be governed by a residential board of managers (the "Residential Board") and the affairs of the Commercial Section shall be governed by a commercial board of managers (the "Commercial Board"). From and after the

first annual meetings of Residential Unit Owners and Commercial Unit Owners as provided in Section 3.1, the Residential Board shall consist of three (3) persons elected by the Residential Unit Owners, subject to Declarant's rights under Section 3.9.3, the Commercial Board shall consist of two (2) persons and the Condominium Board shall consist of five persons: the three (3) members of the Residential Board and the two (2) members of the Commercial Board subject to Section 2.4. The Condominium Board, the Commercial Board, and the Residential Board, are herein sometimes referred to collectively as the "Boards" and individually as a "Board."

2.1.2 Each member of the Residential Board and of the Commercial Board except for the first Boards as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and Commercial Unit Owners, respectively, and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Residential Units, Permitted Mortgagees, or family members of any of the foregoing, and (b) all members of the Commercial Board shall be either a Commercial Unit Owner or officers, directors, shareholders, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Commercial Unit or a managing agent for such Commercial Unit Owner or an employee thereof, Permitted Mortgagees of the Commercial Unit, lessees of the Commercial Unit or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 **Powers and Duties.**

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Board. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Board with respect to whether the Residential Board or the Commercial Board shall be entitled to make any

determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within 10 business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Commercial Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof the Boards shall each have all powers and duties expressly set forth elsewhere in the Declaration and By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration and By-Laws.

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring maintaining, repairing and replacing the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of General Common Charges (as hereinafter defined).

2.2.2.1(c) Employing and dismissing personnel in connection with the maintenance and operation of the General Common Elements.

2.2.2.1(d) Adopting and amending the Rules and Regulations, as they affect the General Common Elements.

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements.

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners, the Commercial Board and the Residential Board.

2.2.2.1(h) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the General Rules and Regulations (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied).

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) in accordance with the By-Laws.

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable.

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments,

modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.1(p) Obtaining and reviewing insurance for the Property pursuant to the provisions of Section 6.2.

2.2.2.1(q) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.1(r) Leasing or licensing the General Common Elements.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

2.2.2.2(a) Operating, caring for, maintaining, repairing and replacing the Residential Section, including contracts for utilities, services and supplies.

2.2.2.2(b) Determining the amount of Residential Common Charges (as hereinafter defined), subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.2(c) Collecting of Residential Common Charges from Residential Unit Owners.

2.2.2.2(d) Employing and dismissing the personnel necessary for the maintenance and operation of the Residential Section.

2.2.2.2(e) Adopting amendments and additions to, the Rules and Regulations as they affect the Residential Section.

2.2.2.2(f) Purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease or surrendered by their owners to the Residential Board.

2.2.2.2(g) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units

acquired by, and subleasing Residential Units leased by, the Residential Board or its designee, on behalf of all Residential Unit Owners.

2.2.2.2(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements.

2.2.2.2(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.2(k) Enforcing obligations of Residential Unit Owners and the Boards.

2.2.2.2(l) Levying fines against Residential Unit Owners for violations of the Rules and Regulations as they affect the Residential Section (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied).

2.2.2.2(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.2(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section.

2.2.2.2(o) Borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in Sections 8.6 or 8.16 of these By-Laws, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(1)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years, (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Commercial Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from

the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit.

2.2.2.2(p) Organizing corporations to act as designees of the Residential Board with respect to such matters as such Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners.

2.2.2.2(q) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section which the Residential Board deems necessary or appropriate.

2.2.2.2(r) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.2(s) Operating, maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements.

2.2.2.2(t) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

2.2.2.2(u) Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.2(v) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.2(w) Reviewing and approving alterations, additions, improvements, renovations and repairs by Residential Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs.

2.2.2.3 The Commercial Board shall be entitled to make determinations with respect to the following matters:

2.2.2.3(a) Operating, caring for maintaining, repairing and replacing the Commercial Section, including contracts for utilities, services and supplies.

2.2.2.3(b) Determining the amount of Commercial Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges.

2.2.2.3(c) Collecting Commercial Common Charges from Commercial Unit Owner.

2.2.2.3(d) Employing dismissing personnel necessary for the maintenance and operation of the Commercial Section.

2.2.2.3(e) Adopting amendments and additions to, the Rules and Regulations as they affect the Commercial Section.

2.2.2.3(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This 2.2.2.3(f) is not intended, except to the extent provided elsewhere to the contrary, to interfere with the ability of Commercial Unit Owner to sell, lease, mortgage, subdivide or combine portions of their individual Units.

2.2.2.3(g) Making additions and improvements to or alterations of the Commercial Common Elements or the Commercial Limited Common Elements.

2.2.2.3(h) Making repairs to and restorations of the Commercial Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.3(i) Enforcing obligations of the Commercial Unit Owner and the Boards.

2.2.2.3(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor.

2.2.2.3(k) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Commercial Section as set forth in Section 6.2.

2.2.2.3(l) Borrowing money on behalf of the Commercial Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Commercial Section or otherwise in connection with any permitted action or activity of the Commercial Board; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Commercial Unit Owner shall be required for any borrowings in excess of the aggregate amount of $75,000 (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(l)), in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Residential Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Commercial Board pursuant to the authority contained in this subparagraph 2.2.2.3(l) is not repaid by said Board, a Commercial Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Commercial Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Commercial Unit Owner's Unit.

2.2.2.3(m) Organizing corporations to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine.

2.2.2.3(n) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Commercial Section which the Commercial Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration affecting only the Commercial Section which the Commercial Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

2.2.2.3(o) Purchasing, leasing and otherwise acquiring in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners, the Commercial Units or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board.

2.2.2.3(p) Purchasing the Commercial Unit or portions thereof at foreclosure or other similar sales, in the name of the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(q) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Unit or portions thereof acquired by, and subleasing the Commercial Unit or portions thereof leased by, the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

2.2.2.3(r) Operating, maintaining and supervising of all Commercial Common Elements and the Commercial Limited Common Elements.

2.2.2.3(s) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable law and regulation), amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.3(t) Reviewing and approving alterations, additions, improvements, renovations and repairs by Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs

2.2.3 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Residential Unit but in no event later than five years from the First Closing of a sale made under an Offering Plan, the Condominium Board may not, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Residential Section of the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board or Residential Board to comply with applicable Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

2.3 **Managing Agents and Managers.** With respect to matters the determinations concerning which the Condominium Board is entitled to make, the Condominium Board may employ a managing agent and/or a manager at a compensation established by the Condominium Board to perform such duties and services as the Condominium Board shall authorize. The

Condominium Board may delegate to such managing agent or manager other powers granted to the Condominium Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (1), (m), (n) and (o); 2.2.2.2(b), (e), (o), (p), (q) and (r); 2.2.2.3(b), (e), (f), (l), (m) and (n).

2.4 **First Board.** The Condominium Board shall initially consist of two (2) persons designated by Declarant to initially comprise the Residential Board and one (1) member to comprise the Commercial Board. The Condominium Board members shall be deemed to have been "elected" as members of the Condominium Board for the purposes of these By-Laws. Within one year (1) year after the date of the First Closing the Condominium Board will call for the first annual meetings of Residential Unit Owners and Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of 3.1. From and after the first meeting of Unit Owners the Residential Board shall have three (3) members, the Commercial Board shall have two (2) members and the Condominium Board shall have five (5) members. The terms of each such member of the Residential Board and the Commercial Board shall expire annually.

2.5 **Resignation and Removal.** Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Condominium Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, any Condominium Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners, present in person or by proxy at a regular or special meeting of Residential Unit Owners at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Condominium Board members designated by Declarant or its designee may only be removed with cause and replaced as described in Section 2.6. In addition, any member of the Condominium Board who is designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 **Vacancies.** Subject to the provisions of Section 3.9.3, any vacancy on the Condominium Board for whatever reason shall be filled by the members of the Condominium Board then in office, at a special meeting of the Condominium Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Condominium Board until the next annual meeting of the Residential Unit when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Condominium Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 **Organizational Meetings of the Condominium Boards.** The first meetings of the Residential Board following each annual meeting of each of the Residential Unit Owners shall be held immediately following each such annual meeting.

2.8 **Regular Meetings of Boards.** Regular meetings of the Residential Board and Commercial Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that in the case of the Residential Board, at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least five business days prior to the day named for such meeting.

2.9 **Special Meetings of Boards.** Special meetings of the Residential Board and Commercial Board may be called by the respective President or Vice President of the Residential Board or Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board or of the Commercial Board shall be called in like manner and on like notice on the written request of at least two members of the Residential Board or one member of the Commercial Board, respectively.

2.10 **Resolutions of Boards.** The Residential Board and the Commercial Board shall each cause to be promptly delivered to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable Law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 **Waiver of Notice.** Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of a Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of a Board, no notice shall be required and any business may be transacted at such meeting.

2.12 **Determinations by Board; Quorums.**

2.12.1 Except as otherwise set forth in 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Commercial, Condominium, or Residential Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board.

2.12.2 When the Residential Board and the Commercial Board, with each acting in accordance with the provisions of this Article 2, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board. No meeting of the Condominium Board as such shall be necessary for any determination by it to be made. However, in the event any meeting of the Condominium Board is held, a majority of the members of the Condominium Board shall constitute a quorum for the transaction of business and a majority of the votes cast at any meeting at which a quorum is present shall constitute the decision of such Board.

2.12.3 If at a Condominium Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.12.4 Members of the Condominium Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Condominium Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.13 **Compensation.** No member of the Condominium Board shall receive any compensation for acting as such.

2.14 **Liability of Boards and Unit Owners.**

2.14.1 To the extent permitted by applicable Law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Condominium Board or by any managing agent or manager thereof shall state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Commercial Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Unit Owner's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Commercial Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect

any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.14.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.15 **Fidelity Bonds.** Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.16 **Committees**. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Commercial Board. For so long as Declarant is entitled to designate members to the Condominium Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.17 **Principal Offices of Boards.** The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.18 **Status of Boards.** In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

2.19 **Incorporation of Boards.** To the extent and in the manner provided in the Condominium Act, each of the Boards may by action of such Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Condominium Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon such Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict

between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.20 **Boards as Agents of Unit Owners.** In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 **Annual Meetings.** The first annual meeting of Commercial Unit Owners shall be called on or no more than one (1) year after the First Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect or designate the Commercial Board's three members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws. Within 10 days following each annual meeting, the Commercial Board shall elect or designate in accordance with Section 2.1 and these By-Laws two representatives to the Condominium Board. On or no more than one (1) year after the recordation of the Declaration, the Residential Board will also call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of five members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Commercial Unit Owners shall be required to be held unless otherwise required by Law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 **Place of Meetings.** Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 **Special Meetings.** The President of the Residential or Commercial Board shall call a special meeting of respective Unit Owners, if so directed by resolution of the respective Board or upon a petition signed and presented to the Secretary of the respective Section by not less than

25% in Common Interest of Unit Owners in such Section. The President and the Vice President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 25% in Common Interest of Residential Unit Owners or 66-2/3% in Common Interest of Commercial Unit Owners.

3.4 **Notice of Meetings and Actions Taken.** Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 **Adjournment of Meetings.** If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 **Order of Business.** The order of business at all joint or separate meetings of Unit Owners shall be as follows:

(w) Call to order;

(x) Roll call;

(y) Proof of notice of meeting;

(z) Reading of minutes of preceding meeting;

(aa) Reports of officers;

(bb) Reports of members of the Board;

(cc) Reports of committees;

(dd) Election of inspectors of election (when so required);

(ee) Election of members of the Board (when so required);

(ff) Unfinished business;

(gg) New business; and

(hh) Adjournment.

3.7 **Title to Units.** Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 **Voting.**

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.9 **Election of Board Members; Rights of Declarant.**

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 3.9.2 When voting for members of the Residential or Commercial Board, respectively, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it (excluding Unsold Residential Units purchased by Declarant or its designee). Declarant shall hold a majority of seats on the Residential Board until the later to occur of five (5) years from the date of the First Closing or (ii) that date upon which the votes cast at any election of Residential Board members constitute less than a majority of the votes cast for Declarant's nominees at such meeting. Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant. In addition, (a) for so long as Declarant owns at least two (2) Residential Units (excluding Unsold Residential Units purchased by Declarant or its designee) Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it to designate at least one member of the Residential Board. For so long as Declarant owns at least two of the Unsold Residential Units the number of members of the Residential Board may not be increased without the consent of Declarant.

3.9.4 Until Declarant and its designees have conveyed title to all Residential Units, but in no event later than five (5) years after the First Closing, the Condominium Board or the Residential Board may not take any of the following actions without Declarant's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any General Common Charges, or Residential Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board or the Residential Board to comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

3.10 **Majority of Unit Owners.** Except as may otherwise be provided by Law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of Commercial Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than 50% of the total authorized votes of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 **Quorum.** Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than 30% of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit

Owners, (b) Commercial Unit Owners owning more than 50% of the Common Interests attributable to all Commercial Unit Owners shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning more than 50% of the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right to require an adjournment of such joint meetings for not longer than 30 days unless an emergency exists.

3.12 **Majority Vote.** Except where otherwise provided by Law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Commercial Unit Owners, the affirmative vote of a Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 **Determination of Unit Owners.** When the Residential Unit Owners and Commercial Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and the Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners.

ARTICLE 4

OFFICERS

4.1 **Designation.** The principal officers of the Condominium shall be (a) for the Residential Board, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Residential Board, (b) for the Commercial Board, a President, Vice-President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Commercial Board, and (c) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be the same person serving as President of the Commercial Section, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Board. The Condominium Board, Commercial Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Any officer or director of the Residential Section may also be an officer or director of the Commercial Section and any officer or director of the Commercial Section may also be an officer or director of the Residential Section. None of the officers of the Residential Board, the Commercial Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 **Election of Officers.** The officers of the Residential Board and the Commercial Board shall be elected annually by the members of the Residential Board and the Commercial

Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Commercial Board shall be elected, respectively, by the initial Residential Board members and the initial Commercial Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 **Resignation and Removal of Officers.** Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **Presidents.** The President of the Condominium Board shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Board shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. The President of the Commercial Board shall be the chief executive officer thereof and shall preside at all meetings of the Commercial Board and the Commercial Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Commercial Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential or Commercial Section, as the case may be.

4.5 **Vice Presidents.** Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Board, the Commercial Board, or the Condominium Board are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President under whom such Vice President serves.

4.6 **Secretaries.** The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Section shall keep the minutes of the meetings of the Commercial Board and the Commercial Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such Secretary serves shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 **Treasurers.** Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial or the Residential Section, as the case may be, and shall be responsible for keeping full and accurate financial records and books of account

thereof showing all receipts and disbursements necessary for the preparation of all required financial data. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 **Execution of Documents.** Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential or Commercial Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, the Condominium Board can, by resolution, determine that an expenditure in excess of a specified amount by said Board must be countersigned by two members of said Board.

4.9 **Compensation of Officers.** Except as otherwise provided by the Board for which such officer serves, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 **Notices.** All notices required or desired to be given hereunder to the Condominium Board shall be personally delivered or sent by registered or certified mail to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and to all Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Residential Unit Owner or Commercial Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Residential Unit Owner or Commercial Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Commercial or Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board, Commercial Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 **Waiver of Service of Notice.** Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by the Residential Board and the Commercial Board. General Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be General Common Expenses. General Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Residential Unit Owners and the Commercial Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and Commercial Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation), charges as set forth in the Plan) ("General Common Charges") to meet General Common Expenses. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees servicing the Commercial Unit or categories of services, utilities or supplies provided to the Commercial Unit in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners.

6.1.2 Except as otherwise provided herein, all costs and expenses in connection with the operation repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to, Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Common Interests. Notwithstanding anything to the contrary in this Section 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of operation, alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such

Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Residential Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements and the rental or purchase of an apartment to be used as the residence of the Building resident manager and all costs and expenses associated therewith. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges. From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Residential Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Residential Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners at least five (5) days prior to the adoption thereof and provide a copy to Permitted Mortgagees upon request therefor. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the operation, repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, Commercial Common Elements or Commercial Limited Common Elements ("Commercial Common Expenses") shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners. Notwithstanding anything to the contrary in this Section 6.1.3, if a Commercial Common Element or Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit

Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element or Commercial Limited Common Element at their sole cost and expense. Commercial Common Expenses shall also include such amounts as the Commercial Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Commercial Board as may be required for the purchase, lease or sublease by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Commercial Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Commercial Board deems appropriate. In addition to basing charges on Common Interests, the Commercial Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law. The Commercial Board shall advise all Commercial Unit Owners promptly in writing of the amount of Commercial Common Charges payable by each of them and shall furnish copies of each budget on which such Commercial Common Charges are based to all Commercial Unit Owners at least five (5) days prior to the adoption thereof and provide a copy to Permitted Mortgagees upon request therefor.

6.1.4 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or forming a part of or included in any Residential or Commercial Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by (i) the Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit Owners or (ii) the Commercial Board if a Commercial Common Element is involved, as agent for an on behalf of the Commercial Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.5 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earning of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 **Insurance.**

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) property insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (other than the Units), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Residential Board and the Commercial Board fail to agree on a determination or if either disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Commercial Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined)

pursuant to the provisions of Section 12.5. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

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

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Commercial Unit Owners, all officers, directors and employees thereof, and its managing agent or agents and each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of $300,000 for bodily injury or death arising out of any one occurrence including $300,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.3 **Repair or Reconstruction after Fire or Other Casualty.**

6.3.1 In the event that either (i) the Building or any part thereof (other than the Units) is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 6.2 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $ 1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owner's with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3. Notwithstanding anything to the contrary contained either in this Subsection 6.3.1 or elsewhere in this Section 6.3, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

6.3.2 Except as otherwise provided herein, the Condominium Board with respect to the General Common Elements, the Residential Board with respect to the Residential Common Elements and the Residential Limited Common Elements and the Commercial Board with respect to the Commercial Common Elements shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired and reconstructed by the Owner of the affected Unit(s). If, pursuant to the immediately preceding sentences, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. If a Residential Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board or the Residential Board may cause the Residential Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment. Nothing contained herein shall be deemed to obligate a Commercial Unit Owner to restore a Commercial Unit except to the extent that such restoration shall be necessary to maintain that portion of the Building visible to the public in good, clean and neat appearance, in conformity with the dignity and character of the Building.

6.3.3 In the event that Work shall be performed pursuant to the terms Subsection 6.3.1 and 6.3.2, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If only the Commercial Section (including the Commercial Common Elements or the Commercial Limited Common Elements) is destroyed or damaged by fire or other casualty and if

the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Board shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Section 6.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.4 If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty, the Work shall not be performed unless 75% or more of all Unit Owners (including Declarant, if Declarant shall then own any Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective, Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, and to the Commercial Unit Owner, to the extent allocated to destroyed or damaged portions of the Commercial Unit, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

6.3.5 If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Section 6.3.4 hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential

Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

6.3.6 As used in this Section 6.3, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of Subsection 6.3.1, sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

6.3.7 Any dispute that may arise under this Section 6.3 between any Unit Owners or any Boards shall be resolved by Arbitration.

6.4 **Payment of Common Charges.**

6.4.1 The Residential Unit Owners and the Commercial Unit Owners shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and Commercial Unit Owners shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Residential and Commercial Boards pursuant to the provisions of Section 6.1 at such time or times as such Boards determine. The Boards may jointly determine to cause the Condominium Board to act as their respective agent to collect Residential Common Charges and Commercial Common Charges as applicable. Unless otherwise determined by the Board to

which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Residential or Commercial Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges, together with interest thereon, assessed against such Unit. Except to the extent prohibited by Law, the Commercial Board, on behalf of all Commercial Unit Owners, shall have a lien on each Commercial Unit for unpaid Commercial Common Charges, together with interest thereon, assessed against such Unit. In addition, except to the extent prohibited by Law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for General Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on all Residential Units, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owners, together with interest thereon, on the Commercial Unit, in proportion to their respective Common Interests. No Unit Owner may be exempted from liability for such Unit Owner's Common Charges by waiving use of any Common Elements or by abandonment of such Unit Owner's Unit.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real

estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.5 **Collection of Common Charges.** Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty days after the due date for payment thereof.

6.6 **Default in Payment of Common Charges.** In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein.

6.7 **Foreclosure of Liens for Unpaid Common Charges.** In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit, and the Commercial Board, acting on behalf of all Commercial Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8 **Statement of Common Charges.** Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 **Maintenance and Repairs.**

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural,

ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) and the entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense or (b) in or to the Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners as a General Common Expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, or (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners as a General Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and the windows may not be modified, altered or replaced without the consent of the Residential Board. The Residential Board may establish such other rules and regulations it deems necessary to protect the Residential Common Elements and the Units and the Condominium Board shall take establish such rules and regulations as it deems necessary to protect the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of the them as a result of a violation of Law.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Residential Board.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) systems) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or

perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) each Board with respect to such parts of the Building required to be maintained by it, (b) the Commercial Unit Owners with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in their respective Commercial Units, and (c) the Residential Unit Owners with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to their Respective Residential Units. Notwithstanding anything to the contrary set forth above, the Condominium Board shall not, without the consent of the Commercial Unit Owner, decrease the level of services (including, but not limited to heat and cooling) supplied to the Commercial Unit as of the date of the filing of the Declaration.

6.9.4 In the event of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.10 **Violations of Maintenance Obligations.**

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Residential Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the Residential Board (or sooner in the case of emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Residential Board, together with 10% for overhead and interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the painting, decorating, maintenance, repair or replacement of such Unit Owner's portion of the Commercial Unit, the Commercial Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Commercial Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the

Commercial Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within five days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Commercial Board, together with together with 10% for overhead interest thereon at the rate of 2% per month from the date on which the Commercial Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law) shall be payable by such Commercial Unit Owner to the Commercial Board and shall, for all purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Commercial Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Commercial Board was reasonable. Any repair or replacement performed by the Commercial Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Commercial Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Commercial Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Residential Unit Owner shall make any alteration, addition, improvement or repair Unit involving structural work or impacting upon Building systems, in or to such Unit Owner's Unit without the prior written approval of the Residential Board. No Commercial Unit Owner shall make any structural alteration, addition, improvement or repair Unit involving structural work or impacting upon Building systems, in or to such Unit Owner's Unit without the prior written approval of the Commercial Board which shall not be unreasonably withheld. Such Boards shall have the obligation to answer any written request by their respective Unit Owners for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute such Board's consent to the proposed alteration, addition, improvement or repair. With respect to any alteration, addition, improvement or repair the Commercial Board or the Residential Board, as the case may be, may exercise the right to reasonably approve the contractors and suppliers, performing alteration, addition, improvement or repair in any Unit and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Commercial Board or the Residential Board, as the case may be setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. A

Board may impose fees upon a Unit Owner to reimburse the Board for its costs incurred in reviewing or supervising the aforesaid work and providing appropriate security with respect thereto. Notwithstanding anything to the contrary contained in this 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee (or its designee) of Declarant or its assignee shall be required to obtain the approval of any Board for any structural alteration, addition, improvement or repair in or to Unsold Residential Units or the Commercial Unit or enter into any alteration agreement with respect thereto.

6.11.2 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all Laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the appropriate Board (if such approval is required) shall, if required by Law or such department or authority, be executed by said Board or, if required, by the Condominium Board, provided that no Board shall incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Boards to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the appropriate Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 No alterations, additions, improvements or repairs shall made by any Residential Unit Owner shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building. Prior to the issuance of the permanent certificate of occupancy for the Building, any Residential Unit Owner desiring to perform such alterations, in addition to satisfying any other requirements of these By-Laws with respect to such alterations, must also notify Declarant, in writing, of the scope of the proposed alterations and satisfy other reasonable requirements of Declarant. In furtherance thereof, a Residential Unit Owner performing alterations, shall indemnify Declarant and the Boards for any cost, expense, claim or liability incurred or suffered by Declarant or any Board as a result of any violation of Law or delay in obtaining a temporary or permanent certificate of occupancy. In the event the alterations performed by a Residential Unit Owner do adversely affect the issuance or validity of the certificate of occupancy then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and

continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 Until such time as the initial construction of the Building is complete, including the completion of "punch list" work, no Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing the construction of the Building on behalf of Declarant. In addition, the prosecution of the work necessary to complete initial construction of the Building, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Building.

6.12 **Alterations, Additions, Improvements or Repairs to Common Elements.** Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, to all Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Residential Board, the Commercial Board or the Condominium Board, as the case may be, the cost of any alteration, addition, improvement or repair would exceed $100,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a Majority of Residential Unit Owners, a Majority of Commercial Unit Owners, or a Majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives (as hereinafter defined), as the case may be, if any, with respect to alterations, additions, improvements or repairs made by the Residential or Commercial Board, respectively. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate $100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 **Alterations of Certain Common Elements.**

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the

making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.13.3 A Commercial Unit Owner shall be entitled, at its sole cost and expense to make any alteration, addition, improvement or repair in or to the Commercial Common Elements or Commercial Limited Common Elements, or the exterior facade of the Building adjacent to such Unit Owner's Unit at such Unit Owner's cost and expense, with the prior written approval of the Commercial Board, which shall not be unreasonably withheld.

6.14 **Restrictions on Use of Units.**

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used for residential purposes only, except as otherwise herein expressly provided. Notwithstanding the foregoing, the Residential Board may consent to occupancy of a Residential Unit by persons other than those set forth above.

6.14.1.1 The Residential Board, may, in its discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate the then existing certificate of occupancy for such Residential Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Residential Board shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Residential Board before using such Residential Unit as a professional office or for any other purpose.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.1.3 Each Residential Unit Owner is obligated to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Unit Owner shall be obligated to install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Residential Unit Owner shall be obligated to maintain all window guards installed in the Unit and not to remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit as a professional office or for any purpose, provided such use is permitted by Law, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations, and (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable Law.

6.14.3 No Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an Occupant in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law. Unit Owners shall have the responsibilities of an "owner" of their respective Units under Local Law 38 of 1999 or any other Law governing the use or removal of lead-based paint and by execution of a deed for a Unit shall agree to indemnify and hold harmless each Board and other Unit Owners arising from the failure of a Unit Owner to comply with such Unit Owner's obligation arising from the foregoing.

6.14.4 The Commercial Unit may be used for any purpose permitted by Law. In no event may any Board adopt or enforce any rule or regulation or any amendment to the Declaration or these By-Laws which would have the effect of restricting or limiting the operation of the Commercial Unit.

6.15 **Use of Common Elements.**

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage areas, with the prior consent of the Residential Board as to the Residential Common Elements, the Commercial Board as to Commercial Common Elements or Commercial Limited Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Residential Board for transporting packages, merchandise or other objects.

6.15.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, the Condominium Board shall give due regard to the use of the Commercial Unit at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Commercial Unit and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Unit. In furtherance thereof, the Condominium Board agrees to consult with the Commercial Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Commercial Unit Owners to install, at their cost and expense, signs upon the sidewalk bridge and scaffolding.

6.15.5 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Commercial Board's consent, and the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owners including, but not limited to, the tenants and occupants of any portion of the Commercial Unit or their respective licensees or invitees.

6.15.6 The owner of any two or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an

owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 **Other Provisions as to Use.** No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Residential Section or any portion thereof. All valid Laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration, the Commercial Section may be used for any lawful purpose including, without limitation, department and other retail stores, health clubs, theaters, banks, restaurants, commercial and professional offices; and no sale, lease, sublease or use of all or any portion of the Commercial Section shall be deemed to adversely affect the Residential Section.

6.17 **Right of Access.**

6.17.1 Each Residential Unit Owner grants a right of access to such Unit Owner's Unit to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Commercial Unit Owners, upon the same terms and conditions as set forth in Section 6.24.1, and the Residential Unit Owners grant a right of access to their respective Units to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable

hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 **Rules and Regulations.** Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Residential Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Residential Board may from time to time, modify, amend or add to the Residential Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Residential Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Residential Unit Owners. The Commercial Board may adopt and from time to time, modify, amend or add to reasonable Rules and Regulations as they affect the use of the Commercial Unit, the Commercial Common Elements and the Commercial Limited Common Elements, except that a Majority of Commercial Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition and provided further that the Commercial Unit Owners having exclusive access to the Commercial Limited Common Elements, may overrule said board with respect to any adoption, modification, amendment or addition affecting such Commercial Unit Owners. The Condominium Board may adopt and from time to time, modify, amend or add to the Rules and Regulations as they affect the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Commercial Board shall collect such charges from the Commercial Unit Owners based on separate submetering of such Units, and will remit such amount to the Condominium Board. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. Until the Units are separately assessed for real estate tax purposes, the Residential and Commercial Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of all Residential Units or Commercial Unit, as the case may be, bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 **Gas.** Gas for the Residential Section will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge. Gas consumed in the Commercial Section, if any will be separately metered and billed directly to each Commercial Unit Owner utilizing gas.

6.21 **Electricity.** Electricity for each Residential and Commercial Unit (including tenants occupying portions of the Commercial Unit) shall be supplied by the utility company servicing the Units and separately metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by such Board. Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Residential Board and will be borne by the Residential Unit Owners as Residential Common Charges.

6.22 **Utilities Serving the General Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting (a) any General Common Element shall be (i) considered part of the expense of maintaining such General Common Element, (ii) determined by the Condominium Board, and (iii) charged as a General Common Expense, (b) any Residential Common Element shall be (i) considered part of the expense of maintaining such Residential Common Element, (ii) determined by the Residential Board, and (iii) charged as a Residential Common Expense or (c) any Commercial Common Element shall be (i) considered part of the expense of maintaining such Commercial Common Element, (ii) determined by the Condominium Board, and (iii) charged as a Commercial Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 **Abatement and Enjoinment of Violations by Unit Owners.**

6.23.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements, (b) the Residential Board with respect to matters affecting the Residential Section, and (c) the Commercial Board with respect to matters affecting the Commercial Section, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Commercial Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and such Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or

remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 **Notice to Boards.** A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Commercial Board in the case of all or a portion of any Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. The mortgage shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual residential condominium units. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction of mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units."

7.2 **Notice of Default and Unpaid Common Charges.** Whenever so requested in writing by a Permitted Mortgagee, the Residential Board with respect to Permitted Mortgagees of Residential Units and the Commercial Board with respect to Permitted Mortgagees of any Commercial Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which of which such Board may have received notice. Each Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

7.3 **Performance by Permitted Mortgagees.** The Residential Board, Commercial Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.4 **Examination of Books.** Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, on business days, but not more than once a month.

7.5 **Representatives of Mortgagees.**

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Institutional Residential Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives")

who shall be empowered to act on behalf of all holders of Institutional Residential Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Residential Mortgages. As used herein, the term and "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or other entity which is in the business of providing loans secured by condominium units, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative made by the holders of Institutional Residential Mortgages, constituting a majority in principal amount of all Institutional Residential Mortgages shall be binding upon the holders of all Institutional Residential Mortgages. Any such designation of any Residential Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Permitted Mortgagees other than holders of an Institutional Residential Mortgage, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 **Consent of Mortgagees.** Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 **Selling and Leasing.** No Residential Unit Owner, other than Declarant or its designee may sell or lease such Unit Owner's Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer," the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside

Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as such Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by such Board, together with a copy of the fully executed contract of sale for such Unit, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Unit Owner's Residential Unit to the Residential Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Residential Board acting on behalf of all Residential Unit Owners that the Offeree Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Residential Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, the Residential Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by the Residential Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event the Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Residential Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Residential Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Residential Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Residential Board of its election to accept the aforesaid offer, the Residential Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Residential Board referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately

assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Residential Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Residential Board and that the Residential Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Residential Board. Any lease executed by the Residential Board as tenant shall provide that the Residential Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units (including the lease of a Residential Unit to Declarant or its designee) or the Commercial Unit (or any commercial condominium units into which the Commercial Unit may hereafter be divided). Declarant or its designee, and the Commercial Unit Owners shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to any Board.

8.2 **Consent of Residential Unit Owners to Purchase or Lease of Residential Units by Residential Board.** The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without (i) the prior approval of a Majority of Residential Unit Owners and (ii) the prior approval of Declarant during the period and as more particularly described in Section 3.9.4 of these By-Laws. However, the Residential Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

8.3 **No Severance of Ownership.**

8.3.1 No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.3.2 Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws, in the event a Commercial Unit is subdivided into Commercial Units, each of which constitutes an individual storage space for the storage of materials, such Commercial Units can only be sold to another Residential Unit Owner, to the Condominium Board or Residential Board or to a party who is simultaneously acquiring a Residential Unit. Declarant or its designee shall be entitled to lease or sell any such Commercial Units to a any party whether or not a Residential Unit Owner.

8.4 **Release by Residential Board of Right of First Refusal.** The right of first refusal contained in 8.1 may be released or waived by the Residential Board only in the manner provided in Section 8.5. In the event the Residential Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.5 **Certificate of Termination of Right of First Refusal.** A certificate executed by an officer of the Residential Section stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Residential Board, and that as a result thereof the rights of the Residential Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Residential Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Residential Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.6 **Financing of Purchase of Residential Units by Residential Board.** The purchase of any Residential Unit by the Residential Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy an assessment against each Residential Unit Owner in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the Residential Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.7 **Exceptions.** The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to such Unit Owner's spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Residential Board, (d) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or such Unit Owner's nominee, who has acquired title to any Residential Unit at any foreclosure sale of such Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit subject to, the provisions of this Article 8. In addition, the provisions of Section 8.1 shall not apply to any lease, sale or conveyance of the Commercial Unit or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 **Gifts and Devises, etc.** Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8.

8.9 **Unauthorized Sales or Leases of Residential Units.** Any purported sale or lease of a Residential Unit consummated in violation of Sections 8.1 or 8.3 shall be voidable at the election of the Residential Board and if the Residential Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Residential Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse the Residential Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 **Charges Imposed on Sale or Lease of Residential Units.** If permitted by Law, the Residential Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit to Declarant or its designee, to the sale or lease of Unsold Residential Units by Declarant or its designee, or to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Residential Units.

8.11 **Power of Attorney.** At the time of acquiring title to a Residential Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 **Notices Concerning Residential Unit Occupancy.** Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 **Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common.** In the event that any Unit shall be acquired by the Residential Board or the Commercial Board, or their respective designees, corporate or otherwise, on behalf of all Residential Unit Owners or all Commercial Unit Owners, as the case may be, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 **Payment of Assessments.** No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Residential Unit unless and until the Unit Owner shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Residential Unit and until such Residential Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Residential Unit other than Permitted Mortgages.

8.15 **Mortgage of Units.** Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that, with respect to any mortgage covering a Residential Unit, the Residential Unit Owner making such mortgage shall notify in writing the Residential Board of the making of such mortgage.

8.16 **Lease or Purchase of Residential Unit or Other Apartment for Resident Manager Residence.** The Residential Board or the Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the superintendent's unit and shall have the right to finance the purchase of same and amend, modify, extend, renew and otherwise deal in any way with respect to any such sale or lease without the approval of a Majority of Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Commercial Unit Owners in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Commercial Unit Owners, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; (d) borne and shared by all Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests, and (e) borne and shared by all Commercial Unit Owners having exclusive access to the Commercial Common Elements with respect to any taking of the Commercial Limited Common Elements pro rata in accordance with respective interest in such Commercial Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% of all Residential Unit Owners and/or 75% of all Commercial Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among

the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking. Any dispute between any Boards under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 **Records.** Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 **Audits.** Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Commercial Board to all Commercial Unit Owners, and (c) the Condominium Board to the Residential Board and the Commercial Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Commercial Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board and the Commercial Board as a General Common Expense.

10.3 **Availability of Documents.** Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 **General Procedure.** Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter.

The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

11.2 **Costs and Expenses.** The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such Unit Owner's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses.

11.3 **Agreement by Parties.** The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 **Waiver.** No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 **Certain References.**

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 **Covenant of Further Assurances.**

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner or other party

refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, or other party 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.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 **Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney-in-fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Board, as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by such Commercial Unit Owners to act as their attorney-in-fact or (3) the

Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Commercial Section or the Commercial Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Representatives, if any, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, if any, and (iii) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 **Amendments Affecting Declarant or its Designee or the Commercial Unit Owner.** Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Commercial Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit. Declarant and the Commercial Unit Owners shall have the right to amend the By-Laws, without the consent of any Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and the Commercial Unit Owners under the terms of the Declaration and these By-Laws.

13.3 **Amendments Affecting Permitted Mortgagees.** Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and it is contemplated that in connection therewith the Commercial Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Commercial Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A

RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be provided by Law.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having

jurisdiction and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Commercial Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board or such managing agent in their sole discretion, at any time. In no event shall any Unit Owner maintain more than two (2) pets in a Unit without the consent of the Residential Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Servants, messengers and tradespeople visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

17. Water-closets and other water apparatus in the Residential Section shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

19. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Residential Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally

present to open and permit an entry to such Unit Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

23. Complaints regarding the services of the Residential Section shall be made in writing to the Residential Board or to the managing agent of the Residential Section.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board, at any time by resolution of the Residential Board. Further, any such consent or approval may, in the discretion of the Residential Board, be conditional.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chutes; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

26. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

28. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Residential Board or the managing agent of the Residential Section, whether for such Unit Owner's Unit or an automobile, trunk or other item of

personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Residential Board nor the managing agent of the Residential Section shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General or Limited Common Elements.

31. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Residential Board or the managing agent of the Residential Section.

33. In the event that any Residential Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Residential Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

35. There will be no barbecuing in the Residential Units in their Limited Common Elements or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Residential Board.

36. The Residential Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

EXHIBIT "10"

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPALS

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

Re: Condominium Offering Plan
The Sugar Warehouse
79 Laight Street
New York, New York 10013

Gentlemen:

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibilities for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I/we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal law.

SPONSOR:

79 Laight Street, LLC
By: AGA 2000 LLC, Member

By: _____
Name: Galina Anissimova
Title: Managing Member

Sworn to before me this
11th day of January, 2002

Leah Riman
Notary Public

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

By: MLSF LLC, Member

By: _____
Name: Alex Forkosh
Title: Managing Member

Sworn to before me this
11th day of January, 2002

Leah Riman
Notary Public

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

By: _____
Name: Mikhail Kurnev
Title: Manager

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

SPONSOR'S PRINCIPALS:

Sworn to before me this
11th day of January, 2002

Leah Riman
Notary Public

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

Alex Forkosh

Sworn to before me this
11th day of January, 2002

Leah Riman
Notary Public

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2005

Galina Anissimova

EXHIBIT "11"

CERTIFICATION OF SPONSOR'S ARCHITECT

Certification of Developer's Architect Pursuant to
Section 20.4(c) of the Regulation Issued
Pursuant to General Business Law
Article 23-A, as Amended

New York State Department of Law
120 Broadway
23rd Floor
New York, NY 10271

Attn: Real Estate Financing Bureau

Re: 79 Laight Street

The Developer of the captioned property retained our firm to prepare a report disclosing the construction of the project when constructed (the "Report"). I visually inspected existing portions of the renovated property on June 1, 2001. We prepared the architectural plans, outline specifications and prepared the Report dated December 15, 2001 a copy of which is incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a registered architect in the state in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 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 the Report:

1) set forth in narrative form the description of the entire property as it will exist upon completion of construction provided construction is in accordance with the plans and specifications that I prepared;

2) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion

of construction provided that construction is in accordance with the plans and specifications that I prepared;

3) does not omit any material fact;

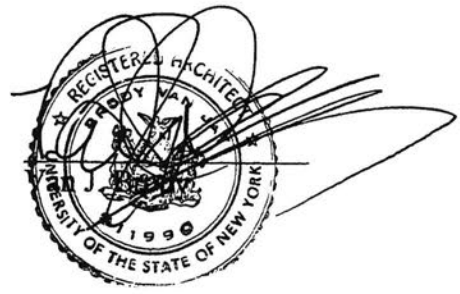
4) does not contain any untrue statement of material fact;

5) does not contain any fraud, deception, concealment, or suppression;

6) does not contain any promise or representation as to the future which is beyond reasonable expectation or;

7) does not contain any representation or statement is false, where I: (a) knew the truth (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Developer and that my compensation for preparing this report is not contingent on the conversion of the property to condominium ownership or the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.



Sworn to before me this 16th day of December, 2001

Leah Riman
Notary Public

Leah Riman
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2003

EXHIBIT "12"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULES B AND B-1 PURSUANT TO SECTION 20.4 (d)

January 16, 2002

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

Re: *The Sugar Warehouse*
79-101 Laight Street, New York, New York

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to review Schedules B and B-1, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over ten years. Andrews Building Corporation is a licensed real estate brokerage and management firm actively involved in the management of over 170 cooperative, condominium, and rental properties since 1987.

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 Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I have also relied on our experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate based on present prices adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated.

I certify that this certification and all documents prepared by this firm hereafter that concern the Schedules:

(i) set forth in detail the transaction as it relates to the schedules and are complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that my firm is not owned or controlled by the sponsor, have no beneficial interest in the Sponsor and that my compensation is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. I understand that a copy of this certification is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on it.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
16th day of January, 2002

Notary Public
ALEXANDRA L. MULLER
Notary Public, State of New York
No. 31-4862420
Qualified in New York County
Commission Expires June 23, 2002

EXHIBIT "13"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNER

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION OF EXPERT CONCERNING THE ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S) PURSUANT TO SECTION 20.4 (d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

January 16, 2002

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

Re: *The Sugar Warehouse*
79-101 Laight Street, New York, New York

Dear Sirs:

The undersigned, Eugene Andrews, President of Andrews Building Corporation, certifies as follows:

The Sponsor of the Condominium Offering Plan for the captioned Property retained our firm to review Schedule B which includes projections of common charges payable by the owners of the commercial unit.

We understand that we are responsible for complying with Article 23-A of the General Business Law and regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial unit and investigated the underlying facts with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to the commercial unit during the first year of condominium operation and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the commercial unit do:

(i) set forth, in detail, the projected common charges for the commercial unit for the first

year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, or suppression;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) not contain any representation or statement which is false and which we (a) knew the truth; (b) with reasonable effort could have known to be the truth; (c) made no reasonable effort to ascertain the truth or; (d) did not have the knowledge concerning the representations or statements made.

The statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for the first year of condominium operation. 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

We have been licensed real estate brokers since 1987 and a management firm employing multiple dwelling managing agents presently managing over 80 condominium projects. Properties presently managed by us in New York include over 2,000 cooperative apartments and over 1,000 condominium apartment units. We have been consulted by cooperative and condominium sponsors as to the adequacy of projected budgets.

This certification is made upon 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.

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me
this 16 day of January, 2002

Notary Public

ALEXANDRA L. MULLER
Notary Public, State of New York
No. 31-4853120
Qualified in Queens County
Commission Expires June 23, 2002

EXHIBIT "14"

ESCROW AGREEMENT FOR OFFERING PLAN

ESCROW AGREEMENT

AGREEMENT made this 28 day of June, 2001, between 79 Laight Street, LLC ("SPONSOR") as sponsor of the Offering Plan (defined below) and Stroock & Stroock & Lavan LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as The Sugar Warehouse, 79 Laight Street, New York, New York (the "Offering Plan"); and

WHEREAS, Stroock & Stroock & Lavan LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

A. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at The Chase Manhattan Bank, N.A. at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted] (the "Master Escrow Account").
2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. At such time as ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow savings account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.
3. Partners or attorneys employed by ESCROW AGENT are the sole signatories on the Master Escrow Account.
4. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.
5. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event Purchaser defaults.

B. DEPOSITS INTO THE ESCROW ACCOUNT.

1. All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Stroock & Stroock & Lavan LLP, as Escrow Agent." Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale and rescind within ninety (90) days after tender of the Deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C. RELEASE OF FUNDS.

1. Consummation of the Offering Plan does not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

2. ESCROW AGENT shall continue to hold the Deposit in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

4. In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

5. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Deposit may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D. RECORDKEEPING.

1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven years after release of the funds.
2. Upon the dissolution of ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.
3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

E. GENERAL OBLIGATIONS OF ESCROW AGENT.

1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.
2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.
3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.
4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.
5. ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.
6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F. RESPONSIBILITIES OF SPONSOR.

1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a member of or employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.
2. SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.
3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

G. TERMINATION OF AGREEMENT.

1. This Agreement shall remain in effect unless and until it is canceled by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) all shares or units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 (a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

H. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

I. GOVERNING LAW.

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

A. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

B. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

C. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties

under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

D. ENTIRE AGREEMENT.

This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT

STROOCK & STROOCK & LAVAN LLP

By: _____

Name: Michael Garnuso

Title: Partner

SPONSOR:

79 Laight Street, LLC

By: _____

Name: Mikhail Kurnev

Title: Manager

EXHIBIT "15"

FORM W-9

Form **W-9**
(Rev. November 1999)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do NOT send to the IRS.

Please print or type

Name (If a joint account or you changed your name, see **Specific Instructions** on page 2.)

Business name, if different from above. (See **Specific Instructions** on page 2.)

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ►

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Social security number

OR

Employer identification number

List account number(s) here (optional)

Part II

For Payees Exempt From Backup Withholding (See the instructions on page 2.)

►

Part III Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding.

Certification instructions. You must cross out item **2** above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item **2** does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here Signature ► Date ►

Purpose of form. A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9, if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are an exempt payee.

If you are a foreign person, IRS **prefers** you use a Form W-8 (certificate of foreign status). After December 31, 2000, foreign persons **must** use an appropriate Form W-8.

Note: *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive **will** be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

EXHIBIT "16"

FORM W-8 BEN
CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER
OF UNIT STATES TAX WITHHOLDING

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

► Section references are to the Internal Revenue Code. ► See separate instructions.
► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:

	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust
☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization
☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate. | Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income):.....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
- The beneficial owner is not a U.S. person.
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ► ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) | ..... Date (MM-DD-YYYY) | ..... Capacity in which acting

EXHIBIT "17"

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

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

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

Re: _____
Address of Building or
Name of Project

File Number: _____

_____

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

1. Name of Applicant

2. Address of Applicant

3. Name, Address, and Telephone Number of Applicant's Attorney (if any)

4. This is an application for
   - ☐ Return of down payment
   - ☐ Forfeiture of down payment
   - ☐ Other _____

5. The project is
   - ☐ A conversion of occupied premises.
   - ☐ Newly constructed or rehabilitated.
   - ☐ Vacant (as is).

6. The project is structured as
   - ☐ A cooperative.
   - ☐ A condominium.
   - ☐ A homeowners association.
   - ☐ A time share.
   - ☐ Other: _____

7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If down payments are maintained in an escrow account:

   (a) Name of Account _____

   (b) Name and address of bank _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If down payments have been secured by bonds:

   (a) Name and address of bond issuer or surety: _____

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

11. If down payments have been secured by a letter of credit:

   (a) Name and address of bank which issued the letter of credit:

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

12. Plan information:

   (a) Date of filing of plan: _____

   (b) Plan

   ☐ has been declared effective. Approximate date: _____

   ☐ has not been declared effective.

(c) If effective, the plan

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

☐ has not closed.

☐ don't know.

(d) Down payments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

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

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

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

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

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

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

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

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

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

Signature: _____ Date _____

Name (Printed): _____

Telephone: (Home): _____ (Business): _____

Mailing Address: _____

EXHIBIT "18"

RPL §339-kk

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§ 3. The real property law is amended by adding a new section 339-kk to read as follows:
§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.
(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.
(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.
(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.
(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

CHAP. 422

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

EXHIBIT "19"

SPECIMEN TITLE POLICY

ISSUED BY
COMMONWEALTH LAND TITLE INSURANCE COMPANY

Commonwealth

OWNER'S POLICY OF TITLE INSURANCE

SPECIMEN

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Pennsylvania corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

IN WITNESS WHEREOF, COMMONWEALTH LAND TITLE INSURANCE COMPANY has caused its corporate name and seal to be hereunto affixed by its duly authorized officers, the Policy to become valid when countersigned by an authorized officer or agent of the Company.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Attest: James J. D. Lynch Jr.
Secretary

COMMONWEALTH LAND TITLE INSURANCE COMPANY — CORPORATE SEAL — PENNSYLVANIA

By:
President

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the affect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:

   (a) created, suffered, assumed or agreed to by the insured claimant;

   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

   (c) resulting in no loss or damage to the insured claimant;

   (d) attaching or created subsequent to Date of Policy; or

   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

   (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or

   (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:

      (i) to timely record the instrument of transfer; or

      (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right , title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a) (iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company's rights are prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

SPECIMEN

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company , the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine , inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgement of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following options:

(a)To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of paymant or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

Conditions and Stipulations Continued Inside Cover

CONTROL NO. 206-120156

Commonwealth

COMMONWEALTH LAND TITLE INSURANCE COMPANY

SCHEDULE A

Amount of Insurance: $_____ **Policy/Title No.** NY991759

Date of Policy: _____

SPECIMEN

1. **Name of Insured:** _____

2. **The estate or interest in the land which is covered by this policy is:**

   Fee Simple

3. **Title to the estate or interest in the land is vested in the Insured by means of:**

   Deed from 79 Laight Street LLC -to- _____ , dated _____ and recorded on _____ in Reel ____ Page ____.

4. **The land referred to in this policy is described on the annexed schedule.**

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Countersigned:_____
Authorized Officer or Agent

Valid Only if Schedule B and Cover Are Attached

Policy/Title No. NY991759

SCHEDULE A - ITEM 4 SPECIMEN

The Condominium Unit (the "Unit") in the Building known as _____ located at and known as and by street number 79 Laight Street in New York, New York), designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said Building and the land upon which it is situate under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded _____ in the Office of the Register of the City of New York, County of New York in Reel _____ Page _____, said Unit also being designated as Tax Lot ____ in Block 217 of Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the said Building, certified by _____, on _____ and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ and also find in the City Register's Office on _____ as Condominium Map No. _____.

TOGETHER with an undivided _____ percent interest in Common Elements of the Condominium as described in the Declaration.

The land upon which the Building containing the Unit is situate is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of Laight Street and the easterly side of West Street;

RUNNING THENCE southerly along the easterly side of West Street, 62 feet 10 inches to a point distant 116 feet 6-1/2 inches northerly from the corner formed by the intersection of the easterly side of West Street and the northerly side of Hubert Street, measured along the easterly side of West Street;

THENCE easterly in a straight line and through a party wall or party walls, 226 feet 8-1/2 inches to the westerly side of Washington Street at a point therein distant 116 feet 4 inches northerly from the northerly side of Hubert Street measured along the westerly side of Washington Street;

THENCE northerly along the westerly side of Washington Street, 62 feet 1/2 of an inch to the southerly side of Laight Street;

THENCE westerly along the southerly side of Laight Street, 225 feet 1-1/4 inches to the easterly side of West Street, the corner aforesaid, the point or place of BEGINNING.

Policy/Title No. NY991759

SPECIMEN

SCHEDULE B
Exceptions from Coverage

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of the following:

1. Any state of facts which an accurate Survey of the building and the unit would show, but policy insures that any encroachments by the Insured Unit on any adjoining Unit or on common areas may remain undisturbed as long as it shall stand.

2. Covenants, conditions, easements, agreements of records, etc., as follows:

   a. The premises have been designated as part of the Tribeca North Historic District by Notice of Designation recorded in Reel 1962 Page 253 and are therefore subject to the restricted use as set forth in the New York City Charter and in the Administrative Code of the City of New York.

3. Terms, covenants and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded on _____ in Reel ____ Page ____, but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law.

Commonwealth

COMMONWEALTH LAND TITLE INSURANCE COMPANY

File/Policy No. NY991759

STANDARD NEW YORK ENDORSEMENT (OWNER'S POLICY)

1. The following is added to the insuring provisions on the face page of this policy:

   "5. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. The following is added to Paragraph 7 of the Conditions and Stipulations of this policy:

   "(d) If the recording date of the instruments creating the insured interest is later than the policy date, such policy shall also cover intervening liens or incumbrances, except real estate taxes, assessments, water charges and sewer rents."

Nothing herein contained shall be construed as extending or changing the effective date of the policy unless otherwise expressly stated.

SPECIMEN

IN WITNESS WHEREOF the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the __ day of _____.

Countersigned

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: Janet A. Alpert
President

Attest Wm. Chadwick Perrine
Secretary

By _____
Authorized Officer or Agent

STANDARD NEW YORK ENDORSEMENT (9/1/93)
FOR USE WITH ALTA OWNER'S POLICY (10-17-92)

CONDITIONS AND STIPULATIONS

(Continued)

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

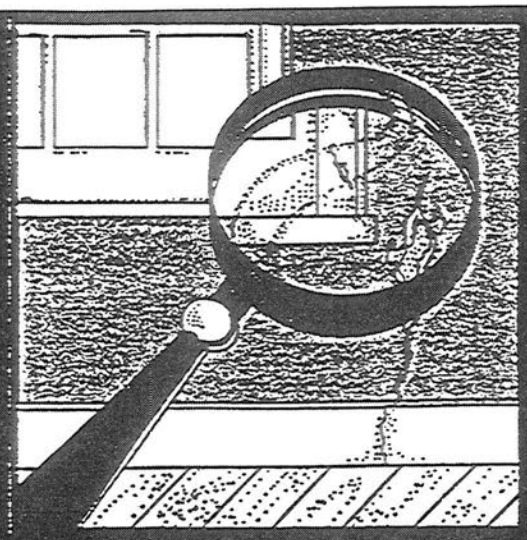
17. NOTICES, WHERE SENT.

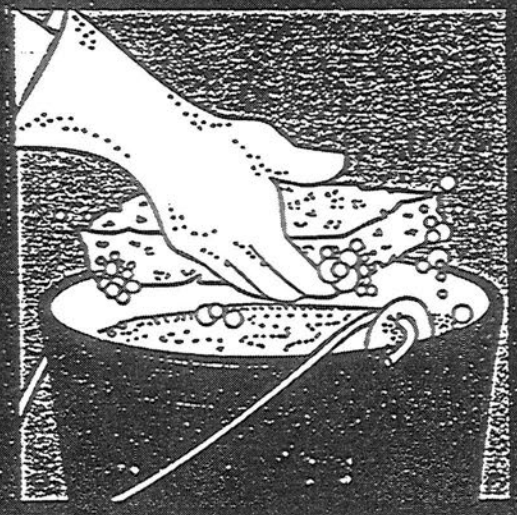
All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to COMMONWEALTH LAND TITLE INSURANCE COMPANY, 1700 Market Street, Philadelphia, PA 19103-3990.

SPECIMEN

EXHIBIT "20"

LEAD BASED PAINT BOOKLET





Protect Your Family From Lead in Your Home

EPA
United States
Environmental Protection
Agency

United States Consumer
Product Safety Commission

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

EPA747-K-94-001
May 1995

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

By 1996, federal law will require that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS will have to disclose known information on lead-based paint hazards before leases take effect. Leases will include a federal form about lead-based paint.

SELLERS will have to disclose known information on lead-based paint hazards before selling a house. Sales contracts will include a federal form about lead-based paint in the building. Buyers will have up to 10 days to check for lead hazards.

RENOVATORS will have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at **1-800-424-LEAD.**

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IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children that seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips with lead in them.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

1 out of every 11 children in the United States has dangerous levels of lead in the blood-stream.

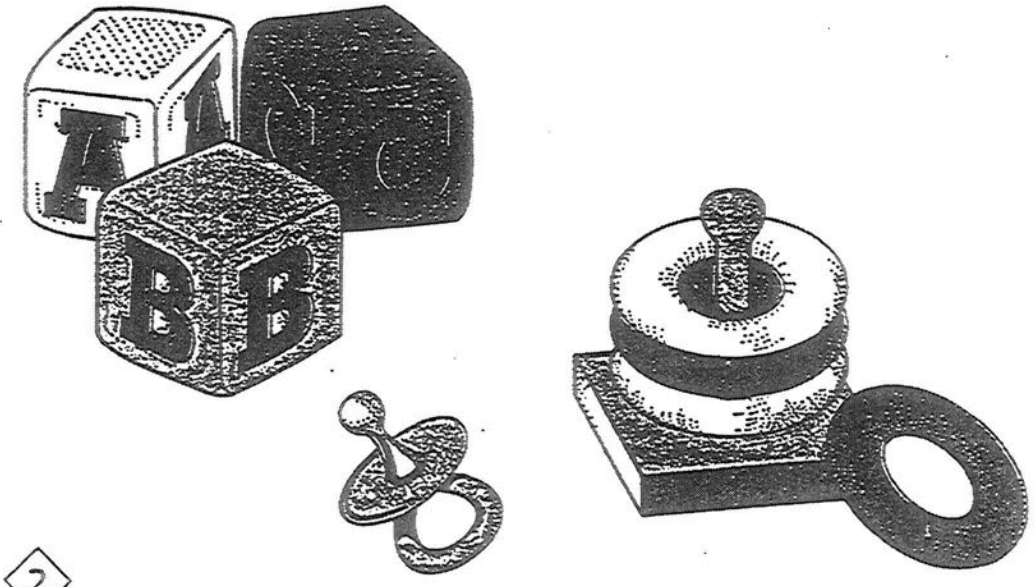
Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.
- Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- Children's growing bodies absorb more lead.
- Children's brains and nervous systems are more sensitive to the damaging effects of lead.



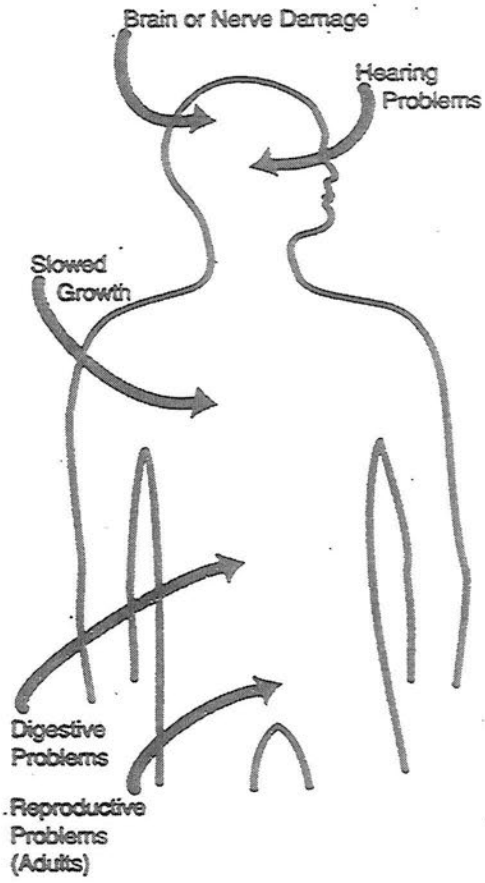
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

Checking Your Family for Lead

Get your children tested if you think your home has high levels of lead.

A simple blood test can detect high levels of lead. Blood tests are important for:

- Children who are 6 months to 1 year old (6 months if you live in an older home with cracking or peeling paint).
- Family members that you think might have high levels of lead.

If your child is older than 1 year, talk to your doctor about whether your child needs testing.

Your doctor or health center can do blood tests. They are inexpensive and sometimes free. Your doctor will explain what the test results mean. *Treatment can range from changes in your diet to medication or a hospital stay.*

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint, or other sources such as past use of leaded gas in cars.)

Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

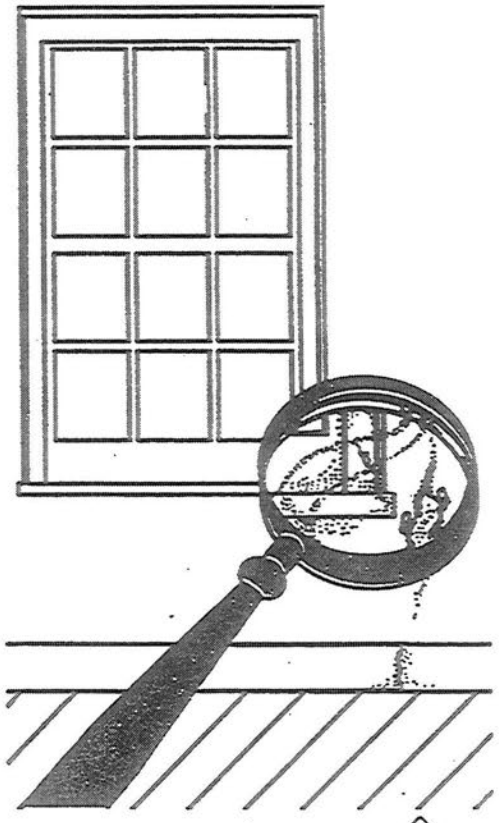
Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 12) to find out about soil testing for lead.



Checking Your Home for Lead Hazards

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- A paint **inspection** tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place.* Call your state agency for help with locating qualified professionals in your area (see page 12).

Trained professionals use a range of methods when checking your home, including:

- Visual inspection of paint condition and location.
- Lab tests of paint samples.
- Surface dust tests.
- A portable x-ray fluorescence machine.

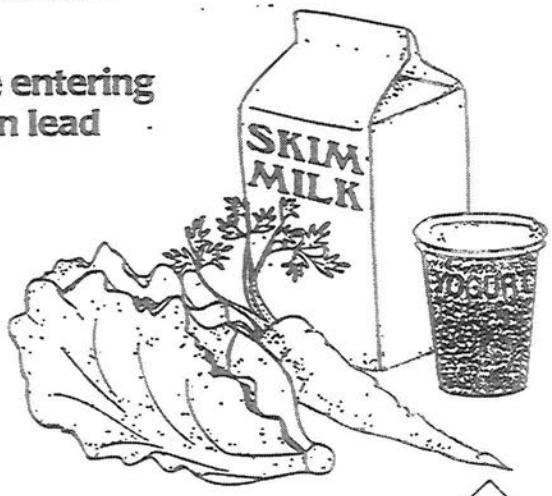
Home test kits for lead are available, but recent studies suggest that they are not always accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- If you rent, notify your landlord of peeling or chipping paint.
- Clean up paint chips immediately.
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.

- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and low-fat dairy products. Children with good diets absorb less lead.



Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):

- **Have the area tested for lead-based paint.**
- **Do not use a dry scraper, belt-sander, propane torch, or heat gun** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

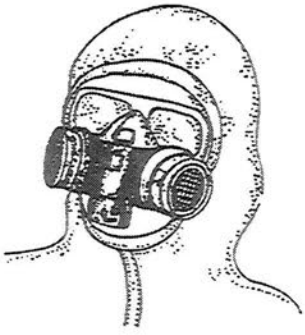
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 12) for help with locating qualified contractors in your area and to see if financial assistance is available.

For More Information

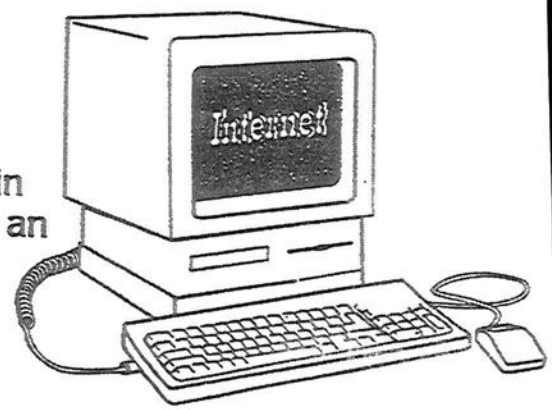
The National Lead Information Center

Call **1-800-LEAD-FYI** to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at **1-800-424-LEAD.** For the hearing impaired, call, **TDD 1-800-526-5456** (FAX: **202-659-1192,** Internet: **EHC@CAIS.COM**).

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

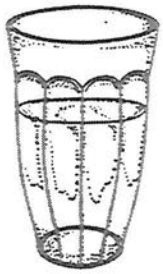


Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772.** (Internet: info@cpsc.gov). For the hearing impaired, call **TDD 1-800-638-8270.**

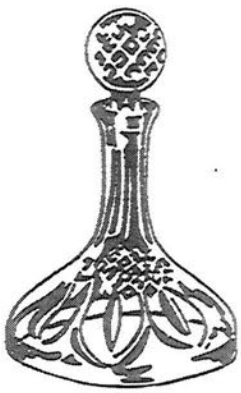
Local Sources of Information

Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your clothes separately from the rest of your family's.
- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.



EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
John F. Kennedy Federal Building
One Congress Street
Boston, MA 02203
(617) 565-3420

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Building 5
2890 Woodbridge Avenue
Edison, NJ 08837-3679
(908) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-9800

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
345 Courtland Street, NE
Atlanta, GA 30365
(404) 347-4727

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
77 West Jackson Boulevard
Chicago, IL 60604-3590
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
First Interstate Bank Tower
1445 Ross Avenue, 12th Floor, Suite 12
Dallas, TX 75202-2733
(214) 665-7244

Region 7 (Iowa, Kansas, Missouri, Nebraska)
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
999 18th Street, Suite 500
Denver, CO 80202-2405
(303) 293-1603

Region 9 (Arizona, California, Hawaii, Nevada)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska)
1200 Sixth Avenue
Seattle, WA 98101
(206) 553-1200

CPSC Regional Offices

Eastern Regional Center
6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

Central Regional Center
230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

Western Regional Center
600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

State Health and Environmental Agencies

Some cities and states have their own rules for lead-based paint activities. Check with your state agency (listed below) to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards.

State/Region	Phone Number
Alabama	(205) 242-5661
Alaska	(907) 465-5152
Arkansas	(501) 661-2534
Arizona	(602) 542-7307
California	(510) 450-2424
Colorado	(303) 692-3012
Connecticut	(203) 566-5808
Washington, DC	(202) 727-9850
Delaware	(302) 739-4735
Florida	(904) 488-3385
Georgia	(404) 657-6514
Hawaii	(808) 832-5860
Idaho	(208) 332-5544
Illinois	(800) 545-2200
Indiana	(317) 382-6662
Iowa	(800) 972-2026
Kansas	(913) 296-0189
Kentucky	(502) 564-2154
Louisiana	(504) 765-0219
Massachusetts	(800) 532-9571
Maryland	(410) 631-3859
Maine	(207) 287-4311
Michigan	(517) 335-8885
Minnesota	(612) 627-5498
Mississippi	(601) 960-7463
Missouri	(314) 526-4911
Montana	(406) 444-3671
Nebraska	(402) 471-2451
Nevada	(702) 687-6615
New Hampshire	(603) 271-4507
New Jersey	(609) 633-2043
New Mexico	(505) 841-8024
New York	(800) 458-1158
North Carolina	(919) 715-3293
North Dakota	(701) 328-5188
Ohio	(614) 466-1450
Oklahoma	(405) 271-5220
Oregon	(503) 248-5240
Pennsylvania	(717) 782-2884
Rhode Island	(401) 277-3424
South Carolina	(803) 935-7945
South Dakota	(605) 773-3153
Tennessee	(615) 741-5683
Texas	(512) 834-6600
Utah	(801) 536-4000
Vermont	(802) 863-7231
Virginia	(800) 523-4019
Washington	(206) 753-2556
West Virginia	(304) 558-2981
Wisconsin	(608) 266-5885
Wyoming	(307) 777-7391

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

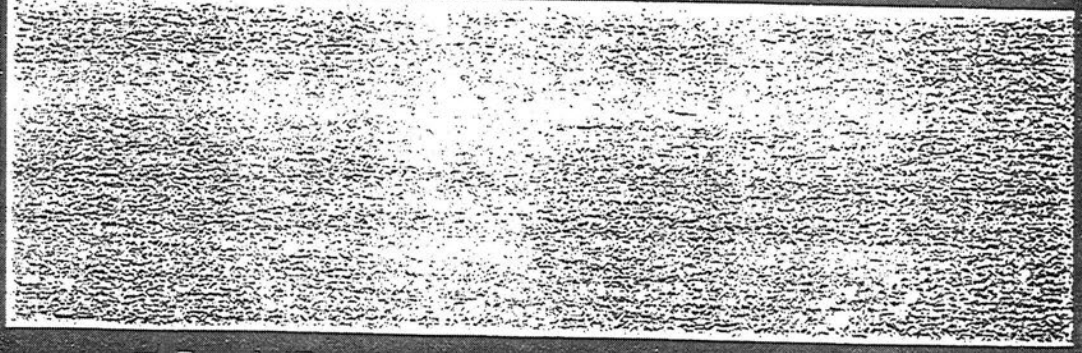


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EXHIBIT "21"

DECLARATION OF RESTRICTIONS

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79 LAIGHT STREET LLC

DECLARATION

Dated: May 15, 2001

Location: Block 217 Lot 6
New York County, New York

Record & Return to:

Boris Saks, Esq.
Graubard Miller
600 Third Avenue
New York, New York 10016

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DECLARATION

DECLARATION made as of the 15th day of May, 2001 by 79 LAIGHT STREET LLC, c/o Coral Realty LLC, 400 Broome Street, New York, New York 10013 (the "Declarant"):

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of certain real property located in the Borough of Manhattan, City, County and State of New York, which property is designated as Block 217, Lot 6 on the Tax Map of the City of New York and by the street address 79 Laight Street, and is more particularly described on Exhibit A attached hereto (the "Subject Property") and on which is located a five and six story building;

WHEREAS, Declarant proposes to renovate the Designated Structure;

WHEREAS, the Subject Property together with the Designated Structure(s) constitute(s) the Subject Premises (the "Subject Premises"); and

WHEREAS, Chicago Title Insurance Company, a title company, has certified as of February 21, 2001 that Declarant is the sole party in interest ("Party in Interest"), as that term is defined in the zoning lot definition in Section 12-10 of the Zoning Resolution of the City of New York (the "Zoning Resolution"), to the Subject Premises, a copy of which certification is attached hereto as Exhibit B; and

WHEREAS, all Parties in Interest to the Subject Property have executed this Declaration or waived their rights to execute this Declaration;

WHEREAS, as of the date hereof, Chicago Title Insurance Company has determined there has been no change in the certification attached as Exhibit B and Declarant represents and warrants that the Parties in Interest listed in Exhibit B are the only known Parties in Interest in the Subject Premises as of the date hereof; and

WHEREAS, pursuant to the provisions of Section 3020 of the New York City Charter and Title 25 Chapter 3 of the Administrative Code of the City of New York (the "Landmark Preservation Law"), the Landmarks Preservation Commission (the "LPC") has designated an area which includes the Designated Structure(s) as the Tribeca Historic District because of its special character or historical or aesthetic interest or value; and

WHEREAS, Declarant at the public hearings and public meetings on May 2 and September 12, 2000 requested the LPC issue a report to the City Planning Commission of the City of New York (the "CPC") for an application under Section 111-23 of the Zoning Resolution for an authorization (the "Authorization") to modify Sections 111-101 and 111-103(b) of the Zoning Resolution, with respect to conforming uses within Area B2 of the Special Lower Manhattan Mixed Use District with an M1-5 zoning, to allow for the renovation and conversion of the subject premises into loft dwellings; and

WHEREAS, at the public meeting on October 17, 2000, following said public hearings and meetings, the LPC voted to issue the report to the CPC as requested for the authorization application (the "Application"), and to grant a Certificate of Appropriateness ("C of A"), which allows the alteration of the Designated Structure in the Tribeca Historic District in accordance with Section 25-307 of the Administrative Code of the City of New York. A copy of the C of A is annexed hereto as Exhibit C; and

WHEREAS, Section 111-23 requires, inter alia, that a program has been established for continuing maintenance (the "Continuing Maintenance Program") that will result in preservation of the Designated Structure by Declarant; and

WHEREAS, Declarant has agreed to certain obligations and restrictions contained in this Declaration for the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant desires to restrict the manner in which the Subject Premises may be developed, restored, and operated in order to assure the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant represents and warrants that there are no restrictions, liens, obligations, covenants, easements, limitations or encumbrances of any kind, the requirements of which have not been waived or subordinated, which would prevent or preclude, presently or potentially, the imposition of the restrictions, covenants, obligations, easements and agreements of this Declaration;

NOW, THEREFORE, Declarant does hereby declare and agree that the Subject Premises shall be held, sold, transferred, conveyed and occupied subject to the following restrictions, covenants, obligations, easements, and agreements, all of which are for the purpose of protecting the Subject Premises, which shall inure to the benefit of the City of New York, and which shall run with the Subject Premises and bind Declarant and its heirs, successors and assigns so long as they have a right, title or interest in the Subject Premises or any part thereof.

ARTICLE I.

DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

1.1 "Application" shall mean the application to the City Planning Commission for the Special Permit.

1.2 "Buildings Department" shall mean the New York City Department of Buildings, or any successor to the jurisdiction thereof.

1.3 "Chairperson of the CPC" shall mean the Chairperson of the City Planning Commission of the City of New York or any successor to the jurisdiction thereof.

1.4 "Chairperson of the LPC" shall mean the Chairperson of the Landmarks Preservation Commission of the City of New York or any successor to the jurisdiction thereof.

1.5 "City" shall mean the City of New York.

1.6 "City Council" shall mean the New York City Council or any successor to the jurisdiction thereof.

1.7 "CPC" shall mean the New York City Planning Commission, or any successor to the jurisdiction thereof.

1.8 "Declarant" shall mean the named Declarant and the heirs, successors and assigns of the named Declarant including, without limitation, any owner of a condominium unit within the Designated Structure, except that Declarant shall not be deemed to include (i) a mortgagee of all or any portion of the Subject Property until it succeeds to the interest or obligation of Declarant by purchase, assignment, foreclosure or otherwise, or (ii) a tenant of the Subject Premises, unless such tenant holds a lease to all or substantially all of the Subject Premises.

1.9 "DCP" shall mean the New York City Department of City Planning or any successor to the jurisdiction thereof.

1.10 "Designated Structure" shall mean the five and six story structure located on Tax Block 217, Lot 6 in Manhattan, which is a contributing structure in the Tribeca Historic District.

1.11 "Force Majeure" shall mean: (a) strike, lockout or labor dispute(s); (b) inability to obtain materials or reasonable substitutes therefor unless due to any act or failure to act by Declarant; (c) acts of God; (d) unforeseen governmental restrictions, regulations, omissions or controls; (e) enemy or hostile government actions; (f) civil commotion, insurrection, revolution or sabotage; (g) fire or other casualty; (h) inclement weather of such a nature as to make performance or completion of the Landmark Work not feasible unless due to any act or failure to act by Declarant; (i) any damage to the Subject Premises of such a nature as to make completion of the Landmark Work not feasible; (j) a taking of the Subject Premises, or a portion thereof, by condemnation or eminent domain; (k) failure of a public utility to provide power, heat or light; (l) unusual delay in transportation; (m) material delays by the City, State or United States Government, or any agency or instrumentality thereof, in the performance of any work or processing or approval of any applications required in order to permit Declarant to carry out its obligations pursuant to this Declaration unless due to any act or failure to act by Declarant; (n) denial to Declarant by any owner of an enforceable interest in adjoining real property, including any private fee

owner or ground lessee of adjoining real property, or any agency of the City or State having an enforceable interest in adjoining real property, including sidewalk or streets, of a right to access to such adjoining real property, if such access is required to accomplish the obligations of the Declarant pursuant to this Declaration; (o) the pendency of a litigation not initiated by Declarant or similar proceeding which suspends or materially and adversely affects the ability of the Declarant to accomplish the obligations of the Declarant pursuant to this Declaration; or (p) other conditions similar in character to the foregoing which are beyond the control of Declarant. No event shall constitute a Force Majeure unless Declarant complies with the procedures set forth in Sections 2.1 and 6.2 hereof.

1.12 "Landmark Work" shall refer to the restoration work on the Designated Structure as described in the C of A which is attached hereto as Exhibit C.

1.13 "LPC" shall mean the Landmarks Preservation Commission of New York City or any successor to the jurisdiction thereof.

1.14 "Mortgagee" shall mean (a) the institutional first mortgagee of all or substantially all of the Subject Premises listed in Exhibit B or (b) the first mortgagee of a condominium unit within the Designated Structure.

1.15 "Party(ies) in Interest" shall mean any party-in-interest listed in Exhibit B and any other party-in-interest to the Subject Premises who has given written notice of its name and address to the CPC and the LPC.

1.16 "Authorization" shall mean the authorization described on page 2 hereof.

1.17 "Authorization Use" shall mean loft dwellings and accessory residential uses. Notwithstanding the foregoing, no use shall be deemed an Authorization Use if it is permitted as-of-right within the Subject Premises by the terms of the Zoning Resolution then in effect.

1.18 "Zoning Resolution" shall mean the Zoning Resolution of the City of New York.

ARTICLE II.

DEVELOPMENT, PRESERVATION, REPAIR AND MAINTENANCE OF THE SUBJECT PROPERTY

2.1 Certificate of Occupancy. (q) The issuance of the Authorization is premised on, inter alia, the performance of the construction of the following restoration work on the Designated Structure in conformity with the C of A, Docket No. 013448, and the requirements thereof (which restoration work shall be referred to as the "Landmark Work"):

(i) Exterior Masonry: cleaning the brick facade; replacing required masonry materials to match original; repointing mortar to match original as per mortar analysis; painting the building address on masonry.

(ii) Bays and Storefronts: restoring the storefronts by removing concrete steps, restoring original openings, fitting the openings with historically appropriate doors, windows and transoms, and painting the doors, windows and transoms with historic colors as per paint analysis; removing the existing signage; painting signage on glass; installing light fixtures at the entrances; installing interior electronic security system and/or interior security gate; restoring original canopies; excavating and restoring original areaway.

(iii) Windows: restoring and replacing, where required, windows to match original material, finish and operation; painting windows with historic color as per paint analysis; restoring or replacing metal shutters as required, restoring or replacing stone sills where required.

(iv) Cornice: restoring or replacing copper coping as required.

(v) Roof: reconstructing and repairing roof surfaces, parapet walls and bulkheads; removing existing bulkheads and chimney; constructing penthouse addition and boiler flue.

(q) No temporary certificate of occupancy ("TCO") or permanent certificate of occupancy ("PCO") which permits an Authorization Use shall be granted by the Buildings Department or accepted by Declarant until the Chairperson of the LPC shall have given written notice to the Buildings Department that (i) the Landmark Work has been satisfactorily completed by Declarant or (ii) the Chairperson of the LPC has certified in writing, as provided in Section 2.1(d) hereof, that (a) a Force Majeure has occurred and (b) the Chairperson of the LPC has no objection to the issuance of a TCO or PCO for, as appropriate, all or part of the Subject Property. The Chairperson of the LPC shall issue said notice reasonably promptly after Declarant has made written request to the Chairperson of the LPC and has provided documentation to support such request, and the Chairperson of the LPC shall in all events endeavor to issue such written notice to the Buildings Department, or inform Declarant in writing of the reason for not issuing said notice, within twenty-one (21) calendar days after Declarant has requested such written notice. Upon receipt of the written notice from the Chairperson of the LPC that (i) the Landmark Work has been satisfactorily completed or (ii) the Chairperson of the LPC has certified that a Force Majeure has occurred and that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO, the Buildings Department may grant, and Declarant may accept, a TCO or PCO for the Designated Structure.

(c) Declarant shall permit inspection of the Designated Structure by the Chairperson of the LPC and representatives designated by the Chairperson of the LPC in connection with the notice described in Section 2.1(b) hereof.

(d) (i) Upon application by Declarant, notwithstanding anything contained in any other provision of this Declaration, the Chairperson of the LPC, in the exercise of his or her reasonable judgment, may certify that the performance or completion of the Landmark Work is delayed due to a Force Majeure as provided in paragraph (ii) below.

(ii) In the event that Declarant reasonably believes that full performance of its obligations to complete the Landmark Work has been delayed as a result of a Force Majeure, Declarant shall so

notify the Chairperson of the LPC as soon as Declarant learns of such circumstances. Declarant's written notice shall include a description of the condition or event, its cause (if known to Declarant), its probable duration, and in Declarant's reasonable judgment, the impact it is reasonably anticipated to have on the completion of the Landmark Work. The Chairperson of the LPC shall, within twenty-one (21) calendar days of its receipt of Declarant's written notice, (A) certify in writing that a Force Majeure has occurred, including a determination of the expected duration of such delay (the "Delay Notice"), and grant Declarant appropriate relief for such delay, including certifying in writing to the Buildings Department that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO for, as appropriate, all or part of the Subject Property, or (B) notify Declarant that it does not reasonably believe a Force Majeure has occurred. With respect to any claim that a Force Majeure has delayed the Declarant's performance or completion of the Landmark Work, the LPC may require that Declarant post a bond or other security in a form and amount acceptable to the Chairperson of the LPC in order to ensure that the Landmark Work is completed. Such alternative security could include, without limitation, alternative or additional conditions on the issuance of any PCO or TCO. Any delay caused as the result of a Force Majeure shall be deemed to continue only as long as the Declarant shall be using reasonable efforts to minimize the effects thereof. Upon cessation of the events causing such delay, the Declarant shall promptly recommence the Landmark Work.

(e) Notwithstanding anything else to the contrary contained herein, this Declaration shall not be deemed to prohibit or restrict Declarant from (i) applying for or receiving a TCO or a PCO for any floor area in the Designated Structure which is not to be used for an Authorization Use; or (ii) obtaining permits or building notices from the Building's Department to perform work, including tenant work, in the Designated Structure prior to the completion of the Landmark Work; or (iii) entering into agreements affecting all or any portions of the space in the Designated Structure prior to completion of the Landmark Work.

2.2 Preservation, Repair and Maintenance. Declarant hereby covenants and agrees to preserve, repair and maintain the Designated Structure in sound first-class condition, at its own cost and expense, in accordance with this Declaration, the C of A and the Landmarks Preservation Law. It is understood that certain obligations and duties set forth in this Declaration are above and beyond the requirements of the Landmarks Preservation Law and do not in any way diminish Declarant's obligation and responsibility to comply with all provisions of the Landmarks Preservation Law.

2.3 Continuing Maintenance Program. Declarant shall comply with the obligations and restrictions of the continuing maintenance program (the "Continuing Maintenance Program") as set forth below:

(a) Periodic Inspections. Declarant shall establish and carry out a cyclical inspection and maintenance program for the Designated Structure which shall include, without limitation, the following:

(i) At Declarant's expense, an inspection (the "Periodic Inspection") shall be made every five years, on or within two weeks of the anniversary of the issuance by the LPC of the Notice of Compliance pursuant to the C of A , and thereafter, shall be made on or within every five years from the date of such initial inspection. In the event that Declarant has accepted a TCO or a PCO that permits a special permit use without having first received the Notice of Compliance, the first periodic inspection shall be made on or within the fifth anniversary date of the issuance of such TCO or PCO and every five years thereafter. The Periodic Inspection shall be done by a preservation architect, engineer or other qualified person knowledgeable about the preservation of historic structures (the "Preservation Architect") selected by Declarant from a list prepared by Declarant and approved by the Chairperson of the LPC as to their credentials, which approval shall not be unreasonably withheld or delayed. Declarant shall update such listing upon the request of the Chairperson of the LPC. In addition, Declarant may periodically supplement the list of Preservation Architects, subject to the approval of the Chairperson of the LPC as to their credentials. The Preservation Architect

shall make a thorough inspection of the exterior of the Designated Structure and those portions of the interior which, if not properly maintained, could affect the condition of the exterior. The Periodic Inspection shall include (but not be limited to) the following portions of the Designated Structure: windows; transoms, fixtures and doors at building entrances; repaved areaway; planks spanning the areaway at entrance locations; posts and chains delineating the areaway; building identification signage at the Laight, Washington and West Street elevations; chimneys; rebuilt sloped roof; cooling tower, elevator bulkheads and railings on roof top; roof top addition and building facade.

(ii) The Preservation Architect shall, at the expense of Declarant, submit a report on each Periodic Inspection (the "Periodic Report") to Declarant and the LPC within 45 days after each Periodic Inspection. The Periodic Report shall outline the existing conditions of the Designated Structure and detail the work which should be performed in order to maintain the Designated Structure, including all architectural features and elements, in a sound first-class condition, including but not limited to caulking, painting, cleaning, repair of architectural features and elements, checking for rust and repointing of masonry.

(iii) Submission of Local Law 10 & 11 Facade Inspection Report. If the Designated Structure is subject to the Facade Inspection Report requirements of Title 1 RCNY §32-03 et seq., a copy of any such Facade Inspection Report which is submitted to the New York City Department of Buildings, shall also be provided at the same time to the Landmarks Preservation Commission. In the event that the building is found to be unsafe pursuant to such inspection, the declarant shall notify the Landmarks Preservation Commission simultaneously with the owner and the Department of Buildings, pursuant to Title 1 RCNY §32-03(b)(2)(vii).

(iv) Except as set forth below, Declarant shall perform all work which a Periodic Report, Facade Inspection Report or Emergency Incident Report (as defined below) identifies as necessary to maintain the Designated Structure, including architectural features and elements, in sound first-class condition. No work shall be performed except pursuant to a permit from the LPC if a

permit is required under the Landmarks Preservation Law. If the LPC determines that a specific item of work or method of work as set forth in a Periodic Report or Emergency Incident Report would be inappropriate or inadequate, the determination of the LPC shall control and Declarant need not and shall not have such specific item performed. Declarant shall have the right to contest in a hearing before the LPC any work called for in a Periodic Report or Emergency Incident Report. Declarant's obligation to perform such contested work or to perform it by a method acceptable to the LPC shall be stayed pending a decision in any such proceeding at the LPC. Declarant shall proceed with all work which is uncontested during the stay pursuant to a permit.

(v) Unless Declarant has notified the LPC in writing that it contests any work as set forth in the preceding paragraph, Declarant shall apply for all necessary permits or certificates from the LPC within 45 days of receiving the completed report from the Preservation Architect. Declarant shall use its best efforts to assure that all repairs, rehabilitation, repointing and restoration work detailed in the Periodic Report or Emergency Incident Report shall be completed at the earliest possible date, but no later than within nine months of the date of issue of the certificate or permit from the LPC, or, if no such certificate or permit is required, within nine months of the date of the Periodic Report or Emergency Incident Report. If for reasons beyond Declarant's control, as determined by the Chairperson of the LPC, such work cannot be completed within nine months, Declarant shall apply to the LPC for an extension of time within which to complete such work. Such extensions shall be for a stated additional period of time to be related to the period of delay and shall not be unreasonably withheld.

(b) Emergency Protection Program. Declarant shall establish and be prepared to carry out an emergency protection program for the Designated Structure which shall include at the minimum, the following:

(i) If a fire, the elements or any other cause whatsoever damages or destroys the Designated Structure or any part thereof (the "Emergency Incident"), Declarant shall use all

reasonable means to save, protect and preserve the Designated Structure at the time of and following the Emergency Incident, including, but not limited to, acting with an approval from the Chairperson of the LPC or his or her designated representatives to stabilize and prevent further damage to or deterioration of the structure, and to secure the Subject Premises from unauthorized access. Declarant shall not remove from the Subject Premises any debris consisting of exterior features of the Designated Structure without an approval from the Chairperson of the LPC or his or her designated representative. Unless necessitated as a safety precaution as ordered by the Departments of Buildings, Health, Fire or Police, or as an action taken in response to a life-threatening situation, the Declarant shall not remove any other debris or otherwise clear the Subject Premises without the approval of the LPC or its Chairperson.

(ii) Declarant shall give immediate written notice of such Emergency Incident to the LPC. Declarant shall also give timely notice to the LPC of the time or times when the New York City Departments of Buildings, Health and Fire will inspect the Subject Premises following the Emergency Incident, in order that the LPC may have a representative present during such inspections.

(iii) Within sixty days of such Emergency Incident, a Preservation Architect shall, at the expense of Declarant, make a thorough inspection of the Designated Structure and submit a report (an "Emergency Incident Report") to Declarant and to the LPC outlining the condition of the structure, assessing the extent of damage, and recommending (A) work, if any, which must be undertaken immediately, upon receipt of proper permits, in order to stabilize and prevent further damage to the Designated Structure, and (B) work that should be performed to repair and restore the Designated Structure to a sound, first-class condition or, alternatively to (A) and (B), that Declarant make an application to the LPC for permission to demolish the remaining portions of the Designated Structure.

(iv) With regard to the work to be performed pursuant to subparagraph (iii)(A), Declarant shall immediately upon receipt of the Emergency Incident Report request and vigorously pursue all

necessary permits and upon their issuance, shall undertake all such work with alacrity. If no permits are required, work shall be undertaken as soon as possible after receipt of the Emergency Incident Report.

(iv) With regard to the work to be performed pursuant to subparagraph (iii)(B), within ninety days of receiving the report of the Preservation Architect, Declarant shall apply for all necessary permits and certificates from the LPC to repair and restore or to demolish. No work on the exterior of the Designated Structure, and no work on the interior of the Designated Structure which would affect the exterior or which would require the issuance of a permit from the Department of Buildings shall be performed except pursuant to a permit from the LPC. If the LPC determines that a recommendation to demolish or to perform a specific item of work or method of work set forth in the report would be inappropriate, using the criteria set forth in the Landmarks Preservation Law, the determination of the LPC shall control and the Declarant shall not have such specific work performed or be entitled to have the Designated Structure demolished unless Declarant is obligated to perform such work or demolish the structure in accordance with an "Unsafe Building Notice" issued by the Department of Buildings. All repair, restoration, rehabilitation, repointing, and other work provided for in a certificate or permit shall be completed within nine months of the date of issue of such certificate or permit by the LPC. If such work cannot be completed within nine months for reasons beyond Declarant's control, as determined by the Chairperson of the LPC, Declarant shall apply in writing to the LPC for an extension of time within which to complete such work. Such extensions shall be for a stated additional period of time which is related to the period of the delay and shall not be unreasonably withheld.

(r) Access to Designated Structure. Declarant agrees to provide access to the Designated Structure to the LPC and its designated representatives at reasonable times and upon reasonable written notice, except in cases of emergency, in which event the LPC or its representatives shall have access, if feasible, immediately and without notice, in order to insure that the preservation,

repair and maintenance of the Designated Structure is carried out in accordance with this Declaration.

(s) Failure to Perform. In the event that the preservation, repair, or maintenance of the Designated Structure is not performed in accordance with the provisions of this Article, the LPC shall give written notice of such failure to perform to the Declarant. In the event that Declarant, its successors or assigns, fails after sixty days from receipt of written notice from the LPC to perform or shall commence to perform but fail diligently to prosecute to completion, any such repair and/or maintenance, or any obligations of Declarant set forth in this Declaration, the City of New York may perform all of the necessary work at the sole cost and expense of the Declarant and shall have the right to enter onto the Subject Property and to charge said Declarant for all the actual cost of such work, together with actual administrative and legal fees incurred in the collection thereof. Such actual costs shall include, but not be limited to, payments by the City of New York to any lawyers, consultants, contractors, painters, engineers, architects and skilled artisans required to be hired to perform or supervise such work. To the extent such actual costs are expended by the City of New York, the LPC shall have a lien on the Subject Premises as if a lien had been filed, perfected and enforced for materials and labor under Article 2 of the Lien Law of the State of New York. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, Declarant's right to notice and cure provided in this subsection shall apply only to the condominium board and to any owner of space occupied by retail uses in the Designated Structure; provided that the LPC has received notice by said parties in accordance with Section 6.2.

ARTICLE III.

CONDOMINIUM BOARD

3.1 General. In the event that the Designated Structure is converted to a condominium in accordance with Article 9B of the New York State Real Property Law ("RPL"), the condominium board ("Board") shall have the responsibility to carry out all of Declarant's obligations and the

authority to exercise all of Declarant's rights under this Declaration and upon such assumption, 79 LAIGHT STREET LLC shall be released from its liability thereunder.

The following provisions of this Article 3 shall be operative only in the event that the Board is formed as described in this Section 3.1.

3.2 Board. The Board shall require that each owner of a condominium unit (the "Unit Owner") appoint the Board as his Attorney-in-Fact with respect to modification, amendment, or cancellation of the Declaration.

3.3 Condominium Declaration. Every deed conveying title to, or a partial interest in, the Subject Premises and every lease of all or substantially all of the Subject Premises shall contain a recital that the grantee is bound by the terms of the Condominium Declaration and By-laws which shall incorporate an obligation by the Board to comply with the provisions of Article 3 of this Declaration.

ARTICLE IV.

EFFECT AND ENFORCEMENT

4.1 Effective Date.

(t) This Declaration shall have no force and effect unless and until the occurrence of one of the following, to be referred to as the "Effective Date": (a) the expiration of 21 days after the Authorization has been approved pursuant to Section 111-23 of the Zoning Resolution. The Declaration shall become immediately effective upon the Effective Date. If, before the Effective Date, Declarant requests or causes the application for the Authorization to be withdrawn or abandoned, or if final action has been taken having the effect of denying the Authorization, then, upon notice to CPC and LPC, this Declaration shall not become effective, shall be automatically cancelled and shall be of no force and effect.

(u) If the Authorization is at any time declared invalid or is otherwise voided by final judgment of any court of competent jurisdiction from which no appeal can be taken or for which no appeal has

been taken within the applicable statutory period provided for such appeal, then, upon entry of said judgment or the expiration of the applicable statutory period for such entry, as the case may be, this Declaration shall be automatically canceled without further action by Declarant and shall be of no further force or effect and the CPC shall, if requested by Declarant, provide Declarant with a letter in recordable form stating that the Declaration has been so canceled and is of no further force and effect. In the event that Declarant has obtained a certificate of occupancy allowing any Authorization Use in the Designated Structure, Declarant shall promptly, after receipt of such letter, obtain a revised certificate of occupancy from the Buildings Department reflecting the cessation of any such Authorization Use in the Designated Structure.

4.2 Filing and Recording. Declarant shall file and record at its sole cost and expense this Declaration in the Register's Office, indexing it against the Subject Property, immediately upon the Effective Date. Declarant shall promptly deliver to the CPC and the LPC duplicate executed originals, promptly following the Effective Date and, following recordation, a true copy of this Declaration as recorded, as certified by the Register. If Declarant fails to so record this Declaration, the City may record this Declaration, at the sole cost and expense of Declarant, who shall promptly pay to the City such costs together with fees for purchase of a reasonable number of certified copies of the recorded Declaration.

4.3 Additional Remedies. Declarant acknowledges that the City is an interested party to this Declaration, and consents to enforcement by the City, administratively or at law or equity, of the restrictions, covenants, easements, obligations and agreements contained herein. Declarant also acknowledges that the remedies set forth in this Declaration are not exclusive, and that the City and any agency thereof may pursue other remedies not specifically set forth herein including, but not limited to, the seeking of a mandatory injunction compelling Declarant, its heirs, successors or assigns, to comply with any provision, whether major or minor, of this Declaration.

4.4 Notice and Cure. (a) Before any agency, department, commission or other subdivision of the City of New York institutes any proceeding or proceedings to enforce the terms or conditions of this Declaration because of any violation hereof, it shall give Declarant forty-five (45) days written notice of such alleged violation, during which period Declarant shall have the opportunity to effect a cure of such alleged violation. If Declarant commences to effect a cure during such forty-five (45) day period and proceeds diligently towards the effectuation of such cure, the aforesaid forty-five (45) day period shall be extended for so long as Declarant continues to proceed diligently with the effectuation of such cure. In the event that title to the Subject Premises, or any part thereof, shall become vested in more than one party, the right to notice and cure provided in this subsection shall apply equally to all parties with a fee interest in the Subject Property, or any part thereof, including ground lessees; provided the LPC has received notice by said parties in accordance with Section 6.2. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, the right to notice and cure provided in this subsection shall apply only to the condominium board and to any owner of space occupied by retail uses in the Designated Structure; provided that the LPC has received notice by said parties in accordance with Section 6.2.

(b) If Declarant fails to observe any of the terms or conditions of this Declaration, and the Declarant fails to cure such violation within the applicable grace period provided in subparagraph 4.4(a) of this Declaration, then prior to the institution by any agency or department of the City of any action, proceeding, or proceedings against Declarant in connection with such failure, a Mortgagee who has given written notice of its name and address to the CPC and the LPC shall be given thirty (30) days written notice of such alleged violation, during which period such Mortgagee shall have the opportunity to effect a cure of such alleged violation. If such Mortgagee commences to effect a cure during such thirty (30) day period and proceeds diligently towards the effectuation of such cure, the aforesaid thirty (30) day period shall be extended for so long as such Mortgagee continues to proceed diligently with the effectuation of such cure.

(v) If after due notice as set forth in this Section 4.4, Declarant and the Mortgagee fail to cure such alleged violations, the City may exercise any and all of its rights, including those delineated in this Section and may disapprove any amendment, modification, or cancellation of this Declaration on the sole grounds that Declarant is in default of any material obligation under this Declaration.

4.5 Acknowledgment of Covenants. Declarant acknowledges that the restrictions, covenants, easements. obligations and agreements in this Declaration, which are an integral part of the Authorization, will protect the value and desirability of the Subject Premises as well as benefit the City of New York and all property owners within a one-half mile radius of the Subject Premises. Those restrictions, covenants, easements, obligations and agreements shall be covenants running with the land, and shall bind Declarant and its successors, legal representatives, and assigns.

4.6 No Other Enforceable Restrictions. Declarant represents and warrants that there are no enforceable restrictions of record on the use of the Subject Property or the Designated Structure, nor any present or presently existing future estate or interests in the Subject Property or the Designated Structure, nor any lien, obligation, enforceable covenant, limitation or encumbrance of any kind which precludes, directly or indirectly, imposition on the Subject Premises of the restrictions, covenants, easements and obligations of this Declaration.

4.7 Governance. This Declaration shall be governed by and construed in accordance with the laws of the State of New York.

4.8 Severability. In the event that any provision of this Declaration shall be deemed, decreed, adjudged or determined to be invalid or unlawful by a court of competent jurisdiction and the judgment of such court shall be upheld on final appeal, or the time for further review of such judgment on appeal or by other proceeding has lapsed, such provision shall be severable, and the remainder of this Declaration shall continue to be of full force and effect.

4.9 Applicability to other City Agencies. Declarant covenants to include a copy of this Declaration as part of any application submitted to the LPC, CPC, Buildings Department, Board of Standards and Appeals ("BSA"), New York State Attorney General (in the event of a proposed conversion of the Designated Structure to condominium ownership) or any agency succeeding to their respective jurisdictions. The restrictions and obligations contained herein are a condition of any permit or Certificate of Occupancy to be issued by the Building Department and Declarant will take all reasonable steps to ensure that they are so listed. Failure to carry out such obligation beyond any applicable grace period shall constitute sufficient cause for the Commissioner of the Buildings Department to revoke any building permit issued pursuant to the Authorization or to apply to the BSA or to a court of competent jurisdiction for revocation of the Certificate of Occupancy or any permit issued by the Buildings Department.

4.10 Limitation of Liability. (a) Declarant shall be liable in the performance of any term, provision or covenant in this Declaration, subject to the following sentences and subject to Section 4.12 below. Notwithstanding anything to the contrary contained in this Declaration, the City and any other party or person relying on the Declaration will look solely to the fee estate and interest of Declarant in the Subject Property, on an in rem basis only, for the collection of any money judgment recovered against Declarant, and no other property of Declarant shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of the City or any other person or entity with respect to this Declaration, and Declarant shall have no personal liability under this Declaration. The liability of any Unit Owner under this Declaration shall be limited to the amount of such Unit Owner's prorated share, based on such Unit Owner's interest in the common elements of the Condominium, of the costs of compliance with this Declaration. For the purposes of this Section 4.10, "Declarant" shall mean "Declarant" as defined in Article I hereof, as well as any principals, disclosed or undisclosed, partners, affiliates, officers, employees, shareholders or directors of Declarant.

(b) The restrictions, covenants and agreements set forth in this Declaration shall be binding upon the Declarant and any successor-in-interest only for the period during which Declarant and any successor-in-interest is the holder of a fee interest in or is a party-in-interest of the Subject Premises and only to the extent of such fee interest or the interest rendering Declarant a party-in-interest. At such time as the named Declarant has no further fee interest in the Subject Premises and is no longer a party-in-interest of the Subject Premises, Declarant's obligations and liability with respect to this Declaration shall wholly cease and terminate from and after the conveyance of Declarant's interest and Declarant's successors-in-interest in the Subject Premises by acceptance of such conveyance automatically shall be deemed to assume Declarant's obligations and liabilities here-under to the extent of such successor-in-interest's interest.

4.11 Subordination. Declarant shall cause every individual, business organization or other entity that between the date hereof and the date of recordation of this Declaration becomes a Party-in-Interest to the Subject Property, to execute this Declaration or to subordinate such interest to the Declaration and waive its right to execution. Any mortgage or other lien encumbering the Subject Property after the recording date of this Declaration shall be subject and subordinate hereto.

4.12 Right to Convey. Nothing contained herein shall be construed as requiring the consent of the CPC, the LPC, the City, any agency thereof or any other person or entity to any sale, transfer, conveyance, mortgage, lease or assignment of any interest in the Subject Property or the Designated Structure.

ARTICLE V.

AMENDMENTS, MODIFICATIONS AND CANCELLATIONS

5.1 Amendment or Cancellation. Except as provided in paragraph 4.I above, this Declaration may be amended or cancelled only upon application by LPC on behalf of Declarant and only with the express written approval of the CPC, and no other approval or con-sent shall be

required from any public body, private person or legal entity of any kind; provided, however, that no such approval shall be required in the case of any cancellation pursuant to paragraph 5.4.

5.2 Minor Modification. The Chairperson of the LPC and the Chairperson of the CPC may, by express written consent, administratively approve modifications to the Declaration that the CPC has determined to be minor. Such minor modifications shall not be deemed amendments requiring the approval of the CPC, the LPC, the City Council or any other agency or department of the City of New York.

5.3 Recording and Filing. Any modification, amendment or cancellation of this Declaration, except pursuant to paragraph 5.4, shall be executed and recorded in the same manner as this Declaration. Following any modification, amendment or cancellation, Declarant shall immediately record it and provide one executed and certified true copy thereof to each of the CPC and the LPC and upon failure to so record, permit its recording by the CPC or the LPC at the cost and expense of Declarant.

5.4 Surrender or Nullification. In the event that Declarant does not use the Authorization Restricted Space pursuant to the Authorization, Declarant may surrender the Authorization to the CPC and proceed with any use permitted by the Zoning Resolution and in accordance with the Landmarks Preservation Law as if such Authorization had not been granted. This Declaration shall be rendered null and void upon recordation of an instrument filed by Declarant discharging it of record, with copies to LPC and CPC, the recordation of which instrument shall constitute a waiver of the right to use the Subject Property pursuant to the Authorization.

ARTICLE VI.

MISCELLANEOUS

6.1 Exhibits. Any and all exhibits, appendices, or attachments referred to herein are hereby incorporated fully and made an integral part of this Declaration by reference.

6.2 Notices. All notices, demands, requests, consents, waivers, approvals and other communications which may be or are permitted, desirable or required to be given, served or deemed to have been given or sent hereunder shall be in writing and shall be sent (w) if intended for Declarant to 79 LAIGHT STREET LLC, c/o Coral Realty LLC, 400 Broome Street, New York, New York 10013, (x) if intended for the CPC, to the CPC at 22 Reade Street, New York, New York 10007 (or then-official address), Att: Chairperson, (y) if intended for the LPC, to the LPC at 100 Old Slip, New ork, New York 10005 (or then-official address), Att: Chairperson and (d) if intended for the City Council, to the City Council at the Office of the Speaker, City Council, City Hall, New York, New York 10007. Declarant, or its representatives, by notice given as provided in this paragraph 6.2, may change any address for the purposes of this Declaration. Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given, served or sent for all purposes hereunder five (5) business days after it shall be mailed, or, if delivered by hand, when actually received.

6.3 Indemnification. Provided that Declarant is found by a court of competent jurisdiction to have been in default in the performance of its obligations under this Declaration after having received written notice of such default and opportunity to cure as provided above, and such finding is upheld on final appeal, or the time for further review of such finding on appeal or by other proceeding has lapsed, Declarant shall indemnify and hold harmless the City from and against all of its reasonable legal and administrative expenses arising out of or in connection with the City's enforcement of Declarant's obligations under this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

79 LAIGHT STREET LLC

By: Michael Kournev

By: _____
Michael Kournev
Manager

STATE OF New York)

ss.:

COUNTY OF NASSAU)

NOREEN A. O'MALLEY
Notary Public State of New York
No. 01OM5046048
Qualified in Nassau County
Commission Expires July 3, 2001

On the 15th day of May, in the year 2001 before me, the undersigned, personally appeared Michael Kurney, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/hers/their signature(s) on the instrument, the individual(s), or the person upon behalf which the individual(s) acted, executed the instrument.

Noreen A. O'Malley

Notary Public

All Purpose Acknowledgment

SCHEDULE OF EXHIBITS

Exhibit A	-	Metes and Bounds of Subject Property
Exhibit B	-	Zoning Lot Certification
Exhibit C	-	Certificate of Appropriateness

EXHIBIT A

SCHEDULE A DESCRIPTION

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

Beginning at the corner formed by the intersection of the southerly side of Laight Street and the easterly side of West Street; running

Thence southerly along the easterly side of West Street 62 feet 10 inches to a point distant 116 feet 6-1/2 inches northerly from the corner formed by the intersection of the easterly side of West Street and the northerly side of Hubert Street, measured along the easterly side of West Street;

Thence easterly in a straight line and through a party wall or party walls 226 feet 8-1/2 inches to the westerly side of Washington Street at a point therein distant 116 feet 4 inches northerly from the northerly side of Hubert Street measured along the westerly side of Washington Street;

Thence northerly along the westerly side of Washington Street 62 feet 1/2 of an inch to the southerly side of Laight Street;

Thence westerly along the southerly side of Laight Street 225 feet 1-1/4 inches to the easterly side of West Street, the corner aforesaid, the point or place of Beginning.

EXHIBIT B

Certificate No. 310100095

CERTIFICATION OF PARTIES IN INTEREST PURSUANT TO SUBDIVISION (C) OF THE DEFINITION OF ZONING LOT SET FORTH IN SECTION 12-10 OF THE ZONING RESOLUTION OF THE CITY OF NEW YORK, EFFECTIVE DECEMBER 15, 1961 AS AMENDED

CHICAGO TITLE INSURANCE COMPANY, a title insurance company licensed to do business in the State of New York and having its principal offices at 711 3rd Avenue, New York, New York 10017, hereby certifies to the **CITY OF NEW YORK** and **GRAUBARD, MOLLEN & MILLER** that as to the land hereafter described, being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block, that all the parties in interest constituting a "party in interest" as defined in Subdivision (c), or (d) of the definition of zoning lot Section 12-10 of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended, are the following:

	NAME AND ADDRESS	NATURE OF INTEREST
1.	79 Laight Street LLC 79 Laight Street New York, NY 10013	Fee Owner
2.	North Fork Bank 275 Broad Hollow Rd. Melville, NY 11747	Mortgagee

Certificate No. 310100095

DESCRIPTION
METES AND BOUNDS

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is Tax Lot Number 6 in Block 217 as shown on the Tax Map of the City of New York, New York County, and is more particularly described as follows:

All that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

Beginning at the corner formed by the intersection of the southerly side of Laight Street and the easterly side of West Street; running

Thence southerly along the easterly side of West Street 62 feet 10 inches to a point distant 116 feet 6-1/2 inches northerly from the corner formed by the intersection of the easterly side of West Street and the northerly side of Hubert Street, measured along the easterly side of West Street;

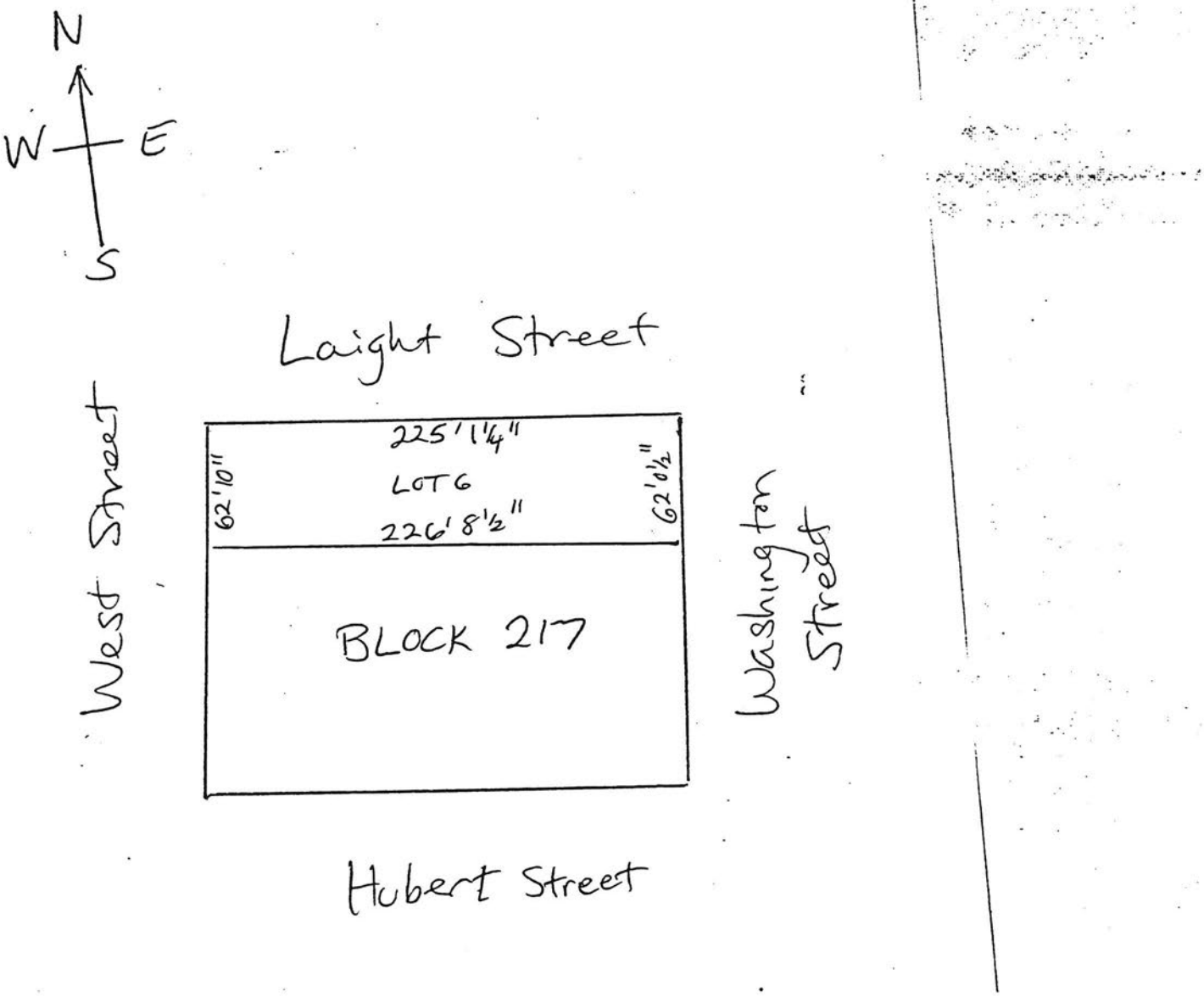
Thence easterly in a straight line and through a party wall or party walls 226 feet 8-1/2 inches to the westerly side of Washington Street at a point therein distant 116 feet 4 inches northerly from the northerly side of Hubert Street measured along the westerly side of Washington Street;

Thence northerly along the westerly side of Washington Street 62 feet 1/2 of an inch to the southerly side of Laight Street;

Thence westerly along the southerly side of Laight Street 225 feet 1-1/4 inches to the easterly side of West Street, the corner aforesaid, the point or place of Beginning.

Certificate No. 310100095

That the said premises are known as and by street address 79-101 Laight Street a/k/a 410-412 Washington St. a/k/a 254-255 West St., New York, NY as shown on the following DIAGRAM:



8X11CONT

Certificate No. 310100095

NOTE:

A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more zoning lots provided all the resulting zoning lots and all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

The City of New York requires the submission of Real Property Transfer Tax form Number 4348 when a Zoning Lot Declaration is filed for recording pursuant to Zoning Lot Resolution 12-10 of the City of New York.

THE CERTIFICATION IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND ($1,000.00) DOLLARS.

CHICAGO TITLE INSURANCE COMPANY

By: _____
Timothy P. Ring
Branch Counsel

Dated: February 21, 2001

UNIFORM FORM OF ACKNOWLEDGMENT

State of New York) ss..
County of Westchester)

On the 21st day of February in the year 2001 before me, the undersigned, a notary public in and for said state, personally appeared Timothy P. Ring, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Donna L. Reichner
Notary Public, State of New York
No. 01RE4734634
Qualified in Orange County
Commission Expires: October 31, 2001

The unpaid taxes, water rates, assessments, and other matters relating to taxes which are liens at the date of this certificate are set forth below.

Company: **CHICAGO TITLE INS.**
Title: **310100095**
Premises: **79 LAIGHT STREET**
Building Class: **E3**
Tax Class: **4**
Assessed Owner: **79 LAIGHT STREET LLC**

County: **MANHATTAN**
Sec: **1** Vol: **05**
Block: **217** Lot: **6**
Tax Rate: **9.989**
Adjusted Tax Rate: **9.768**

2000/2001 FINAL

Transitional Land	$	450,000.00	Actual Land	$	450,000.00
Transitional Total	$	667,500.00	Actual Total	$	832,500.00
Transitional Exempt	$	0.00	Actual Exempt	$	0.00

Disposition: Returns: Page 1 of 1

2000/2001 TAXES
1ST HALF DUE: 07/01 $33,338.28 - $25.97 OFFSET BY JOURNAL ENTRY CREDIT 6/5/00
$33,312.31 PAID 7/26/00
2ND HALF DUE: 01/01 $31,863.12 PAID 1/13/01 (UNOFFICIAL)

2000/2001 2ND HALF (OR 3RD AND 4TH QUARTERS IF APPLICABLE) REAL ESTATE CHARGES NOW CHANGED REFLECTING TAX RATE REVISIONS.

CIS ACCOUNT #2000101443001

METER #8743 10/13/00 TO 1/14/01 ENT 1/19/01 ESTIMATED READING
AMOUNT BILLED $335.90 OFFSET BY JOURNAL ENTRY CREDIT 1/19/01

METER #776 FIRE METER

TOTAL DUE ON ACCOUNT $ -0-

WATER/SEWER BILLINGS SUBJECT TO A FINAL METER READING. FINAL READING SHOULD BE REQUESTED PRIOR TO CLOSING.

SUBJECT TO CONTINUATION PRIOR TO CLOSING
NOTHING ELSE FOUND ON CITY'S RECORDS AS OF: **February 06, 2001**
NOTE: ANY PAYMENTS MADE AFTER: **November 30, 2000** ARE SUBJECT TO COLLECTION
THEREFORE CANCELLED CHECKS MUST BE REQUESTED AT CLOSING.

Express Reseach Services shall bear no liability for erroneous or inaccurate information provided by the Department of Finance including but not limited to errors due to loading, key entry, processing, data communication, hardware or software problems or the backdating of any information. Responsibility limited to those items and installments that are liens as of the date of this report and reflected on the public records. Recent payments reflected may be subject to collection. Tax Search does not cover any part of the streets on which the premises to be insured about; nor does it cover Vault Charges and additional charges due to building purpose charges for unfixed frontage. Tax exemptions noted above may be restored on the date of conveyance or upon death of the record owner.

EXPRESS RESEARCH SERVICES

50 Court Street
Brooklyn, N.Y. 11201
Tel: (718)624-6969
Fax: (718)624-0201

479 Joan Street
Ronkonkoma, N.Y. 11779
Tel: (516)981-7510
Fax: (516)585-7392

VAULT TAX SEARCH

TITLE # CTIM 310100095 DATE: 02/09/2001

PREMISES: 79 LAIGHT STREET

COUNTY: MANHATTAN

BLOCK: 217 LOT: 6

A SEARCH OF THE DEPARTMENT OF FINANCE COMPUTER RECORDS WAS MADE ON February 09, 2001

X	THERE IS NO VAULT ON RECORD AT THIS LOCATION.
	THERE IS A VAULT ON RECORD AT THIS LOCATION CURRENTLY EXEMPT FROM ANNUAL CHARGES.
	THERE IS A VAULT ON RECORD AT THIS LOCATION. ANNUAL CHARGES LISTED BELOW.

NOTE: THERE MAY BE EXISTING VAULTS AT THE ABOVE MENTIONED BLOCK AND LOT THAT HAVE NOT YET BEEN INSPECTED BY THE DEPARTMENT OF FINANCE. THIS SEARCH DOES NOT COVER ANY DROPPED OR MERGED LOTS.

THIS SEARCH IS SUBMITTED FOR INFORMATION PURPOSES ONLY. NO LIABILITY IS ASSUMED.

THIS SEARCH PREPARED FOR EXCLUSIVE USE BY CHICAGO TITLE INS.

DOC ID: 310100095 PG

SEE PAGE 16

LAIGHT ST.

HUBERT ST.

WASHINGTON ST.

WEST ST.

GREENWICH ST.

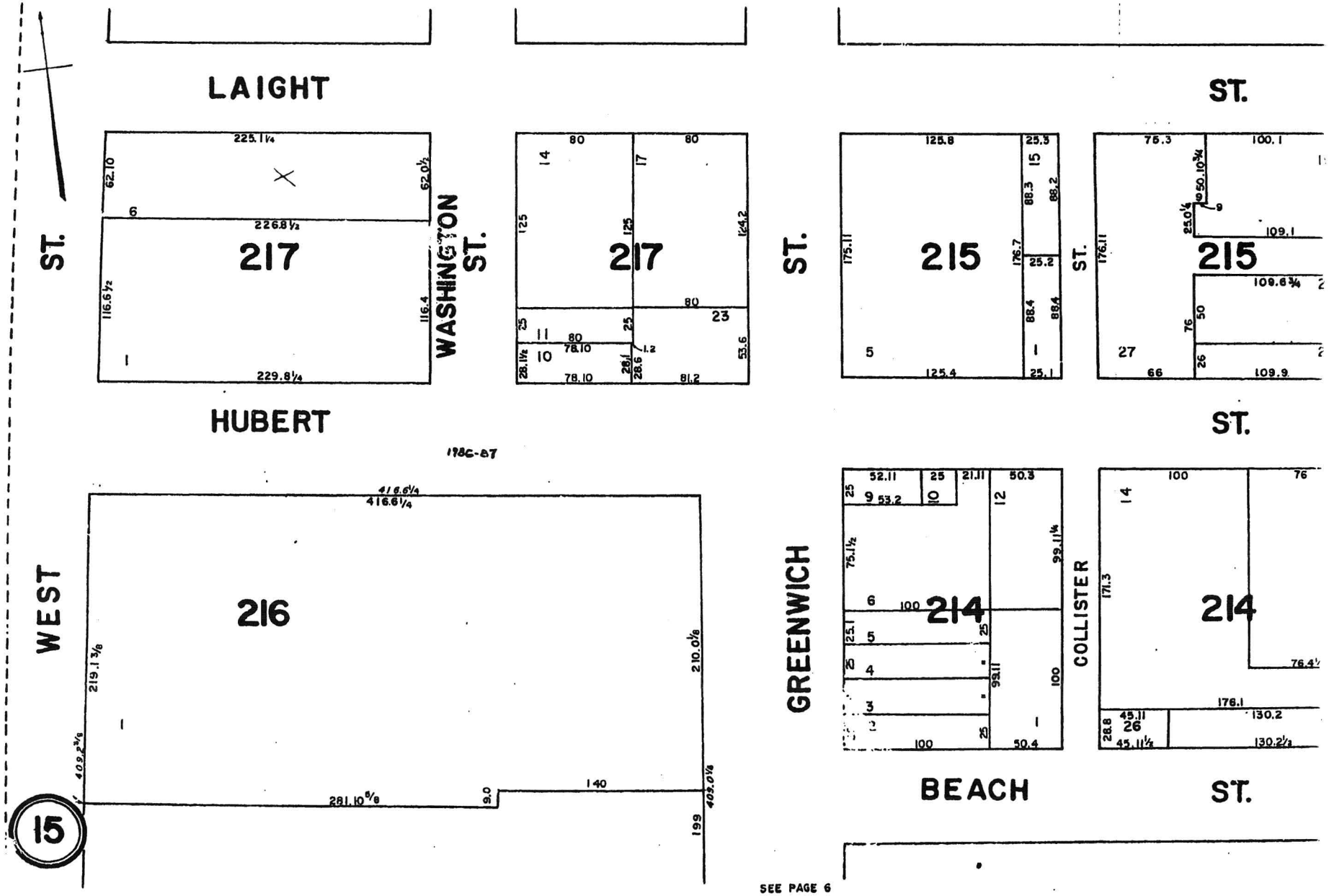
COLLISTER ST.

BEACH ST.

SEE PAGE 5

550

178C-87



SEE PAGE 6

SCALE IN 1/10 OF AN INCH

1-800-345-7334

EXHIBIT C

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
00 OLD SLIP NEW YORK, NY 10005 TEL: 212 487-6800 FAX: 212 487-6744

PERMIT

CERTIFICATE OF APPROPRIATENESS

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	COFA #:
05/02/01	10/17/2006	013448	COFA 01-6312

ADDRESS	BOROUGH:	BLOCK/LOT:
79-101 LAIGHT STREET HISTORIC DISTRICT TRIBECA NORTH	MANHATTAN	217 / 6

Display This Permit While Work Is In Progress

ISSUED TO:

Alex Forkosh, Member
79 Laight Street, LLC
c/o Coral Realty, LLC
400 Broome Street
New York, NY 10013

Pursuant to Section 25-307 of the Administrative Code of the City of New York, the Landmarks Preservation Commission, at the Public Meeting of October 17, 2000, following the Public Hearings and Public Meetings of May 2, 2000, and September 12, 2000, voted to approve a proposal to construct a one-story rooftop addition at the central block, and two one-half story additions at the east and west wings, respectively, and renovate the subject premises, as put forward in your application completed on March 30, 2000, and as you were notified in Status Update Letter 01-2491 (LPC 00-3654) issued on October 18, 2000.

The approved work consists of removing non-historic garage doors, signage, metal and block infill, concrete platforms, and loading-dock bays; selectively fabricating new multi-light steel casement windows where the historic windows are missing or deteriorated to a point precluding repair; installing new double-leaf wood and glass doors, glazed sidelights, transoms, and metal and glass light fixtures at the four building entrances; installing new single-pane windows within restored segementally-arched openings at the first floor of the Washington Street elevation and a tripartite window at the West Street elevation; installing a sloped metal canopy above an entrance, and installing a new wood garage door at the Laight Street facade; excavating and repaving the areaway with concrete; installing new wood planks the span the areaway at the locations of the entrances; installing new steel posts and chains to delineate the areaway; installing painted building identification signage at the Laight, Washington, and West Street elevations; creating two light-courts at the rear; removing two elevator bulkheads, installing new chimneys, and widening an existing chimney at the roofs; rebuilding the sloped roofs with dark-grey finished, enameled standing copper seam steel; replacing the skylight at the central block in-kind, and extending the east and west wings by 6'-7", respectively; installing two elevator overrides at the east and west wing roofs, and constructing a cooling tower, and

stair and elevator bulkheads, and installing metal pipe railings at the rear of the central block roof. The approved work also includes interior partition and finish changes throughout the building. The work was shown in mounted presentation boards labeled L-1 through L-36, dated revised October 10, 2000, existing condition photographs, and material samples, all prepared by Joseph Pell Lombardi, a historic paint analysis, dated December 21, 1999, prepared by Jablonski Berkowitz, submitted as components of the application and presented at the Public Hearings and Public Meetings.

In reviewing this proposal, the Commission noted that the Tribeca North Historic District Designation Report describes 79-101 Light Street as a Utilitarian style warehouse constructed in 1853; and that the building's style, scale, materials and details are among the features which contribute to the special architectural and historic character of the Tribeca North Historic District. The Commission finally noted that a restorative program will be approved as part of a separate application.

With regard to this proposal, the Commission found that removing non-historic loading dock bays, metal infill, and concrete loading platforms, restoring the historic segmental loading bay openings, and installing new wood and glass entry doors with glazed sidelights and transoms, will help to return the ground floor to its original appearance; that removing concrete steps, signage, and non-historic infill at the basement, first and second floors will not eliminate any significant architectural features of the building; that the proposed garage entrance at the Laight Street elevation, consisting of wood doors within a segmental masonry opening, will provide access to the basement parking area without compromising the architectural integrity of the base of the building; that installing a new sloped metal canopy over the main entrance at the Laight Street facade is in keeping with the design of metal canopies found elsewhere on buildings of this age and style in this historic district; that the simple design of the proposed metal and glass pendant light fixtures in the reveals above the entrances will harmonize with the style and scale of the building; that excavating and repaving the areaway, installing new metal posts and chain fencing, and re-opening blocked masonry window openings and installing multi-light steel casement windows and iron shutters at the basement of all three elevations, is restorative in nature; that the six locations of proposed building identification signage, consisting of painted lettering at the West, Laight, and Washington Street elevations, will recall the historic painted signage on the building; that the proposed polychromatic color scheme for the windows, shutters, and canopy is based on a historic paint analysis; that the proposed restorative work at the West Street, Laight Street and Washington Street elevations will greatly enhance the building's appearance and strengthen its contribution to the historic district; that the construction of the rooftop additions will not cause damage to any significant architectural features of the building; that the low height and set-back location of the proposed rooftop additions, bulkheads, cooling tower, and railings will cause them to be minimally visible in context with the principal facade so that it will not detract from the significant architectural features of the building; and that the proposed rooftop additions will not diminish the special historic and architectural character of the building or the historic district. Based on these findings, the Commission determined the work to be appropriate to the building and voted to approve the application.

However, in voting to grant its approval, the Commission stipulated that the hydraulic elevator approved under this application not be replace with a other type of elevator, necessitating additional override space and increased bulkhead height at the roof.

The Commission authorized the issuance of a Certificate of Appropriateness upon the receipt, review and approval of two sets of final signed and sealed Department of Buildings filing drawings, and reduced sets of the presentation drawings. Subsequently, on April 30, 2001, the staff of the Commission received drawings CS, DL, GN-1, GN-2, HC, A1 through A-18, A-18A, A-18B, A-19, dated received April 30, 2001, prepared by Joseph Pell Lombardi, RA. The staff of the Commission has reviewed these drawings and found that the proposal approved by the Commission has been maintained. Based on the above-referenced findings, the Commission determines the proposed work to be appropriate to the building and these drawings are being marked approved with a perforated seal and this Certificate of Appropriateness is being issued.

This permit is issued on the basis of the building and site conditions described in the application and disclosed

during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit; a copy must be prominently displayed at the site while work is in progress. Please direct inquiries to Meisha Hunter-Bove.

Jennifer J. Raab
Chairman

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO: Caroline Schweyer, Joseph Pell Lombardi & Associates

cc: Caroline Kane Levy, Deputy Director of Preservation; Mark Silberman, Counsel; Boris Sachs; James Capalino .

EXHIBIT "22"

ALTERATION AGREEMENT

ALTERATION AGREEMENT

THIS AGREEMENT made as of this _____ day of _____, _____ by and between The Board of Managers of The Sugar Warehouse (the "Board") having an address of 79 Laight Street, New York, New York 10013, 79 Laight Street LLC ("Sponsor"), having an address 400 Broome Street, New York, New York 10013 and _____ (the "Unit Owner") having an address of 79 Laight Street, New York, New York, 10013 (the "Property").

W I T N E S S E T H:

WHEREAS, pursuant to a declaration dated _____ (the "Declaration"), Sponsor submitted the Property to a condominium regime known as The Sugar Warehouse (the "Condominium").

WHEREAS, pursuant to the Declaration and the by-laws of the Condominium (the "By-Laws"), Unit Owner has requested permission to install equipment and/or make alterations in Unit ____ (the "Unit") the building situated on the Property (the "Building"); and

WHEREAS, at least until such time as Sponsor obtains the permanent certificate of occupancy for the Building, Sponsor's employees, agents, contractors, subcontractors and suppliers or any of their employees (collectively "Sponsor's Contractors") will be performing work in or delivering material to the Building.

WHEREAS, the Declaration and By-Laws provide that no equipment shall be installed and no alterations shall be made in the Unit without the consent of the Board; and

WHEREAS, Unit Owner desires to obtain such consent;

NOW, THEREFORE, the parties agree as follows:

1. **Unit Owner's Submissions**. Together with this Agreement, Unit Owner is delivering to the Sponsor and the Board:

   a. detailed plans, drawings and specifications for the equipment proposed to be installed and/or the alterations proposed to be made which, if so required by the Sponsor and/or the Board, have been prepared by a licensed architect or engineer. Such plans, drawings and specifications include a room by room list of the equipment to be installed and the alterations to be made.

   b. a check in the sum of $_____ payable to the Board for the security deposit required to be posted by Unit Owner as provided for in Section 13 of this Agreement (and/or such alternate form of security as may be required by the Board).

   c. a check in the sum of $_____ payable to Coral Realty Management LLC., managing agent for the Building (the "Managing Agent"), as a processing fee in connection with this Agreement.

2. **Review of Plans, Drawings and Specification**. The plans, drawings and specifications submitted by Unit Owner shall be subject to review and approval by Sponsor and/or the Board, in their sole discretion, and may be subject to review and approval by Sponsor's and/or the Board's architect or engineer (collectively the "Designated Engineer") in the sole discretion of Sponsor or the Board, and Unit Owner shall make such changes in and to such plans, drawings and specifications as Sponsor, the Board or the Designated Engineer shall require in order to obtain such approval, including, without limitation, such changes as may be required to minimize noise or vibrations to surrounding portions of the Building. The term "Plans" as used in this Agreement shall refer to the plans, drawings and specifications as approved in writing by the Sponsor and/or the Board and the Designated Engineer and the term "Work" shall refer to the work called for by the Plans or any other work performed by or on behalf of Unit Owner. After approval by the Sponsor and/or Board and the Designated Engineer, the Plans shall not be modified without the approval of the Sponsor and/or the Board and the Designated Engineer. Notwithstanding any approval of the Plans by the Sponsor and/or Board or the Designated Engineer, Unit Owner shall be solely responsible for the Plans, for insuring compatibility with the systems and facilities of the Building and for compliance with applicable laws and codes.

The execution of this Agreement by the Sponsor and the Board does not constitute consent to the work called for by the plans, drawings and specifications submitted by Unit Owner, and the Sponsor and the Board retains all of its rights under this Agreement and the By-Laws to withhold consent. Only written approval of such plans, drawings and specifications as provided for above shall constitute the Sponsor's and Board's consent to the Work called for by the Plans, and any such consent shall be subject to the terms of this Agreement.

3. **Pre-Conditions to Commencement of Work by Unit Owner**. Unit Owner shall not commence the Work unless and until all of the following has occurred:

a. The Sponsor and the Board and the Designated Engineer, as same may be required, shall have approved in writing the plans, drawings and specifications submitted by Unit Owner, and Unit Owner shall have received a copy of such approvals.

b. Unit Owner shall have submitted to Sponsor and the Board (i) a designation of the general contractor or construction manager (collectively the "General Contractor") which will be principally responsible for the Work, which designation shall authorize the General Contractor to submit the information more particularly described on the Contractor's Instructions set forth on Exhibit A annexed hereto, (ii) complete copies of all agreements entered into with the General Contractor and all other such contractors, subcontractors and suppliers pertaining to the Work (collectively the "Subcontractors"), (iii) other than the communications required to be made by the General Contractor in accordance with the terms of the Contractor's Instructions, the name of the party solely authorized to communicate with Sponsor, the Board and the Managing Agent (the "Owner's Representative") (e.g. Owner, General Contractor, Owner's architect)

and (iv) telephone numbers for the Owner, the General Contractor and the Owner's Representative, if different from the foregoing. Prior to the commencement of the work, the General Contractor and the Subcontractors shall have been approved in writing by the Board. Notwithstanding the foregoing (i) prior to the issuance of a permanent certificate of occupancy for the Building, Sponsor may require that Work relating to the structural electrical, mechanical, plumbing, sprinkler or HVAC systems of the Building (collectively the "Building Systems") be performed by contractors designated by Sponsor. After the issuance of a permanent certificate of occupancy for the Building, the Board may require that Work relating to the Building Systems be performed by contractors designated by the Board.

c. Unit Owner shall have made all required filings with, and received all required permits, approvals, licenses and consents from, all governmental agencies having jurisdiction over the Work (collectively the "Governmental Authorities") including, but not limited to, the New York City Buildings Department, the New York City Fire Department and the Landmarks Preservation Commission, and Unit Owner shall have furnished copies of all such filings, permits, approvals, licenses and consents to Sponsor and to the Board. The determination of the Designated Engineer as to the need for any such filing, permit, approval, license or consent shall be conclusive. As a prerequisite to its approval of the Plans and Specifications, Sponsor and/or the Board may require Unit Owner to furnish a letter from Unit Owner's licensed architect or engineer, certifying that the electrical loads required as a result of the Work, will not adversely affect the Building's electrical service and certifying to such other matters as Sponsor and the Board may require. Sponsor may require that Unit Owner utilize a filing representative or expediter designated by Sponsor to file the Plans and Specifications with the Governmental Authorities.

d. Unit Owner shall have caused each of its contractors to furnish to the Board the insurance policies described on Exhibit B attached hereto or certificates thereof. Such policies (i) shall name the Condominium, the Board, the Board's officers and directors, the Designated Engineer, the Managing Agent, Sponsor and the other Unit Owners, as parties insured, (ii) shall be issued by companies reasonably acceptable to the Board and (iii) shall provide that they may not be cancelled or terminated without at least ten (10) days prior written notice to the Board. Unit Owner shall cause all such insurance policies to be kept in full force and effect until the completion of the Work. In the event that such insurance lapses prior to the completion of the Work, Sponsor and/or the Board will have the right to suspend the Work until Sponsor and/or the Board receives evidence of appropriate insurance and approves such insurance. Sponsor and/or the Board reserves the right to revise the parameters and scope of the insurance requirements from time to time. Unit Owner and the General Contractor shall be advised, writing, of any such changes.

e. If requested, the Unit Owner's architect or engineer shall have provided to the Board evidence of professional liability insurance in amounts reasonably acceptable to the Board.

f. The Unit Owner's architect or engineer shall have prepared and submitted to the Sponsor and the Board a schedule of all Work to be performed by the General Contract and each Subcontractor, setting forth the number of weeks and days of the various trades, the anticipated number of workmen involved and affirming that the work can be completed within the time allotted under Paragraph 5d hereof.

g. The General Contractor will be required to attend a start-up meeting approximately two (2) weeks prior to the commencement of the Work. At this meeting the General Contractor will be introduced to Sponsor and other members of the project team. The agenda for the meeting will include a review of the requirements of this Agreement and the General Contractor's construction plan as well as collection of payment to Sponsor of any charges or deposits due hereunder.

4. **Unit Owner to Give Notice Prior to Commencement of Work**. Prior to commencing the Work, the Owner's Representative shall give at least five (5) days' prior written notice to the Designated Engineer, the superintendent of the Building and the Managing Agent of the date on which the Work will commence and the estimated duration of the Work.

5. **Performance of the Work**.

a. **In General**. Unit Owner shall perform the Work strictly in accordance with the Plans in a first-class, workmanlike manner in keeping with the standards of the Building and shall not perform any Work not called for by the Plans. All materials shall be new and of high quality. In performing the Work, Unit Owner shall comply with (i) all applicable laws and codes, (ii) the requirements of all insurance policies covering the Work, the Unit or the Building, (iii) this Agreement, (iv) the By-Laws, (v) the Rules and Regulations of the Condominium, (vi) the requirements of Sponsor and the Board and (vii) any directions given by the Managing Agent, the Designated Engineer or the superintendent of the Building. The Work will not compromise the energy efficiency or increase the energy consumption of the Building. The Work will not compromise the energy efficiency or increase the energy consumption of the Building, change the number of zoning rooms located within the Unit or materially delay the issuance of a permanent Certificate of Occupancy for the Building without the consent of Sponsor prior to the issuance of the permanent Certificate of Occupancy or the consent of the Board, after the issuance of the permanent Certificate of Occupancy.

b. **Work Hours and Noise**. Unit Owner shall perform the Work diligently and in a manner so as not to disturb other residents of the Building. The Work shall be

performed only on Mondays through Fridays (excluding holidays) between the hours of ___ a.m. and ____ p.m.; provided however, that any noisy work which may disturb other residents shall not be performed before ___ a.m. The Work shall not be performed on weekends or holidays. Sponsor until there are no remaining Unsold Units, and thereafter the Board, shall be the sole arbiter should there be any doubt as to noise levels which may be disturbing.

c. **Licensing and Labor Harmony**. The General Contractor and the Subcontractors, if any, shall be duly licensed to the extent required by applicable law and Unit Owner shall cause its General Contractor and the Subcontractors, to employ only such laborers as shall not conflict with any of the trade unions employed in the Building or otherwise cause disharmony with any Building service union. Unit Owner, the General Contractor and the Subcontractors, expressly acknowledge that Sponsor's contractors and subcontractors will be engaged at the Property to finish construction of the Building (other than the Unit) (the "Sponsor's Work") and Unit Owner, the General Contractor and the Subcontractors agree (i) that they the Sponsor's Work shall have priority over the Work and (ii) Unit Owner, the General Contractor and the Subcontractors must coordinate the Work with Sponsor so that no disruption of the Sponsor Work occurs. In the event such disruption occurs, Sponsor reserves the right to immediately close Unit Owner's job site. During all periods of construction, the General Contractor shall conduct or cause to be conducted all labor practices and relations with employees and subcontractors in such a manner as to avoid all strikes, picketing and boycotts of, on or about the Building. The General Contractor further agrees that if during the period of construction any of its employees or employees of its subcontractors strike, or if picket lines or boycotts or other visible activities objectionable to Sponsor are conducted or carried out by or against Sponsor, its contractors or subcontractors or any of their respective employees, on or about the Building or otherwise involving Sponsor, the General Contractor shall (or Sponsor may, but shall not be obligated so to do) immediately close Unit Owner's job site and remove or cause to be removed all personnel therefrom until the dispute giving rise to such strike, picket line, boycott or objectionable activity has been settled to Sponsor's satisfaction.

d. **Required Completion Date**. Unit Owner shall cause the Work (other than decorative work such as painting, wallpapering and carpeting) to be completed on or before the date (the "Required Completion Date") which is ___ days (excluding weekends and holidays) after the commencement of the Work. If the Work (other than decorative work as aforesaid) shall not be completed on or before the Required Completion Date, Unit Owner shall pay to the Board, as liquidated damages on account of late completion, the sum of $____ per day (excluding weekends and holidays) until the Work is completed. The determination of whether the Work is completed shall be made by the Sponsor until such time as there are no longer any Unsold Units and thereafter by the Board, and such determination shall be conclusive. The work shall diligently proceed to completion in compliance with all plans and specifications and in conformity with all permits and licenses of any governmental authority. All time

limitations set forth in this paragraph shall be subject to extension for delays caused by or attributable to acts of God, unusual weather conditions or strikes not attributable to Unit Owner or Unit Owner's General Contractor or Subcontractors or other agents bad faith, no to exceed forty-five (45) calendar days. Notwithstanding the foregoing, if, within six (6) months prior to the expiration of the temporary Certificate of Occupancy, the Board or Sponsor, in their sole discretion, determines that the progression of the Work is such that there is a potential to delay or otherwise hinder the issuance of the permanent Certificate of Occupancy for the Building, the Board or Sponsor, as the case may be, undertake to perform, a Unit Owner's sole cost and expense, those items of work necessary to be completed for the issuance of the permanent Certificate of Occupancy.

e. **Evidence of Completion**. Upon completion of the Work, Unit Owner shall obtain and deliver to Sponsor and the Board (i) a certificate from the architect or engineer who prepared the Plans certifying that the Work has been completed in accordance with all applicable laws and codes and the Plans, and (ii) all required final governmental signoffs and approvals, including if Sponsor or the Board shall require, an amended certificate of occupancy and a certificate from the Board of Fire Underwriters. The determination of the Sponsor, until such time as there are no longer any Unsold Units and thereafter the Board, as to whether the Work has been completed and/or the need for an amended certificate of occupancy and/or any other applicable governmental signoffs and approvals shall be conclusive.

f. **Security Personnel**. The Board shall have the right, at the sole cost and expense of the Unit Owner, to install or engage or require the Unit Owner to install or engage, security systems or personnel to ensure the safety and well being of persons and property in the Condominium.

g. **"As-Built" Drawings**. Upon completion of the Work, the Unit Owner shall provide the Board with an "as-built" set of drawings for the Unit.

h. **Confidentiality**. Any and all knowledge, information, data, materials, trade secrets and work product regarding the Building, obtained, produced, generated or otherwise acquired by Unit Owner or the General Contractor or their agents, employees and Subcontractors shall be confidential.

6. **Inspection and Correction of the Work**. Sponsor and the Board shall have the right from time to time to inspect or observe the Work and to ensure compliance with the terms of this Agreement, and for this purpose Unit Owner shall provide access to the Unit to Designated Engineer, the Managing Agent, the superintendent of the Building, or any other person Sponsor or the Board may authorize. The General Contractor shall be required to conduct a walkthrough with Sponsor and/or the Board for the purpose of observing the construction of the demising wall and perimeter wall assemblies. After the installation of all framing, insulation and vapor barriers General Contractor shall notify Sponsor and the Board and schedule a walkthrough to observe such portion of the Work. The General Contractor may not proceed with installation of gypsum board until written approval of Sponsor and the Board is received. Unit Owner shall promptly make all

corrections required by Sponsor or the Board in order to conform to the Plans and the other requirements of this Agreement. If Sponsor or the Board so requires, such corrections shall include the removal and replacement of non-conforming work. Sponsor's or the Board's failure to inspect shall not be considered a waiver of Unit Owner's obligation to comply with this Agreement. If Unit Owner or the General Contractor observes or otherwise becomes aware that the Work or any of their contract documents are at variance with each other or applicable laws, statutes, ordinances, building codes and regulations in any respect or otherwise are inconsistent, the General Contractor shall promptly notify Sponsor and the Board. If, in the sole judgment of Sponsor or the Board, an emergency exists with respect to the Work, which in Sponsor's or Board's opinion requires immediate corrective action, then Sponsor may, without notice to Unit Owner's Contractor, perform such corrective work or cause it to be performed by others. In such case, any costs (including general conditions and fees) arising from such corrective work will be borne by Unit Owner and/or General Contractor.

7. **Damage or Adverse Effect Caused by the Work**. Unit Owner shall be responsible for any damage to or any other adverse effect upon the Unit or the Building (including the structure, shell, systems, equipment, fixtures and finishes of the Building) caused by or resulting from the Work, regardless of when such damage or adverse effect becomes apparent. If any such damage or adverse effect shall occur or arise, Sponsor and/or the Board may (a) require Unit Owner, at its expense, promptly to repair the damage or remedy the condition giving rise to such adverse effect and/or (b) repair such damage or remedy such condition at Unit Owner's expense.

Without limiting the generality of the foregoing, Unit Owner specifically acknowledges that this Section 7 shall be applicable to any damage to the carpeting, wallcoverings or other finishes in the Building's hallways, elevators and other common areas (including without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged).

If the Managing Agent advises Unit Owner of any damage which, in the Managing Agent's opinion, was caused by the Work, Unit Owner shall promptly submit a claim to Unit Owner's insurance carrier and to Unit Owner's contractor for submission to its insurance carrier, and Unit Owner agrees to use all reasonable efforts, and to cause its contractor to use all reasonable efforts, to cause such insurance carriers to expeditiously review and settle all such claims for which they are responsible. The provisions of this paragraph shall not limit Unit Owner's liability under this Section 7.

8. **Indemnification and Release by Unit Owner**. Unit Owner shall indemnify and hold harmless Sponsor and Sponsor's principals, employees, agents, the Board, the Board's officers, directors and Unit Owners, the Designated Engineer, the Managing Agent, and the other Unit Owners and residents of the Building (the "Indemnified Persons") against any loss, cost, claim, damage (including damage to persons or property) or expense arising out of or related to the Work or any act or omission of Unit Owner, the General Contractor or any Subcontractors, architects, engineers or consultants, including reasonable attorneys fees and disbursements incurred by any of the Indemnified Persons in the defense of any

such claim or any suit, action or proceeding based thereon. Unit Owner releases the Board, the Sponsor, the Managing Agent and the agents and employeees of the foregoing from any from any liability for damage to the portions of the Unit affected by the Work. Notwithstanding anything to the contrary contained in the By-Laws, the Unit Owner accepts sole responsibility for the work and costs in connection with the maintenance, repair, restoration or replacement of any portions of the Unit affected by the Work, and acknowledges that such responsibility shall pass to the Unit Owner's successor-in-interest in the Unit. Unit Owner shall also be responsible to deliver to the Board a written agreement in the form of Exhibit C hereto in which Unit Owner's General Contractors agree that they will not make claims for damage within the perils of the insurance referred to in this Agreement and will defend, indemnify and hold harmless the Board, the Board's officers, directors, Sponsor, unit owners, agents, partners, servants, employees, tenants, guests, licensees, invitees and their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners (collectively, the "Indemnitees"), against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in any way relating to the performance of the Work unless such injury or loss of life or loss or damage to property was caused by the willful misconduct or gross negligence of the Indemnitee.

Unit Owner hereby acknowledges that it is a condition of this Agreement that no Work may be performed by, or on behalf of Unit Owner until Sponsor, in its sole discretion, determines that the commencement of the Work will not interfere with Sponsor's Work and Sponsor notifies Unit Owner of said determination in writing. At Closing, Unit Owner has accepted the Unit from Sponsor in its "as is" condition. Upon commencement of the Work, Unit Owner releases Sponsor and the Board from any and all obligation to perform any additional work in the Unit, including, without limitation, weather tightness of windows, exterior walls or roofs, and work of a "punch list" nature. In furtherance thereof, Unit Owner expressly agrees to release and forever discharge Sponsor and its successor and/or assigns and the Board, from all manner of actions, causes of action, suits, debts, dues, sums of money, damages, claims and demands whatsoever in law or equity, which Unit Owner, its successors and assigns ever had, now have, or may have, now or hereafter upon or by reason of any matter arising from or out of the Work to the Unit.

9. **Unit Owner to Bear All Costs Associated with Work**. Unit Owner shall be responsible for all costs incurred by Unit Owner, Sponsor or the Board in connection with the Work or this Agreement, including, without limitation, the fees and disbursements of any attorney, architect, engineer, consultant or security personnel retained by the Board, the Sponsor or the Unit Owner in connection with the Work or this Agreement. Without limiting the generality of the foregoing, Unit Owner specifically agrees to reimburse Sponsor and/or the Board for all charges of the Designated Engineer for the review of the plans, drawings and specifications submitted for inspection of the Work or otherwise related to the Work or this Agreement. Waivers of the right to lien or otherwise encumber the Building shall be obtained from the General Contractor and all Subcontractors. However, if for any reason whatsoever, any lien is filed for work done, or material alleged to have been furnished in connection with the Work, Unit Owner shall at its sole expense cause such lien to be bonded or otherwise discharged within twenty

(20) days after learning of the existence of such lien. If Unit Owner fails to do so or otherwise defaults hereunder, the Board may pay or bond such lien and otherwise exercise all rights and remedies reserved to it in this Agreement and the By-laws as and for a default thereunder.

10. **Additional Requirements**.

a. **No Change in Building Heating or Air-Conditioning**. Unit Owner recognizes that there will be no change in the operation of the Building's heating system or air-conditioning system to facilitate the functioning of any heating or air-conditioning units which Unit Owner may be installing other than stoppages approved by Sponsor or the Board in order to facilitate and enable Unit Owner to hook-up to the Building's heating and air conditioning systems and or sprinkler system. The General Contractor shall submit to Sponsor a plan and anticipated schedule of any required shut downs, drain downs, etc., of the Building's existing systems prior to the commencement of their work. Failure to submit this plan shall cause the General Contractor to be accountable for all extra costs associated with delays to reschedule shut downs, drain downs, etc., should they occur.

No utility interruption will be permitted without written approval from Sponsor and/or the Board. General Contractor is required to give Sponsor and/or the Board at least seventy-two (72) hours notice before any Building or utility service interruption which affects occupied and unoccupied areas. Each request for such interruption will indicate estimated downtime.

Sponsor and or the Board will schedule the appropriate personnel to perform all drain downs and recharging of building systems. The cost of all services provided by the appropriate personnel shall be paid in advance to Sponsor prior to the commencement of any work. The minimum charge for each and every drain down and recharge will be **[$500.00]**.

b. **Prohibited Construction Methods**. Unit Owner shall not interfere with the Building's intercom, gas, electric, heating, air-conditioning or plumbing system, sprinkler system or any other Building system or service. Unit Owner shall not penetrate any exterior Building wall, attach fasteners in any manner or the exterior building facade or use any pneumatic or power tool such as hammers or other tools which cause excessive vibrations, except with the consent of Sponsor or the Board. Flammable materials are not to be stored within the Building. They must be used and removed the same day.

c. **Accessibility of Valves**. Unit Owner shall insure that all water, steam, gas and other valves remain accessible during the performance of and after the completion of the Work. If any valve is enclosed in violation of this Agreement, then Sponsor or the Board may (i) require Unit Owner, at its expense, promptly to remove such enclosure and/or (ii) remove such enclosure at Unit Owner's expense.

d. **Use of Public and Common Areas During Work**. Unit Owner shall not allow the halls, sidewalks, courtyards and other public areas to be used for the storage of building materials or debris. Electrical and other utility receptacles in the Common Areas may not be utilized to perform any work or power any equipment employed in connection with the Work. Unit Owner shall cause its contractor to cover with construction paper the floor of any back hall to be used in connection with the Work and shall also cause its contractor to take all precautions necessary to prevent damage to the carpeting, wallcoverings or other finishes in the Building's hallways, elevators and other common areas. Only the service elevators may be utilized by for the delivery of materials or supplies.

e. **Parking**. Parking in front of the Building or in its driveways is strictly prohibited. General Contractor must enter the Building through the designated construction entrance only. No other means of entry shall be permitted. The General Contractor will be expected to check in at the location to be designated by Sponsor or the Board and obtain the required authorization to enter the Building in compliance with the procedures and requirements of Sponsor and the Board. In the event that employees, agents or Subcontractors of General Contractor are in the Building without proper authorization, such individuals will be asked to leave.

f. **Safety Precautions**. Unit Owner shall maintain functioning fire extinguishers and smoke alarms in the Unit throughout the prosecution of the Work. Unit Owner shall insure that the Work does not block access to any fire exits in the Building. Unit Owner shall install smoke detectors within 15 feet of every sleeping area on the ceiling or wall pursuant to Local Law 62 of 1981 of the City of New York, and if a child 10 years old or under lives in the Unit. Unit Owner shall install window guards pursuant to Section 131.15 of the New York City Health Code.

Hard hats must be worn by all construction personnel at all times. Only work shoes or shoes with leather soles will be permitted in the Building. No personnel wearing gym shoes or soft rubber shoes will be allowed into the Building.

The General Contractor shall abide by all other written safety policies or directives established by Sponsor or the Board. The General Contractor is required to establish a written safety program for its operations, as well as the operations of any of its Subcontractors. Such safety program shall be available at the job site for inspection by Sponsor and the Board. Any accidents or injuries that occur on the construction site, no matter how minor, must be reported to Sponsor and the Board within twenty four (24) hours of the occurrence. If an accident or injury occurs due to the existence of a dangerous condition, the General Contractor shall take immediate steps to secure the area in order to protect others from further injury.

g. **Unit Owner to Control Refuse, Dirt, Dust**. Unit Owner shall take all precautions to prevent dirt and dust from permeating other parts of the Building during the progress of the Work, and shall place all materials and rubbish in

barrels or bags before removing the same from the Unit. All such barrels and bags and all rubbish, rubble, discarded equipment, empty packing cartons and other materials shall be removed from the Unit and taken out of the Building at Unit Owner's expense and removal of trash containers shall be scheduled for after 3:30 p.m. unless otherwise directed by the Board, but in no event shall such removal interfere with regularly scheduled building operations. Unit Owner acknowledges and agrees that the trash chutes may not be used for such removal and recognizes that only the service elevator may be used for such removal and only at such times as the superintendent of the Building may direct. Unit Owner shall not permit any dumpster or garbage container to be left outside of the Unit without the written consent of Sponsor or the Board. Notwithstanding the foregoing, the placement of any dumpsters shall comply with all governmental regulations, including without limitation, obtaining any necessary permits. In the event that Sponsor determines that it is reasonably necessary, Sponsor shall have the option to coordinate and perform trash removal from a central location on individual floors and, in that event, General Contractor will be responsible for its share of the cost thereof, which shall be billed on a regular basis.

h. **Installations by Unit Owner**. Unit Owner agrees that any air conditioning units, terrace plantings and/or structures, wherever located in the Building, may be removed by Sponsor or the Board for the purpose of repairs, upkeep or maintenance of the Building, at the sole expense of Unit Owner.

i. **Deliveries to the Property**. Under no circumstances will deliveries be allowed to the Building unless General Contractor has secured the prior written consent of the Sponsor, or the Board, at such time as Sponsor has secured a permanent certificate of occupancy for the Building. In addition, all materials must be delivered to the area of the Building as designated by the Board to the Unit Owner.

The General Contractor must be at the Property at the scheduled time of delivery. The delivery vehicle will be allowed to remain at the Property for the time allotted by the prior written consent. No materials will be accepted or unloaded by any person other then those associated with the General Contractor. Under no circumstances can materials be stored for any length of time at the Property. Delivery vehicles will not be allowed at any time to park, stand, stage, load or unload on any of the streets or alleys adjoining the Building.

If the General Contractor fails to appear at the Property and/or completely unload the delivery within the allotted time, the delivery truck driver will be instructed to leave the Property and the General Contractor will be responsible for any re-delivery charges. Sponsor reserves the right to amend and revise the delivery procedures at any time and from time to time.

j. **Use of Elevators**. The access to and use of the elevator for the delivery of supplies and materials must be requested no less than forty-eight (48) hours in advance of the time that such access and use is required. The request must

indicate the period of time that the elevators will be "booked." Unit Owner will be responsible for all costs associated with the operation of the elevator and/or hoisting charges for the period requested. The allocation of elevator "time" shall be made by the Managing Agent, in its discretion, subject to the availability of elevators, but in no event shall such access and use interfere with regularly scheduled building operations.

k. **On-Site Supervision**. The General Contractor- shall maintain supervisory personnel on-site at all times when the General Contractor has work in progress on-site. Such personnel shall be (i) fully empowered to coordinate and direct the work of its forces and subcontractors, (ii) trained as safety officers and (iii) in numbers sufficient to properly supervise all work.

l. **Adjacent Premises**. The Board may require that Unit Owner give not less than fourteen (14) days' written notice, setting forth the date the Unit Owner plans to commence the Work and the duration of the Work, to residents in the Units that are adjacent to, above and below the Unit (the "Adjacent Premises") in the form of Exhibit "D" hereto, a copy of which shall be delivered to the Managing Agent or such other form then adopted by the Board,.

11. **Unit Owner to Comply with Laws, etc**. Unit Owner shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provision of any liability, casualty or other insurance policies carried by Unit Owner or for Unit Owner's benefit. Unit Owner shall comply with all federal, state and local laws, rules and regulations pertaining to the Work, including any such laws, rules and regulations pertaining to lead-based paint, asbestos and other hazardous material.

12. **Maintenance and Repair of the Work**. Notwithstanding anything to the contrary contained in the By-Laws, Unit Owner shall be responsible for the maintenance, repair and replacement of the Work and any portions of the Unit affected by the Work, and for all costs incurred by Sponsor or the Board or Unit Owner in connection therewith. Furthermore, Unit Owner releases the Board, the Managing Agent, Sponsor, Sponsor's agents and employees and the Board's agents and employees from any liability for damage to the Work or any portion of the Unit affected by the Work however arising.

13. **Unit Owner's Security Deposit**. As security for the faithful performance and observance by Unit Owner of the terms and conditions of this Agreement, Unit Owner has deposited the sum indicated in Section l(b) with the Board and/or provided payment and performance bonds and maintenance bonds in an amount established by the Board. Unit Owner agrees that the Board may use, apply or retain the whole or any part of the security so deposited and the interest earned thereon, if any, to the extent required for the payment of any sums due to the Board under this Agreement as determined in the discretion of the Board. If the deposit is diminished by one-half of the original amount, Unit Owner shall replenish it to the full amount within (3) days after written demand. Unit Owner's failure to so replenish the security deposit shall be a material breach of this Agreement and shall entitle Sponsor or the Board to stop the Work, and/or exercise any remedies it has hereunder. If Unit Owner shall comply with all of the terms and

conditions of this Agreement, the security deposit and interest or remaining balance thereof, if any, shall be returned to Unit Owner after completion of the Work. The Board's release of the security deposit shall not constitute acceptance of the Work by Sponsor or the Board or a waiver of any of Sponsor or the Board's rights under this Agreement. Any sums due to the Board under this Agreement and not recovered by application of the security deposit shall be deemed obligations chargeable and collectable as additional common charges to Unit due by Unit Owner to the Board pursuant to the By-Laws.

14. **Security; Construction Locks**. It shall be the General Contractor's responsibility to safeguard its own materials, tools and equipment at all times and to bear the risk of loss and/or damage thereto, and General Contractor hereby waives any claims against any property damage insurance coverage of the Building, Sponsor or the Board. Construction locks will be required and must be provided by the General Contractor. One key to the Unit must be provided to Sponsor and /or the Board for access to the Unit.

15. **Miscellaneous**. This Agreement represents the only agreements between Sponsor, the Board and Unit Owner relative to the subject matter hereto. Sponsor and the Board reserve the right to update and amend the requirements governing the Work from time to time. Any changes will be provided to Unit Owner and General Contractor and General Contractor will be required to acknowledge receipt of such update(s). This Agreement may not be changed orally. None of Sponsor, the Board, Manager or Managing Agent or any of their principals, agents, employees, contractors or subcontractors, will be responsible for failure or inefficient performance of Building Services to the Unit resulting from the Work. Unit Owner acknowledges that it has not relied upon any representations, warranties, architect's plans or statements of any nature whatsoever, whether written or oral, made by Sponsor, Sponsor's selling agent, the Managing Agent, or otherwise, including, without limitation, any representations, warranties, architect's plans, statements or estimates relating to the cost, feasibility, safety or compliance with all legal requirements pertaining to the Work, it being understood that approval of the Plans by Sponsor or the Board is not an express or implied warranty as to any such matter. This Agreement shall be binding on legal representatives, successors and authorized assigns. Captions are for the purposes of convenience of reference only and are not to be considered in interpreting this Agreement. SPONSOR, THE BOARD, UNIT OWNER AND GENERAL CONTRACTOR WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING UNDER THIS AGREEMENT.

16. **Notices, Assignment**. Any notice, request, consent or other communication hereunder shall begin in writing and sent by registered mail or certified mail, to Unit Owner at the address given at the beginning of this Agreement and to Sponsor and Board at the respective address given at the beginning of this Agreement, with a copy, in each case to Stroock & Stroock & Lavan LLP, 180 Maiden Lane New York, New York 10038, Attn: Michel Evanusa, Esq., or to such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. If, at any time, Unit Owner shall require the consent or approval of Sponsor or the Board to any proposed action hereunder, Unit Owner shall

make a written request therefor, requesting such consent or approval. In no event whatsoever may Unit Owner rely on any consents, approvals, communications, statements or notices given by any person (including, without limitation, the Managing Agent or the superintendent of the Building or any representative of either) who is not a member of Sponsor, or the Board or which are not in writing. This Agreement may not be assigned by Unit Owner.

17. **Amendment to Condominium Documents.** If the Work involves the combination or subdivision of a Unit or Units, upon completion of the Work and upon receipt of all applicable certifications and approvals, the Board agrees to amend the Declaration of the Condominium ("Declaration") and the Condominium Floor Plans ("Floor Plans") to reflect the modifications to the Unit. Unit Owner agrees to provide the Board with all information and execute all documentation required to amend the aforesaid documents and to pay all costs incurred by the Board or otherwise associated with the amendment of the Declaration and Floor Plans.

18. **Unit Owner's Breach and Board's and Sponsor's Remedies**. Any breach by Unit Owner of any of the provisions of this Agreement shall constitute a breach of the Declaration and By-Laws and shall entitle the Board to exercise all of the rights and remedies therein provided. In addition, the Board shall also have the right (a) to suspend the Work and prevent workers from entering the Unit for any purpose other than to remove their tools, and/or (b) to revoke its consent to the Work, and/or (c) to complete or remove all or any part of such Work and restore the Unit to its condition prior to the commencement of the Work at Unit Owner's sole cost and expense, and/or (d) to exercise any of the rights and remedies provided for herein. The remedies provided for herein and in the By-Laws shall not be exclusive and the Board shall also be entitled to exercise any of the remedies provided by applicable law.

The Board and Unit Owner acknowledge that Sponsor is the Sponsor of the offering plan for the Property, pursuant to which Sponsor has certain obligations to complete the Building and that a breach by Unit Owner of any of the provisions of this Agreement could adversely affect Sponsor's ability to perform its obligations. Accordingly the Board hereby assigns to Sponsor all of the rights of the Board pursuant to the Declaration and the By-Laws as may asserted with respect to the Work and this Agreement until such time as Sponsor has obtained a permanent certificate of occupancy for the Building. Until such time as Sponsor has obtained a permanent certificate of occupancy for the Building, the Board shall not consent to any request hereunder which would have the effect of delaying or interfering with or increasing the cost to perform the Sponsor's Work.

Notwithstanding anything to the contrary set forth herein, to the extent notices or documents are required to be delivered to Sponsor or the consent or approval of Sponsor is required hereunder, such delivery, consent or approval shall not be required after such time as Sponsor no longer owns any Unsold Units in the Building. Sponsor, in its sole discretion, may waive its right, in writing, to receive notices or give approvals or consents hereunder.

IN WITNESS WHEREOF, Unit Owner, Sponsor and the Board have executed this Agreement.

THE BOARD OF MANAGERS
OF The Sugar Warehouse

By: _____
Name:
Title:

_____
UNIT OWNER

79 Laight Street LLC

By: _____
Name:
Title:

EXHIBIT A

CONTRACTOR'S INSTRUCTIONS

1. Prior to the commencement of the Work, the General Contractor shall have submitted to the Board a list containing the names of all contractors, subcontractors and suppliers (collectively the "Subcontractors') which will be performing the Work or providing materials and supplies with respect thereto. Such list (the "Subcontractor's List") must be updated within forty-eight hours after any additional Subcontractors are engaged or retained.

2. The General Contractor must submit notification to the Managing Agent (each a "Notice") containing the name of any Subcontractor requiring access to the Property in furtherance of the Work, no less than forty-eight (48) hours in advance of the time that such access is required. The Notice shall include (a) the list of the individuals employed by the Subcontractor (the "Subcontractor's Employees") and (b) the period of time that the Subcontractor seeks to "book" the elevators to bring the Subcontractor's Employees and materials and supplies to the Unit. No Subcontractor will be permitted access to the Building unless the name of such Subcontractor is on the Subcontractor's list and a copy of the subcontract for such Subcontractor has been provided to the Board. The General Contractor acknowledges that the allocation of elevator "time" shall be made by the Managing Agent, in its discretion, subject to the availability of elevators.

3. Each Subcontractor's Employee identified in the Notice will be given an access pass. Such pass must be worn by the Subcontractor's Employees whenever they are in the Building and must be returned at the end of each work day. All persons gaining access to the work site must wear hard hats and such other safety gear as may be required by Sponsor or the Board.

4. The party to whom communications are required to be made under the Alteration Agreement and these Contractor Instructions, including, without limitation, the submission of the Subcontractor's List and the Notices is _____ of Coral Realty Management LLC. The Managing Agent reserves the right to change the aforementioned individual upon written notice to the General Contractor and Unit Owner.

5. By execution of the Contractor's Instructions below, the General Contractor hereby acknowledges and agrees to the foregoing and agrees to comply with those provisions of the Alteration Agreement which are the obligation of the General Contractor to perform.

ACKNOWLEDGED AND
AGREED

[GENERAL CONTRACTOR]

By:_____
Name:

Title:

EXHIBIT B

Each of Unit Owner's contractors shall provide insurance of the types and in not less than the limits set forth below with a company or companies satisfactory to the Board, licensed to do business in the State of New York, and all such policies shall name the Board, the Board's officers, directors and Unit Owners, the Designated Engineer, Sponsor and the Managing Agent as additional named insureds. No diminution of limits of insurance will be permitted.

(i) **WORKER'S COMPENSATION** as required by law together with Employer's Liability Insurance and Disability Benefits Insurance as required by the State of New York.

(ii) **COMMERCIAL GENERAL LIABILITY** including Contractor's Liability and Blanket Contractual Liability (oral or written), all on an occurrence basis with Personal Injury Coverage, which shall include mental anguish as well as standard conditions, and Broad Form Property Damage, without any exclusion relating to Explosion, Collapse and Underground Property Damage.

The policy will contain the "Broad Form Comprehensive General Liability" endorsement in Section 1 in such form; the exclusion pertaining to liability assumed by the Contractor under any contract or agreement (Section II Section B(l)) is to be deleted. The Completed Operations Coverage is to extend for a period of one year following termination of the Work and Contractual Indemnity Coverage is also to extend for one year following termination of the Work. The policy is also to include (a) Owners Protective Liability Coverage, (b) Knowledge of Occurrence and Notice of Occurrence endorsements and (c) Unintentional Errors and Omissions clause. The policy shall also include coverage with respect to asbestos exposure if the Work involves any asbestos-containing material, and shall not include a sunset clause without the Board's consent.

$1,000,000 BODILY INJURY & PROPERTY DAMAGE[1]* (combined single limit)

(iii) **COMPREHENSIVE AUTOMOBILE LIABILITY**, including non-ownership and hired car coverage, as well as owned vehicles:

$1,000,000 BODILY INJURY & PROPERTY DAMAGE (combined single limit)

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[1] Amounts of insurance required may be higher for major renovations as designated by the Board of Directors.

(iv) **UMBRELLA LIABILITY, BODILY INJURY, PERSONAL INJURY AND PROPERTY DAMAGE** If umbrellas are written in more than one company any layers above the first one shall follow the form of the primary umbrella.

$3,000,000 COMBINED[2]*
(combined single limit)

Prior to the commencement of any work hereunder, detailed certificates of insurance shall be furnished to the Board showing that such insurance is in full force and the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, terminated or modified without ten (10) days written advance notice thereof to the Board. The Contractor shall promptly furnish the Board with copies of any endorsements subsequently issued amending insurance coverage or limits.

In the event of the failure of the Contractor to furnish and maintain such insurance, the Board shall have the right, at its option, at any time:

(a) to revoke permission to perform the work and to deny entry into the Building of all workers, except that if such workers are escorted by a member of the Building's staff, they shall be permitted to remove their tools and supplies, or

(b) to take out and maintain the said insurance for and in the name of the Board, the Contractor or Unit Owner and, in such a case, Unit Owner agrees to pay the cost thereof and to furnish all information and consents necessary to permit the Board to take out and maintain such insurance for and in the name of the Board, the Contractor or Unit Owner.

Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve Unit Owner from liability assumed under any provisions of this Agreement.

The Contractor's insurance policy shall also contain in substance the following endorsement:

This insurance shall not be invalidated should the insured waive, in writing, prior to a loss, any or all right of recovery against any party for the loss occurring to the property described herein.

Nothing in this Exhibit B shall constitute a waiver of or limitation of any other rights or remedies the Board may have for consequential damages or otherwise.

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[2] Amounts of insurance required may be higher for major renovations as designated by the Board of Directors.

EXHIBIT C

Date

The Board of Managers
The Sugar Warehouse
c/o Coral Realty Management LLC
400 Broome Street
New York, New York 10013

Re: Unit ___ (the "Unit")
_____ (the "Unit Owner")
The Sugar Warehouse (the "Condominium")
79 Laight Street
New York, New York 10013 (the "Property")

Gentlemen:

The undersigned acknowledges being the general contractor for the Work to be performed in the referenced Unit ("Contractor") pursuant to the Plans, as such terms are defined in the alteration agreement (the "Alteration Agreement") entered into between The Board of Managers of The Sugar Warehouse (the "Board"), the above referenced Unit Owner and 79 Laight Street LLC ("Sponsor") Contractor acknowledges that it has received a copy of the Alteration Agreement (including. without limitation, the Contractor's Instructions annexed thereto), the Declaration, By-Laws and Rules and Regulations of the Condominium (collectively the "Requirements") and has reviewed the Requirements, understands them and will in all cases abide by all of the terms, conditions and requirements contained herein while completing the Work at the Building on behalf of Unit Owner. Contractor will be responsible for conveying these Requirements to any of its employees, suppliers and subcontractors who shall be bound by these Requirements. Contractor shall incorporate by reference the terms hereof into any contract or agreement with any Subcontractor employed by or retained by Contractor in connection with the Work and shall deliver copies of all such subcontracts to the Board and/or Sponsor upon request. In all cases, Contractor shall be solely responsible for the compliance by its employees, suppliers and subcontractors with the Requirements

Contractor agrees that it will not make any claim against, or seek to recover against the Board , the Board's officers, directors, Sponsor, other unit owners, servants, agents, partners, guests, licensees, invitees, tenants or employees or any of their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners of the foregoing (collectively, the "Indemnitees") for any damage to persons or property by the perils within the scope of the policies described in the Alteration Agreement, unless the loss or damage is due to the gross negligence or willful misconduct of the Indemnitees. Contractor further agrees to defend, indemnify and hold harmless the Indemnitees against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in anyway relating to the performance of the Work, unless such injury or loss of life or loss or damage to property is caused by the gross negligence or willful misconduct of the Indemnitees.

Any terms not otherwise defined in this letter shall have the meaning ascribed thereto in the Alteration Agreement.

Sincerely,

_____
(Name of Contractor)

By: _____
Name:

Title:

EXHIBIT D

TO: [Addressed to the Unit Owners
or residents of the units
adjacent to, above and below,
the Unit Owner's unit]

DEAR _____:

In accordance with the Alteration Agreement between me and the Board of Managers (the "Board") of the _____ (the "Condominium") covering the alterations to be performed in unit ___, you are advised as follows:

1. Alterations will be performed in unit ___ commencing on or about _____. The alteration agreement with the Board permits me an aggregate of ___ days to complete the alterations.

2. I hereby agree to indemnify you for any damage whatsoever to your unit caused by the alterations performed in my apartment as determined by the Condominium's architect. I agree to pay the reasonable cost of repair of such damage. At your option, such repair may be performed, at my expense, by contractors of your choice or by my contractors.

3. In order to take advantage of the foregoing indemnification, you must permit my designated representatives to inspect your apartment prior to the commencement of my alterations. Please call me at _____ to arrange the inspection. You must also permit my designated representative to inspect any damage you claim my alterations have caused.

Very truly yours,

_____
Unit Owner

Unit No.:_____

Date:_____

EXHIBIT "23"

LIEN LAW §71-a(3)

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3. (a) The initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential condominium unit or any structure designed solely for residential occupancy of not more than two families living separately, on property to be purchased shall, at the vendee's option, be deposited within five business days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall reamin the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depositary where the funds have been placed within ten business days after such deposit has been made.

(b) In lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a) of this subdivision, the recipient may post with the vendee a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in this state, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the recipient shall not be required to deposit such money in an escrow account. Said bond or contract of indemnity shall be delivered to the vendee within ten business days after receipt of the initial advance.

(c) At any time after making the deposit of such moneys in the escrow account, the recipient may post with the vendee a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in this state guaranteeing the return of such moneys, in which case the recipient shall not be required to maintain the deposit of such moneys in such account.

(d) Such advance shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the trust is terminated (i) by the recipient's performance of the terms of the contract of sale, or (ii) by default of the vendee excusing the recipient's performance of the terms of the contract of sale, or (iii) by release or discharge of the recipient's liability to refund such advance to the vendee, or (iv) upon transfer of title of the real property to the vendee.

(e) Every contract of sale which by its terms provides for or is incidental to a contract providing for the construction n the subject real property of a residential condominium unit or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the vendee of the provisions of this subdivision. Such statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows:

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