

THIS PLAN HAS BEEN AMENDED

CONDOMINIUM OFFERING PLAN

THE 58 THOMAS STREET CONDOMINIUM

Located At
58 THOMAS STREET
New York, New York 10013

FIVE RESIDENTIAL UNITS OFFERED FOR SALE

ONE COMMERCIAL UNIT NOT OFFERED FOR SALE

Total Purchase Price for Five Residential Units.....\$6,350,000

NAME AND ADDRESS OF SPONSOR:

58 THOMAS STREET ASSOCIATES LLC
145 Hudson Street
New York, New York 10013

NAME AND ADDRESS OF SELLING AGENT:

BROWN HARRIS STEVENS
2 Fifth Avenue
New York, New York

The one (1) Commercial Unit is not being offered for sale at this time. Prices for the Residential Condominium Units may be changed so that Purchasers may pay different prices for similar interests. (See Part I, Section I, entitled *Changes in Prices and Units*).

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

Date of Acceptance for Filing: March 1, 2002

The term of this initial offering is twelve (12) months from the above date and may not be extended beyond that time without a filed amendment to the Offering Plan.

CONDOMINIUM OFFERING PLAN

THE 58 THOMAS STREET CONDOMINIUM

**Located At
58 THOMAS STREET
New York, New York 10013**

FIVE RESIDENTIAL UNITS OFFERED FOR SALE
--

ONE COMMERCIAL UNIT NOT OFFERED FOR SALE

Total Purchase Price for Five Residential Units.....\$6,350,000

NAME AND ADDRESS OF SPONSOR:

**58 THOMAS STREET ASSOCIATES LLC
145 Hudson Street
New York, New York 10013**

NAME AND ADDRESS OF SELLING AGENT:

**BROWN HARRIS STEVENS
2 Fifth Avenue
New York, New York**

The one (1) Commercial Unit is not being offered for sale at this time. Prices for the Residential Condominium Units may be changed so that Purchasers may pay different prices for similar interests. (See Part I, Section I, entitled *Changes in Prices and Units*).

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

Date of Acceptance for Filing: March 1, 2002

The term of this initial offering is twelve (12) months from the above date and may not be extended beyond that time without a filed amendment to the Offering Plan.

TABLE OF CONTENTS

PART I

	PAGE
SPECIAL RISKS	1
INTRODUCTION	7
DEFINITIONS	11
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	17
LOCATION AND AREA INFORMATION	19
OFFERING PRICES AND RELATED INFORMATION	
SCHEDULE A	24
NOTES TO SCHEDULE A	26
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION	
SCHEDULE B	29
NOTES TO SCHEDULE B	30
EXPERT'S REAL ESTATE TAX ESTIMATE	37
421-A PRELIMINARY CERTIFICATE OF ELIGIBILITY	43
EXPERT'S ENERGY PROJECTION REPORT	46
COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)	57
CHANGES IN PRICES AND UNITS	58
INTERIM USE AND OCCUPANCY AGREEMENTS	60
PROCEDURE TO PURCHASE	62
ASSIGNMENT OF PURCHASE AGREEMENTS	72
EFFECTIVE DATE OF PLAN	73
TERMS OF SALE	75
UNIT CLOSING COSTS AND ADJUSTMENTS	82
RIGHTS AND OBLIGATIONS OF THE SPONSOR	90
CONTROL BY THE SPONSOR	100
BOARD OF MANAGERS	102
RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE	
BOARD OF MANAGERS	106
REAL ESTATE TAXES	121
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS	
OF THE CONDOMINIUM	122
COUNSEL'S TAX OPINION LETTER	127
RESERVE FUND/WORKING CAPITAL FUND	132
MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	133
IDENTITY OF PARTIES	137
REPORTS TO UNIT OWNERS/DOCUMENTS ON FILE	140
GENERAL	141
THE SPONSOR'S STATEMENT ON BUILDING CONDITION	143

PART II

PURCHASE AGREEMENT.....	146
EXHIBIT A: APPLICATION TO THE ATTORNEY GENERAL.....	167
FOR A DETERMINATION OF THE DISPOSITION OF DOWN PAYMENTS	
EXHIBIT B: PURCHASER'S INSPECTION STATEMENT	171
AND CERTIFICATE OF COMPLETION	
EXHIBIT: FINANCING CONTINGENCY RIDER TO	176
THE PURCHASE AGREEMENT	
POWER OF ATTORNEY	180
FORM OF UNIT DEED	183
DECLARATION OF CONDOMINIUM.....	188
EXHIBIT A: DESCRIPTION OF LAND	207
EXHIBIT B: DESCRIPTION OF UNITS	208
EXHIBIT C: DEFINITIONS.....	209
CONDOMINIUM BY-LAWS	216
THE CONDOMINIUM RULES AND REGULATIONS.....	255
ESCROW AGREEMENT BETWEEN SPONSOR AND ESCROW AGENT.....	261
CERTIFICATIONS	
THE SPONSOR AND PRINCIPALS.....	267
THE SPONSOR'S ARCHITECT.....	269
THE SPONSOR'S ARCHITECT ON ADDENDUM.....	271
THE SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	273
DESCRIPTION OF PROPERTY AND BUILDING CONDITION.....	275
FLOOR PLANS OF UNITS.....	297

SPECIAL RISKS

1. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds fifty percent (50%); or (ii) five (5) years from the First Unit Closing, the Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control by calling a meeting of all Unit Owners for the purpose of electing a new Board of Managers. At such event, Sponsor will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that the Sponsor and/or its designees may control the Board of Managers for as long as five (5) years from the First Unit Closing. Please refer to the Section of the Offering Plan entitled "Control by the Sponsor" for further discussion.

2. In addition to the Sponsor's ability to exercise voting control of the Board of Managers so long as it owns a sufficient number of Unsold Units, it shall have special rights to designate one or more members of the Board of Managers, which special rights are not limited in time. The Sponsor shall have such special rights to designate members of the Board of Managers even though it may not then own sufficient Units to enable it to otherwise elect such members. Furthermore, the Sponsor has reserved certain limited rights to veto specified actions of the Board of Managers for up to five (5) years after closing of the first Unit or whenever the unsold units constitute less than twenty-five percent (25%) of the common interests, whichever is sooner, notwithstanding that the Sponsor may not then exercise voting control of that Board. Voting control of the Board of Managers and such veto power would entitle the Sponsor to determine the level of services provided or made available to Unit Owners except that such veto power may not be exercised over expenses described in Schedule B or other expenses required to: (i) comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Please refer to the section of the Offering Plan entitled "Control by the Sponsor" for further discussion.

3. If a Purchaser defaults under his or her Purchase Agreement, the Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days within which to cure such default. TIME IS OF THE ESSENCE for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time of the Essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event the Down Payment, any accrued interest and any other amounts paid by the Purchaser for any special work, upgrades or extras shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void, except for matters (if any) that are expressly stated therein to survive termination thereof. Alternatively, the Sponsor may bring an action against Purchaser for specific performance of Purchaser's obligations under the Purchase Agreement. Please refer to the section of the Offering Plan entitled "Procedure to Purchase" for further discussion.

4. All funds received by the Sponsor for special work, upgrades or extras must initially be placed in the escrow account with the Escrow Agent. However, Purchasers should note that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor certifies to the Escrow Agent that such funds will be used for such special work, upgrades or extras ordered by Purchaser. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds released to be used for special work, upgrades or extras. Please refer to the section of the Offering Plan entitled "Procedure to Purchase" for further discussion.

5. The Purchase Agreement may be made contingent upon the Purchaser obtaining mortgage financing if and only if the Purchaser applies for a mortgage through Two River Mortgage

Company, Inc., a mortgage broker, located at 157 Broad Street, Suite 318, Red Bank, New Jersey 07701, and, in addition, may also apply for mortgage financing through a bank or mortgage broker of Purchaser's choice. In the event that Purchaser obtains a mortgage financing commitment through Two River Mortgage Company, Inc., and even if Purchaser obtains a commitment through a bank of Purchaser's choice, Purchaser shall be bound to close on the Purchase Agreement. Two River Mortgage Company, Inc., will not charge an application fee to any Purchaser with a duly executed Purchase Agreement. Neither the Sponsor, nor any other person participating in this offering makes any representations as to the terms, conditions, cost or availability of such financing. Purchasers should be aware that a loan commitment obtained through Two River Mortgage Company, Inc., the Purchase Agreement will not thereafter be contingent on mortgage financing. Purchasers should be aware that a loan commitment, if obtained, may be effective for a period of time, which could expire before the Closing Date. In the event that such loan commitment expires before the Closing Date, through no fault of Purchaser, the Purchaser may rescind the Purchase Agreement. Some lending institutions may not consider loan applications or issue commitments unless and until an executed Purchase Agreement is first submitted to such institution. Please refer to the section of the Offering Plan entitled "Procedure to Purchase" for further discussion and to the Mortgage Contingency Rider in Part II.

6. 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 prior written notice to the Managing Agent. Please refer to section entitled "Management Agreement, Contracts and Leases" in Part I.

7. At or prior to the First Unit Closing the Condominium Board will enter into a management agreement with Goldin Management Company for an initial term of two (2) years. This agreement cannot be canceled by the Board during such two (2) year period. The management fee provided in the budget may exceed guidelines that other managing agents may use. Please refer to the section of the Offering Plan entitled "Management Agreement, Contracts and Leases" for further discussion.

8. Pursuant to existing law and regulations the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen percent (15%) of the Units in the Building, that is one, (1) Unit of the five (5) Units offered for sale. Even if the Plan is declared effective with two or sales, it is possible that the Sponsor may be able to convert the Building with fewer number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to section entitled "Effective Date of Plan".

Purchasers should note that certain banks and other lenders impose 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.

9. Purchasers will be required to pay the Real Property Transfer Tax (RPT) of the City of New York and the Real Estate Tax of the State of New York that by law are the primary obligation of the Seller. Although transfer taxes are customarily paid by the seller in single-family and other covered transactions, the responsibility for payment of such taxes may be modified by contract. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that, where the Purchaser pays such taxes, the amount thereof will be added to the taxable consideration. The current transfer taxes are as follows: \$2 per \$500 of the price of the Unit payable to the New York State Department of Taxation & Finance; one percent (1%) of the Purchase Price of Units selling for under \$500,000 or 1.425% for Units selling above \$500,000 payable to New York City Department of Finance. Purchasers should note that Units selling above one million dollars are subject to the so called "mansion tax" which is one (1%) of the purchase price and is payable at closing to the State of New York Department of Taxation and Finance. In addition, Purchasers will be required to pay \$1,000 to Sponsor's attorney at closing for the preparation of closing date documents and attendance at the closing and \$300 for reviewing a title report if Purchaser buys title insurance from other than the title company used by Sponsor in this Plan. All closings will be held at the office of Sponsor's attorney or an additional \$250 will be charged for any Unit closing which occurs other than in the office of Sponsor's attorneys. Please refer to the Section of the Offering Plan entitled "Unit Closing Costs and Adjustments" and the Purchase Agreement set forth in Part II of this Offering Plan for further discussion.

10. The Projected Budget for First Year of Condominium Operation includes the estimated salaries of a part-time, non-resident superintendent. None of the Units are being reserved for a resident superintendent. Please refer to the Section of the Offering Plan entitled "Projected Budget for First Year of Condominium Operation - Schedule B" for further discussion.

11. There is no provision for a specific reserve fund for the Condominium for the purpose of paying the cost of future capital repairs, replacements or improvements to the Premises (except that each Purchaser of a Unit shall pay into the Working Capital Fund of the Condominium a sum equal to two (2) months of Common Charges for the Unit being purchased). Therefore, Unit Owners shall be obligated to pay their share of the cost of repairs, replacements and improvements to the Common Elements as the need for the same arises, unless there are sufficient Working Capital or other funds available. As the Building is being newly constructed, the Sponsor does not anticipate the need for such capital repairs, replacements or improvements within five (5) years subsequent to the First Unit Closing; however, no assurance or guaranty is given that such need shall not arise. Please refer to the Sections of the Offering Plan entitled "Reserve Fund" and "Work Capital Fund" for further discussion.

12. Unlike Purchasers, the Sponsor and the Owner of the Commercial Unit (First floor Unit) shall not be required to offer a right of first refusal or to seek or obtain approval (as the case may be) from the Board of Managers for any transfer, lease or mortgage of, or alterations, repairs or improvement (and for any permits or agency approvals required for such repairs or alterations) to any of its Units, provided that such alterations, repairs or improvements comply with applicable laws. Please refer to the Section in Part I entitled "Rights and Obligations of the Unit Owners and the Board of Managers" for further discussion.

13. Down Payments or advances in excess of \$100,000 made by Purchasers prior to the closing of each individual Unit purchase which are held in escrow by the Escrow Agent will not be federally insured in excess of \$100,000 and 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. Please refer to the Section in Part I entitled "Procedure to Purchase" for further discussion.

14. The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. Notwithstanding the above, in the event a Purchaser enters into possession of the Unit prior to the closing of title, such as under an Interim Use and Occupancy Agreement or in the event of unauthorized use, then the Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Accordingly, any Purchaser, or anyone claiming by or through a Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of the Purchase Agreement, without any abatement in the purchase price. Please refer to the Section of the Offering Plan entitled "Procedure to Purchase" for further discussion.

15. Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease. See section entitled "Purchase Agreement" in Part II, Paragraph 9(b).

16. The Sponsor has the financial resources to meet its obligations under this Plan or its obligations to pay Common Charges, assessments and real estate taxes with respect to Unsold Units after the Sponsor's acquisition of same. However, no bond or other form of collateral security has been or will be furnished by the Sponsor to secure performance of such obligations. The Sponsor's ability to perform such obligations shall depend upon its financial condition if, as and when called upon to perform the same. Please refer to the Section of the Offering Plan entitled "Rights and Obligations of the Sponsor" for further discussion.

17. The Building is not an individual landmark, but the Property is located within the special Lower Manhattan Mixed Use Zoning District (District M1-5, B-1, LMM) and is also in an area that has been designated the Tribeca West Historic District by the Landmarks Preservation Commission of the City of New York. The Landmarks Commission restricts the exterior alterations of buildings within the historic district, including, but not limited to, windows, doors, and roof decoration trim. Alterations to the interior portions of the building that may affect the exterior of the building must also be approved by the Commission. Such requirements may restrict choices of color, material and finishes that otherwise may have been selected by Unit Owners and/or the Board of Managers. Please refer to the section entitled "Description of Property and Improvements" and reference by Sponsor's architect in his Report found in Part II, (h)(1)(iii). Please refer to Page 21 in the Section of the Offering Plan entitled "Location and Area Information" for further discussion.

18. Sponsor is obligated to obtain, at minimum, a residential Temporary Certificate of Occupancy ("TCO") prior to closing of the first Residential Unit being conveyed, or a partial Certificate of Occupancy ("CO") and will after the issuance of a TCO, perform all work necessary and make its best efforts to obtain a permanent residential CO within two (2) years of the first unit closing. If Sponsor is unable to obtain the CO in said time period, it will extend the time of the TCO. A permanent Certificate of Occupancy is required for permanent residential use of the Property. So long as a temporary or partial Certificate of Occupancy has been issued that covers a Unit, a Purchaser of such Unit may not delay or adjourn the closing. A TCO may only be renewed

for a total period of two years from the date of its original issuance, and if it should expire prior to the issuance of a permanent CO, it must be extended or residential occupancy of the Property will be in violation of the Multiple Dwelling Law, subjecting occupants and the Condominium and its Board of Managers to penalties under the Multiple Dwelling Law including eviction of residential occupants. Prior to the issuance of a permanent residential CO, Purchasers will not be permitted to make alterations or improvements to their units, other than painting or minimal repairs, without the prior written consent of the Sponsor and which consent may be withheld in Sponsor's sole discretion. Sponsor shall have no obligation to perform any work, alterations, or improvements of any nature with respect to the interior of the Units except as describe in the Plan. See pages 76 and 91 in Part I of the Offering Plan.

19. Purchasers should note that the Building contains a Commercial Unit which can be used for any lawful purpose and that such use may cause more traffic or noise than is customary if such space was intended for residential use. In addition, certain rights reserved for Sponsor are also reserved for the Commercial Unit such as exemption from the Board's "right of first refusal" as to a sale or lease of the space, the right to freely mortgage the Unit, to alter its space and make renovations or improvements, including creating a new entrance from the first floor common area, without the consent of the Board, to have a representative on the Board and other rights more fully set forth in Part I, footnote 12 to the Budget and Article 15 to the Declaration. Further the commercial Unit Owner, at its own expense, may construct an entrance to the Commercial/First Floor Unit from the first floor common lobby area. Such change shall not require board approval or the approval of the Unit Owners provided such entrance meets required Building Code. It should also be noted that the Commercial Unit is not being offered for sale at this time but that the Sponsor retains the right to offer said Unit for sale at a future time provided Sponsor amends the Offering Plan to disclose the offering. The Commercial Unit may be used for any lawful purpose (subject, however, to certain restrictions set forth in Article VI of the By-Laws). The Sponsor and any subsequent Commercial Unit Owner also retains the right to change the use of such Commercial Unit at a later date without the consent or vote of the Board of Managers, the Unit Owners, or anyone else. Sponsor shall amend the Plan if it intends to offer the Commercial Unit for sale or to subdivide or combine it or to change its use. The Board will have no right to restrict or limit any of the uses of the Commercial Unit by the Sponsor or Sponsor's designee or any succeeding Commercial Unit Owner/First Floor Unit which uses are permitted by law and applicable zoning ordinances, subject, however to certain restrictions set forth in the By-Laws. Nor will the Sponsor or any Commercial Unit Owner (or Owner of the First floor Unit if used for professional, residential or joint-living work space) be restricted as to the type, size or location of its sign(s) provided that such sign(s) are inside its space or on the façade of the Building below the second floor of the Building.

20. In addition to permitting the Board of Managers to acquire or otherwise deal with a Unit, the Power of Attorney permits the Sponsor to amend the Declaration, By-Laws or the Rules and Regulations at any time to reflect changes in Unsold Units made by Sponsor, or make changes required by an institutional lender, governmental agency or title insurance company even when the Sponsor no longer controls the Board. Please refer to the section of the Offering Plan containing the "Power of Attorney".

21. The Sponsor or its designee shall have the right to subdivide any Unsold Units or combine one or more Unsold Units without the consent of the Board of Managers, its agents, Unit Owners or anyone else provided such changes in size or number of units is disclosed in an

amendment to the Offering Plan and any relevant condominium documents. Please refer to the section in Part I of the Offering Plan entitled "Changes in Prices and Units" and Article 16 of the Declaration in Part II.

22. Sponsor will not provide clothes washers or dryers in any Unit but will install hook-ups in each residential Unit for purchasers who desire to install such appliances. Please refer to section in Part I "Description of Property and Improvements".

23. The Building's roof and roof terraces will be covered with modified bitumen material which surface is not a traffic bearing surface. See Architect's Report in Part II, h(7)(i).

INTRODUCTION

The Sponsor and current owner of the Property, 58 Thomas Street Associates LLC, a New York limited liability company, acquired the Property, a vacant one-story commercial building, by deed dated June 29, 1998.

The purpose of the Plan is to set forth all the material terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are then in full force and effect, (ii) Unit Owners, and (iii) any other Person who is required by law or regulation to receive such amendment (collectively, "Offerees"). Service shall be either by personal delivery, ordinary mail or registered or certified mail, with or without return receipt requested, addressed to the Offeree at the last known residence of such Offeree or, if the Offeree has provided written information of an alternative address for notices, addressed to the Offeree at such alternative address. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing. Copies of the Offering Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or sponsor.

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

The Condominium shall consist of five (5) Residential Units and one (1) Commercial Unit. Only the Residential Units are being offered for sale hereunder at this time.

The Building will be seven stories in height plus cellar. There is to be one passenger elevator servicing floors cellar to seventh. All Residential Units shall be connected to an intercom and remote lobby entrance door release system with a communicator panel located outside the lobby entrance. All appliances will be supplied in the Residential Units except clothes washers or dryers. Hook-ups for washers and dryers will be installed.

The northern portion of the second floor Terrace is a Limited Common Element for the exclusive use of the Owner of Unit 2. The southern portion of the second floor Terrace is a Limited Common element for the exclusive use of the Commercial Unit/First Floor Owner. There are two (2) terraces on the seventh floor that are both Limited Common Elements for the exclusive use of the Owner of the Penthouse.

Please refer to section entitled "Description of Property and Improvements" in Part I and the Architect's Report in Part II of the Offering Plan.

All the Units being offered are intended to be sold as residential Units in accordance with this Plan at the prices noted in Schedule A contained herein. The offering prices may be changed from time to time by the Sponsor as described in this Plan in the Section entitled "Changes in Prices and Units."

Therefore, Purchasers may pay or may have paid different prices for the same or similar Units. **THE OFFERING PRICES FOR THE UNITS HAVE BEEN ESTABLISHED SOLELY BY THE SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.** It is noted that although all Units are being offered pursuant to this Offering Plan, the Sponsor is hereby reserving the right to withhold certain Units from sale, provided an amendment is first filed setting forth the Units being withheld.

Features of Condominium Ownership

The ownership of a Condominium Unit is similar in many respects to the ownership of a private home. The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. The Unit Owner also owns, in common with the owners of all other Units, all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (hereinafter called the "Condominium Act"). Any portion of the Land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that all fireplace flues as well as elevator shaftways and terraces adjacent to and accessed directly from a particular Unit shall be Limited Common Elements. A shaftway located in the central core of the Building and the second floor rear terrace shall be a Limited Common Element for the exclusive use of the Commercial Unit.

Subject to certain conditions contained in the By-Laws, Unit Owners are privileged to mortgage their Units generally on the terms and in such amounts as they choose. However, the Sponsor makes no representations as to the financibility of any Unit. With respect to any Unit, a first mortgage or second mortgage shall be either with an institutional lender, a family member, a business associate or employer or a selling Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures set forth in the Purchase Agreement in Part II of the Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers"), or the Board of Managers. No Unit Owner shall be permitted to encumber any Unit with a third mortgage. No Unit is subject to the lien of any mortgages placed by other Unit Owners on their Units.

Unit Owners can sell or lease their Units to anyone, without restriction or limitation, subject only to a right of first refusal in each case by the Board of Managers at the same price and terms the Unit Owner has been offered. Such right of first refusal is hereinafter described in the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers." Unit Owners can alter and decorate the interiors of their Units in any way they desire, subject to compliance with the By-Laws, the Rules and Regulations, laws and local codes, and they are responsible for the cost of their own interior decoration, maintenance and repair after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will

not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of Martin Shaw, Esq., counsel to the Sponsor, which opinion is set forth in full in Part I of the Plan ("Counsel's Tax Opinion Letter"), under present income tax laws, a Unit Owner who uses a Unit as his or her principal or secondary residence and who itemizes deductions, may deduct from his or her income, for Federal, New York State and New York City income tax purposes, real estate taxes and the interest paid on the mortgage, if any, on his or her Unit, subject to the exceptions and limitations discussed in the Counsel's Tax Opinion Letter. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium.")

The Board of Managers will assess against each Unit Owner, in proportion to his or her respective percentage of Common Interest as defined in the Section of the Plan entitled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), in accordance with the New York State Condominium Act, Real Property Law Section 339(i) and (m). Each Unit Owner will pay for all electricity consumed within his or her own Unit, the charges for which will be separately metered. Gas for the Units shall be a Common Expense.

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

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

Units may be purchased by an individual or individuals, or by a duly formed partnership, or corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. Notwithstanding the foregoing, the Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale. The Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board of Managers, any Unit Owner or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Unit and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, the Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and the Sponsor has been exchanged

and the Sponsor has collected the funds constituting Purchaser's required deposit thereunder. (See the Section of the Plan entitled "Procedure to Purchase" for more details.) The Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under the law.

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

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

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:

"Appurtenant Interest" means with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Assessments" means the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws).

"Board of Managers" or "Condominium Board" means the governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.

"Building" means the structures and improvements known as The 58 Thomas Street Condominium, New York, New York 10013, in which the Units of the Condominium are located.

"By-Laws" means the by-laws governing the operation of the Condominium as set forth in Part II of this Plan, as the same may be amended from time to time.

"City Register's Office" means the New York County Office of the Register of the City of New York.

"Closing" or "Closing Date" means respectively the transaction by which or date on which legal title to a Unit is conveyed by the Sponsor to a Purchaser who shall have fully paid the required Purchase Price for his or her Unit and who shall have otherwise fully performed all obligations on his or her part to be performed under the Purchase Agreement.

"Commercial Unit" means the Unit designated as the Commercial Unit/First Floor in the Declaration.

"Commercial Unit Owner" means the owner of a Commercial Unit/First Unit at the time in question.

"Common Charges" means each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

"Common Elements" means the entire Property, including all parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses" means (a) the expenses of operation of the Property, and (b) all sums

designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

"Common Interest" means the proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.

"Condominium" means a form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, "Condominium" specifically refers to The 58 Thomas Street Condominium.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"Condominium Board" shall have the same meaning as "Board of Managers."

"Condominium Documents" means the Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, the form of Unit Deed and the form of Power of Attorney.

"Date of Presentation" means with respect to the Plan or any amendment thereto the date which is (a) the date copies thereof are personally delivered or (b) five (5) days after copies thereof are mailed to persons entitled to the same pursuant to Title 13, Part 20 of the regulations of the Department of Law.

"Declaration" means the instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.

"Down Payment" means all amounts paid to the Sponsor, or its agent, by a Purchaser upon the signing of a Purchase Agreement (including any additional sums paid thereunder by a Purchaser, such as the cost of special work, upgrades, or extras on a Unit), together with interest earned thereon, if any.

"Escrow Agent" has the meaning ascribed to that term in the Section of the Plan entitled "Procedure to Purchase."

"Escrow Agreement" refers to the form of escrow agreement set forth in Part II of this Plan.

"First Unit Closing" means the first closing of title with a bona fide Purchaser of a Unit.

"Floor Plans" means the floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" include, without limitation, the following:

- (1) The land on which the Building is physically erected and the land, if any, on all sides of the Building within the boundaries of the Property, but not including the areas designated as patios or terraces which are Limited Common Elements.

- (2) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and any insulation beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, elevator shaft and stairs located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the block, brick or concrete work of the interior walls of the Building separating Units from the corridors, elevator shaft, lobby or stairs not within a Unit; concrete floor slabs; the support beams, joists and archways, including any furring attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads; skylights which do not open from or form the border of a Unit; water towers and tanks, if any; roofs, excluding the roof terraces allocated to either specific Units; corridors, halls, stairs and stairway areas located beyond the unexposed face of a dry wall enclosing a Unit; any storage and utility areas which are not part of a Unit or not otherwise specifically designated as a Limited Common Element, located beyond the unexposed face of the dry walls or block work, brick work or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; the entrances to and exits from the Building;
- (3) The lobby, mailboxes in lobby, the gas and electric meter rooms, the gas meters and electric meters in the cellar; and all other cellar areas which are not designated as part of a Unit, but excluding the street vault; the street vault area, if any, is owned by The City of New York;
- (4) All installations outside the Units for services such as gas, power, light, telephone and water; intercom system;
- (5) All sewer pipes and drainage pipes;
- (6) The elevator, elevator shaft, pit and bulkhead; refuse chute, trash compactor; elevator room, mechanical and equipment rooms for apparatus and installments for common use;
- (7) Any tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use; and
- (8) All other apparatus and installations existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building.

"Insurance Trustee" means a bank, a trust company or a savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" means all that certain tract, plot, piece and parcel of land situate, lying and being in the City of New York, New York, County, State of New York, as more particularly described in Schedule A to the Declaration.

"Law" means the laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Lender" shall have the meaning ascribed to such term in the Section of this Plan entitled "Rights and Obligations of the Sponsor."

"Limited Common Elements" means parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Board of Managers as a Common Expense. In this Plan, all terraces, fireplace flues and elevator shaftways adjacent to and accessed directly from a particular Unit shall be Limited Common Elements, which shall be for the owner of the Unit having exclusive use of such Elements. The northern portion of the Roof Terrace on the second floor located adjacent to Residential Unit 2 is a Limited Common Element for the exclusive use of the Owner of Unit 2. The southern portion of the Roof Terrace on the second floor is a Limited Common element for the exclusive use of the Commercial Unit/First Floor Owner. The two terraces on the seventh floor are both Limited Common Elements for the exclusive use of the Unit Owner of the Penthouse. The shaftway and any ducts, vents, cables, wires or such existing or to be installed therein are Limited Common Elements for the exclusive use of the Commercial Unit Owner.

"Majority of Unit Owners" means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

"Managing Agent" means a person employed by the Condominium Board pursuant to Article II, Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offeree" has the meaning ascribed to that term in the Section of the Plan entitled "Introduction."

"Offering Plan" means the document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. The Offering Plan is sometimes herein referred to as the "Plan."

"Operation of the Property" means the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to the Common Elements.

"Person" means a natural person, corporation, partnership, association, trustee, limited liability company, limited liability partnership or other legal entity.

"Plan" shall have the same meaning as "Offering Plan."

"Power of Attorney" means the document, signed by Unit Owners, which appoints:

- (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as it may determine.
- (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Property" means and includes the Land, the Building and all other improvements thereon owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchase Agreement" refers to that contract of purchase and sale of a Unit as set forth in Part II of this Plan.

"Purchaser" means any Person who has entered into an agreement with the Sponsor to purchase any Unit and is not in default thereunder.

"Recording officer" and "recording" or "recorded" shall have the meanings ascribed to those terms in section two hundred ninety of the New York Real Property Law.

"Residential Unit" shall have the same meaning as "Unit." All such Residential Units are collectively referred to as "Residential Units" or "Units."

"Residential Unit Owner" shall have the same meaning as "Unit Owner."

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

"Selling Agent" means Brown Harris Stevens, or its successors, as the selling agent for the Sponsor with respect to the Units being offered for sale under this Plan.

"Sponsor" means the promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 58 Thomas Street Associates LLC constitutes the Sponsor of this Offering Plan.

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

"Sponsor's Architect" means Arpad Baksa Architect, P.C., as the architect engaged by the Sponsor to design the Building and supervise construction thereof.

"Unavoidable Delays" means delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of the Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body, or lightning, earthquake, fire, storm, hurricane, flood, washout, explosion, act of God or any cause whatsoever beyond the reasonable control of the Sponsor whether or not similar to any of the causes hereinabove stated.

"Unit" means any space in the Building designated as a Residential Unit or Commercial Unit in the Declaration, together with any appurtenant, proportionate, undivided interest in the Common Elements and, as the case may be, the Limited Common Elements. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a storage room, balcony, or terrace. All such Units are collectively referred to as "Units".

"Unit Deed" means the deed transferring title to a specified Unit from the Sponsor to the Purchaser in fee simple absolute.

"Unit Designation" means the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

"Unit Owner" means any owner of a Unit in fee simple absolute, and all such owners are collectively referred to as the "Unit Owners."

"Unsold Unit" means any Unit owned by the Sponsor or its designee at the time in question, and all such Units are collectively referred to as "Unsold Units."

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Land has an area of approximately 2,511 square feet and the lot coverage is full. The Land is rectangular in dimension. It is on the southerly side of Thomas Street, 100 feet 2-1/2 inches from the southwesterly corner of Thomas Street and Church Street. It fronts 24 feet 9-1/4 inches on Thomas Street and is 101 feet 2-1/4 inches deep. The entrance to the Units is through the lobby fronting on Thomas Street. The address of the Property is 58 Thomas Street, New York, New York. The Property is located in a landmark district.

The Condominium shall consist of one (1) Commercial Unit and five (5) Residential Units.

The Building being constructed on the Land will be seven stories in height and shall have one passenger elevator servicing floors cellar through seventh. The cellar level contains the lower level of the Commercial Unit plus electric meters, gas meters, boiler room, and mechanical space. The first floor contains the lobby and the upper level of the Commercial Unit. The upper floors contain one Residential Unit per floor. Each Residential Unit contains a range/oven, refrigerator, hook-ups for washer and dryer, central air-conditioning, a fireplace, wood floors and two baths. The Penthouse Unit will have two fireplaces and 2-1/2 baths. A space heater boiler plant and domestic gas fired hot water heaters will provide hot water that will be utilized for all space heating. All Residential Units will be provided with an intercom system and connection terminals for telephone and cable television. The Building is more fully described in the Architect's "Description of Property and Building Condition" set forth in Part II of the Plan.

The Limited Common Elements in the Building consist of all terraces, fireplace flues and elevator shaftways adjacent to and accessed directly from a particular Unit shall be Limited Common Elements for the owner of the Unit having exclusive use of such elements. The northern portion of the Terrace adjacent to the second floor Unit is a Limited Common Element for the exclusive use of the Owner of Unit 2. The southern portion of the said Terrace is a Limited Common element for the exclusive use of the Commercial Unit/First Floor Unit. The two terraces on the seventh floor are both Limited Common Elements for the exclusive use of the Unit Owner of the Penthouse. The shaftway and any ducts, vents, cables, wires or such existing or to be installed therein are Limited Common Elements for the exclusive use of the Commercial Unit Owner.

The Building will be constructed of steel frame consisting of beams and columns resting on a reinforced concrete matt slab and foundation walls. The front façade will be made of block and brick with cast concrete element incorporated into the street wall. The side walls will be concrete masonry units. Above the first floor, the rear wall will be made of EIFS. The roof and the terrace surfaces will be covered with modified bitumen roof material.

Windows will be double hung extended aluminum with a painted finish except the windows facing the terraces at the second floor and upper Penthouse floor which will be wood patio doors with glass.

Under the present construction schedule, it is anticipated that, except for finishing work to the stairways and other areas of the Building that are not intended for the exclusive use of any one Unit Owner, the Building will be substantially completed on or about May 1, 2002, subject to unavoidable delays. The Sponsor does not, however, warrant or guarantee completion or occupancy dates for the Building or any part thereof.

The Sponsor has engaged the architectural firm of Arpad Baksa Architect, P.C. to design the Building and undertake architectural supervision of the construction of the Building. The Sponsor has also engaged On The Level Enterprises, Inc. as construction manager for the erection, construction, completion and equipping of the Building. John Carson and Angelo Cosentini, principals of the Sponsor, are also principals of On The Level Enterprises, Inc. Please refer to the section entitled "Identity of Parties" in Part I of the Plan.

The Building will be built by the Sponsor in accordance with all applicable zoning and building laws, regulations and codes and other government requirements, including those of the City and State of New York, and substantially as described in the property report of Arpad Baksa Architect, P.C., which is included in Part II of this Plan.

The Sponsor reserves the right to amend or modify the architectural, structural, mechanical, electrical or other plans for the Building in any way, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property and Building Condition" 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 not give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment of the Plan.

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

LOCATION AND AREA INFORMATION

Location:

The Property is located on the south side of Thomas Street, between Broadway and Church Street, in the Borough of Manhattan, City and State of New York.

Surrounding Area:

The Property is located in Tribeca which is a "loft area" in Manhattan due to the number of buildings offering large open lofts. The area is also known for its "neighborhood" quality, fine schools and a variety of retail shops, restaurants, clothing stores and dry cleaners and excellent shops in the immediate vicinity.

Recreational:

There are numerous recreational facilities in the vicinity of the Property. Among the most popular are the following:

Washington Market Park, located at Greenwich Street and Chambers Street;

City Hall Park, located at Lafayette Street between Chambers Street and Park Place;

Hudson River Park, located along the Hudson River from Battery Park north to Chambers Street.

Transportation:

The Property is located several blocks from the West Side Highway along the Hudson River, which is a main arterial route from Manhattan to all points north and to lower Manhattan. The Holland Tunnel is also located within several blocks of the Property.

Subways:

The nearest subway station is located at Chambers and Church Streets, which is a subway stop for the A, B, C, and E lines as well as the 1 and 9 lines located at Chambers and West Broadway. These lines serve all areas of Manhattan and provide service into Brooklyn and Queens.

Bus Lines:

Uptown/Downtown Routes:

- M Church Street and Avenue of the Americas. Runs between West Broadway and 178 street - Broadway, daily.
- M6 Seventh Avenue - Broadway and Avenue of the Americas. Runs between 59th Street - Avenue of the Americas and South Ferry, daily.
- M10 Seventh Avenue and Hudson Street / Eighth Avenue (Central Park West). Runs between Battery

Park City and 159th Street - Douglass Boulevard, daily.

Crosstown Routes:

- M Chambers Street crosstown. Runs between West Street and Murray Street, all times.
- M21 Houston Street crosstown. Runs between 1st Avenue - 27th Street and Washington Street - Spring Street, daily.

Schools:

Public and private schools are located in close proximity. Public schools located in the general vicinity are:

P.S. #234 at 292 Greenwich Street, New York, New York

P.S. / I.S. #89 at 201 Warren Street, New York, New York

Stuyvesant High School at 345 Chambers Street, New York, New York.

Numerous private schools are located in the area as well. They include:

Buckle My Shoe Nursery School - coed, ages 3 months to 5 years, located at 214 Church Street, New York, New York and 40 Worth Street, New York, New York;

Washington Market School - coed, ages 2-5 years, located at 55 Hudson Street, New York, New York and at 214 Church Street, New York, New York;

Friends Seminary - day - coed, ages 4-18, located at 222 East 16th Street, New York, New York;

St. Luke's School - day - coed, ages 4-14, located at 487 Hudson Street, New York, New York;

Village Community School - day- coed, located at 272 West 10th Street, New York, New York;

Xavier High School, located at 30 West 16th Street, New York, New York.

The above listing is by no means inclusive. No representation is made that children of Unit Owners will be entitled to attend any particular school.

Nearby Places of Worship:

Houses of worship located in the general vicinity include:

Church of St. Luke in the Fields (Protestant Episcopal)
487 Hudson Street, New York, New York;

Civic Center Synagogue
49 White Street, New York, New York;

Conservative Synagogue of Fifth Avenue
11 East 11th Street, New York, New York;

First Presbyterian Church
12 West 12th Street, New York, New York;

St. Joseph's Church
371 Avenue of the Americas, New York, New York;

St. Peter's Roman Catholic Church
16 Barclay Street, New York, New York;

St. Veronica's Rectory
657 Washington Street, New York, New York.

Medical:

The nearest hospitals are St. Vincent's Hospital, located at 153 West 11th Street, New York, New York and NYU Downtown Hospital, located at 170 William Street, New York, New York. Other medical facilities are as follows:

Life Extension Institute
86 Trinity Place, New York, New York;

Soho Medical Group
115 Spring Street, New York, New York;

St. James Medical Center
25 St. James Place, New York, New York.

Public Libraries:

The nearest public library branch is the Murray Street Library, located at 9 Murray Street, New York, New York.

Police, Fire, Water, Sanitation, Snow Removal, and Maintenance Services:

The above services are provided by the City of New York, and all charges (except water) are incorporated in the City Tax. The Property is in the 1st Police Precinct. Precinct headquarters are located at the corner of Varick Street and Ericson Place, New York, New York. The nearest fire department station is Fire Department Engine Company # 7, at 104 Duane Street.

Postal:

The zip code for the Property is 10013, which is the Canal Street Post Office at the south east corner of Canal and Church Streets.

Zoning:

The Property is located in within the special Lower Manhattan Mixed Use Zoning District (District M1-5, B-1, LMM) and is also in an area that has been designated the Tribeca West Historic District by the Landmarks Preservation Commission of the City of New York. Residential use is permitted in this district.

The Landmarks Commission restricts the exterior alterations of buildings within the historic district, including, but not limited to, windows, doors, and roof decoration trim. Alterations to the interior portions of the building that may affect the exterior of the building must also be approved by the Commission. Such requirements may restrict choices of color, material and finishes that otherwise may have been selected by Unit Owners and/or the Board of Managers.

THIS PAGE LEFT BLANK INTENTIONALLY

SCHEDULE A OFFERING PRICES AND RELATED INFORMATION

58 THOMAS STREET CONDOMINIUM

Projected Common Charges are for the Twelve Month Period

Commencing July 1, 2002 and Ending June 30, 2003

Unit (1)	Bedroom / Bathroom	Net Area in Square Feet	Offering Price (2)	Percentag e of Common Interest (3)	Estimated Monthly Common Charges (4)	Estimated Monthly/Annual Real Estate Taxes w/o 421-a (5)	Estimated Total Monthly Carrying Charges (6)
Commercial Unit (First Floor) and Cellar	-----	2,028 and 1,435	NOT OFFERED FOR SALE	15	\$881.25	\$197 monthly 2,364 annual 421-a ----- \$952.88 monthly 11,434.56 annual	\$1,078.25 with 421-a ----- \$1,834.13 w/o 421-a
2 and Terrace	4-1/2	1,542	\$1,100,000	16	\$940.00	\$210 monthly \$2,365 annual 421-a ----- \$1,016.41 monthly 12,196.92 annual	\$1,150 with 421-a ----- \$1,956.41 w/o 421-a
3	4-1/2	1,542	985,000	15	\$881.25	\$197 monthly 2,364 annual 421-a ----- \$952.88 monthly 11,434.56 annual	\$1,078.25 with 421-a ----- \$1,834.13 w/o 421-a
4	4-1/2	1,542	1,025,000	15	\$881.25	\$197 monthly 2,364 annual 421-a ----- \$952.88 monthly 11,434.56 annual	\$1,078.25 with 421-a ----- \$1,834.13 w/o 421-a
5	4-1/2	1,542	1,065,000	16	\$940.00	\$210 monthly 2,520 annual 421-a ----- \$1,016.41 monthly 12,196.92 annual	\$1,150 with 421-a ----- \$1,956.41 w/o 421-a
PH- Duplex and two Terraces	7-1/2	2,411	2,175,000	23	\$1,351.25	\$355.04 monthly 4,260.48 annual 421 ----- \$1,461.09 monthly 17,533.08 annual	\$1,706.29 with 421-a ----- \$2,812.34 w/o 421-a
TOTAL		12,042	\$6,350,000	100%	\$5,875.00		

SCHEDULE A - CONTINUATION

The Commercial Unit/First Floor is not being offered for sale at this time. Sponsor reserves the right to offer the Commercial Unit for sale at a future date by amendment to the Plan.

T = terrace (Certain Units have a terrace). The Commercial Unit shall have exclusive right to the southern portion of the roof terrace located on the second floor which portion measures 332 SF. The 2nd Floor Unit shall have exclusive right to the north portion of such roof Terrace which portion measures 397 SF and is adjacent to the Unit. The Penthouse Unit has exclusive right to two roof Terraces adjacent to the PH which Terraces measure 175 SF and 376 SF respectively. Such Terraces are Limited Common Elements. The roof above the second level of the Penthouse Duplex upper level shall be a Common Element on which certain Building equipments shall be located. No recreational use of Common Elements of the roofs shall be permitted.

Purchasers should note certain closing costs set forth in the footnote and in the section entitled "Closing Costs and Adjustments" in Part I of the Plan.

NOTES TO SCHEDULE A
OFFERING PRICES AND OTHER FINANCIAL DETAILS FOR EACH UNIT

1. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a Unit. Actual layout of a Unit may have been altered. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Plans depicting layouts of the Units in this Schedule A appear in Part II of the Plan.
2. The Sponsor's right to make changes in offering prices is set forth in the Section of the Plan entitled "Changes in Prices or Units." Please note that purchase prices and other terms of sale of the Units are negotiable.

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the Section of the Plan entitled "Unit Closing Costs and Adjustments." While general guidelines to certain expenses of Purchaser are approximated in such Section, the Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

3. The percentage of Common Interest allocated to each Unit is based upon respective 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 a particular Unit. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Condominium Act. The aggregate Common Interest of all Units equals 100%.
4. These estimates were based upon the "Projected Budget for the First Year of Condominium Operation" (the "First Year's Budget"), which was prepared for the year commencing July 1, 2002. In addition to these estimated charges, each Unit Owner will be responsible for paying, among other things: (i) the cost of electricity for the Unit, which will be separately metered for each Unit; (ii) mortgage payments under any loan or loans obtained to finance the acquisition of the Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit (including, without limitation, equipment and appliances contained therein); and (iv) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in the Unit.
5. The projection, covering the period July 1, 2002 through June 30, 2003, constitutes tax year 2002/2003. This analysis was prepared by Joseph Mazursky ("Mazursky"), real estate appraisers and consultants, having an office at 42 Broadway, Suite 1744, New York, New York 10004. Please refer to Mr. Mazurky's letter on page 37 in Part I. The tax liability per Unit set forth in Schedule A is estimated by apportioning the total tax liability for the entire property among the Unit Owners based on their percentage of

Common Interests. However, there is no assurance that the New York City taxing authority will not use another factor in allocating real estate taxes among the Units.

Mr. Mazursky estimates that upon completion of construction, the assessed valuation of the entire Property will be approximately \$693,000 or approximately \$76,231 in real estate tax liability for the entire Building. The projection assumes that the Residential Units will be assessed at the Class II multifamily residential rate, which is a rate of \$11 per \$100 of assessed valuation for 2002/2003. Based on historical increases in the assessed values of comparable sales, the analysts at Mazursky's have increased total assessed values by 1.5% per year to conservatively estimate the subject assessed values into the future (2003/2004). Once separate tax lots are created, a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subject to, any lien arising from the non-payment of real estate taxes on other Units. These amounts could change in subsequent years as a result of changes in the assessed valuation of Units, the tax rate or in the method of assessing real property.

The Sponsor retained D'Agostino, Levine & Landesman, LLP to render an opinion as to the eligibility of the Property for partial real estate tax exemption benefits pursuant to Section 421-a and to make an application to the Department of Housing and Preservation and Development ("HPD") of the City of New York. The program exempts property from increases to the real estate assessment due to improvements to the property. A preliminary Certificate of Eligibility was issued on September 24, 2001, a copy of such Certificate is found on page 43. A final Certificate of Eligibility will be issued following completion of construction and the issuance of a Temporary Certificate of Occupancy ("TCO") or a final CO. Under the program, potential tax assessment after construction is completed will be exempt and the initial tax base will be the transitional assessment for the for the fiscal year 2000/01 or approximately \$168,730. The tax liability on such transitional assessed valuation will become the 'mini tax' required under the 421-a program resulting in a total tax liability (at the projected rate of 11% for the fiscal year 2002/2003), of approximately \$18,115. The tax exemption should be abated over a 10-year descending scale from 100% abatement the first two years to zero abatement on the eleventh year. Whether or not such benefits are issued prior to closing or prior to the issuance of individual tax bills, the Board will assess each Unit's tax liability on the basis of its percentage of Common Interests. Neither the Sponsor or the tax experts, Mr. J. D'Agostino and Mr. J. Mazursky, represent that such basis for real estate tax assessments will be used by the NYC taxing Authority, nor guarantee the amount of tax exemption or commencement date of the benefits. Such estimates are as follows:

<u>UNIT</u>	<u>Percentage of Common Interest</u>	<u>Est. Annual R.E. Tax</u>
Commercial Unit:	15%	\$2,365.00
Unit 2	16%	\$2,520.00
Unit 3	15%	\$1,217.00
Unit 4	15%	\$1,217.00
Unit 5	16%	\$2,520.00
PH-Duplex	23%	\$4,261.00

The Sponsor or the tax experts cited herein can make no guarantee that such real estate tax benefits will be issued or, if issued, the date of commencement or the basis of allocating the total tax liability among all the units. Further, it is not known what the rate of taxation will be in the future or the increases to the transitional assessment for reasons other than improvements, which factors will impact on the actual tax liability.

6. The totals set forth in this column equal the sum of the Estimated Monthly Common Charges and the Estimated Monthly Real Estate Taxes. If Purchaser obtains mortgage financing on the Unit, the debt service on such financing would be an additional monthly expense paid solely by Purchaser. The interest portion of monthly mortgage payments made by Purchasers who obtain mortgage financing for their Units, and designate same as primary or secondary qualifying residence, although not shown in this column, is also deductible for tax purposes by persons who itemize deductions, as more particularly described in, and subject to the qualifications set forth in, the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium." The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing-related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage, or the allocation of constant debt service payments between interest and principal. Please consult the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Counsel's Tax Opinion Letter" for conditions of deductibility.

SCHEDULE B
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

Beginning July 1, 2002 to June 30, 2003

Projected Annual Income

Residential Common Charges (1)	\$57,810
Commercial Common Charges (12)	<u>12,690</u>
TOTAL	\$70,500

Projected Expenses

Labor (2)	\$ 6,000
Heating (3)	9,000
Utilities (Electricity and Gas) (4)	15,900
Water Charges and Sewer Rents (5).....	3,000
Repairs, Maintenance and Supplies (6)	2,000
Service Contracts (7)	4,700
Insurance (8)	12,000
Management Fees (9)	8,400
Legal Fees and Audit Fees (10)	7,500
Contingency (11)	<u>2,000</u>
TOTAL	\$70,500

Sponsor anticipates the First Condominium Unit Closing of title to occur on or about July 1, 2002, which corresponds to the projected start date of the Budget for First Year of Condominium Operation. If the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the budget year projected above, the Plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the Sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projections. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time. Sponsor may not declare the plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan. Changing conditions in the economy and other factors such as lifestyle and number of people residing in the building may affect the above projections.

NOTES TO SCHEDULE B

1. **Common Charges** (\$70,500)

Annual Common Charges to be collected during the first year of condominium operation are based upon the estimated net total of Common Expenses.

2. **Labor** (\$6,000)

Labor costs include wages for a part-time, non-resident self-employed janitor to work approximately six (6) hours per week and shall be responsible for doing simple repairs, cleaning the common areas and putting out garbage. The wages meet NY State minimum wage laws.

3. **Heating & Hot Water for Common areas and Units** (\$9,000)

This projection is based on an analysis prepared by Kenneth Delves of Midel Technical Associates, 509 8th Avenue, Brooklyn, New York 11215, Engineers. A single Weil McLain Boiler and a gas fired hot water boiler will provide hot water that will be utilized for all space heating. Domestic hot water for all Units is provided by two (2) direct natural gas fired storage heaters. Annual gas consumption for heating is estimated at 7,530 therms and for hot water consumption at 1,003 therms. The cost of total consumption is estimated at \$6,997 at an approximate cost of 0.82 cents per 100 cubic feet of gas. An additional amount is included to cover approximately \$1,000 in sales tax and a reserve amount for unforeseen increases. See expert's summary projections on all energy and utilities estimates on pages 45-55.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for gas during the first years of building operation since such expenses will vary with the occupancy ratio, level of consumption by individuals, fluctuations in the price of gas, fuel cost adjustments and State and City surcharges and variations in annual climate conditions.

The gas for these functions will be metered by Con Edison by a single meter for common consumption of heat and hot water and a second meter for gas used for cooking for the residential Units. The cost estimate of gas used for cooking is approximately \$350 annually per Unit.

4. **Utilities (Electricity for common areas and equipment)** (\$15,375)

Total electrical energy consumption is projected at 72,921 Kwh. The projection is based upon an analysis performed by Kenneth Delves of Midel Technical Associates Engineers for all common usage in such areas as the elevator, public stairs, lobby, cellar common, exterior lighting and mechanical and electrical building equipment. The estimated cost was calculated using current Con Edison electric rates for Commercial Service Classification #9 of approximately \$0.18 per Kwh. An additional amount is

included in the budget for current tariffs of approximately 16.6% plus a ten percent (10%) percent increase. See Expert's letter on estimate of consumption and costs of energy on Page 45-55.

The electrical energy consumption for each individual apartment for general lighting, power appliances and air conditioning is billed directly to Unit Owners on Unit meters and is not included in this analysis. See Expert's opinion on estimated costs for individual units on page 48 and 52 that shows total annual energy cost for 2-bedroom Units at \$3,324 approximately and \$4,562 for a 3-bedroom Unit.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for electricity during the first years of building operation since such expenses will vary with the occupancy ratio, temperature setpoints in individual apartments or fluctuations in fuel cost adjustments, State and City surcharges, and variations in annual climate conditions.

All Units will be separately metered for electric energy consumption.

5. **Water Charges and Sewer Rents** (\$3,000)

This projection is based on an analysis prepared by Kenneth Delves of Midel Technical Associates, Engineers. The annual cost of water is based on an average annual consumption of 25,243 cubic feet of water with occupancy of 2 or 3 adults per unit at an estimated cost of approximately \$982.

Domestic water and sewer charge is calculated at \$1.50 per 100 FT for water and \$1.59 per 100 cubic feet for sewer rents. A ten percent increase is included.

The Commercial Unit will be separately sub-metered for water charges and sewer rents and the Commercial Unit shall not be required to pay its percentage interest of this Budget item.

6. **Repairs, Maintenance and Supplies** (\$2,000)

These estimates are provided by Goldin Management Company, 25 8th Avenue, Brooklyn, New York 11217, based on its experience in managing newly renovated buildings of comparable size, quality and amenities.

Supplies	\$ 300
Painting, maintenance and repair of Common Elements	500
Exterminating	<u>1,200</u>
TOTAL	\$2,000

These estimates do not include maintenance, repairs and supplies within specific Units, which are the obligation of the Unit Owner. Each Unit Owner will be responsible for the cost of interior maintenance, repairs, replacements, decoration, and painting of

their respective Units. No provision has been made to cover the cost of any major capital expenditure. Although no such expenditure is expected in the year beginning July 1, 2002 because the building has been newly constructed, each Unit Owner will be obligated to pay his pro rata share of such expenditures in the event that any such expenditures are required.

7. **Service Contracts** (\$4,700):

An elevator maintenance contract with Robert Elevator with an office at 34-14 11th Street, Long Island City, New York 11106 for a term of five (5) years, at \$350 per month plus tax. Such contract includes annual inspection and routine maintenance. Parts and labor are included in the contract for the first year of service.

Sponsor has reserved the right, prior to the First Unit Closing, to enter into other service contracts which will be binding on the Board of Managers, provided that such contracts do not materially increase the estimated Common Charges for the first year of Condominium operation nor bind the Board of Managers for a period of more than two years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than two years.

8. **Insurance** (\$12,000):

The projection is based on a proposal from Zapin, Endlich & Lombardo with an office at 850 Seventh Avenue, New York, New York 10019 by letter dated July 31, 2001 which letter states that the Building coverage of \$6,000,000 would be adequate to satisfy the requirements of the 80-1087 co-insurance clause and sets forth the following coverages:

<u>Coverages</u>	<u>Limits</u>
Building	\$6,000,000
Loss of rents	Actual loss sustained
Boiler and machinery	Included
Deductible	\$1,000
Liability: Products/	
Completed Operations	\$ 1,000,000
General Aggregate	\$ 2,000,000
Managers & Officers	\$ 1,000,000
Medical Expenses	\$ 5,000
Fire, Legal Liability	\$ 50,000

Elevator collision and water damage coverage are not included in this policy but can be added at an additional cost.

The Sponsor represents that it shall initially provide on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, fire and casualty insurance in the amounts set forth above. In the opinion of the aforesaid insurance broker, the stated coverage is adequate to (a) replace the Building, in

the event of a total loss, and (b) avoid the Condominium being a co-insurer in the event of a partial loss.

The policy will provide that each Unit Owner will be an additional insured party, and that there will be no cancellation without notice to the Board of Managers. In addition, the policy will contain a waiver of subrogation, a waiver of invalidity because of the acts of the insured and Unit Owners, and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The Sponsor will deliver a fire and liability insurance binder or policy to the Board of Managers prior to or at the First Unit Closing. The cost for such binder or policy will be paid by the Board of Managers and shared by all Unit Owners as a portion of the Common Charges.

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

It should be noted that in the event the property is totally destroyed by fire or other casualty, the insurance coverage as stated herein, although sufficient to replace the structure, may not cover the full investment of the Unit Owner. However, the amount of insurance which will be in effect at the time of the Closing Date should be sufficient to prevent the imposition of any coinsurance factor in the event of partial loss.

It is not possible to predict whether future premiums will escalate. The projected premium is based upon an estimate and is not guaranteed to remain the same until the closing of title to the first Unit.

No coverage is provided for such risks as fire and casualty losses to the contents of each individual Unit, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective Purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

9. **Management Fees** (\$8,400):

At the First Unit Closing, the Board of Managers will enter into a management agreement with Goldin Management Corp., having an office at 25 8th Avenue, Brooklyn, New York 11217 (the "Managing Agent" or "Agent"). The agreement will be for an initial period of two (2) years and will provide that the Managing Agent will receive an annual fee for each of the two years of \$8,400 payable in equal monthly installments of \$700. It should be noted that this fee may exceed guidelines that other managing agents may use for similar size buildings. The Managing Agent may not assign the contract at a higher fee to the Condominium Association during the period of

the contract nor may the Board of Managers cancel the contract without cause.

If requested by the Board of Managers, the Managing Agent shall obtain from a surety company authorized to do business in New York a fidelity bond in the minimum amount of \$50,000.00, for the benefit of the Board of Managers and against loss incurred by the Board of Managers through any improper acts of the officers and employees of the Managing Agent. The cost of such bond and all expenses in connection therewith shall be borne by the Condominium Association. Please consult the Section of the Plan entitled, "Management Agreement, Contracts and Leases."

10. **Legal Fees and Audit Fees (\$7,500):**

Based upon the following estimates:

Legal Fees	\$2,000
Audit Fees	<u>\$5,500</u>
	\$7,500

The firm of Frendel Brown & Weisman., 855 Third Avenue, New York, New York 10017 has estimated the fees for preparing an audited financial statement and the income tax returns for the first year of condominium operation.

11. **Contingency (\$2,000):**

This amount, to be used at the discretion of the Board of Managers, is intended to benefit the Unit Owners by providing a fund for unanticipated expenses not included in the budget and for possible increases in one or more items of operating expense above the amounts projected. Such fund is not intended to cover the cost of major capital repairs or replacement items likely to be needed with the first five (5) years of Condominium operation. The Budget does not contain a reserve fund for capital improvements.

12. **Commercial Unit/First Floor (\$12,690).**

The Commercial Unit constitutes 15% of the Common Interests which is the basis for determining the Common Charges payable by the Commercial Unit Owner. The Common Charges payable by the Commercial Unit is sufficient to cover the expenses fairly attributable to such Unit. The Commercial Unit shall not be assessed for any new budget items or increases to the existing Budget items that do not provide any service to its Owner. The Commercial Unit Owner shall have unrestricted use of the elevator.

The Commercial Unit is a store front on the first floor with entry on Thomas Street and a second level in the cellar. The Commercial Unit may be used for all legal purposes by the sponsor or subsequent Commercial Owner provided such uses are in keeping with applicable codes and ordinances of the City of New York and such use is not prohibited by the declaration and By-Laws. The Sponsor and any subsequent Commercial Unit Owner reserve the right to amend the Certificate of Occupancy at any

future time to change the permitted use of the Commercial Unit and/or to change the layout or size without the consent of the Board of Managers or Unit Owners or anyone else. The Sponsor or all subsequent Commercial Unit Owner or First Floor Unit Owners may decorate, alter, repair, replace, change, improve the Unit in any way (except where such may affect another Unit or the Common Elements (except as provided herein) or the structural integrity of the Building) without the consent of the Board of Managers or the Unit Owners or any one else. But the Owner thereof shall comply with all applicable building codes and advise the Board of substantial changes. The Commercial Unit Owner, and any subsequent Owner of the Unit, shall have the right at any time, as its own expense, to construct a new Unit entrance directly into the Commercial Unit from the interior of the first floor common area provided such entrance door and frame are code compliant and does not impede access to the elevator and stairwell of the Condominium. The consent of the Board or Unit Owners or anyone else shall not be required. The Owner of said Unit shall provide the Board with a copy of the proposed drawings and specifications and any required permits.

The Commercial Unit/First Floor may be sold, leased or mortgaged without the consent of the Board or the Unit Owners or anyone else. The Commercial Unit is not subject to the right of first refusal whether owned by the Sponsor or any subsequent owner. No amendments to the Declaration or the by-Laws or the Rules and Regulations that affect the rights of the Commercial Unit Owner may be made without the prior consent of the Commercial Unit Owner. The Sponsor as long as it owns at least one Unit, and any subsequent Owner of the Commercial Unit, shall be entitled to be a member of the Board of Managers. Any and all documents needed to be executed in the exercise of such rights reserved for the Sponsor and/or the Commercial Unit, shall be promptly processed by the Board or its authorized agent at no charge to the Sponsor and/or the Commercial Unit Owner.

The Commercial Unit Owner, without the approval of the Board or the Unit Owners or anyone else shall have the right to erect, maintain, repair, and replace from time to time one or more signs on the Property including without limitation, on the exterior portion of the building below the second floor of the Building for the purpose of advertising its business, or to hang for "sale" or "rent" signs. The cost of such signs and any required permits will be the obligation of the Commercial Unit Owner.

No illegal business, immoral activity, illegal sale of drugs or drug paraphernalia may be conducted in the commercial space.

The proposed Budget for the Condominium may be modified from time to time prior to the commencement of or during Condominium operation to add or increase one or more items of operating expense. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

THE FOREGOING SCHEDULE IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE INITIAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, OR THAT THE FIRST YEAR OF CONDOMINIUM OPERATION SHALL COMMENCE ON THE PROJECTED DATE.

Real Estate Tax Estimate
for
58 Thomas Street
New York, New York

Prepared for:
58 Thomas Street Associates, LLC
c/o On the Level Enterprises, Inc.
145 Hudson Street, Suite 706
New York, N.Y. 10013

July 31, 2001

July 31, 2001

58 Thomas Street Associates, LLC
c/o On the Level Enterprises, Inc.
145 Hudson Street, Suite 706
New York, N.Y. 10013

Re: 58 Thomas Street
Manhattan, Block 147 Lot 24

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 after construction and establishment of a condominium for the above-captioned property;

THAT in estimating the first year's real estate taxes of the new condominium at 58 Thomas Street, I am aware of the building's rental values, construction 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.

Page -1-

I have discovered the following:

- 1) The subject property is a new, 7-story and cellar, 6 unit condominium that is currently under construction. It is located at 58 Thomas Street in the Borough of Manhattan and is identified on the city's tax map as Block 147 Lot 24. Prior to construction, the site was improved with a 1-story retail structure (K1) that was demolished in 2000.

The site has 24' 10" frontage on the southerly side of Thomas Street and extends 100' 7" in depth. It is rectangularly shaped and contains approximately 2,511 square feet of ground area.

- 2) After completion of construction, which is scheduled for March 2002, the units will contain the following approximate square foot areas and uses:

<u>FLOOR</u>	<u>AREA</u>	<u>USE</u>
Cellar	2,411	Commercial Space Connected to the First Floor Unit, Boiler, Meter and Mechanical Rooms
1	2,411	1- Commercial Unit, Residential Lobby
2	2,411	1- 2BR, 2 Bath Apartment with Roof Patio
3	1,686	1- 2BR, 2 Bath Apartment
4	1,686	1- 2BR, 2 Bath Apartment
5	1,686	1- 2BR, 2 Bath Apartment
6	1,686	1- 3BR, 3 Bath Duplex Apartment
7	1,134	Upper Level of Duplex Apartment, with Two (2) Terraces

- 3) The property is currently assessed in Tax Class 4. On January 5, 2002, the taxable status date for the 2002/03 tax year, the building's projection of completion is 85%. The property will be assessed in Tax Class 2A. After completion of construction and the establishment of the condominium, which will be recognized in tax year 2003/04, the units will be assessed in Tax Class 2C 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 2A is primarily comprised of residential properties containing 4-6 units. Tax Class 2C consists of residential cooperatives or condominiums with no more than ten units. The City's assessment ratio policy for both tax classes is assess at 45% of market value based upon the value as an income-producing property. Increased values, other than for physical reasons, are limited to 8% per year or 30% over a five year period.

The Class 2A and 2C tax rates for 2001/02 are \$10.847 per \$100. Future tax rates will be determined by the City Council. Based upon present factors and past trends, I estimate the 2002/03 and 2003/04 Tax Class 2A and 2C tax rates to be \$11 per \$100.

- 4) The recent history of assessed valuation of 58 Thomas Street is as follows:

<u>2000/01</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 144,000	\$ 180,000
Transitional:	\$ 126,400	\$168,730
<u>2001/02</u>	<u>Land</u>	<u>Total</u>
Actual:	\$ 144,000	\$ 144,000
Transitional:	\$ 135,200	\$135,200

- 5) It is my judgment that during and after completion of construction, the assessed valuation of the property will be:

<u>2002/03</u>	<u>Land</u>	<u>Total</u>
	\$ 144,000	\$ 693,000
<u>2003/04</u>	<u>Land</u>	<u>Total</u>
	\$ 185,000	\$1,000,000

- 6) Using relative values as a rental building as the criterion, I have estimated that the commercial unit will be assessed at 15%, and the residential units at 85% of the total assessed valuation. The tax liability during the first year of operation is estimated as follows:

FIRST YEAR OF OPERATION

Commercial Unit:

7/1/02 - 6/30/03

$$\text{\$ } 693,000^1 \times .15^2 \times .11^3 = \text{\$ } 11,435$$

5 Residential Units:

7/1/02 - 6/30/03

$$\text{\$ } 693,000^1 \times .85^2 \times .11^3 = \text{\$ } 64,796$$

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

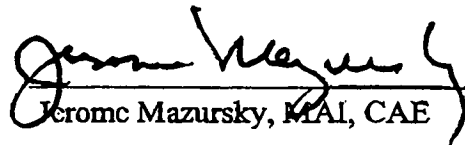
- 7) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, was recently extended by the State Legislature for the 2001/02, 2002/03, and 2003/2004 tax years. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co-op and condominium unit owners. A timely application must be made with the Department of Finance by the condominium's Board of Directors. If the abatement to this condominium is granted, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who owned fewer than four units on the city's taxable status date of January 5, 2002.

-
1. Estimated 2002/03 Taxable Assessed Value.
 2. Portion of value attributable to this type of space.
 3. Estimated Tax Class 2A Tax Rate

- 8) This estimate of the assessed valuation upon completion of construction 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

421-a PARTIAL TAX EXEMPTION

PRELIMINARY CERTIFICATION OF ELIGIBILITY

The Property at 58 Thomas Street, New York, New York was granted a preliminary certification of eligibility by HPD of the City of New York in the year 2001. The 421-a program grants real estate tax benefits under certain requirements by exempting for real estate taxes purposes increases to the property's assessment due to construction.

Please refer to page 125 for a fuller explanation.

A copy of the Application and the Certification of Eligibility are reproduced on the following pages, 44-45.



Department of Housing Preservation and Development
Office of Development - Division of Housing Finance
RPTL 421-a Partial Tax Exemption Unit
866 Gold Street
New York, New York 10038
Tel: (212) 863-5421

SEP 24

PRELIMINARY CERTIFICATION OF ELIGIBILITY

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to:

- ☒ 10 Year Tax Exemption ☐ 20 Year Tax Exemption
☐ 15 Year Tax Exemption ☐ 25 Year Tax Exemption

Docket Number: TE03551 Phase: DNA

Block #: 147 Lot(s): 24

Premises: 58 Thomas Street
New York, NY

Owner: 58 THOMAS STREET ASSOCIATES, LLC C/O LEVEL ENTERPRISES, INC

Owner's Address: 145 Hudson Street, New York, NY 10013

Date of Issuance of this Certificate: AUG 30 2001

Number of Building(s): 1 Number of Units: 5

Date of Issuance of Certificate of Occupancy: Not Yet Issued

Date of Building or Alteration Permit: 05/26/00

Date Construction Commenced: 12/28/00

Date of Community Board Approval: DNA

Approved Initial Rental Per Room Per Month: CONDO

Based upon the information contained in the Application for Preliminary Certification of Eligibility for Partial Tax Exemption dated 03/09/01 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax Law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certification of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Buildings as evidence of the fact that the structure was completed by December 31, 2003. It entitles the property to benefits while under construction for up to three years. It is the responsibility of the applicant to maintain the property in a state of readiness for occupancy.

APPLICATION TO THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK
FOR EXEMPTION and REMISSION OF REAL ESTATE from TAXATION

Do Not Write In This Space

RECEIVED
DEPARTMENT OF FINANCE
EXEMPTION Date Stamp

A Pursuant to Art. 4, Sec. 421a of the Real Prop. Tax Law
(Taxable Status date Jan. 5th, Sec. 1507, N.Y. City Charter)

SEP 24 1 05 PM '01

Applications for exemption must be accompanied by:

- the original of Certificate of Eligibility (with raised seal)
- the property deed (copy)

Upon completion of construction, applicants are also required to submit:

- a Final Certificate of Eligibility
- a Temporary or Permanent Certificate of Occupancy

Application to be filed in the Borough Office of the Property Division in which the property is located :

MANHATTAN: Municipal Building, Centre & Chambers Sts., N.Y., N.Y. 10007

THE BRONX: Bergen Building, 1932 Arthur Ave., Bronx, N.Y. 10457

BROOKLYN: Municipal Building, Joralemon & Court Sts., Brooklyn, N.Y. 11201

QUEENS: Dept. of Finance, 144-06 94th Ave. Queens, NY 11435

STATEN ISLAND: 350 St. Marks Place, Staten Island, N.Y. 10301

ATTENTION APPLICANT: A separate application must be made for each block and lot. In order to receive any remission to which a property is entitled as soon as possible, this application should be filed at the above locations immediately after issuance of the Certificate of Eligibility. No exemption will be granted after completion of construction unless the Final Certificate of Eligibility has been issued. All unpaid real estate taxes and water and sewer charges must be paid prior to approval. Pursuant to the authority of the Commissioner of Finance under Administrative Code section 11-102.1, you are required to furnish your social security number to enable the Department of Finance to administer its tax exemption programs.

Corporate Title of Owner 58 Thomas Street Associates, LLC
Social Security Number or Employer Identification Number 13-4011873
Office Address c/o On The Level Enterprises, Inc., 145 Hudson Street, NY, NY 10013
Name of Contact Angelo Cosentini Contact Phone # (212) 219-0181
Section Block 147 Lot 24 Borough of Manhattan
Name of Development 58 Thomas Street Condominiums
Location of Property 58 Thomas Street, NY, NY 10013

1. Date Property was Acquired June 29, 1998
Title Vested in 59 Thomas Street, LLC
Recorded in Reel 2699 Page 1200 on September 3, 1998
Sale Price \$1,130,000.00 Cash \$1,130,000.00 1st Mortgage n/a P.M. Mortgage n/a
Mortgagee n/a

2. (A) State number of buildings and the proposed use of each structure 1 Building - Mixed
Use Condominium

(B) Is this a mixed use building? Yes ☒ No ☐

(C) If Yes, describe in detail Cellar and 1st Floor - Commercial/Storage
2nd thru 7th Floor Residential

(D) Total number of dwelling units 5 No. of rental rooms 0

(E) Total number of hotel units 0 No. of rental rooms 0

(F) Gross square feet of building area used for professional or commercial use 3,314

(G) Number of indoor parking spaces for residential use 0 Commercial or hotel use 0

(H) Number of outdoor parking spaces for residential use 0 Commercial or hotel use 0

3. Is this development a co-operative? Yes ☐ No ☒

Are Air-Rights involved? Yes ☐ No ☒

(If Yes, give details of such use on a separate attachment.)

Has an application for Correction of Assessment been filed? Yes ☐ No ☒

Does the subject property enjoy any other real estate tax exemption? Yes ☐ No ☒

If Yes, please specify

THIS APPLICATION MUST BE NOTARIZED

State of New York, }
City of New York }

KENNETH DELVES, P.E.
509 8th AVENUE,
BROOKLYN, N.Y. 11215.
Tel; 718 788 7190

58 THOMAS STREET ENERGY REPORT



Kenneth Delves

**509 8th AVENUE,
BROOKLYN, N.Y. 11215**

August 4, 2001

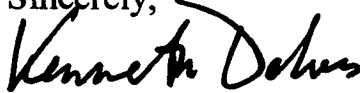
To: Mr John Raine
145 Hudson Street, Suite 706.
N.Y. N.Y. 10013

Re: 58 Thomas Street Energy Report

Dear Sir,

Find enclosed two signed and sealed copies of Energy report. I have reviewed the information you sent me and modified some of the factors, particularly the kitchen gas loads, which were based on considerable in-house cooking. Please note that the elevator constitutes a large percentage of the electrical costs. The heat loss and hence annual gas cost is augmented by additional infiltration due to toilet and other exhausts and also the fact that the upper floors are exposed on all floors.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth Delves". The signature is fluid and cursive, with a large initial "K" and a stylized "D".

Kenneth Delves

SUMMARY SHEET 1

1. Annual Electrical Energy consumption for equipment serving all apartments and common areas

A. Mechanical

Heating pumps	3263 kWh
Exhaust fans	3063 kWh
Annual Energy	6326 kWh
Cost/ season	\$1138

B Plumbing

Hot water circulating pump	82 kWh
Sewage Ejector	817 kWh
Cold Water Booster pump	4901 kWh
Annual energy	5800 kWh
Cost/ season	\$1044

C. Electrical

Lighting in public areas and stairs	28120 kWh
Elevator	32675 kWh
Total Annual Energy	60795 kWh
Total cost/ season	\$10943

Sum Total Electrical Energy consumed annually= 72921 kWh

Sum Total cost per annum = \$13125

2. Annual Gas consumption for equipment serving all apartments and common areas

A. Mechanical

Heating	7530 therms
---------	-------------

Plumbing

Hot Water	1003 therms
-----------	-------------

Total Gas consumed annually = 8533 therms

Total cost per annum = \$ 6997

3. Annual Domestic cold water consumption for all apartments and common areas

Plumbing water usage

Plumbing annual usage	17443 cubic feet
-----------------------	------------------

Fire pump annual usage	7800 cubic feet
------------------------	-----------------

Total water usage	25243 cubic feet
-------------------	------------------

Annual cost	\$ 379
-------------	--------

Annual sewage cost for building

The sewage cost is 159% of water cost, this gives;

\$379 x 1.59 = \$603

Water & Sewage Total Cost per annum; = \$982

SUMMARY SHEET 2

1. Annual Energy usage- Breakdown for individual apartments

A. Two Bedroom

Mechanical; AC unit	\$806
Electrical; Appliances	\$542
Electrical; Receptacles and lighting	\$1198
Plumbing; Gas stove	\$778

Total \$3324

B Three Bedroom

Mechanical; AC unit	\$1418
Electrical; Appliances	\$657
Electrical; Receptacles and lighting	\$1514
Plumbing; Gas stove	\$973

Total \$4562

1. General

The calculations are divided between Summer and Winter cycles. Summer is based on the period between July 1 and September 30, a total of 122 days, and Winter the period between October 1 and May 31, a total of 243 days.

The following average occupancy was assumed for the apartments;

Three Bedroom 3 Adults

Toilet, Kitchen and other exhaust fans = 18 hours/ day

Heating Pumps [based on hours when outside temperature is below 55 deg F see Appendix ' F'] =4374 hours/ year

Each apartment has its own AC unit. The annual usage is taken as 800 hours at full load [ASHRAE criteria].

2nd thru 5th Floors, AC-3 thru AC-6; [2 Bedroom] 5.6 kW

6th Floor **AC-7 [part of 3 Bedroom]** **5.6 kW**

7th Floor	AC-8 [part of 3 Bedroom]	4.25 kW
-----------------------------	---------------------------------	----------------

The heating system uses hot water generated by a gas fired boiler. Seasonal heat losses are based on the ' Bin' method [see Appendix 'F '].The calculations are based on 60% night, 40% day, with 60 deg F setback at night, 75 deg F in daytime.. The total degree hours/season is 105312 [see Appendix 'F'].

See Appendix ' F '.

APPENDIX 'B' Mechanical Calculations

Maximum Heat Loss

Based on following parameters

'U' Values Wall 0.25

Window 0.7

Roof 0.08

Design outside temperature; 10 deg F

Design inside temperature; 72 deg F [as per NY State Energy Code]

Calculations

Outside walls	2759 sf x 60 deg F x 0.25	=115878 btus/hr
Cell perimeter	252 linear foot x 25 btus	6300 btus/hr
Windows	1143 sf x 60 deg F x 0.7	=48006 btus/hr
Roof	2506 sf x 60 deg F x 0.08	=12029 btus/hr
Wall [adjacent building]	10694 sf x 10 deg F x 0.25	=26735 btus/hr
Infiltration	2075 cfm x 60 deg F x 1.08	134460 btus/hr
Total		343408 btus/hr

Seasonal Heat Loss

Calculations based on 'Bin' method [see Appendix 'F']

343408 btus/hr x 105312 degree hours/ 60 deg F= 603000000 btus

Gas usage 603000000 / 100000 x 0.8 = 7530 therms

Cost / season 7530 therms x \$0.82 / kW = \$6175

Heating Pumps

Annual Energy 1 hp x 0.746 kW/hp x 4374 hours/ year =3263 kwH

Cost / season 3263 kwH x \$0.18 /kwH = \$587

Exhaust Fans

Annual Energy 0.625 hp x 0.746 kW/hp x 18 hrs/ day x 365 days
=3063 kwH

Cost/ season 3063 kwH x \$0.18 / kwH = \$551

Apartment AC units

Two Bedroom

Annual Energy 800 hrs x 5.6 kW =4480 kwH

Cost/ season 4480 kwH x \$0.18 /kwH = \$806

Three Bedroom

Annual Energy 800 hrs x 9.85 kW =7880 kwH

Cost/ season 7880 kwH x \$0.18 / kwH = \$1418

APPENDIX 'C' Plumbing Calculations

1. Domestic Hot Water

Using 50 gallons/ day for typical 2 Bedroom apartment

65 gallons/ day for typical 3 Bedroom apartment

Annual hot water usage $[50 \times 4 + 65]$ gals x 365 days = 96725 gals

Gas usage 96725 gal. x 100 degF x 8.3 lbs/ gal / 0.8[efficiency] x
100000 btus/ therm = 1003 therms

Cost/ annum 1003 therms x \$0.82 / therm = \$822

2. Hot Water Circulating Pump

Annual electrical usage 0.05 hp x 0.746 kW/ hp x 365 days x 6 hrs
/ day = 81.7 kWh

Cost/ annum 81.7 kWh x \$0.18 / kWh = \$15

3. Domestic Cold Water

Using 19.2 gallons / day for 2 Bedroom Apartment

25.6 gallons / day for 3 Bedroom Apartment

Total cold water for Apartments is $[4 \times 69.2 + 90.6]$ gals x 365 days x
0.13 gal / cu. ft. = 17443 cu. ft.

4. Gas Stoves

Two Bedroom 65 cu. ft. x 4 hrs/ day x 365 days = 94900 cu/ ft.

Cost/ annum 94900 cu. ft. x \$0.82/ 100 cu. ft. = \$778

Three Bedroom 65 cu. ft. x 5 hrs/ day x 365 days = 118625 cu. ft.

Cost/ annum 118625 cu. ft. x \$0.82/ 100 cu.ft. = \$973

5. Gas Driers

Two Bedroom 35 cu ft. x 4 hrs/ week x 52 weeks/ year = 7280 cu. ft.

Cost/ annum 7280 cu. ft. x \$0.82/ 100 cu. ft. = \$60

Three Bedroom 35 cu. ft. x 6 hrs/ week x 52 weeks/ year = 10920 cu. ft.

Cost/ annum 10920 cu. ft. x \$0.82/ 100 cu. ft. = \$90

6. Sewage Ejector

Based on 3/4 hp motor, 4 hours/ day at full load

Annual energy usage 0.75 hp x 0.746 kW/ hp x 4 hrs x 365 days
= 817 kWh

Cost/ annum 817 kWh x \$0.18/ kWh = \$147

7. Cold Water Booster pump

Based on 3 hp motor, 6 hours/ day at full load

Annual energy usage 3.0 hp x 0.746 kW/ hp x 6 hrs x 365 days
= 4901 kWh

Cost/ annum 4901 kWh x \$0.18/kWh = \$882

APPENDIX 'D' Electrical and Fire Protection

1. Lighting in Public area

Total area = 3215 sq. ft.

Using 1 watt/ sq. ft x 3215 sq. ft. = 3215 watts

Annual energy 3.215 kW x 365 days x 24 hrs = 28120 kWh

Cost/ annum 28120 kWh x \$0.18/ kWh = \$5062

2. Elevator

Based on 25 hp hydraulic elevator

Taken over an 18 hour day; 2 hours @ 100% load, 2 hours @ 70% load, 14 hours @ 10% load, giving the equivalent of 4.8 hours @ full load.

Annual energy 4.8 hrs x 365 days x 25 hp x 0.746 kW/ hp = 32675 kWh

Cost/ annum 32675 kWh x \$0.18/ kWh = \$5882

3. Apartments

A. Lighting and General receptacles

**Two Bedroom 1520 sq. ft. x 3 watts/ sq. ft x 0.5 [diversity factor]
= 2280 watts**

Annual energy usage 2.28 kW x 365 days x 8 hrs = 6658 kWh

Cost/ annum 6658 kWh x \$0.18/ kWh = \$1198

**Three Bedroom 1600 sq. ft. x 3 watts/ sq. ft x 0.6 [diversity factor]
= 2880 watts**

Annual energy usage 2.88 kW x 365 days x 8 hrs = 8410 kWh

Cost/ annum 8410 kWh x \$0.18/ kWh = \$1514

B. Appliances

Average usage/ day as follows;

Refrigerator / Freezer	4.850 kWh / day
Dishwasher	0.660 kWh / day
Toaster	0.500 kWh / day
Coffee Maker	0.170 kWh / day
Microwave	0.675 kWh / day
Drier	0.400 kWh / week
Washing Machine	0.270 kWh / week

Multiplier factors; 2[two bedroom], 3[three bedroom]

Two Bedroom

Refrigerator	4.850 kWh x 365 days	= 1770 kWh
Dishwasher	0.660 kWh x 344 days x 2	= 454 kWh
Toaster	0.500 kWh x 344 days x 2	= 344 kWh
Coffee Maker	0.170 kWh x 299 days x 2	= 102 kWh
Microwave	0.675 kWh x 200 days x 2	= 270 kWh

Drier $0.400 \text{ kWh} \times 52 \text{ weeks} \times 2 = 42 \text{ kWh}$
 Washing Machine $0.270 \text{ kWh} \times 52 \text{ weeks} \times 2 = 28 \text{ kWh}$
 Total Energy usage/ annum $= 3010 \text{ kWh}$
Total annual cost $= 3010 \text{ kWh} \times \$ 0.18/ \text{kWh} = \$542$

Three Bedroom

Refrigerator $4.850 \text{ kWh} \times 365 \text{ days} = 1770 \text{ kWh}$
 Dishwasher $0.660 \text{ kWh} \times 344 \text{ days} \times 3 = 681 \text{ kWh}$
 Toaster $0.500 \text{ kWh} \times 344 \text{ days} \times 3 = 516 \text{ kWh}$
 Coffee Maker $0.170 \text{ kWh} \times 344 \text{ days} \times 3 = 175 \text{ kWh}$
 Microwave $0.675 \text{ kWh} \times 200 \text{ days} \times 3 = 405 \text{ kWh}$
 Drier $0.400 \text{ kWh} \times 52 \text{ weeks} \times 3 = 62 \text{ kWh}$
 Washing Machine $0.270 \text{ kWh} \times 52 \text{ weeks} \times 3 = 42 \text{ kWh}$
 Total Energy usage/ annum $= 3651 \text{ kWh}$
Total annual cost $= 3651 \text{ kWh} \times \$ 0.18/ \text{kWh} = \$657$

4. Fire Protection

Based on 40 hp motor, pump is run 10 minutes/ month, pump delivers 500 gallons/ minute.

Annual energy $40 \text{ hp} \times 0.746 \text{ kW/ hp} \times 10 \text{ min.} \times 12 \text{ months/ 60 min.} = 60 \text{ kWh}$

Annual cost $60 \text{ kWh} \times \$0.18/ \text{kWh} = \$11$

Water quantity/ annum $500 \text{ gpm} \times 10 \text{ min.} \times 12 \times 0.13 \text{ cu. ft. / gall.} = 7800 \text{ cu. ft.}$

APPENDIX 'E' Gas, Water, Sewer, and Electricity Rates

Water

Domestic water; \$1.50 / 100 cubic feet

Sewer

Sewer rate is 159 % of water rate; $\$1.50 \times 1.59 = \$2.385$ / 100 cubic feet

Gas

Average taken as \$0.82 / 100 cubic feet

Electricity

Average taken as \$0.18 / kilowatt-hour

APPENDIX 'F' Bin method for Seasonal Heating

Heating when outside temperature is below 55 deg F

	Inside temp. Deg F	Average Outside Temp. deg F	Hours	Temperature diff. Deg F	Degree hours
Day	72	52	722	20	14400
		47	796	25	14900
		42	838	30	25140
		37	858	35	30030
		32	603	40	24120
		27	330	45	14850
		22	188	50	9400
		17	2	55	110
		12	26	60	1560
		7	10	65	650
		2	1	70	70
Total			4374		140270
Night	60	52	722	8	5776
		47	796	13	10348
		42	838	18	15084
		37	858	23	19734
		32	603	28	16884
		27	330	33	10890
		22	188	38	7144
		17	2	43	86
		12	26	48	1248
		7	10	53	530
		2	1	58	58
Total					82006

Total for year; $140270 \times 0.4 + 82006 \times 0.6 = 105312$ degree hours

COMPLIANCE WITH SECTION 339 (I)(1)(IV)

February 20, 2002

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

RE: 58 Thomas Street
New York, NY

Gentlemen:

I have reviewed the percentage of common interest allocated to each Unit as shown on Schedule A to the Offering Plan for the subject property, which has been prepared by the Sponsor. In accordance with Section 339(I)(1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

In my opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 58 Thomas Street, New York, New York, attributable to each Unit conforms to Section 339(I)(1)(iv) of the New York Real Property law.

Goldin Management, Inc. is a licensed real estate brokerage and management firm. I have had extensive experience in the preparation of Offering Plans as well as the sale of Condominium Units. I therefore believe I have sufficient qualifications, knowledge, and expertise to write this opinion.

I have no financial or other beneficial interest in Sponsor, I will not participate in the profits derived from this Condominium Conversion; and I am not the Selling Agent for the Sponsor.

You have advised me of your intention to incorporate this letter in the Plan, and I hereby agree to such inclusion.



Martin R. Goldin

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, the Sponsor has the right to change the amount of any purchase price from the amounts shown in Schedule A of the Plan. The purchase prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. Purchase prices and specific terms of sale are negotiable. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. Purchase prices are negotiable. The Sponsor also reserves the right to negotiate with Purchasers the following aspects of the purchase of Units: decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payments (but not less than \$1,000), extra custom work and extensions of time periods within which to perform obligations under the Purchase Agreement. Furthermore, the Sponsor reserves the right, without further amendment to the Plan, from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers or any Purchaser. 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 or any other relief under a Purchase Agreement. No party will have the right to approve any changes in price or other terms, whether before or after the First Unit Closing.

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

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

Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

No material change will be made in the size quality of the common elements unless all purchasers consent, other than a purchaser who has defaulted.

The Sponsor reserves the right to substitute any of the materials specified in either the Description of Property and Specifications or Building Condition, or elsewhere in the Plan, with materials of substantially equal or better quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies, site conditions or for any other reason, the Sponsor may substitute materials, fixtures, appliances and equipment of substantially similar or better quality for any of those set forth in the plans or otherwise in this Plan, without amendment to the Offering Plan.

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

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

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

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

INTERIM USE AND OCCUPANCY AGREEMENTS

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

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

The Sponsor and/or its designee further reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding, 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 Use and Occupancy Agreements with such Purchaser or other Interim Use and Occupancy Agreement, or rights of occupancy of such Unit which the Sponsor agreed to enter into at the request of the Purchaser of such Unit, unless the parties otherwise agree in writing.

The Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use any Unsold Units as sales offices and model apartments. In the event the Sponsor or its designee thereafter elects to sell any such Unsold Units, the Sponsor or its designee may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as the Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit

unless such Purchaser agrees to pay the Sponsor an amount as determined by the Sponsor in addition to the purchase price for such Unit.

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

PROCEDURE TO PURCHASE

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

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

After this Plan is declared effective, the Sponsor shall fix dates for closing title to all Units for which Purchase Agreements have been fully executed by serving notice on each Purchaser of such a Unit stating the date of the first closing and setting such Purchaser's Closing Date. The Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his or her Unit. Purchasers may, but are not required, to waive this thirty (30) day notice. At title closing, such Purchaser shall pay the balance of the purchase price stated in the Purchase Agreement with such Purchaser's unendorsed, personal certified check or by official cashier's check or official bank check drawn on or by a bank or trust company which is a member of the New York Clearinghouse Association. However, such Purchaser may apply the proceeds of any financing obtained, by such Purchaser, to make such payment. Without limitation, a check drawn by a bank on another bank is not an "official cashier's check," a "cashier's check," or an "official bank check" for the purpose of the Purchase Agreement or this Plan.

Any conflict or inconsistency between the provisions of this Plan and the provisions of the Purchase Agreement shall be resolved in favor of the Plan. If Purchaser shall fail to pay any

portion of the purchase price when due, fail to close title on the date, hour and place specified by the Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and the Sponsor may send notice to Purchaser of the Sponsor's intention to cancel the Purchase Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days after the Sponsor gives Purchaser notice of such default, the Sponsor may (but shall not be obligated to) either (a) elect to cancel the Purchase Agreement by notice of cancellation sent after the cure period has expired or (b) bring an action against Purchaser for specific performance. Upon any cancellation by the Sponsor pursuant to clause (a) above, the Down Payment monies held with respect to the particular Unit, but not more than ten percent (10%) of the purchase price (together with interest earned thereon, if any), shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void, except for provisions in the Purchase Agreement that by their terms survive termination thereof. Notwithstanding the above, the Sponsor may receive the actual costs incurred for any special work, upgrades or extras ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest.

In the event a default is disputed in writing by Purchaser to Martin Shaw, Esq., as Escrow Agent, during the cure period and the default, in the Sponsor's opinion, is not timely cured, and the Sponsor thereafter cancels the Purchase Agreement, then Martin Shaw, Esq., as Escrow Agent, shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court.

All funds received by the Sponsor for special work, upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor certifies to the Escrow Agent that it will use the funds for such special work, upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds released to be used for special work, upgrades or extras which have been authorized by Purchaser.

At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers and the Sponsor in the form contained in Part II of the Plan. Purchaser shall deliver such executed Power of Attorney to the Sponsor or as directed by the Sponsor at the closing of title for recording and shall pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. Notwithstanding the above, in the event a Purchaser, or one claiming by or through a Purchaser, enters into possession of the Unit prior to the closing of title, such as under an Interim Use and Occupancy Agreement, then the Purchaser shall bear the risk of loss or other casualty with respect to the Unit, except as may be stated

otherwise in the Section of the Plan entitled "Rights and Obligations of the Sponsor." Accordingly, any Purchaser, or anyone claiming by or through a Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase the Unit under the terms of his or her Purchase Agreement without any abatement in the purchase price.

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 the Sponsor's prior written consent.

At least five (5) days before the Closing Date, a representative of the Sponsor shall notify Purchaser that the Unit is available for inspection by Purchaser. Upon receipt of such notice, Purchaser shall promptly arrange an appointment with a representative of the Sponsor to inspect the Unit before the Closing Date. The Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit B to the Purchase Agreement in Part II of the Plan) and deliver same to the Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit prior to Closing, or to sign and deliver the completed Inspection Statement, shall not excuse a Purchaser from Closing and shall constitute Purchaser's acceptance of the Unit in its "as is" condition at the Closing Date; provided, however, that nothing herein shall relieve the Sponsor of its obligations under this Plan as set forth in the Section of this Plan entitled "Rights and Obligations of the Sponsor."

Each Purchaser may elect to include in his or her Purchase Agreement a mortgage financing contingency clause in the form of the "Financing Contingency Rider to Purchase Agreement" set forth as Exhibit C to the Purchase Agreement contained in Part II of the Plan (the "Rider"). If Purchaser elects such financing contingency, Purchaser must apply for a mortgage financing through Two River Mortgage Company, Inc. ("Mortgage Company"), a mortgage broker, located at 157 Broad Street, Suite 318, Red Bank, New Jersey 07701, and, in addition, may also apply for a mortgage financing through a bank or mortgage broker of Purchaser's choice. In the event that Purchaser obtains a mortgage financing commitment through Two River Mortgage Company, Inc., even though Purchaser may not obtain a commitment through a bank of Purchaser's choice, Purchaser shall be bound to close on the Purchase Agreement. Two River company, Inc., will not charge an application fee to a Purchaser with a duly executed Purchase Agreement. Neither the Sponsor, nor any other person participating in this offering makes any representation as to the terms, conditions, cost or availability of such financing. Purchasers should be aware that if a loan commitment is obtained through Two River Mortgage Company, Inc., for mortgage financing the Purchase Agreement will not thereafter be contingent on mortgage financing. In the event that such loan commitment expires before the Closing Date through no fault of the Purchaser, the Purchaser may rescind the Purchase Agreement.

The Rider provides that Purchaser may cancel the Purchase Agreement and recover the Down Payment by following the procedure set forth below if, after complying with Purchaser's "Financing Obligations" (as defined below) and Purchaser's other obligations under the Rider and the Purchase Agreement, Purchaser fails through no fault of Purchaser to obtain a "Loan

Commitment Letter" (as defined below) within the forty-five (45) day period following the date (the "Contract Date") on which a fully executed copy of the Purchase Agreement is delivered to Purchaser or Purchaser's Attorney (the "Mortgage Contingency Period").

A "Loan Commitment Letter" means a written commitment for purchase money financing which is issued to Purchaser by a lending institution with or without recourse, and whether or not conditional upon any factor other than an appraisal satisfactory to the lending institution, which provides for substantially the following:

(a) principal amount not less than an amount to be agreed upon between Purchaser and the Sponsor, which amount shall not be more than eighty percent (80%) of the Purchase Price, or any lower amount applied for or accepted by Purchaser;

(b) interest rate then prevailing for similar loans (including, without limitation, fixed, variable or adjustable rate);

(c) a term of not less than 15 years (either fixed, by available renewals or otherwise);

(d) collateral security for repayment, including a mortgage on the Unit, together with its undivided interest in the Common Elements; and

(e) such other terms and conditions as are usual and customary for the issuer of such commitment.

An offer to make a loan that is conditioned on obtaining a satisfactory appraisal shall become a "Loan Commitment Letter" upon such condition being met.

Purchaser's right to cancel the Purchase Agreement and recover the Down Payment is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations": (i) Purchaser shall submit an application for a loan on the loan terms set forth above (the "Loan Terms"), to the Mortgage Company in good faith within five (5) days after the Contract Date or the date of delivery of Contract to Purchaser whichever is sooner; (ii) Purchaser shall promptly submit to Mortgage Company, or as Mortgage Company may direct all information and supporting documents necessary for processing such loan application; (iii) Purchaser's application shall contain truthful, accurate and complete information as required by the lending institution; and (iv) Purchaser shall comply with all requirements of the lending institution to obtain a Loan Commitment Letter. Purchaser shall submit to the Sponsor (a) a copy of the application within such five (5) day period referred to in clause (i) above and (b) a copy of any Loan Commitment Letter within five (5) days after receipt thereof by Purchaser. If Purchaser fails to submit to the Sponsor a copy of the application within such five (5) day period as set forth in clause (a) above, the Sponsor shall have the right, but not the obligation, to cancel the mortgage financing contingency provisions set forth in the Rider, Purchaser shall be deemed conclusively to have waived the financing contingency, and the Purchase Agreement shall be deemed binding on an all-cash basis.

Purchaser may also cancel the Purchase Agreement and recover the Down Payment in

accordance with the procedure set forth below if Purchaser obtains a Loan Commitment Letter and (i) such Loan Commitment Letter expires prior to the scheduled closing of title to the Unit; (ii) Purchaser has taken all possible steps to maintain his or her Loan Commitment Letter, including but not limited to the submission of a timely written request for a renewal or extension of such commitment to the same lending institution and written application to at least one other lending institution, all at the then prevailing rate of interest, and is unable in good faith to obtain either a renewal or extension of the Loan Commitment Letter or a new Loan Commitment Letter for the principal amount set forth in the Rider or the principal amount stated in the expired Loan Commitment Letter, whichever is lower, at the same or the then prevailing interest rate; (iii) the closing of title was either not scheduled by the Sponsor within the term of the Loan Commitment Letter (unless the Sponsor did not schedule the closing within such period at Purchaser's request) or was adjourned to a date beyond such period at the Sponsor's request; (iv) the Sponsor does not secure a mortgage loan for Purchaser in the same amount, at the same or then prevailing interest rate (with any closing costs in excess of those costs charged by the issuer of the original Loan Commitment Letter to be paid for by the Sponsor); (v) the Loan Commitment Letter did not expire as a result of (x) Purchaser's refusal, inability or unwillingness to close title or delay in closing title or (y) Purchaser's acts or omissions, including but not limited to Purchaser's failure to comply with or satisfy any of the conditions of the Loan Commitment Letter; and (vi) Purchaser is not otherwise in default at such time under the Purchase Agreement.

If Purchaser complies with Purchaser's Financing Obligations and its other obligations under the Purchase Agreement and is unable to obtain a Loan Commitment Letter or a renewal or extension of the Loan Commitment Letter or a new Loan Commitment Letter, Purchaser shall give notice to Seller within five (5) days after the expiration of the Mortgage Contingency Period or the expiration of Purchaser's Loan Commitment Letter (as the same may have been renewed or extended), as the case may be. In the case of cancellation due to a failure to obtain a Loan Commitment Letter, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the lending institution shall accompany the notice, if available, or if not then available, shall be provided promptly after receipt prior to any refund.

Within five (5) business days after the Sponsor's receipt of Purchaser's notice under the preceding paragraph, the Sponsor may elect to do one of the following:

(a) establish (in the case of a failure to obtain a Loan Commitment Letter) a new contingency period to end on the day stated in that notice, which date shall be not less than two (2) nor more than four (4) weeks after such notice; however, the Sponsor may not establish more than two (2) such additional contingency periods under this subparagraph (a); or

(b) attempt for up to sixty (60) days after the receipt of Purchaser's notice to secure a satisfactory mortgage commitment from a bank or other lending institution on behalf of Purchaser, in which event Purchaser shall pay all application costs, sign all application forms and otherwise fully cooperate with the Sponsor, and Purchaser shall accept such a commitment as satisfactory so long as the same shall comply with the provisions set forth in the definition of "Loan Commitment Letter;" or

(c) terminate the Purchase Agreement.

In the event the Sponsor elects to attempt to secure a new mortgage commitment pursuant to subparagraph (b) above and no such new mortgage commitment is furnished, either the Sponsor or Purchaser (provided Purchaser has not waived Purchaser's right to cancel as set forth above) may elect to terminate the Purchase Agreement by giving written notice to the other party within ten (10) days after the expiration of the sixty (60) day period referred to in such subparagraph (b) or within ten (10) days after notification by the Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. Upon the giving of such notice in accordance with the provisions thereof, the Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of the Purchase Agreement, except that the Down Payment (and interest, if any) shall be refunded to Purchaser and except for the representations and covenants (if any) that are expressly stated to survive termination of the Purchase Agreement. Notwithstanding any provision hereof or of the Purchase Agreement, the Sponsor shall have no obligation to secure a Loan Commitment Letter or a mortgage loan for Purchaser.

Unless Purchaser duly exercises his or her right to terminate the Purchase Agreement in accordance with the provisions of the Rider, Purchaser shall be deemed conclusively to have waived the financing contingency and the Purchase Agreement shall be deemed binding on an all-cash basis.

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

The Sponsor is not affiliated with Mortgage Company. The Sponsor will not receive any commissions or fees from Mortgage Company. As a result, the Sponsor does not assume any responsibility for the acts or omissions of Mortgage Company, its agents or employees nor of any financial institution to whom Mortgage Company submits a mortgage application.

Escrow and Trust Fund Requirements

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

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

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 the 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 the Purchase Agreement has been signed by all necessary parties and the downpayment delivered, in a segregated special escrow account of Martin Shaw, Esq., the Escrow Agent (the "Escrow Agent"), whose address is 350 Fifth Avenue, Suite 1225, New York, New York 10118 (Tel. No.: 212-279-4490). Escrow Agent has established a master escrow account at North Fork Bank at its branch located at 120 West 23rd Street, New York, New York 10011 entitled Martin Shaw, Esq., Attorney Trust Account, 58 Thomas Street Condominium, (the "Master Escrow Account"). Funds from this account may be release only by Martin Shaw, Esq. 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) or a Form W-8 (Certificate of Foreign Status), as applicable, to the 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-8, the Down Payment will thereafter be 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-8, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. 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. North Fork Bank has advised the Sponsor that it 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.

Acceptance of the Down Payment by the Sponsor or the Selling Agent and the deposit thereof by Escrow Agent into escrow shall not be deemed a binding agreement by the Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and the Sponsor 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, the 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. Unless Purchaser defaults, all interest will be credited or paid (at the option of Sponsor) 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 or paid to the Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which currently is about one (1%) percent per annum. 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 "Martin Shaw, Esq., as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, then, except for provisions thereof (if any) that are expressly stated therein to survive termination thereof, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of the Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of the Sponsor's receiving notice from Escrow Agent of such failure of collection.

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

Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan must be amended to provide the same full disclosure with respect to the account, the Escrow Agent, and the Escrow Agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternative form of security.

The Escrow Agent will hold the Down Payment and any interest earned thereon in escrow until otherwise directed in:

- (i) a writing signed by both the 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, or until released pursuant to the next paragraph immediately below.

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

regulations and has so notified the Escrow Agent in accordance with such provisions and the Escrow Agent has received such notice.

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

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

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 the Sponsor in the event the 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. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth as Exhibit A to the form of Purchase Agreement contained 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, the Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

The Attorney General shall act upon the application within 30 days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.

If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until:

- (1) both the sponsor and purchaser direct payment to specified party in accordance with a written direction signed by both the sponsor and purchaser; or
- (2) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or
- (3) the escrow agent deposits the disputed amount into court.

In no event shall the escrow agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of the sponsor and the purchaser.

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

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

The 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.

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

Escrow Agent will maintain all records concerning the Master Escrow Account for seven (7) years after the release of funds.

All funds received by the Sponsor from Purchasers for special work, upgrades or extras in Units shall be held in escrow by the Escrow Agent until the Sponsor requests release of such funds to pay for such special work, upgrades, or extras by delivery to the Escrow Agent of a written request together with a certification of the Sponsor that such funds will be used for such special work, upgrades, or extras. As noted above, these funds may be released to the Sponsor prior to the closing of title to the Unit for the purpose of paying for such special work, upgrades or extras. 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 released to be used for special work, upgrades or extras.

Nothing contained herein shall diminish or impair the sponsor's statutory obligation to each purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payment made in connection with the offer until consummation of the transaction with such purchaser. Consummation of the plan does not relieve sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the sponsor or the escrow agent upon any bankruptcy, incapacity or death.

All funds required to be held pursuant to GBL Section 352-e(2-b) and 352-h shall be transferred into the escrow account in compliance with this regulation within ten (10) days.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Purchase Agreement shall be permitted without the Sponsor's prior written consent, which consent may be granted or denied by the Sponsor in its sole discretion. Any purported assignment of a Purchase Agreement in violation of the provisions of the preceding sentence shall be voidable at the option of the Sponsor. The Sponsor, pursuant to the terms of a construction loan agreement between the Sponsor and the Lender, has collaterally assigned the Sponsor's rights under each Purchase Agreement to the Lender as additional security for the Lender's construction loan to the Sponsor, referred to in the Section of this Plan entitled "Rights and Obligations of the Sponsor."

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by the Sponsor shall be contingent upon the Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within two (2) years of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective by notice to Purchasers, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been both executed and accepted by the Sponsor for the sale at least fifteen percent (15%), which is equal to one (1) Unit, of the five (5) Units offered under the Plan.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by the Sponsor for the sale of at least eighty percent (80%), or four (4), of the Units offered under the Plan.

The Plan may be abandoned, at the Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Condominium Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form. Such amendment shall explain the reason for the abandonment and must state how any funds received pursuant to the Plan will be distributed. Subject to the provisions of the next sentence, monies paid by Purchasers pursuant to Purchase Agreements (other than monies released to the Sponsor for the purpose of paying for special work, upgrades, or extras) shall be refunded to them in full, with interest, if any, within thirty (30) days of such abandonment. With respect to any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period or whose Purchase Agreement had been canceled previously due to such Purchaser's default, Sponsor will retain, as liquidated damages, such Purchaser's Down Payment, not to exceed ten percent (10%) of the purchase price (together with interest earned thereon, if any) plus any deposit or costs incurred by Sponsor for special work, upgrades, or extras in the Unit ordered by such Purchaser.

The Sponsor may not abandon the Plan after notice of effectiveness for any reason other than (i) one or more defects in title which cannot be cured, removed or complied with prior to the date set for the First Unit Closing without litigation or for an aggregate amount that is less than one-half of one percent of the total amount of the offering, or (ii) work orders of a mortgagee or violations that cannot be cured for an aggregate amount that is less than one-half of one percent of the total amount of the offering, or (iii) substantial damage or destruction of the Building (or any part thereof) by fire or other casualty which cannot be repaired prior to the date set for the First Unit Closing for an aggregate amount that is less than one-half of one percent of the total amount of the offering, or (iv) the taking of all or any material portion of the Property by condemnation or eminent domain. The amounts referred to in clauses (i), (ii), (iii) and (iv) above shall be as estimated by an architect or engineer designated by the Sponsor or, in the case of clause (iii) above, as estimated by an insurance adjuster retained by the Sponsor, and shall not include the costs to cure any title defects or determinations of any authority or regulatory

association that existed on the Date of Presentation of this Plan and were on that date either known to the Sponsor or a matter of public record. There will be no obligation on the part of the Sponsor to incur any expense or to engage in litigation to cure title defects.

The Plan shall be declared effective by personal service of a notice on each Purchaser or by commencement of service by regular mail or registered mail or certified mail, with or without return receipt requested, addressed to the Purchaser or Purchaser's attorney or by personal delivery. Such notice shall state that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective, and a list of the units being counted to meet the minimum percentage under the terms of the Plan, to wit: fifteen (15%) percent. No amendment declaring the Plan effective is required prior to closing.

The Plan will not be declared effective based on Purchase Agreements (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (b) if the Purchaser was not afforded at least three (3) days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement; or (c) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor or the Selling Agent or the Managing Agent or to any principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

TERMS OF SALE

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

1. Any state of facts which an accurate survey and inspection would show.
2. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure and use.
3. The terms, burdens, conditions, covenants, restrictions, easements and provisions set forth in: the Declaration, the By-Laws and the Rules and Regulations made thereunder, the Power of Attorney from Purchaser to the Condominium Board, and the Floor Plans, all as may be amended from time to time.
4. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.
5. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.

6. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks.

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

8. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

9. Service, maintenance and union contracts and agreements, if any, in effect on the date of the First Unit Closing.

10. Encroachments of shrubbery, stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, walls, retaining walls, railings, fences, fire escapes, ramps, air conditioning units, canopy and similar projections, if any, on, over or under the Property, or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any.

11. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent legal use of the Condominium Units at the Property nor prevent the existence of the present structure. The title report, dated June 16, 2000 and updated as of August 3, 2001 obtained by the Sponsor reveals no such agreements.

12. Beams and beam rights, party walls and party wall agreements: The title report referred to above, does not reveal any such beams, beam rights, party walls and party wall agreements.

13. Any service contracts to be assumed by the Condominium at the First Unit Closing.

14. The lien of any unpaid Common Charges or real estate taxes, and the lien of any water charges or sewer rents generally (which shall be apportioned at Closing).

15. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at Closing Date).

16. Any other 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.

17. Any Interim Use and Occupancy Agreement covering the Unit made from the Sponsor to the Purchaser.

18. The Certificate of Occupancy (temporary or permanent) to be secured by the Sponsor.

19. Violations noted or issued of record against the Unit after the First Unit Closing by any governmental authority. Any violation which the Sponsor is obligated to remove will not be an objection to Closing, provided the Sponsor agrees in writing with the Condominium Board to remove same of record.

20. 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 Unit for residential purposes.

21. Variations between record lines and fences, hedges, retaining walls and tax lots.

22. Standard printed exceptions contained in the form of title insurance policy then issued by All New York Title Agency, Inc., having an address at 1121 Avenue of the Americas, New York, New York 10036 (or such other New York Board of Title Underwriters member title insurance company insuring the Purchaser's title to the Unit).

24. Any other lien or encumbrance that does not render title unmarketable.

A Purchaser is required to accept title to the Property provided that Chicago Title Insurance Company agrees to insure fee title in the Purchaser subject only to the provisions set out above and the standard printed exceptions contained in the form of title insurance policy promulgated by the New York Board of Title Underwriters.

The Sponsor reserves the right to grant easements for additional utility, sewer and drainage lines and appurtenances in, over, under and through the Condominium to relocate any existing utility, sewer and drainage easements and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company, if the Sponsor shall deem it necessary or desirable for the proper operation and maintenance of the Condominium or any portion thereof, or for the general health and welfare of any Unit Owner, provided that such additional utilities or the relocation of existing utilities will not prevent or materially interfere with the use of the Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Building, and its employees and agents, shall have a right of access to any Unit or to the Limited Common Elements, in the furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

Notwithstanding anything else to the contrary in this Plan or the Purchase Agreement, if Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Plan and the Purchase Agreement, Sponsor shall not be obligated to bring any action, suit or other proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in this 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 either (i) to 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 (ii) to terminate the Purchase Agreement. If Purchaser so elects to terminate the Purchase Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder (except for funds released to Sponsor to be used for special work, upgrades or extras), together with interest earned thereon, if any, and, upon the making of such payment, the Purchase Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Plan or the Purchase Agreement except for provisions of the Purchase Agreement that by their terms survive the termination thereof. 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 (i) above (i.e., to acquire title subject to such inability).

Any encumbrance to which title is not to be subject shall not be an objection to title if (i) 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 (ii) Chicago Title Insurance Company, having an address at 1121 Avenue of the Americas, New York, New York 10036 (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. The parties agree that the Sponsor may pay and discharge any liens and encumbrances upon the Property, not provided for in this Plan or the Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

Closing of title shall take place concurrently with or after the occurrence of the following events:

- (1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. The Sponsor shall complete construction and make its best efforts to obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If the residential CO is not secured within two (2) of the first closing, Sponsor shall extend the TCO until the permanent residential CO is issued by doing a new filing with the Buildings Department. If, at the time of closing of title to a Unit, the Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then the Sponsor shall place in escrow with its attorney an amount, as

determined by an architect chosen by the Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to the Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with its attorney an unconditional, irrevocable letter of credit in the amount determined by the Sponsor's Architect or posting a surety bond in the amount so determined.

- (2) The recordation in the City Register's Office of the Declaration, the By-Laws and the filing in said office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built.
- (3) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest and the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law;
- (4) The serving by personal delivery or ordinary mail or courier service to the Purchaser written notice of the Closing Date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement.
- (5) The Purchaser shall be afforded an opportunity to inspect the Unit as more fully described in the Section of the Plan entitled "Procedure to Purchase."
- (6) Serving notice by personal delivery on each Purchaser or by or registered mail or certified mail, with or without return receipt requested, addressed to the Purchaser or Purchaser's attorney pursuant to the Terms of the Offering Plan.

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

The acceptance of a deed by Purchaser shall be deemed an acknowledgment that the

Sponsor has performed and discharged every agreement and obligation on the part of the Sponsor to be performed under the Plan except those (if any) that 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 352-e to survive delivery of the deed.

The Sponsor has no obligation to make repairs or improvements to any appliances, fixtures or personal property, unless specifically provided in this Plan. Each Unit and the fixtures and personal property therein are being sold and delivered "AS IS" as described in the Plan, on the day of closing for such Unit, unless the Sponsor and Purchaser agree otherwise. EACH PURCHASER SHOULD INSPECT THE UNIT SPACE PRIOR TO CLOSING OF TITLE TO THE UNIT.

At each closing, the Purchasers shall also execute and deliver a Power of Attorney, coupled with an interest, in the form set forth in Part II of the Plan. The Power of Attorney irrevocably designates the Board of Managers as such Unit Owner's attorney-in-fact for the sole purpose of managing, selling, mortgaging, leasing or otherwise dealing with (but not voting the votes appurtenant to) any Unit acquired by the Board of Managers in accordance with the provisions of the By-Laws set forth in Part II of the Plan and to the Sponsor in order to amend any of the Condominium documents.

On the Closing Date for each Unit, fee title to the Unit in question shall be conveyed to the Purchaser, and he or she shall thereupon become obligated for the payment of Common Charges and real estate taxes for the Unit, whether or not he or she has taken possession of the Unit.

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

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is not included in the conveyance of the Unit to Purchaser, unless otherwise specifically indicated in the Purchase Agreement. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is not included in the

property transferred to the Condominium by the Declaration.

Any existing mortgage or construction loans not satisfied at or prior to closing of the first unit shall provide that each mortgagee or lender shall either:

1. consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units;
2. subordinate the lien of its mortgage to the declaration of condominium; or
3. release its lien on the condominium unit being conveyed and its interest in the common elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General

At closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to the legal fees of Purchaser's counsel (if any) and the amount of any net credit in favor of Sponsor that may result from the closing apportionments and any daily late closing charge described in the preceding section entitled "Closing Adjustments." Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date of the plan and are subject to change without prior notice:

(a) If Purchaser elects to obtain fee title insurance (i.e., title insurance covering the Purchase Price of the Unit), Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the insurance company and the amount of insurance requested. Sponsor recommends that Purchaser obtain such insurance from All New York Title Agency, Inc. ("ANYTA") (212-579-1944) as agent for Chicago Title Insurance Company. If Purchaser elects to obtain title insurance, a title report from any other title insurance company or abstract company shall be recognized by Sponsor provided Purchaser pays Sponsor's actual additional legal fees incurred for clearing title pursuant to the Offering Plan with any other company. ANYTA has agreed to provide escrow service at no charge if ANYTA has been selected to issue title insurance in connection with a Unit. If Purchaser elects to obtain fee title insurance or mortgage title insurance for a title insurance company and/or abstract company other than ANYTA, Purchaser shall reimburse Sponsor for any additional legal fees and third party escrow fee expenses incurred because ANYTA was not selected to provide the fee or mortgage title policy. Additionally, Purchasers may be entitled to bulk rates based on the prior insurance provided by ANYTA through Chicago Title Insurance Company. The bulk rate premium for owners title insurance is 70% of the following amounts.:

<u>Premium</u>	<u>Insured Amount</u>
\$371.00	First \$35,000.00
\$ 6.16/per 1,000	\$35,000.00 - \$50,000.00
\$ 5.02/per 1,000	\$50,000.00 - \$100,000.00
\$ 4.03/per 1,000	\$100,000.00 - \$500,000.00
\$ 3.68/per 1,000	\$500,000.00 - \$1,000,000.00
\$ 3.38/per 1,000	\$1,000,000.00 - \$5,000,000.00

Mortgage title insurance rates are similarly discounted if Purchaser elects to obtain such insurance from ANYTA (see (iii)(b) below) if a fee policy and mortgage policy are both obtained by Purchaser. Purchaser is free to obtain a title insurance company other than ANYTA. Sponsor makes no warranty as to the cost, terms or availability of title insurance from ANYTA or any other title company. If Purchaser elects to obtain fee title insurance or mortgage title insurance from a title insurance company and/or abstract company other than ANYTA, Purchaser shall pay Sponsor's Counsel an additional minimum legal fee of \$500.00 for clearing title with such other company. If Sponsor incurs additional legal fees in excess of \$500.00 as a

result of the requirements of such title insurance company, the Purchaser shall reimburse Sponsor at closing for the full amount of such additional legal fees and expenses so incurred.

(b) Purchaser will pay a fee for recording the Unit Deed and the Unit Owners' Power of Attorney, together with a service charge to the title company for recording each instrument, in the amount of \$15.00 per document and \$5.00 per page, together with a service fee to the title company, if applicable, totaling approximately \$150.00.

(c) If Purchaser elects to obtain a mortgage loan from a lending institution, the Purchaser may expect to incur the following costs:

1. Legal fees of the lending institution's attorney.
2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by All New York Title Agency, Inc. as agent for Chicago Title Insurance Company, as of the date of this Plan are as follows: a base rate of \$223 for the first \$35,000 in coverage; \$3.591 per additional thousand dollars of coverage up to \$50,000, plus \$2.933 per thousand dollars of coverage in excess of \$50,000 up to \$100,000, plus \$2.352 per thousand dollars of coverage in excess of \$100,000 up to \$500,000, plus \$2.142 per thousand dollars of coverage in excess of \$500,000 up to \$1,000,000, plus \$1.974 per thousand dollars of coverage in excess of \$1,000,000 to \$5,000,000. Please note that if a fee title insurance policy is purchased simultaneously with a mortgage title insurance policy and through the same company, mortgage title insurance coverage rates shall be discounted.
3. A mortgage recording tax of one and three quarters percent (1¾%) of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of two percent (2%) of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in an amount of less than \$500,000. The mortgage recording tax for mortgages in an amount of \$500,000 or more is 2.125% after the \$25 deduction on the first ten thousand dollars of mortgage amount. Lenders are required to pay one quarter of one percent of the two percent tax, or 2.125% tax, as the case may be, thereby reducing Purchaser's cost to one and three quarters percent (1¾%) less \$25 or 1.875% less \$25, as the case may be.
4. Recording fee for recording of the mortgage, approximately \$62.
5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution.

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 (1) 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.

- (d) New York City Real Property Transfer Tax is currently equal to one percent (1%) of the Purchase Price with respect to Units which are sold for \$500,000 or less and 1.425% of the purchase price where the consideration is greater than \$500,000.

Although the costs of these transfer taxes and the transfer taxes referred to in subparagraph (e) below are customarily paid by the seller in covered transactions, the responsibility for paying these taxes may be modified by contract. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes at the Closing as a closing cost. For purposes of paying these taxes with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax ("RPT Tax") and New York State Transfer Taxes (deed stamps) ("NYS Tax") to be paid for the Unit. Therefore, the steps to compute the tax are:

- (i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.
- (ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.
- (iii) Add the tentative taxes to the purchase price.
- (iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = \$755,000

- (1) $\$755,000 \times 1.425\% = \$10,758.75$
- (2) $\$755,000 \times .4\% = \$3,020$
- (3) $\$755,000 + \$13,778.75 = \$768,778.75$
- (4) $\$768,778.75 \times 1.425\% = \$10,956.10$ (rounded up)

(5) $\$768,778.75 \times .4\% = \$3,075.12$ (rounded up).

- (e) New York State Transfer Taxes (deed stamps), which are currently at the rate of \$2 per each \$500 of consideration or part hereof. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and deed stamps to be paid for the Unit (see the example in subparagraph (d) above). Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser.
- (f) The legal fees of the Sponsor's attorneys in the amount of \$1,000 will be payable by Purchaser to Martin Shaw, Esq. provided that an additional fee of \$250 per closing shall be due and payable for any Unit Closing that occurs outside the office of Martin Shaw, Esq. In the event that Purchaser orders title report from other than Chicago Title, a review fee of \$300 will be charged. Further fees of \$200 shall be payable by Purchaser to the Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan and the relevant Purchase Agreement. In addition to an attendance fee in connection with a completed Unit transfer, the Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled Closing which is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations, the determination of which shall be within the sole discretion of the Sponsor's attorneys. In addition, more than one assignment fee shall be payable if the Sponsor consents to more than one request for consent to an assignment. All such fees shall be due at closing.
- (g) Under Section 1402-a of the New York Tax Law, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is \$1,000,000 or more (the "mansion tax"). Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence.
- (h) At the time of the first closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased.
- (i) Real estate taxes as of 11:59 P.M. of the day immediately preceding the date of the Closing through the end of the tax payment period within which the Closing Date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that the Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which the Sponsor would not otherwise have had to pay but for a delay in closing of title by Purchaser.

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

The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his or her Unit monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of 11:59 P.M. of the day immediately preceding the Closing Date, provided, however, that the Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which the Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein or in an amendment to the Plan. Purchaser shall also be responsible for the unit's share of real estate taxes as of the day of closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, the Sponsor must place in escrow an amount equal to the unpaid real estate taxes which will be levied against the Property for the six-month period following the First Unit Closing or until the Units are separately assessed, whichever period is shorter. If real estate taxes have already been paid for part of this six-month period, then this six-month period shall be reduced by the amount of time subsequent to the First Unit Closing for which real estate taxes have been paid. Sponsor will pay or cause to be paid the real estate taxes payable with respect to the sold Units from the escrow account when taxes are due and payable and is entitled to reimbursement of the amount escrowed from Purchasers at the Closing (regardless of whether or not such taxes shall have been actually paid, so long as such escrow account shall have been established) based upon the aggregate real estate taxes then affecting the entire Property multiplied by the particular Purchaser's percentage of Common Interest.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six (6) months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. The Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings individual Purchasers shall adjust real estate taxes and assessments (including water and sewer charges) with the Sponsor as of 11:59 P.M. of the day immediately preceding the date of the Unit Closing through the end of the tax payment period within which the Closing Date occurs, on the basis of the period for which assessed. However, the Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which the Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the

percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

2. Mortgage Tax Credit

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

“In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two (2) years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage recording taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded.”

The Sponsor or its predecessors have paid a mortgage recording tax for the mortgage encumbering the Property. In the event that a mortgage tax credit becomes available, pursuant to the above Section 339-ee(2) of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The Sponsor at Closing will be paid by such Purchaser to the extent of any mortgage tax credit allowed.

The entire contents of this Paragraph 2 as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated by reference into the Purchase Agreement for each Unit as if set forth at length in such Purchase Agreement.

A numerical example for the costs set forth in this Section of the Plan for a typical apartment with a purchase price of \$755,000 and a mortgage of \$604,000 are set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous mortgage

- discount \$2,761;
2. recording costs for Unit Deed and Power of Attorney \$119;
 3. mortgage recording tax (including any payment to the Sponsor pertaining to mortgage tax credit) \$;
 4. recording cost of mortgage approximately \$62;
 5. New York City Real Property Transfer Tax \$10,955.10;
 6. New York State Transfer Taxes (deed stamps) \$3,076; and
 7. legal fee of the Sponsor's attorney (at the office of the Sponsor's attorney) \$1,000.

Other fees which cannot be estimated because they pertain to events outside of the Sponsor's control, and/or statutory requirements, include the real estate tax escrow (and/or reimbursement of real estate taxes paid by the Sponsor), Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the Closing Date.

3. Closing Adjustments with Condominium Board

Immediately prior to the First Unit Closing, the Sponsor shall apportion the following items with the Condominium Board as of 11:59 P.M. of the day immediately preceding such Closing:

- (a) any Common Charges which are the Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;
- (b) employees' wages and any vacation pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
- (c) fees for assignable permits and licenses, if any;
- (d) cost of gas (plus sales tax), if any;
- (e) charges for electricity, natural gas, oil and other utilities (plus sales tax), if any, pertaining to the Common Elements;
- (f) payments under service and maintenance contracts;
- (g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (h) cost of supplies on hand at the Sponsor's cost (plus sales tax); and

- (i) premiums for any transferable insurance policies.

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

RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing the Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon the Sponsor's financial condition at that time. Construction of the Building and improvements is being financed by a construction loan provided by North Fork Bank (the "Lender"). Under the terms of the Sponsor's construction financing, the Sponsor receives advances each month from the Lender until the Sponsor's completion date of the construction work, so long as the Sponsor complies with the provisions of the construction loan regarding its responsibilities to insure the premises, to use the funds advanced by the Lender in the agreed manner, to enter into Purchase Agreements and schedule Closings thereunder, to submit the Property to a condominium form of ownership, and generally to proceed with the construction as agreed in the loan documents.

Although the Sponsor believes that the amount of the construction financing is adequate and sufficient to enable the Sponsor to complete the Building, no representations or guaranties are given that the Sponsor will do so, or that the Building will be completed as described in this Plan. However, to the extent that the Sponsor does complete the Building, it shall do so in accordance with the terms of this Plan. As set forth below in this Section of the Plan, the Sponsor or its agents shall have the right to enter upon the Property or any portion thereof at any time in order to complete the Building and obtain a permanent certificate of occupancy.

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

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

Sponsor reserves the right to amend or modify the plans from time to time (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details). The Sponsor further reserves the right to substitute for any of the materials, equipment or fixtures specified in the "Description of Property and Building Condition" or elsewhere in the Plan, of substantially similar or better quality and design without amendment to the Plan. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment

described in this Plan, but, due to the possible unavailability of materials and supplies or for any other reason, the Sponsor may substitute such materials, fixtures, and equipment to those of similar quality. The Sponsor shall file an amendment to the Plan if any substitution(s) to materials, equipment or fixtures is substantially different or of lesser quality than set forth in the Plan provided such substitution(s) does not affect any Unit for which a Purchase Agreement has been executed and is in effect.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan entitled "Changes in Prices and Units."

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

Changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and the Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and the Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default under his or her Purchase Agreement.

All references in this Plan to "plans" shall mean the aforesaid building plans for the Building prepared by the Sponsor's Architect as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this Plan.

For all purposes under this Plan, the issuance of (a) a final Certificate of Occupancy for the entire Building by the Department of Buildings of The City of New York, and (b) a statement by the Sponsor's Architect to the Sponsor that the Building has been completed substantially in accordance with the building plans except for (i) such work in the public portions of the Building and within Units as is customarily or necessarily left incomplete until after occupancy (which work will be completed with reasonable expedition) and (ii) special work, upgrades or extras in any Units to be done by or for the account of Purchasers or tenants thereof, shall be deemed and considered presumptive evidence that the Building has been fully completed in accordance with the building

plans. Such presumption, however, shall be without prejudice to any rights which any Board may have with respect to the Sponsor's obligation to cause defects in construction or materials to be corrected, as hereinafter set forth. Such statement by the Sponsor's Architect shall neither constitute a representation by him to the Unit Owners or to any Board nor give rise to any claim by any Unit Owner or by any Board against him with respect to completion of construction or defects therein.

Under the present construction schedule, it is anticipated that the Building will be substantially completed by May, 2002, subject to Unavoidable Delays. Also, subject to Unavoidable Delays, the Sponsor anticipates completing all construction of the Common Elements and the Units in the Building by July, 2002. The Sponsor, however, makes no warranty or representation that the Building will be substantially completed by May, 2002 or that all construction work will be completed by July 1, 2002, or that the Building and/or all construction work will not be completed prior to May, 2002.

3. The Sponsor, at the Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. The Sponsor shall complete construction and make its best efforts to obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. In the event that a permanent CO has not been issued within such period of time, the Sponsor will renew or extend the temporary certificate of occupancy. If, at the time of closing of title to a Unit the Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then the Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by the Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to the Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with its attorney an unconditional, irrevocable letter of credit in the amount determined by the Sponsor's Architect or posting a surety bond in the amount so determined.
4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the Section of the Plan entitled "Unit Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of the Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, other than for closings of individual Units, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.
5. The Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as the Sponsor shall

continue to own the same. However, where Purchaser has caused an unauthorized delay in closing of title, the Sponsor shall be entitled to certain reimbursements of real estate taxes and Common Charges (and 16% interest on the purchase price) from the initial closing date. The Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. The Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds.

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

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

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

Notwithstanding the foregoing, the Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, material-men, or others, are assigned to the Board of Managers or Unit Owners. **In addition, in no event shall the Sponsor be responsible for (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) 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, stone or porcelain surfaces, bath and kitchen tile 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) variations in width, length or tone of wood floor strips, (xiii) normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiv) 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, (xv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xvi) 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, (xvii) salting or color variation in exterior colored mortar and deep colored brick, (xviii) ponding and/or controlled drainage on the roof surface, (xix) cracks in any pressure treated wood or redwood used or intended for use outside the Building, or (xx) any condition resulting from any of the foregoing. The 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 the Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces.**

Except as expressly set forth herein, the Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of the Sponsor to correct any defects and none other shall be implied.

The Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, the Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner.

Notwithstanding any other provision hereof, the Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of (i) any insubstantial variations from the plans or the description of the Building or a Unit set forth in the Section in Part II of the Plan entitled "Description of Property and Specifications or Building Condition" or (ii) variations from the plans or description of the Building or a Unit, set forth in the Section in Part II of the Plan entitled "Description of Property and Building Condition," which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality.

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

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

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

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

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be

required to pay the balance due under the Purchase Agreement unless and until (i) the damage to its Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

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

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

8. Following the First Unit Closing, the Sponsor will promptly assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify the Sponsor against and hold the Sponsor harmless from all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs, and indemnification to include but not be limited to fees and disbursements of counsel.
9. The Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in Schedule B of the Plan, which Schedule sets forth the Projected Budget for First Year of Condominium Operation.
10. In the event of the dissolution or liquidation of the Sponsor or the transfer of two (2) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.
11. The Sponsor shall deliver to the Board of Managers a set of architectural plans upon completion of the project.
12. The Sponsor shall have the right but not the obligation to defend any suits or proceedings arising out of its acts or omissions; the Sponsor shall have the obligation to indemnify the Board of Managers or the Unit Owners against any judgment obtained against either or both of them by reason of the wrongful acts or omissions of the Sponsor. The Board of Managers and the Unit Owners shall, as a condition to such indemnification, notify

the Sponsor promptly of any such suit and cooperate with the Sponsor in defending against any such suits which the Sponsor elects to defend.

Without limiting the foregoing, the Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of the Sponsor or representations made by the Sponsor in the Offering Plan.

13. The Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at the Sponsor's offices for six (6) years from the date the Declaration is recorded.
14. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
15. The Sponsor (its successors, assigns or designees) may offer all or any Unsold Units for lease. Purchasers of any leased Units will be purchasing Units that have been previously occupied. The Sponsor will notify Purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation of the Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in Paragraphs 1 through 15 of this Section shall survive delivery of the deed. The Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

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

The Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, the Sponsor reserves to itself, its

successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and the Sponsor's rights and obligations thereunder or to meet requirements under the law. The Sponsor allocates to the Commercial Unit Owner, and any subsequent owner of the space, (a) the right to create a Unit entrance from the interior of the First Floor's common area; (b) the exclusive use of the shaftway on the western side of the Building as a Limited Common Element, and at its own cost and expense to make repairs, replacements, install ducts, vents, cables, wires, etc. necessary for the operation of the Commercial Unit and subsequent use of the commercial space without the consent of the Board or Unit Owners or anyone else provided that all required permits are first obtained by the Owner. In the event that access to the shaftway for any such repairs, replacements or installations requires access from the common areas or one or more individual residential Unit, such access may not be denied by the Board or the affected Unit Owner(s) provided the Commercial Unit Owner gives a minimum of three (3) days notice and holds the Condominium Association and the Residential Unit Owner(s) harmless from any damage to the common areas or to the Residential Unit(s).

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

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

1. The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective Purchasers or lessees;
2. Right of access in and to Units, Common Elements and Limited Common Elements (including the shaftway) for purposes of construction, repair, refurbishment, correction, alterations, finishing, installations, servicing (including but not limited to garbage collection) and similar work;
3. Right to show vacant or leased Units;
4. Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

The Sponsor and the Sponsor-designees shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. The Sponsor and the Sponsor-designees each agrees to repair damage directly attributable to and caused by the Sponsor or the Sponsor-designees or their respective agents as a result of exercising such rights of access.

The Sponsor's Right to Perform Alterations

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

CONTROL BY THE SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by the Sponsor. Accordingly, until such first annual meeting, the Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. The Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to Units, the percentage of Common Interest of which, in the aggregate, is more than fifty percent (50%) or (ii) two (2) years after the First Unit Closing. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers, the Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board of Managers. A meeting of the unit owners will be held to elect new Board members unrelated to Sponsor within thirty (30) days of the expiration of the control period.

As long as the Sponsor or any Sponsor-designee shall continue to own Units equaling at least twenty-five percent (25%) of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or the Sponsor-designee's prior written consent (which may be given or withheld in its sole discretion): (a) make, permit, or consent to any addition, alteration, improvement or change in or to the Common Elements, the Limited Common Elements, or any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) enter into any service or maintenance contract, (d) borrow money on behalf of the Condominium, the Board of Managers or Unit Owners, (e) exercise a right of first refusal to purchase a Unit, (f) increase or decrease the number, or change the type of employees of the Condominium or the Board of Managers from those set forth in the Section of the Plan entitled "Notes to Schedule B," or (g) change or increase or decrease the services or operating expenses as set forth in the "Notes to Schedule B" except as required to reflect normal annual increases in operating expenses; provided however, that the Sponsor will not exercise veto power over (i) expenses described in Schedule B of the Plan, (ii) expenditures necessary to remedy any notice of violation, (iii) expenditures necessary to remedy any work order by an insurer or (iv) expenses required in order to comply with applicable laws or regulations. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or the Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operation of general or sales or leasing offices at the Property; or actions necessary for construction, renovation, repair or correction at the Property, as required by the Sponsor. Subject to the foregoing, the Sponsor or the Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions.

So long as the Sponsor (or its designee) owns any Unit, the Sponsor shall be entitled to

designate at least one (1) member of the Board of Managers.

The rights, powers and obligations of the Board of Managers and circumstances under which a member of the Board of Managers may be removed or replaced are more fully discussed under the Section of the Plan entitled "Board of Managers."

BOARD OF MANAGERS

General

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to his, her or its Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his, her or its Unit per member to be elected, and (ii) shall not have the right to cumulate his, her or its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit or Units shall agree among themselves and cast the votes for their Unit or Units.

Members of the Board of Managers

The Board of Managers, for the period terminating upon the earlier of (i) the closing of title to Units whose percentage of Common Interest equals, in the aggregate, less than fifty percent (50%) or (ii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period (the "control period") the Board of Managers will initially consist of John Carson, Angelo Cosentini and Thomas D. Currier. Each of these individuals is a principal or employee of a member of the Sponsor. All three shall resign as board members upon the termination of the control period and will call for the first annual meeting of the Unit Owners to elect a new Board of Managers, consisting of three (3) members, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Board of Managers will be held at the regular annual meeting of Unit Owners, and the Sponsor will retain certain rights to designate a member or members of the Board of Managers under the conditions set forth in, and as described in, the Section of the Plan entitled "Control by the Sponsor." It should be noted that the Commercial Unit Owner shall be entitled to be a member of the Board.

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

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

promptly sent to each Unit Owner.

Each of the members of the Board of Managers will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by the Sponsor or the Sponsor-designee, members may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or the Sponsor-designee can only be removed for cause by affirmative vote of Unit Owners (including the Sponsor and/or any other holder of the Unsold Units) owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or the Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers and all officers of the Condominium shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers, and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a Managing Agent for the Condominium on such terms as the Board of Managers may deem proper. As set forth in the Section of the Plan entitled "Management Agreement, Contracts and Leases," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Goldin Management Corp., having an office at 25 8th Avenue, Brooklyn, New York 11217.

Liability of Members of the Board of Managers and Officers; Indemnification

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the

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

Officers

The principal officers of the Condominium shall be: the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

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

Amendments to Condominium Declaration and By-Laws

The Declaration and By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than seventy five percent (75%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds seventy five

percent (75%). However, for as long as the Sponsor or its designee owns title to one or more Units, neither the Rules and Regulations of the Condominium nor the By-Laws may be amended in a manner that would adversely affect the Sponsor or its designee in any way, as determined by the Sponsor in the Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of the owner of the relevant Unit; (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any; and (iv) no amendment to any of the condominium documents may restrict or change in any way whatsoever the rights of the Commercial Unit Owner without the prior written consent of the Commercial Unit Owner.

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

Sale and Lease of Units

Each Unit Owner may sell or lease his or her Unit, provided, however, that the tenant or transferee of such Unit agrees to comply with the applicable provisions of the Declaration, the By-Laws and the Rules and Regulations, and (except as to the Commercial Unit and to Unsold Units owned by the Sponsor or a Sponsor-designee) subject to the right of first refusal described below. Prior to the sale or lease of any Unit, other than the Commercial Unit and Unsold Units owned by the Sponsor or a Sponsor-designee, each Unit Owner must give the Condominium Board written notice of his or her intention to sell or lease such Unit, accompanied by the terms of the offer as set forth in Article VIII of the By-Laws. The Condominium Board, on behalf of all Unit Owners, will have the exclusive right to elect, within thirty (30) days after receipt of the notice of sale, to purchase the Unit, or to elect, within thirty (30) days after receipt of the notice of lease, to lease the Unit, on the same terms as those set forth in the offer, as more specifically set forth in Article VIII of the By-Laws. Notice of the decision to exercise or waive such right must be given in writing to the Unit Owner within five (5) days after the exercise of such decision and in any event within such thirty (30) day period by hand of messenger or by certified or registered mail. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease the Unit within the aforementioned time periods, the Unit Owner will have sixty (60) days after the expiration of such thirty (30) day period to contract to sell the Unit or lease the Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the Unit Owner's sixty (60) day period, the Unit Owner will again be required to first offer the Unit to the Condominium Board as provided above.

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

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

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

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

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

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

The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds proscribed by the laws of the State of New York.

Mortgage of Units

Except for Sponsor or a Commercial Unit Owner, a Residential Unit Owner is free to mortgage his or her Unit, provided that any such mortgage shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, a family member, business associate or employer, the seller of such Unit. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefore. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a copy of the note and mortgage with the Board of Managers. Sponsor or its designee as the owner of an Unsold Unit, and the Commercial Unit Owner, shall have the right to mortgage their Units without any restriction or limitation, except that the Condominium Board is required to be notified in writing of the making of any such mortgage.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and assessments when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any repairs, capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, together with certain other items (if any) that the Board of Managers may deem proper, such as amounts for reserves, all in accordance with Article VI, Section 6.1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 6.1 of the By-Laws, impose such special assessments as it deems necessary to meet unanticipated or extraordinary expenses, including but not limited to expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z of the New York Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof with the City Register's Office and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien. While the Sponsor is in control of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the New York Real Property Law on Unsold Units owned by the Sponsor in which the Sponsor is more than thirty (30) days in arrears of Common Charges.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of the Limited Common Elements or Common Elements or by abandonment of his or her Unit.

In the event of a foreclosure by the Board of Managers 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, the Unit Owner will remain liable for the unpaid balance. Neither (a) a mortgagee 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 mortgagee or purchaser. However, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit.

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

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

New York State Real Property Law Section 339-kk became law on July 22, 1998. A copy of the new statute is included in Part II. It is intended to provide financial protection for condominiums when a Unit Owner leasing a Unit to a rental tenant fails to meet the obligations to pay common charges, assessments or late fees. It applies to all Unit Owners including Sponsors.

Real Property Law Section 339-kk may be summarized as follows:

(a) If the payment of common charges, assessments or late fees for a Unit has not been made in full to the Condominium within sixty (60) days after the expiration of any grace period of the earliest due date, the Condominium may collect all rental payments from the Tenant of the Unit, after giving notice to the Tenant and the Unit Owner. After payments are again current, the Condominium shall give notice to the Tenant and Unit Owner within three (3) business days, at which time payments shall be made to the Unit Owner.

(b) If a non-occupying Unit Owner disputes the Condominium's claim to rental payments, the Unit Owner shall be entitled to submit facts in support of his or her position at the next scheduled meeting of the Board of Managers. This meeting must be held within thirty (30) days of the date the Board receives notice that the Unit Owner seeks to dispute the claim.

(c) Payment by the Rental Tenant to the Condominium following the initial notice shall relieve the Tenant from the obligation to pay rent to the non-occupying Unit Owner and shall be an absolute defense to any non-payment proceeding commenced by such Unit Owner against the Tenant.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, including the skylights of a Unit, if any, and to the doors (except painting the exterior sides of a Unit entrance door), windows (except painting the exterior sides of windows), electrical (except Common Elements), plumbing (except Common Elements), heating fixtures, and air conditioning units

within the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior sides of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed by (a) the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his or her sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements such as a roofing surface and/or a roof deck above such surface or as a result of the Unit Owner's negligence, misuse or neglect.

Additions, Alterations and Improvements

The Sponsor or its designee and the Commercial Unit Owner may make non-structural alterations, additions or improvements, including the addition of an entrance door to the Commercial Unit from the first floor common area and/or the addition of signage to the Unit or facade of the Building below the second floor level in any Unit owned by it or with respect to any Limited Common Element for which it has exclusive use without the prior consent of the Board of Managers or Unit Owners or anyone else provided all work shall be done in accordance with all governmental or quasi-governmental laws, codes and ordinances. With respect to other Residential Unit Owners, a non-structural alteration, addition or improvement to a Unit that does not affect the exterior of the Building or the value of other Units may be made by any Unit Owner without consent of the Board of Managers only after the issuance of a permanent certificate of occupancy for the Building. No Residential Unit Owner, other than the Sponsor, or its designee, as a holder of Unsold Units, or the Owner of the Commercial Unit, may make a structural alteration, addition or improvement in his or her Unit or with respect to any Limited Common Element for which he or she has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. The Sponsor or its designee and the Commercial Unit Owner need no such approval for any of its Units. Any required Board approval, if granted, shall provide that such alteration, addition or improvement shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner who shall also be responsible for any subsequent repairs, including structural repairs, to such addition, alteration or improvement in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement or due to improper design or construction of the structural alteration, addition or improvement. Such approval shall further provide that the Residential Unit Owner shall

reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with the request by a Residential Unit Owner for approval of a structural alteration, addition or improvement.

Finally, any approval, if granted, shall be subject to regulation by the Condominium Board, including but not limited to regulation, as to any one or more of the following aspects of construction:

1. time periods during which work is permitted;
2. the manner in which construction debris will be handled;
3. measures which must be taken to prevent compromising security of the Building during construction;
4. the interruption of services during construction; and
5. liability insurance for contractors during construction.

Until such time as the initial construction of the Building, including punch-list items, is complete, no Unit Owner or the Board of Managers performing work shall employ any labor forces which are incompatible with labor forces which are completing construction of the Building on behalf of the Sponsor.

Certain structures cannot be built as of right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board of Managers does not consent to the proposed alteration, an application for a variance is moot, since the Board of Managers would not permit the proposed alteration in any event.

If a Unit Owner does not need the consent of the Condominium for such alteration, but a variance is needed, such a variance may be denied if it is opposed by the Board of Managers. Structures that increase the size of the Building require a variance. These structures include: additional floors, additions to the rear of the Building above the cellar level, additional penthouses, roof mezzanines, greenhouses and gazebos.

Subject to the By-Laws and Rules and Regulations of the Condominium, which, among other requirements, assign responsibility for negligence, misuse or neglect, a Unit Owner who has an exclusive roof terrace area may, without a Department of Buildings permit, install plantings and furniture on it.

Rights of Access

The Board of Managers and/or the Managing Agent shall have a right of access to any Unit for the purpose of inspection, performing installations, alterations or repairs to the

mechanical or electrical services or other Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws. The Sponsor shall have a right of access, upon reasonable notice during reasonable hours, to any Unit for the purpose of performing punch-list work, if any, or to make repairs or improvements required by law or code or ordinance or to make repairs or installations to the shaftway. The Commercial Unit Owner shall have a right of access, upon reasonable notice during reasonable hours, to any Unit for the purpose of performing repairs or installations to the shaftway.

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 of the Condominium, as they may be amended from time to time except as to certain rights reserved for the Sponsor and the Commercial Unit Owner. 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.

Without limiting the foregoing, the violation of the Rules and Regulations or any other rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers the rights, in addition to any other right set forth in the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws, Declaration or Rules and Regulations, as the case may be (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); and/or (b) to enjoin, abate or remedy such breach or the continuance thereof (or both) by appropriate legal proceedings, either at law or in equity; and (c) in any event to charge the Unit Owner with the cost of legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein, and covering the interests

of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. All such policies shall provide that adjustment of loss, if more than \$100,000, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if \$100,000 or less, shall be payable to the Board of Managers, and if more than \$100,000, shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be \$6,000,000. Said coverage shall be maintained while the Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 12.5 of the By-Laws of the Condominium.

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

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

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

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

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

or diminished by reason of any such additional insurance carried by any Unit Owner.

Repair or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the preceding paragraph, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of priority of such liens.

Use of Units

This subsection applies to Residential Units only. The Residential Units may be used only for a private residence, except that a Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law or ordinance and provided further that the prior written consent of the Board of Managers to such professional use is obtained. In the event that the Commercial Unit should be converted to residential use, joint living work, or for professional use, such restrictions will not be applicable provided such use is code compliant. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

Except as set forth above, no industry, business, trade, occupation or profession of any

kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the residential Units, nor shall any "For Sale," "For Rent," or "For Lease" signs or other window displays or advertising be maintained or permitted in any residential Unit therein or adjoining Common Elements, nor shall any residential Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee, and the Board of Managers, or its agent, for any Unit owned by the Condominium Association to place "For Sale," "For Rent," or "For Lease" or similar signs on any Unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one foot (1) by two feet (2). Additionally, the right is reserved by the Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit. The Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size. The Sponsor or its designee shall be responsible for installing and removing such signs. The Commercial Unit Owner shall have the right without Board approval to install, maintain, repair, or replace signs for sale or rent or in connection with its business without restriction as to type, size or location except that such any signs must be located in its locale below the second floor level.

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

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

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

No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.

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

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

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

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

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

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

No bird or animal shall be kept or harbored in any Unit of the Building unless the same in each instance be expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without prior written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Unit.

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

The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under the Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the

Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his or her agent, servant, employee, invitee, licensee, guest, visitor, patient, or client to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

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

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

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

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

The Residential Unit Owners shall not be allowed to put their names on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes. In the event that the Commercial Unit is converted to residential use with professional or joint work-living, such restriction shall not applied.

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

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

No Unit shall be used or be occupied in such a manner as to obstruct or interfere with the

enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

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

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

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

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

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

The cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium.

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

If permitted by the Board of Managers, plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches (2") from the terrace or balcony surface, and, if adjoining a wall, at least three inches (3") from such wall. Suitable weep holes shall be provided

in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches (3") from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches (2") above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

The Board of Managers shall require a security deposit of \$2,000 for Unit Owners who move. The security deposit will be refunded promptly after such move is completed unless there are damages to any portion of the Building as a result of such move, and such security deposit or portion thereof shall be used for the cost of repairing such damages.

Any consent or approval by the Board of Managers or the Managing Agent given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers except as such are restricted as to the rights and privileges of Sponsor, Sponsor's designee and the Commercial Unit Owner. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

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

Easements

Each Unit Owner shall have certain easement rights with respect to the Limited Common Elements and Units owned by other Unit Owners. As more fully described in the Declaration set forth in Part II of this Plan, each Unit Owner, including the Commercial Unit Owner, will have an easement in common with the owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his or her Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit other than the shaftway, and any installations located therein, which is for the exclusive use of the Commercial Unit.

The Board of Managers shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair, add to or replace the Common Elements contained therein or elsewhere in the Building.

Review of Real Estate Tax Assessments

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

Termination of Condominium

The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than seventy five percent (75%) in number and in Common Interest of the Units. The Sponsor or its designees will not vote its or their interests appurtenant to any Unsold Units for such withdrawal unless at least seventy five percent (75%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event such 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 the 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 off out of his or her share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

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 (including the Declaration and By-Laws) in its entirety.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained. Until such time, it will be the duty of the Board of Managers to collect payments for real estate taxes directly from each Unit Owner and to hold such in the Condominium's separate account until payment is made to the City of New York Department of finance.

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

Deductibility of Mortgage Interest and Real Estate Taxes

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

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

Certain purchasers of Offered Residential Units, including senior citizens and veterans, may be exempt, in whole or in part, from real estate taxes. Each potential Purchaser should consult his or her own tax adviser as to the availability of such exemptions.

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 \$1,000,000), 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.

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.

Taxation of the Condominium

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board of Managers. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been

rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

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

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, Unit Owners would, in the aggregate, include in their gross income all income earned by the Condominium, and deduct (subject to applicable limitations) the expenses incurred in earning such income. Thus, for example, interest earned on funds held by the Condominium Board would be taxed to the Unit Owners.

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

- (i) the condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;
- (ii) sixty percent (60%) or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");
- (iii) ninety percent (90%) of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) no part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;
- (v) the Condominium must elect to be treated as a homeowners association; and
- (vi) substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the aforementioned requirements will be met for a Section 528 election for at least the first year of operation.

A condominium management association meeting the requirements of Section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of thirty percent (30%) on the amount by which its other income, such as income from the

non-residential lease of common elements and interest earned on any reserve funds, exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under Section 528. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have that is not Exempt Income, such as income from the non-residential lease of common elements and interest earned on any reserve funds (less expenses directly connected with the production of such income).

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

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance 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 Martin Shaw, Esq., as counsel to the Sponsor, bases its opinion, will not change. In no event will the Sponsor, Martin Shaw, Esq., 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 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.

MARTIN SHAW, ESQ. IS COUNSEL TO THE SPONSOR AND NOT THE PROSPECTIVE PURCHASERS OR UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THE PLAN.

Partial Real Estate Tax Exemption (Section 421-a)

Sponsor will apply, on behalf of the Unit Owners, to the New York City Department of Housing Preservation & Development ("HPD") for a partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law ("Section 421-a"). NEITHER SPONSOR, SPONSOR'S COUNSEL, THE SELLING AGENT, THE MANAGING AGENT NOR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY THAT A PARTIAL TAX EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR, AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX WHICH WILL BE ASSESSED AGAINST THE RESIDENTIAL UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY RESIDENTIAL UNIT OWNER. There is no guaranty or assurance that the criteria for Section 421-a benefits will be satisfied and neither Sponsor nor Sponsor's Counsel offers any opinion with respect to the eligibility of the Units for Section 421-a benefits. If, for any reason, an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A included in Part I of the Plan for projected monthly real estate taxes for each Residential Unit with and without the benefits under Section 421-a and a copy of the Certificate of Eligibility on page 44.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement are phased in over five fiscal tax years in annual increments of twenty percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such five-year period is called the "transitional" assessed valuation.

Prospective purchasers should note that the real estate taxes that will be payable by the Unit Owners for future years will vary in accordance with the amounts of the Unit's assessed valuation (transitional and actual) and of the real estate tax rate. In this regard, prospective purchasers should note that, assuming the partial exemption from real estate taxes pursuant to Section 421-a is maintained, the real estate taxes payable by the Unit Owners will in any event increase periodically over the ten years of condominium ownership as an integral part of the Section 421-a program. The ten year exemption from taxation consists of two years of full exemption, followed by two years of exemption from 80 percent of such taxation, followed by two years of exemption from 60 percent of such taxation, followed by two years of exemption from 40 percent of such taxation, followed by two years of exemption from 20 percent of such taxation.

<u>Benefit Years</u>	<u>% of Exemption</u>
1	100%
2	100%

<u>Benefit Years</u>	<u>% of Exemption</u>
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%
11	0%

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits that can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recording for the Condominium Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

MARTIN SHAW
ATTORNEY AT LAW
350 Fifth Avenue
Suite 1225
New York, New York 10118

TEL. (212) 279-4490
FAX (212) 279-4495

August 3, 2001

58 Thomas Street Associates LLC
145 Hudson Street
New York, New York 10013

Re: The 58 Thomas Street Condominium
58 Thomas Street
New York, New York 10013
(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 real estate taxes and mortgage interest paid by residents of New York who purchase the Offered Residential Units 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 Offered Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of ownership of any Units other than the Offered Residential Units or of the tax consequences, if any, of any rebates or other payments that may be made, or benefits provided, to owners of Offered 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 Offered Residential Units will acquire their offered Residential Units and that the relevant facts are as set forth therein.

I. Deduction for Real Estate Taxes and Mortgage Interest

Pursuant to the Plan, the purchaser of an Offered Residential Unit will receive legal title

in fee simple to his or her Offered Residential Unit, coupled with ownership of an undivided interest in the Common Elements held in common with the other Unit Owners. Such purchaser, per the terms of the Plan, will have the right to place an individual mortgage on his or her separate Offered 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 the real estate taxes assessed and paid on his or her interest in the property and interest paid on his or her mortgage indebtedness. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of an Offered Residential Unit who itemizes his or her deductions 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 Offered 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.

It is also our opinion that an owner of an Offered Residential Unit who itemizes his or her deductions will be entitled to deduct for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest that is paid or accrued during the taxable year on acquisition indebtedness or home equity indebtedness which is secured by a qualified residence. "Acquisition indebtedness" (the aggregate amount of which may not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return)) is indebtedness which is incurred in acquiring, constructing or substantially improving a qualified residence and which is secured by such residence. "Home equity indebtedness" (the aggregate amount of which may not exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return)) is any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed the fair market value of the qualified residence, reduced by the amount of acquisition indebtedness with respect to such residence. The term "qualified residence" means (i) the principal residence (within the meaning of section 121 of the Code) of the taxpayer and (ii) one other residence of the taxpayer which is selected by the taxpayer and which is used by the taxpayer as a residence (within the meaning of section 280A(d)(1) of the Code). Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. If a married couple does not file a joint return for the taxable year, such couple is treated as 1 taxpayer and each individual is entitled to take into account only 1 residence unless both individuals consent in writing to 1 individual taking into account the principal residence and 1 other residence.

It is also our opinion that each owner of a Residential Unit will, for New York State and New York City income tax purposes, be entitled to the same deduction for real estate taxes and mortgage interest which is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as real estate tax and mortgage interest deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Additionally, the benefit of an Offered Residential Unit Owner's deductions may be reduced if he or she is subject to the Federal alternative minimum tax, or the New York State and City minimum taxes.

II. Common Charges

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 Condominium qualifies and 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:

- (i) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;
- (ii) 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;
- (iii) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property;
- (iv) 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);
- (v) the Condominium must elect to be treated as a homeowners association; and
- (vi) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes.

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

It appears, based on your representations to us, that the requirements of Section 528 will be satisfied as the Offering Plan is currently structured.

In our opinion, the condominium will be eligible for tax-exempt status, if it elects such status, and unit owners will be entitled to income tax deductions (or the unit owners will be eligible for the real estate tax benefits described above). However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to

above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

Absent a valid election by the Condominium Board to have Section 528 apply, the status of the Condominium is uncertain under present law. Assuming the Condominium does not elect to be treated as an association taxable as a corporation, the Condominium should be treated as a partnership?? or as a mere agent of the Unit Owners. In either case, the Unit Owners would, in the aggregate, include in their gross income 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), and deduct (subject to applicable limitations) the expenses incurred in earning such income. For this purpose, Common Charges would not be considered income to the Condominium. See Rev. Rul. 70-604, 1970-2 C.B. 9; cf. Lake Petersburg Ass'n. v. Commissioner, 33 T.C.M. 259 (1974).

New York State and New York City will follow the classification accorded the Condominium for Federal income tax purposes. See Section 208.1 of the New York State Tax Law; 20 NYCRR §1-2.5(b); Section 11-602(1) of the New York City Administrative Code; 19 RCNY §11-02. See also TSB-A-97(7)I (classification of an LC for New York State tax purposes will follow the classification accorded the LC for Federal income tax purposes). The New York City Department of Finance may take the position that the Condominium is subject to the Unincorporated Business Tax. However, if the Condominium Board were validly to elect the benefits of Section 528, there would be no Unincorporated Business Tax imposed on the Condominium. See New York City Department of Finance, Office of Legal Affairs, Finance Letter Ruling 39 (April 23, 1986).

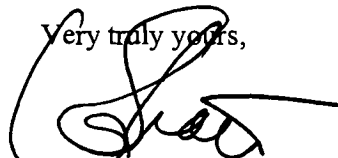
We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to

** Internal Revenue Code Section 7704 provides that a publicly traded partnership will be treated as a corporation. A "publicly traded partnership" means any partnership if (1) interests in such partnership are traded on an established securities market, or (2) interests in such partnership are readily tradable on a secondary market (or the substantial equivalent thereof). We assume that the Condominium, if treated as a partnership, will not be considered a publicly traded partnership.

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, Martin Shaw, Esq., the Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Offered Residential Units not to be entitled to the income tax deductions 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,



Martin Shaw, Esq.

RESERVE FUND

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

WORKING CAPITAL FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the Closing to the Board of Managers for its working capital (the "Working Capital Fund"). This fund would ordinarily be used for the payment of any net closing adjustments in favor of the Sponsor. However, the Sponsor shall waive any such net closing adjustments with the Condominium Board in its favor which would reduce the Working Capital Fund below zero. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Unit Closing by the Sponsor. The amounts in the Working Capital Fund may be held or used at any time for working capital to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

General

No provision has been made for any Reserve Fund or for any Working Capital Fund other than as set forth in the preceding paragraph or in the Section of the Plan entitled "Reserve Fund." If additional funds are required, it may be necessary to increase Common Charges or make assessments on Unit Owners. Alternatively, the Board of Managers 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.

For such period as the Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce Common Charges.

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

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

At or prior to the First Unit Closing, the Condominium Board will enter into a management agreement with Goldin Management Corp., having an office at 25 8th Avenue, Brooklyn, New York 11217 (the "Managing Agent" or the "Agent"). The agreement will be for an initial term of two (2) years, commencing on the date of the First Unit Closing. The Managing Agent will receive a stated annual fee of \$8,400 for the first year and \$8,400 for the second year, all payable in equal monthly installments. Such management fees may exceed the guidelines other managing agents may charge for similar services. It shall be subject to the right of the Managing Agent to cancel at any time upon at least sixty (60) days' prior written notice. During the term of the contract, the Managing Agent may assign the Agreement to another Managing Agent provided the management fee does not exceed the fee provided herein. After the term of the management agreement has expired it will be automatically renewed from month to month until canceled by either party on 30 days' prior written notice.

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

(a) Subject to the prior right of approval by the Board of Managers, cause to be hired, paid and supervised, all persons necessary to be employed, if any, in order to properly maintain and to operate the Land and Common Elements of the Building, who, in each instance, shall be the Board's and not the Agent's employees, and cause to be discharged by written order of either the Board or the Agent all persons unnecessary or undesirable, all subject to such union contracts or other agreements as are concluded on behalf of the Principal or with the Board's approval.

(b) Cause the Lands and Common Elements to be maintained in such a condition as may be deemed advisable by the Board, including interior and exterior cleaning, snow removal, sidewalk maintenance, maintenance of grounds which are not Limited Common Elements; and cause repairs and alterations thereof to be made, including, but not limited to, plumbing, steamfitting, carpentry, paving, plowing, mowing, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the management agreement or in any agreement with any Unit Owner or tenant. Ordinary repairs or alterations involving expenditure of over \$5,000 for any one (1) item shall be made only with prior written approval of the Principal, but emergency repairs, immediately necessary for the preservation or safety of the Lands and Common Elements of the Building or for the safety of the Unit Owners, tenants or other persons, or required to avoid the suspension of any necessary service in or to the Lands or the Building, may be made by the Agent irrespective of the cost thereof, without the prior approval of the Board. Agent's responsibility under the management agreement shall not extend to supervising or managing major renovations or major capital improvements, unless specifically agreed upon in writing by the Board and Agent.

(c) Cause all such acts and things to be done in or about the Lands and Common Elements as shall be necessary to comply with any and all orders and

violations affecting the premises, placed thereon by any federal, state or municipal authority having jurisdiction thereover, and orders of the New York Board of Underwriters, the New York Fire Insurance Exchange or other similar body, subject to the limitation with respect to the amount of expenditure involved as contained in Paragraph (b) above.

(d) Furnish to the Board advice concerning mechanical installations and the operation of pumps, gas and water supply and other mechanical equipment of the Common Elements.

(e) Enter into contracts for electricity, gas, telephone, window cleaning, ash and rubbish removal, sidewalk maintenance, security agency protection, vermin extermination and other services or such of them as shall be approved by the Board; purchase all supplies which shall be Common Elements, make all such contracts and purchases in either the Board's or the Agent's name, as the Board shall elect; credit to the Board any discounts or commissions obtained for purchases or otherwise, except insurance commissions and commissions payable to the Agent under the terms of this Agreement. In no event shall any service contract be for a term longer than three (3) years or require annual payments in excess of \$5,000 unless otherwise authorized by the Board.

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

(g) Make a careful audit of all bills received for services, work and supplies ordered in connection with maintaining and operating the Lands and Common Elements, pay all such bills and, also pay water charges, sewer rent and assessments assessed with respect to the Lands and Common Elements, if any, as and when the same shall become due and payable.

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

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

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

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

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

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

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

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

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

(q) Prepare and submit to the Board an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year; send to each Unit Owner a copy of the operating budget as adopted by the Board; and notify Unit Owners of annual and all other assessments of Common Charges as determined by the Board of Managers.

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

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

(t) Generally do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Common Elements of the Building.

For services in connection with processing each application for the sale or lease of a Unit

by a Unit Owner other than the Sponsor or holder of Unsold Units, including obtaining a waiver of right of first refusal and other agreements necessary to properly effect the transfer of interest, there shall be a fee of \$250 per transfer or lease to the Managing Agent. The fees referred to above shall be paid in full upon the submission of the application. No such fees shall be payable for Units owned by the Sponsor or a Sponsor-designee.

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

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

Other Contractual Agreements

At or prior to the First Unit Closing the Board of Managers may enter into an elevator maintenance service contract with Robert Elevator with an office at 36-14 11th Street, Long Island City, New York 11106 for maintenance and service of the passenger elevator. The agreement, proposed for a term of five (5) year, provides for 24 hour emergency call back service as well as regular monthly inspections to clean, adjust and lubricate elevator equipment and the performance of one yearly inspection to comply with the provisions of Local Law 10 of 1981. This proposal is also set forth in the Section of the Plan entitled "Notes to Schedule B."

IDENTITY OF PARTIES

The Sponsor

The Sponsor of the Offering Plan is 58 Thomas Street Associates, LLC, a New York limited liability company organized on June 25, 1998. The members of 58 Thomas Street Associates, LLC are John Carson, Thomas D. Currier and Angelo Cosentini.

John Carson and Angelo Cosentini are active in real estate construction. They are principals of On The Level Enterprises, Inc., having an office at 145 Hudson Street, New York, New York 10013. Angelo Cosentini has prior experience as a principal of the manager of the North Moore Tower, the developer of the Atalanta Condominium located at 25 North Moore Street, New York, New York. The Plan for the Atalanta Condominium was made effective in the year 2000 and more than 60% of the units have closed to date. The sponsor and principals of sponsor are current in their financial obligations, including but not limited to, payments of common charges, assessments, payments for repairs and improvements promised in the Plan, and payments of the construction mortgage. Mr. Carson and Mr. Cosentini are investors in other properties in New York City which may be converted in the future. Mr. Carson has no prior public offering experience.

Thomas D. Currier is a real estate investor and a real estate broker associated with salesperson and is associated with Brown Harris Stevens having an office at 2 Fifth Avenue, New York, New York.

Mr. Currier is a principal of 5 Harrison Associates, Ltd., the Sponsor of the Condominium Offering Plan for 5 Harrison Street New York, New York, which consists of five Residential Units and two Commercial Units. The Condominium was made effective in April, 2000 and closed the first unit in May, 2000. 5 Harrison Associates, Ltd. Continues to own both commercial units and one of the residential units of that condominium. Mr. Currier is also a principal of Dean Boerum Owners, Inc. which owns the property under construction located at 119-125 Boerum Place, Brooklyn, New York. Mr. Currier is a principal of the entity which will be the sponsor of the Condominium Offering Plan for this development at a later date. The sponsor and principals of sponsor are current in their financial obligations, including but not limited to, payments of common charges, assessments, payments for repairs and improvements promised in the Plan, and payments of the construction mortgage.

Managing Agent

Goldin Management Corp., having an office at 25 8th Avenue, Brooklyn, New York 11217 is to be the managing agent of the Condominium pursuant to a management agreement as discussed in the Section of the Offering Plan entitled "Management Agreement, Contracts and Leases." The Managing Agent has fourteen years managing buildings that are rental or have been converted to condominium/cooperative ownership. The Managing Agent has no financial or business relationship with the Sponsor.

Architect

The architect who prepared the "Description of Property and Building Condition," as set forth in Part II of the Plan, is Arpad Baksa Architect, P.C. with an office at 25 west 43rd Street, New York, New York 10036-7406. The Sponsor's Architect has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect. The Sponsor's Architect has over twenty (20) years experience in planning and designing all forms of housing. The sponsor has no business or financial relationship with Mr. Baksa.

Engineer

The structural engineer is Albert Piao Kung, P.E. who has an office at 6 East 46th Street, Suite 402, new York, New York 10017

Counsel to the Sponsor

The Sponsor has retained the law firm of Martin Shaw, Esq., 350 Fifth Avenue, New York, New York 10118 (Tel. No.: 212-279-4490), to represent it in the preparation, filing and consummation of this Offering Plan and is advising the Sponsor in connection with all legal matters incidental thereto. Mr. Shaw has read all the printed copy submitted to the Department of Law but disclaims any responsibility to have made an independent inspection of the building or property or investigation of the information furnished by the Sponsor.

No separate counsel has been retained to represent the Condominium.

It is suggested and expected that each Purchaser will consult and be represented by his or her own counsel in connection with this Offering.

The law firm has no financial interest in the Property or the Sponsor, except that it is paid a legal fee for services.

Selling Agent

The Sponsor has retained the real estate brokerage firm of Brown Harris Stevens, 2 Fifth Avenue, New York, New York as Selling Agent for this Offering Plan. Thomas D. Currier, a principal of the Sponsor, is a real estate broker associated with Brown Harris Stevens.

Condominium Budget Expert

The Sponsor has retained the licensed real estate broker, Goldin Management Company, located at 25 8th Avenue, Brooklyn, New York, 11217 to prepare the Projected Budget for First Year of Condominium Operation.

Tax Abatement Expert

The Sponsor has retained the law firm of D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York 10001 (Tel. No.: 212-564-9800) to render an

opinion as to the eligibility of the Property real estate benefits under Section 421-a, and make an application for benefits under Real Property Law Section 421-a. A preliminary Certification of Eligibility was issued in August, 2001. See page 43.

REPORTS TO UNIT OWNERS

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

- (a) the financial statements of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statements shall be certified while the Sponsor is in control of the Board of Managers;
- (b) a prior notice of the annual Unit Owner's meeting; and
- (c) a copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers. Sponsor will certify each budget until Sponsor no longer controls the Board of Managers.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers and by any Person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of the Selling Agent at all times such office is open and shall remain available for such inspection for a period of six (6) years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

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

There are no lawsuits or other legal proceedings now pending or any judgments outstanding that could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, or the Sponsor's capacity to perform all its obligations under the Plan, which are not covered by insurance.

No Person 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 the Sponsor the performance of all or any of the Sponsor's obligations hereunder and no such third Person shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

To the best of the Sponsor's knowledge the Property has not been the subject of any prior public offering. As of the acceptance date of this offering the Sponsor has not entered into any preliminary binding agreements and has not collected any money from prospective Purchasers for the sale of Units in the Building.

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

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of the Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others, except that this Plan shall not be amended or modified without the Lender's prior written consent. However, the Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If there is a substantial amendment to the Plan that materially adversely affects the rights, obligations or liabilities of then existing Purchasers or reduces the undertakings or obligations of the Sponsor, then, except as otherwise provided herein, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to the Sponsor and be refunded the Down Payment made thereunder, with any interest earned thereon, except the Purchaser will not receive a refund of any funds released to be used for special work, upgrades or extras; provided, however, that the Sponsor shall retain such Down Payment, and interest, in the case of any Purchaser who is in default under the Purchase Agreement beyond any applicable

grace period, but Sponsor shall not retain more than ten percent (10%) of the purchase price (together with interest earned thereon, if any) as and for liquidated damages; provided, however, the Sponsor may receive the actual costs incurred for any special work, upgrades or extras ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest; and provided further that such rescission, as to a Purchaser who first became a tenant of the Building after the acceptance date of this Plan and pursuant to a Purchase Agreement, will be conditioned on the cancellation of any Interim Use and Occupancy Agreement and surrender of possession of his or her Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the Section of the Plan entitled "The Sponsor's Statement of Specifications or Building Condition" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts, as well the opinion letters on energy consumption and costs, on projected real estate tax liability after construction, on real estate tax benefits, which have been reproduced in the Plan.

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

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

The Sponsor is not reserving the right to transfer any air or developmental rights to other buildings. Neither the current owner nor a prior owner has conveyed, referred or reserved air or developmental rights for use in other buildings. The Sponsor is not reserving the right to add to the building except as is necessary to complete the Units being offered hereunder.

THE SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the "Description of Property and Building Condition" (the "Description") set forth in Part II of the Plan. The Sponsor is not an architect or engineer, but believes and represents that, to the best of its knowledge, the Description, prepared by Arpad Baksa, Architect, P.C., registered architect in the State of New York, accurately states the description of the property and the planned construction as of the date it was prepared. The Sponsor does not know of any material defect or need for material repairs except as indicated in such Description.

The proposed number of the Units in the Offering Plan and their uses will be identical to the number of Units and uses stated in the Certificate of Occupancy that will be obtained upon completion of construction. Federal, state or local laws concerning lead paint is not applicable since the Project is new construction.

Please refer to Architect's description of Property and Building Condition in Part II on page 275 along with a set of floor plans.

PAGES 144 – 145 LEFT BLANK INTENTIONALLY

PART II

PURCHASE AGREEMENT

Purchaser

with

58 THOMAS STREET ASSOCIATES, LLC,

Sponsor

For Unit Number _____ at:

**The 58 Thomas Street Condominium
58 Thomas Street
New York, New York**

THE 58 THOMAS STREET CONDOMINIUM
PURCHASE AGREEMENT

PURCHASER(S) _____

Address: _____

Telephone: (bus.) _____ (home) _____

Social Sec. No.: _____

UNIT NO. _____

Common Interest: _____

Date: _____, 2002

Down Payment Herewith: _____

Balance Due at Closing: _____

Total Purchase Price: _____

Name(s) and manner in
which title will be taken: _____

Selling Agent/Broker: _____

Statement of Sponsor

58 Thomas Street Associates, LLC, with an office at 145 Hudson Street, New York, New York 10013 ("Sponsor"), has promulgated an Offering Plan of Condominium Ownership of 58 Thomas Street (the "Plan") pursuant to which the land with appurtenances, and the Units (the "Units"), located in New York County, City of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Offering Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

AFTER DELIVERING AN EXECUTED PURCHASE AGREEMENT, TOGETHER WITH THE REQUIRED DOWNPAYMENT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THE PURCHASE AGREEMENT AND HAVE THE FULL DOWNPAYMENT REFUNDED TO ME PROMPTLY, IF, BUT ONLY IF, I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED BY MIDNIGHT OF THE 7TH DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is, incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building"), prepared by Arpad Baksa Architect, P.C. (the "Architect").

Said Offering Plan which includes the Declaration and By-Laws to be made by the Sponsor and to be recorded in the Office of the Register of the City of New York, County of New York, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Purchase Agreement with the same force and effect as if fully set forth herein.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in Schedule A of Part I of the Plan, Exhibit B to the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Purchase Agreement Between Sponsor and Purchaser

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

1. **Payment for Unit.** (a) Sponsor hereby agrees to sell or have conveyed and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above, and otherwise in accordance with the terms of this Purchase Agreement.

(b) The Total Purchase Price is due and payable in the amounts set forth above and as follows:

(i) The Down Payment stated above is due upon Purchaser's signing and submitting on the signing of this Purchase Agreement, receipt of which check, subject to collection, is hereby acknowledged by Sponsor. Such check shall be made payable to the order of "Martin Shaw, Esq., as Escrow Agent, 58 Thomas St."

(ii) The Balance Due at Closing shall be due and payable at the closing of title, as hereinafter provided in Paragraph 2, by good unendorsed bank check or certified check of Purchaser, drawn on a bank or trust company which is a member of the New York Clearinghouse Association, payable to the direct order of Sponsor or as otherwise directed by Sponsor.

(c) If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Purchase Agreement void *ab initio* and of no further force and effect (except as otherwise herein provided) or may declare a default by Purchaser under this Purchase Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Paragraph 9 hereof.

(d) The Purchase agreement may be made contingent on financing upon Purchaser obtaining mortgage financing if, and only if, the Purchaser executes "The Mortgage Rider" to the Purchase Agreement (Exhibit C), applies for a mortgage through Two River Mortgage Company, Inc., the mortgage broker, and otherwise complies with the provisions described therein and in the Offering Plan. Neither the Sponsor or any person participating in this offering makes any representation as to the terms, conditions, costs or availability of such financing at the time of the application.

2. **Closing of Title.** (a) The closing of title shall take place on a date to be specified by Sponsor on no less than thirty (30) days' prior written notice to Purchaser, at the

offices of Martin Shaw, Esq., The Empire State Building, 350 Fifth Avenue, Suite 1225, New York, New York 10119 (212-279-4490) or such other place as Sponsor may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Sponsor. Sponsor shall have the right, from time to time, and at any time, to adjourn the Closing Date on written notice to Purchaser and Sponsor shall not be liable for the costs, if any, that Purchaser may incur as a result of such adjournment or for damages arising from such delays or adjournments. If adjourned, Sponsor shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days prior written notice by Purchaser to Sponsor. In addition to any other rights Sponsor may have by reason of Purchaser's failure to close title timely when requested, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Sponsor would not otherwise have had to pay if there had been no delay in closing of title by Purchaser. In the event that Sponsor grants an adjournment or adjournments in excess of Purchaser's one permitted adjournment of up to fifteen (15) days, which additional adjournment Sponsor may do at its sole discretion, real estate taxes, common charges and interest of sixteen percent (16%) based on an annual basis on the total amount of the purchase price shall be adjusted at closing as though the closing of title were held on Purchaser's first permitted adjourned Closing Date or fifteen (15) days from the original Closing Date scheduled by Sponsor, whichever is earlier. Failure to pay such charges shall be a term of default under this Agreement.

(b) At the closing of title Sponsor shall deliver to Purchaser or direct the delivery to Purchaser of a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be in the form contained in Part II of the Plan, executed and acknowledged by Sponsor or as directed by Sponsor in form for recording. At the closing of title or within a reasonable date thereafter upon receipt, Sponsor will execute and deliver to Purchaser an instrument assigning to Purchaser any manufacturer's warranties with respect to equipment and appliances, if any, installed within the Unit, to the extent that the warranties are assignable.

(c) Purchaser shall execute and deliver all documents necessary to effectuate the closing of title including all documents required by sponsor and/or the Mortgagee.

3. **Power of Attorney to Board of Managers.** At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such Power of Attorney to Sponsor or as directed by Sponsor at the closing of title for recording and to pay the recording fee. Failure to do so shall be considered to be a default by Purchaser.

4. Binding Effect of Declaration, By-Laws, Rules and Regulations, and Plan.

Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan, as they may be amended from time to time.

5. Condition of Title. (a) At the closing of title, Sponsor shall give and Purchaser shall accept such title as All New York Title Agency, Inc. for Chicago Title Insurance Corporation, having an address at 200 East Post Road, White Plains, New York 10601, shall be willing to approve and insure, subject to the terms of the Offering Plan and this Purchase Agreement.

(b) The Unit is sold and shall be conveyed subject to the further encumbrances conditions and facts described as "Permitted Encumbrances" in the Section of the Plan entitled "Terms of Sale," and Exhibits submitted in connection therewith and the mortgage referred to in the Financing Contingency Rider (Exhibit C) hereto, if any (as well as other mortgages, if any, obtained by Purchaser).

(c) Any encumbrance to which title is not to be subject shall not be an objection to title if: (i) 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 if (ii) All New York Title Agency, Inc. as agent for Chicago Title Insurance Corporation (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. The parties agree that the Sponsor may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

(d) Notwithstanding anything else to the contrary in this Purchase Agreement or the Plan, if Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Purchase Agreement and the Plan, Sponsor shall not be obligated to bring any action, suit or other 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 either (i) to 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 (ii) to terminate this Purchase Agreement. If Purchaser so elects to terminate this Purchase Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder (except for funds released to Sponsor to be used for special work, upgrades or extras authorized by Purchaser), together with interest earned thereon, if any, and, upon the making of such payment, this Purchase Agreement shall be terminated and neither

party hereto shall have any further rights, obligations or liability to or against the other under this Purchase Agreement or the Plan except for provisions hereof that by their terms survive the termination hereof. 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 (i) above (i.e., to acquire title subject to such inability).

6. Expenses of Closing and Closing Adjustments. (a) Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, but not limited to:

- (i) the amount of any credit for mortgage recording tax as set forth in such Section;
- (ii) payment for title insurance, if Purchaser elects or is required by his or her lender to obtain same;
- (iii) recording fees for recording the Unit Deed and Power of Attorney.
- (iv) New York City Real Property Transfer Tax,
- (v) New York State Transfer Tax;
- (vi) transfer tax on Units which are \$1,000,000 or more in price (if applicable);
- (vii) costs associated with obtaining a mortgage loan; and
- (viii) Sponsor's attorney's fees for closing the Unit. The legal fees of Sponsor's attorneys in the amount of \$1,000 will be payable by Purchaser to Martin Shaw, Esq. provided that an additional fee of \$250 per closing shall be due and payable for any Unit closing which occurs other than in the office of Sponsor's attorneys. A fee of \$300 will be charged for reviewing a title report ordered from a title company other than All New York Title Agency, Inc. as agent for Chicago Title Insurance Corporation. A further fee of \$200 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each permitted assignment and/or cancellation of a Purchase Agreement or contract, and for each adjournment granted at the request of Purchaser. Assignments are permitted only

pursuant to the terms of the Offering Plan and the relevant Purchase Agreement. More than one assignment fee shall be payable if the Sponsor consents to more than one request for consent to an assignment.

(b) Purchaser of the Residential Unit will also pay to the Condominium Association on the Closing Date a sum equal to two (2) months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. In the event that Sponsor certifies that it has advanced all or a portion of such amount, the Purchaser shall pay the amount to Sponsor as an item of adjustment instead of to the Board of Managers.

(c) The following items, as they may affect the Unit, shall be apportioned and adjusted as between Sponsor and Purchaser as of 11:59 P. M. of the day immediately preceding the Closing Date based upon the fiscal period for which they are assessed: (i) real estate taxes and assessments (including water and sewer charges) on the basis of the period for which assessed, or if Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be made upon the basis of the old tax rate for the preceding period applied to the most recent assessed valuation, (ii) insurance premiums (if the Sponsor's insurance policy is assigned to the Purchaser), (iii) special assessments, and (iv) Common Charges. Any errors or omissions in computing apportionments at Closing shall be corrected upon determination. The amount of net closing adjustments, if in favor of the Purchaser may, at the option of Sponsor, be credited against the Balance of Purchase Price due at Closing or else paid to Purchaser at Closing; if in favor of Sponsor, each amount may be paid by ordinary check of the Purchaser, unless such amount exceeds \$500, in which event, such amount shall be paid in cash or else by unendorsed certified or bank check drawn on or by a bank which is a member of the New York Clearinghouse Association. This provision shall survive the Closing.

(d) If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, Sponsor may reduce the escrow established for real estate taxes by Sponsor by requiring Purchaser to fund into escrow, at Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for the Unit up to six (6) months from the First Unit Closing. Purchaser may pay such funds to its mortgagee or pay such monies into the escrow held by the Board of Managers. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Purchaser who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit. Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Condominium Association, for the purpose of paying such Unit Owner's share of the real estate taxes of Common Interest by the aggregate real

estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it. If no separate Unit apportionment has yet occurred, any tax adjustments shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned, to correct any discrepancy between the adjustment on the basis of percentage of Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

(e) 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.

(f) In furtherance of the provision of paragraph 6(a)(i) above, 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.

(g) If Purchaser fails to close on the date originally scheduled for the Closing of Title to his Unit as provided in Paragraph 2 (the "Original Closing Date") because Purchaser either (a) adjourns the Closing for any reason or (b) is deemed at fault for failure to send timely notice of a Non-Permitted Encumbrance as provided in Paragraph 10 above, then: (i) the aforementioned closing apportionments shall be made as of midnight of the day preceding the Original Closing Date; (ii) Purchaser shall pay interest at the rate of sixteen (16%) percent per annum on the total Purchase Price, for each day between the Original Closing Date and the actual Closing Date; and (iii) Purchaser shall reimburse Sponsor for all Common Charges and any special assessments payable during such interim period. The provisions of this subparagraph E shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing Date. However, these provisions shall then apply to the adjourned Closing Date.

(h) At closing the Sponsor or the Board of Managers shall collect from each Owner a move-in fee of \$2,000 which fee shall be refunded within ten days of the moving date less \$250 fee for the attendant/coordinator who shall attend to the entry door, the elevator and collect certificate of liability insurance from the Unit Owner or moving company. Any damages to any portion of the Common Areas or to any Unit by any Owner or its agents in the process of moving shall be assessed against such deposit. Such check is to be made payable to the 58 Thomas Street Condominium.

7. **Agreement Subject to Mortgages and Assignment to Lender.** (a) Purchaser agrees that all terms and provisions of this Purchase Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, and any and all renewals, replacements, increases and modifications thereof, and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage referred to in the Financing Contingency Rider hereto, if any, as well as any other mortgages obtained by Purchaser.

8. **Default by Purchaser.** (a) If Purchaser shall fail to pay any portion of the Purchase Price when due, fails to close title on the date, hour and place specified by Sponsor pursuant to Paragraph 2 hereof, fails to execute transfer documents or any such documents required by Sponsor or Mortgagee, or fails to perform any of Purchaser's other obligations hereunder (including without limitation the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment (if any) on the terms set forth in this Purchase Agreement), such failure shall constitute a default by Purchaser and Sponsor may send notice to Purchaser of such default. It shall be an event of default if Purchaser records this Agreement without the prior written consent of the Sponsor. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.** "Time is of the essence" means that if such default is not cured within thirty (30) days following such written notice, Sponsor may (but shall not be obligated to) elect to either: (i) cancel this Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired; or (ii) bring an action against Purchaser for specific performance. In the event that Sponsor shall elect to cancel this Purchase Agreement pursuant to clause (i) above, Sponsor shall certify to its attorneys, Martin Shaw, Esq., as Escrow Agent, that title has not closed because of purchaser's default and that Sponsor has elected to cancel this Purchase Agreement by reason thereof, and Martin Shaw, Esq. shall thereupon, pursuant to and subject to the provisions of paragraph 15 hereunder, cause to have paid over to Sponsor as liquidated damages the Down Payment (and the actual cost incurred by Sponsor for any special work, upgrades or extras in the Unit ordered by Purchaser) and interest earned thereon (if any), and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder, except for provisions hereof that by their terms survive the termination hereof. If this Purchase Agreement shall be canceled by Sponsor pursuant to the provisions of this Paragraph 8, Sponsor may sell the

Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Martin Shaw, Esq. may rely upon the truth and accuracy of the facts contained in Sponsor's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

(b) Notwithstanding the above, Martin Shaw, Esq., the Escrow Agent, will hold funds in escrow until otherwise directed in

- (i) a writing signed by both Sponsor and Purchaser; or
- (ii) a determination of the Attorney General pursuant to dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction, or
- (iv) if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

(c) The Sponsor will not object to the release of the escrowed funds to

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

(d) Purchaser and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute that needs to be resolved. A form for this purpose is attached as Exhibit A to this Purchase Agreement. The Party applying for a determination must send all other parties a copy of the application.

(e) If Purchaser becomes an occupant of the Building pursuant to an Interim Use and Occupancy Agreement, his or her failure to pay rent or otherwise comply with his or her use and occupancy obligations shall constitute default under this Purchase Agreement. Upon the occurrence of such default, Sponsor shall have the right to cancel this Purchase Agreement upon sending Purchaser ten (10) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within

which Purchaser must cure the specified default. If the default is not timely cured, the Interim Use and Occupancy Agreement will be deemed canceled by Sponsor upon the occurrence of either of the following: (i) Sponsor having obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (ii) the Purchaser having vacated the Unit. Upon such cancellation, Sponsor shall have the right to retain, as and for liquidated damages, all payments made hereunder (but in no event to exceed ten percent (10%) of the Total Purchase Price, plus any interest earned thereon, excluding the actual cost incurred by Sponsor for any special work in the Unit ordered by Purchaser). Any additional deposits in excess of ten percent (10%) of the Total Purchase Price, plus any interest, subject to the exception with respect to the actual cost incurred by Sponsor for any special work, upgrades or extras in the Unit ordered by Purchaser, shall be refunded to Purchaser promptly thereafter. Upon cancellation of this Purchase Agreement and making such refund (if any) to Purchaser, the Purchaser and Sponsor will be released and discharged of all further liability and obligation hereunder and under the Plan, except as otherwise expressly stated herein or therein. The Unit may thereafter be sold to another as though this Purchase Agreement had never been made and without accounting to Purchaser for the proceeds of such sale.

(f) Failure to comply with all obligations under this Purchase Agreement shall also constitute default under any Interim Use and Occupancy Agreement. Upon occurrence of any such default, Sponsor, in addition to any other rights available to it, shall have the right to terminate the Interim Use and Occupancy Agreement upon sending Purchaser five (5) days' prior written notice of its intention to do so. If Sponsor elects to terminate, Purchaser shall have five (5) days from giving of cancellation notice within which to cure the specified "failure to comply." If there is no timely cure, the Interim Use and Occupancy Agreement shall be terminated as of the expiration of said five (5) day period. This provision does not limit in any way other rights of Sponsor in the event of a failure to comply with the terms of this Purchase Agreement.

9. No Assignment by Purchaser; No Listing. (a) Purchaser shall have no right to assign this Purchase Agreement without Sponsor's prior written consent. Any purported assignment of this Purchase Agreement in violation hereof shall be voidable at the option of Sponsor.

(b) Prior to the closing of title, Purchaser shall not list the Unit for resale or rental with any broker or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, and any violation of this provision shall constitute a default by Purchaser hereunder.

10. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail, with or without return receipt requested, personal delivery, or overnight courier service providing evidence of delivery, to Purchaser at the address given above

and to Sponsor at 58 Thomas Street Associates, LLC, 145 Hudson Street, Suite 706, New York, New York 10013 (with copy to Martin Shaw, Esq., The Empire State Building, 350 Fifth Avenue, Suite 1225, New York, New York 10118) or at such other address as either party may hereafter designate to the other in writing. The date of personal delivery (or refusal thereof) or of mailing or sending by overnight courier service, as the case may be, 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.

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

12. Recording of Deed and Power of Attorney; Further Documents. (a) Upon full payment of the Total Purchase Price at the closing of title, Purchaser will deliver the executed Unit Deed received from Sponsor and executed and acknowledged Power of Attorney to the representative of the title company, if any, or to Sponsor for recording in the Office of the Register of the City of New York, County of New York. Such Unit Deed and Power of Attorney will be in the form set forth in Part II of the Plan.

(b) Purchaser shall complete, execute and deliver to Sponsor at Closing or prior thereto, on demand of Sponsor, the following documents: (i) the Power of Attorney described in the Offering Plan; (ii) New York City Real Property Transfer Tax Return; (iii) New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (Form TP-584); (iv) Smoke Detector Affidavit; (v) Internal Revenue Service Form W-8 or W-9, as appropriate; and (vi) such other documents as Sponsor may reasonably require in order to cause the Condominium to be lawfully formed and organized and the Unit duly conveyed. The

Purchaser shall pay such amounts as are due on account of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax.

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

14. **Agreement Subject to Plan Becoming Effective; Sponsor's Right to Cancel.**

(a) This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Sponsor at any time prior to its being declared effective, provided Purchase Agreements for not more than eighty percent (80%) of the Units have been executed and accepted. If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed canceled and the Plan terminated, and Purchaser is to receive back, not later than thirty (30) days thereafter, in full, all monies paid by him or her hereunder (except for funds released to Sponsor to be used for special work, upgrades or extras ordered by Purchaser), and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan, except for those, if any, that are expressly provided to survive the termination hereof or thereof.

(b) If, after the Plan is declared effective, title to the Unit shall not close within 18 months after the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Sponsor within fifteen (15) days subsequent to the end of eighteen (18) months after the scheduled Closing Date, after permitted adjournments, this Purchase Agreement shall be deemed canceled. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than thirty (30) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any (except for funds released to Sponsor to be used for special work, upgrades or extras). Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations, except for those, if any, that are expressly provided to survive the termination hereof or thereof.

15. **Down Payment; Payment of Purchase Price; Notice of Closing.** (a) The Down Payment made pursuant to this Purchase 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 of the Plan entitled "Procedure to Purchase." By signing this

Purchase Agreement, Purchaser agrees that 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 at such time as Purchaser shall close title under this Purchase 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, whether or not Purchaser ultimately receives the interest in accordance with the terms of this paragraph.

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

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

17. Acceptance of Condition of Units; Risk of Loss. (a) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (i) minor details of the Unit or the Building in which it is located which do not prevent Purchaser's use of his or her Unit, or (ii) other Units, or (iii) any recreation facilities, or (iv) the landscaped areas, or (v) other portions of the Common Elements have not been completed; (vi) other items which Purchaser may bring up or which may be included in a Punch List.

(b) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor. Purchaser will be offered an opportunity to examine his or her Unit with a representative of Sponsor during normal business hours prior to the Closing Date. Following such inspection, Purchaser will sign and deliver to Sponsor, on or before the Closing Date, an Inspection Statement in the form of Exhibit B to this Purchase Agreement acknowledging the condition of the Unit. Nothing contained in the Inspection Statement shall be deemed or construed to extend or increase the obligations of Sponsor under this Purchase Agreement. Failure, neglect or refusal by Purchaser to make such inspection or else to sign such Inspection Statement shall constitute a waiver by Purchaser to assert any claim that Purchaser could have asserted had such inspection been made and the Inspection Statement delivered. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(c) Purchaser agrees to abide by the build-out procedures set forth in the By-Laws. Seller reserves the right, at its sole discretion and at the cost to Purchaser, to terminate any work in progress which has not been approved by Sponsor that endangers the structural integrity of the Building or the Building systems, or that threatens the safety of any resident in the Building, or in the event that in Sponsor's opinion, such work will delay or impair the issuance of a residential Certificate of Occupancy. In the event that Sponsor terminates any such work in progress by Purchaser, Sponsor, at its sole discretion, shall renovate or replace any such condition at Purchaser's cost for any of the forgoing reasons without Purchaser's consent.

(d) As to any Unit which is substantially completed as of the date of this Purchase Agreement, Purchaser represents to Sponsor that he or she has examined the Unit and agrees that his or her execution of this Purchase Agreement shall constitute acceptance of the Unit, the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, as is, in their condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear, and natural deterioration and effects of the elements between the date of this Purchase Agreement and the Closing Date.

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

(f) With respect to all risk of loss after an amendment substantiating effectiveness of the Plan has been filed but prior to closing, Sponsor is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an aggregate of an amount equaling up to one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (minus certain amounts which Sponsor is required to spend to cure or comply with any work order from an

insurer or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Plan). If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage of which Sponsor is not required to repair or replace, this Purchase Agreement shall continue in full force and effect, Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the purchase price, and Sponsor will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Sponsor. The provisions of the preceding sentence will survive the Closing.

(g) In the event Sponsor is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium By-Laws, this Purchase Agreement will be deemed canceled and of no further force or effect and Sponsor will instruct the Escrow Agent to return to Purchaser all sums deposited hereunder (with interest earned thereon, if any), except for funds released to Sponsor to be used for special work, upgrades or extras, whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Plan, except for provisions hereof which by their terms survive termination of this agreement, except that if purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor will retain the sums as liquidated damages, but not more than ten percent (10%) of the purchase price shall be paid over to the Sponsor as liquidated damages. Notwithstanding the above, the Sponsor may receive the actual costs incurred for any special work, upgrades or extras ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest.

18. Possession of Unit Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Sponsor shall have the right to remove him or her from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Sponsor, and if the Sponsor so elects, the Sponsor may cancel this Purchase Agreement and the amount deposited hereunder shall belong to the Sponsor as liquidated damages deemed earned hereunder, but not more than ten percent (10%) of the

purchase price, together with amounts (if any) released to Sponsor to be used for special work, upgrades or extras, shall be paid over to the Sponsor as liquidated damages. Notwithstanding the above, the Sponsor may receive the actual costs incurred for any special work upgrades or extras ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest. It is further understood and agreed that the Sponsor will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the Property before, on or after the closing of title herein. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement, if the Unit is currently or hereafter becomes vacant.

19 A. Limitation of Sponsor's Liability. The Sponsor's liability under this Purchase Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest earned thereon, if any), except for funds released to Sponsor to be used for special work, upgrades or extras ordered by Purchaser, and upon the return of said money, this Purchase Agreement shall be null and void and the parties hereto released from any and all liability hereunder except for provisions hereof which by their terms survive the termination of this purchase Agreement. In any event, the Sponsor shall not be required to bring any action, suit or other proceeding to render the title to the Unit marketable or to cure any objection to title.

B. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, explosion, war, riot, sabotage, inability to procure, or labor problems, equipment, facilities, material, or supplies in the open market, or due to failure of transportation, energy shortage, lockout, actions of labor unions or any other cause (whether similar or dissimilar to the foregoing) that are not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

20. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. All terms used and not otherwise defined herein shall have the meanings ascribed to them in the Plan.

21. Certain References. A reference in this Purchase 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 Purchase Agreement refer to this entire Purchase 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 Paragraphs, subparagraphs

or other provisions are references to Paragraphs, subparagraphs or other provisions of this Purchase Agreement. Wherever the word "including" is used in this agreement, it shall be deemed to read "including but not limited to."

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

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

24. **Brokerage.** Purchaser represents and warrants to Sponsor that Purchaser did not negotiate or deal with any broker in connection with the purchase of the Unit other than the Selling Agent and Purchaser hereby agrees to indemnify, defend and hold Sponsor harmless from and against any costs, losses, liabilities and expenses including but not limited to attorneys' fees and expenses, arising from or in connection with any claims by any other broker that alleges that it has dealt with Purchaser or any of purchaser's representatives in connection with the purchase of the Unit. The provisions of this Section 24 shall survive the Closing or the termination of this Purchase Agreement.

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

26. **Strict Compliance.** Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Purchase 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 Purchase Agreement to be performed by Purchaser.

27. **Governing Law.** The provisions of this Purchase 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.

28. **Rule of Construction.** There shall be no presumption against the drafter of this Purchase Agreement.

29. **Jury Waiver.** Except as prohibited by law, Sponsor and Purchaser each hereby waive trial by jury in any action, suit or other proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement or the relationship of the parties as Purchaser and Sponsor, or the right of Purchaser to any statutory relief or remedy.

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

(a) accept this Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or;

(b) reject this Purchase Agreement offer and refund the Down Payment tendered by Purchaser. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law.

31. **Performance by and Liability of Sponsor.** Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of the Sponsor to be performed pursuant to the provisions of this Purchase 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.

32. **Conflict with Plan.** Any conflict or inconsistency between the provisions of the Plan and the provisions of this Purchase Agreement shall be resolved in favor of the Plan. Any terms not otherwise defined in this Purchase Agreement shall have the meanings ascribed to them in the Plan as incorporated herein by reference and made a part of this Purchase Agreement with the same force and effect as if fully set forth herein.

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

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

Dated: New York, New York
_____, 2002

_____, Purchaser

_____, Purchaser

Accepted:
58 Thomas Street Associates, LLC

By: _____
Angelo Cosentini, Manager

Dated: _____

EXHIBIT A TO PURCHASE AGREEMENT

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

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: 58 Thomas Street, New York, New York
File Number: _____

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

1. Name of Applicant _____
2. Address of Applicant _____
3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for
☐ return of downpayment.
☐ forfeiture of downpayment.
☐ other: _____
5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).
6. The project is structured as
☐ cooperative.
☐ condominium.
☐ homeowners association.
☐ timeshare.
☐ other: _____
7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If downpayments 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 downpayments have been secured by bonds:
- (a) Name and address of bond issuer or surety: _____

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

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

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

12. Plan information:
- (a) Date of filing of plan: _____
 - (b) Plan
 - ☐ has been declared effective. Approximate date: _____
 - ☐ has not been declared effective.
 - (c) If effective, the plan
 - ☐ has closed or the first unit has closed. Approximate date: _____
 - ☐ has not closed
 - ☐ don't know.

(d) Downpayments are secured by:

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

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

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

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

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

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

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

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

In filing this application I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False

statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

EXHIBIT B TO PURCHASE AGREEMENT

INSPECTION STATEMENT

_____, 2002

58 Thomas Street Associates, L.L. C.
145 Hudson Street
New York, New York 10013

Re: 58 Thomas Street Condominium
Unit No. _____
New York, New York

Ladies and Gentlemen:

As a result of my/our final inspection on this date, please be advised that, except as otherwise noted on the attached sheet, I/we found the Unit in good condition:

I/We understand that to avoid the risk of pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet room accessories, door hardware and _____, may be installed just prior to my/our date of moving. I/We agree and I/we will sign off on each item requiring adjustment or repairs, if any, as it is completed.

I/We agree that I/we will promptly initial each item set forth on the attached inspection sheet as it is completed to acknowledge completion. My/Our failure to respond to you within five (5) business days of your written request for such acknowledgment shall be deemed to mean that I/we have accepted and acknowledged the work as complete. I/We understand that work indicated on the inspection sheet shall be performed in accordance with the practice of the industry. In the event of a dispute, Sponsor's contractor, architect or engineer shall determine whether or not such work was performed according to such standard and his or her decision shall be binding on the parties hereto.

You agree to complete all items listed on this inspection statement within a reasonable period of time following closing to my/our Unit, subject to delays for work or materials beyond your control.

This Inspection Statement shall survive closing of title to my/our Unit.

Purchaser's Signature 1

Purchaser's Signature 1

58 Thomas Street Associates, LLC

By: _____
Sponsor's Representative

1 If one purporting to be the Purchaser's agent signs to acknowledge completion, the Sponsor shall be entitled to rely on such signature as acknowledgment of completion and Purchaser shall be bound thereby.

**EXCEPTION SHEET AND
CERTIFICATE OF COMPLETION,
ADJUSTMENT AND/OR REPAIRS**

Re: 58 Thomas Street
New York, New York 10013

Purchaser: _____

Unit No.: _____

Date: _____

Time: _____

This is to confirm that based on undersigned's personal inspection of the above referenced Unit at the property at 58 Thomas Street, New York, NY, I (we) have found the Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware, and all other items listed below, to be in good and satisfactory condition, free of chips, mars, scratches, breaks or other defects, except for those matters (if any) expressly noted below under "Exceptions" requiring repair, adjustment or correction:

Item	Exceptions (if any)	Purchaser's Initials
1. Unit Interior:		
(a)	Walls: _____	
(b)	Floors: _____	
(c)	Ceilings: _____	
(d)	Windows: _____ (glass, shash, pane, sill, etc.)	
(e)	Doors: _____	
(f)	Electrical Fixtures: _____	
(g)	Painted Surfaces: _____	
(h)	Kitchen Cabinets: _____	
(i)	Appliances: _____	
(j)	Kitchen Sink: _____	

- (k) Medicine Cabinets: _____
(doors & mirror)
- (l) Vanities: _____
- (m) Bathroom sinks: _____
- (n) Water Closet: _____
- (o) Bathtubs: _____
- (p) Shower door: _____
- (q) Bathroom tile: _____
- (r) Hardware: _____
(doorbell, doorknob faucets, locks, etc.)
- (s) Other: _____

2. General Operating condition:

- (a) All Doors: _____
- (b) All Windows: _____
- (c) All Plumbing: _____
- (d) All Hardware: _____
- (e) Other: _____

I (we) understand that the full Balance of the Purchase Price of the Unit must be paid at Closing under the Purchase Agreement, without provision for escrow, notwithstanding your obligation to complete or correct the items noted above after the closing.

The undersigned will sign and deliver to you a separate statement signifying my (our) satisfaction with each of item excepted above (if any), immediately upon the completion of the repair, adjustment, or correction of same. The undersigned understands and agrees that you shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and your obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same). Purchaser acknowledges that except as set forth above, Sponsor's work on the Unit is complete. Nothing contained herein shall be construed to excuse Sponsor from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of sponsor" contained in the Offering Plan for the Condominium ownership of the premises.

I (we) also agreed that that you will be excused from completing any excepted items contained herein if I (we) undertake any repairs or alterations, or improvements in the Unit prior to your start or completion of such excepted items or if you or your contractors are not given access to the Unit promptly upon notice.

58 Thomas Street Associates, LLC

By: _____
Sponsor's Representative

By: _____
Purchaser's Representative

Date

EXHIBIT C TO PURCHASE AGREEMENT

**FINANCING CONTINGENCY RIDER TO
PURCHASE AGREEMENT**

Sponsor: 58 Thomas Street Associates, LLC

Purchaser(s): _____

Unit No.: _____

1. Notwithstanding anything to the contrary contained in this Purchase Agreement, but subject to the provisions of paragraph 3 of this Rider, Purchaser may cancel this Purchase Agreement and recover the Down Payment by following the procedure in Paragraphs 6 and 7 below if, after complying with Purchaser's "Financing Obligations" set forth in Paragraph 4 below and Purchaser's other obligations under this Rider and this Purchase Agreement, Purchaser fails, through no fault of Purchaser, to obtain a "Loan Commitment Letter" (as defined below) within the forty-five (45) day period following the date (the "Contract Date") on which a fully executed copy of the Purchase Agreement is delivered to Purchaser or Purchaser's Attorney (the "Mortgage Contingency Period"). Any conflict between the provisions of this Rider and the provisions of the Purchase Agreement to which this Rider is attached shall be resolved in favor of this Rider.

2. The provisions of this Rider shall be effective if and only if Purchaser applies for purchase money financing through Two River Mortgage Company, Inc. ("Two River"), and then only with respect to such application. Two River, the mortgage broker, is located at 157 Broad Street, Suite 318, Red Bank, New Jersey 07701 (Tel. No. 732-345-5000).

3. As used herein, "Loan Commitment Letter" means a written commitment for purchase money financing which is issued to Purchaser by a lending institution with or without recourse, and whether or not conditional upon any factor other than an appraisal satisfactory to the lending institution, which provides for substantially the following:

(i) principal amount not less than \$_____ or any lower amount applied for by Purchaser;

(ii) interest rate then prevailing for similar loans (including, without limitation, fixed, variable or adjustable rate);

- (iii) a term of not less than fifteen (15) years (either fixed, by available renewals or otherwise);
- (iv) collateral security for repayment, including a mortgage on the Unit, together with its undivided interest in the Common Elements; and
- (v) such other terms and conditions as are usual and customary for the issuer of such commitment.

An offer to make a loan that is conditioned on obtaining a satisfactory appraisal shall become a "Loan Commitment Letter" upon such condition being met.

4. Purchaser's right to cancel under Paragraph I above and recover the Down Payment is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations ": (i) Purchaser shall submit an application for a loan on the loan terms set forth in Paragraph 3 above (the "Loan Terms") to Two River in good faith within five (5) days after the Contract Date; (ii) Purchaser promptly submit to Two River, or as Two River may direct, all additional fees and all information and supporting documents necessary for processing such loan application- (iii) Purchaser's application shall contain truthful, accurate and complete information as required by the lending institution; and (iv) Purchaser shall comply with all requirements of the lending institution to obtain a Loan Commitment Letter. Purchaser shall submit to Sponsor (a) a copy of the application within such five (5) day period referred to in clause (i) above and (b) a copy of any Loan Commitment Letter within five (5) days after receipt thereof by Purchaser.

5. Purchaser may also cancel this Purchase Agreement and recover the Down Payment in accordance with the procedure set forth in Paragraphs 6 and 7 below if Purchaser obtains a Loan Commitment Letter and (i) such Loan Commitment Letter expires prior to the scheduled closing of title to the Unit- (ii) Purchaser has taken all possible steps to maintain his or her Loan Commitment Letter, including, but not limited to, the submission of a timely written request for a renewal or extension of such commitment to the same lending institution and written application to at least one (1) other lending institution, all at the then prevailing rate of interest, and is unable in good faith to obtain either a renewal or extension of the Loan Commitment Letter or a new Loan Commitment Letter for the principal amount set forth in Paragraph 3 (a) of this Rider (or any lower amount applied for by the Purchaser) or the principal amount stated in the expired Loan Commitment Letter, whichever is lowest, at the same or the then prevailing interest rate- (iii) the closing of title was either not scheduled by Sponsor within the term of the Loan Commitment Letter (unless Sponsor did not schedule the closing within such period at Purchaser's request) or was adjourned to a date beyond such period at Sponsor's request; (iv) Sponsor does not secure a mortgage loan for Purchaser in the same amount, at the same or then prevailing interest rate (with any closing costs in excess of those costs charged by the issuer of the original Loan

Commitment Letter to be paid for by Sponsor); (v) the Loan Commitment Letter did not expire as a result of (x) Purchaser's refusal, inability or unwillingness to close title or delay in closing title or (y) Purchaser's acts or omissions, including, but not limited to, Purchaser's failure to comply with or satisfy any of the conditions of the Loan Commitment Letter; and (vi) Purchaser is not otherwise in default at such time under the Purchase Agreement.

6. If Purchaser complies with Purchaser's Financing Obligations and its other obligations under this Purchase Agreement and is unable to obtain a Loan Commitment Letter pursuant to Paragraph 3 above or a renewal or extension of the Loan Commitment Letter or a new Loan Commitment Letter pursuant to Paragraph 5 above, Purchaser shall give notice to Sponsor within five (5) days after the expiration of the Mortgage Contingency Period or the expiration of Purchaser's Loan Commitment Letter (as the same may have been renewed or extended), as the case may be. In the case of cancellation pursuant to Paragraph 1, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the lending institution shall accompany the notice, if available, or if not then available, shall be provided promptly after receipt. In case of cancellation pursuant to Paragraph 5, a copy of all written communications between the lending institution and Purchaser concerning the renewal or extension of the Loan Commitment Letter shall accompany the notice (or a copy of any letter refusing to extend the Loan Commitment Letter or make a new loan commitment received by Purchaser after sending the notice shall be sent to Sponsor promptly after receipt). Purchaser's obligations under this Paragraph 6 shall survive the cancellation of this Purchase Agreement.

7. Within five (5) business days after Sponsor's receipt of Purchaser's notice under Paragraph 6, Sponsor may elect to do one of the following:

(a) establish (in the case of a failure to obtain a Loan Commitment Letter pursuant to Paragraph 1 above) a new contingency period to end on the day stated in that notice, which date shall be not less than two (2) nor more than four (4) weeks after such notice- however, Sponsor may not establish more than two (2) such additional contingency periods under this subparagraph (a); or

(b) attempt for up to sixty (60) days after the receipt of Purchaser's notice to secure a satisfactory mortgage commitment from a bank or other lending institution on behalf of Purchaser, in which event Purchaser shall pay all application costs, sign all application forms and otherwise fully cooperate with Sponsor, and Purchaser shall accept such a commitment as satisfactory as long as the same shall comply with the provisions set forth in the definition of "Loan Commitment Letter" under Paragraph 3 above; or

(c) terminate this Purchase Agreement.

In the event Sponsor elects to attempt to secure a new mortgage commitment pursuant to subparagraph (b) above and no such new mortgage commitment is furnished, either Sponsor or

Purchaser (provided Purchaser has not waived Purchaser's right to cancel as set forth above) may elect to terminate this Purchase Agreement by giving written notice to the other party within ten (10) days after the expiration of the sixty (60) day period referred to in such subparagraph (b) or within ten (10) days after notification by Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. Upon the giving of such notice in accordance with the provisions hereof, this Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this Purchase Agreement, except that the Down Payment (and interest, if any) shall be refunded to Purchaser and except for the representations and covenants (if any) herein that are expressly stated to survive termination of this Purchase Agreement. Notwithstanding any provision hereof, Sponsor shall have no obligation to secure a Loan Commitment Letter or a mortgage loan for Purchaser.

8. Unless Purchaser duly exercises his or her right to terminate this Purchase Agreement in accordance with the provisions of this Rider, Purchaser shall be deemed conclusively to have waived this financing contingency and this Purchase Agreement shall be deemed binding on an all cash basis.

Dated: _____

58 THOMAS STREET ASSOCIATES, LLC

By: _____

PURCHASER

PURCHASER

POWER OF ATTORNEY
THE 58 THOMAS STREET CONDOMINIUM
58 Thomas Street
New York, New York 10013

The undersigned, _____, the Owner of Unit No. _____ in the Condominium known as **58 THOMAS STREET CONDOMINIUM** consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 2002 and recorded in the New York County office of the Register of the City of New York on _____, 2002 in Reel _____ at Page _____ and on the Floor Plans on file in said office as Map No. _____ do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board Of Managers of **58 THOMAS STREET CONDOMINIUM** jointly, or the undersigned, coupled with an interest, with power of substitution, true and lawful attorneys-in-fact acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto), to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

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

The undersigned do hereby nominate, constitute and appoint **58 Thomas Street Associates, LLC** ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the

Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its Designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this ____ day of _____, 2002.

State of New York, County of _____ ss.:

On _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to me 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.

(signature and office of individual taking acknowledgment)

State of New York, County of _____ ss.:

On _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis

of satisfactory evidence to me 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.

(signature and office of individual taking acknowledgment)

**FORM OF UNIT DEED
TO THE DECLARATION
THE 58 THOMAS STREET CONDOMINIUM
58 Thomas Street
New York, New York 10013**

THIS INDENTURE made the _____ day of _____ 2002, between 58 Thomas Street Associates, LLC, a New York limited liability company having an office at 145 Hudson Street, New York, New York 10013, "Grantor", and _____, "Grantee".

WITNESSETH:

That the Grantor, in consideration of Ten Dollars (\$ 1 0. 00) and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____ in the Building known as 58 Thomas Street, New York, New York, and also designated and described as Unit No. _____ in the Declaration comprising The 58 Thomas Street Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 2002, and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____ 2002, in Reel _____ at Page _____ (hereinafter called the "Declaration"), which Unit is also designated as Tax Lot No. _____ on the Floor Plan of the Building certified by Arpad Baksa, R.A., on the _____ day of _____ 2002 and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, County of New York as Map Nos. _____ (hereinafter called the "Unit"). The Property is described as follows:

58 Thomas Street, New York, New York

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City, State of New York, being known and designated as Block 147 Lot 24 on the Tax Map for the Borough of Manhattan, bounded and described as follows:

BEGINNING at a point on the southerly side of Thomas Street, distant 100 feet 2-1/2 inches westerly from the corner formed by the intersection of the southerly side of Thomas Street and westerly side of Church Street;

RUNNING thence southerly, parallel with Church Street, 101 feet 2-1/4 inches;

THENCE westerly, parallel with Thomas Street, 24 feet 10-1/2 inches;

THENCE northerly along a line forming an angle of 90 degrees 16' 50" on its easterly side with the last mentioned course, 101 feet 2-1/4 inches to the southerly side of Thomas Street;

THENCE easterly along the southerly side of Thomas Street, 25 feet 9-1/4 inches to the point or place of **BEGINNING**.

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

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

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

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

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

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

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have,

and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other-Units and the Common Elements;

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

TOGETHER with and **SUBJECT TO EASEMENTS**, rights of way, restrictions and encumbrances created by the Declaration for The 58 Thomas Street Condominium recorded in the New York County Office of the Register of the City of New York on the _____ day of _____, 2002 in Reel _____ at Page _____;

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

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for residential (commercial) use only, the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

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

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

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

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

58 Thomas Street Associates, LLC

By: _____

Grantee: _____

Grantee: _____

State of New York, County of

ss.:

On _____ before me, the undersigned, Personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to me the individual(s) whose name(s) is (are) subscribed to the within instrument 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.

(signature and office of individual taking acknowledgment)

State of New York, County of

ss.:

On _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to me 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 Ms/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.

(signature and office of individual taking acknowledgment)

State of New York, County of

ss.:

On _____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to me 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.

(signature and office of individual taking acknowledgment)

DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership
of Premises known as
The 58 Thomas Street Condominium
located at
58 Thomas Street,
County of New York, City and State of New York
Pursuant to Article 9-B of the Real Property Law of
The State of New York.

Name: **THE 58 THOMAS STREET CONDOMINIUM**

Sponsor: **58 Thomas Street Associates LLC**
145 Hudson Street
New York, New York 10013

Date of Declaration:

The land affected by the within instrument
lies in Block 147, F/K/A Lot 24,
N/K/A Lots 1501-1506
on the Tax Map of the
Borough of Manhattan, County of New York,
City and State of New York.

Record and Return:

Martin Shaw, Esq.
Attorney for Sponsor
350 Fifth Avenue
Suite 1225
New York, New York 10118

TABLE OF CONTENTS

ARTICLE	PAGE
1. Submission of Property.....	191
2. Area and Location of Land	191
3. Name of Condominium	191
4. Description of Building	191
5. The Units.....	192
6. Common Elements/Limited Common Elements	193/194
7. Use of Units	195
8. Determination of Percentages in Common Elements.....	196
9. Encroachments.....	196
10. Easements	196
11. Power of Attorney to Board of Managers.....	198
12. Acquisition of Units by Board of Managers.....	198
13. Person to Receive Service.....	199
14. Units Subject to Declaration, By-Laws and Rules and Regulations.....	199
15. Amendment to Declaration.....	200
16. Changes in Unsold Units	201
17. Invalidity.....	202
18. Termination of Condominium	203
19. Common Expense	203

20.	Definition of “Sponsor-designee.”.....	203
21.	Waiver.....	204
22.	Captions	204
23.	Gender.....	204
24.	Successors and Assigns	204
25.	Covenants To Run With The Land	204
26.	Severability	205
27.	Incorporation By Reference.....	206

PART II
EXHIBITS

EXHIBIT A	Description of Land	207
EXHIBIT B	Description of Units	208
EXHIBIT C	Table of Definitions	209

**DECLARATION
OF THE 58 THOMAS STREET CONDOMINIUM**

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as The 58 Thomas Street Condominium, located at 58 Thomas Street, New York, New York, Borough of Manhattan, County of New York, City and State of New York, Pursuant to Article 9-B of the Real Property Law of the State of New York.

58 Thomas Street Associates LLC, a limited liability company organized under the laws of the State of Delaware, having an office at 145 Hudson Street, New York, New York 10013, hereinafter referred to as the "Sponsor," does hereby declare:

ARTICLE 1

Submission of Property. Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York.

ARTICLE 2

Area and Location of Land. The land ("Land") has an area of approximately 2,511 square feet and consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of New York, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

ARTICLE 3

Name of Condominium. The Condominium shall be known as The 58 Thomas Street Condominium.

ARTICLE 4

Description of Building. The Property will consist of a newly constructed seven story Building plus cellar. The Building shall have one (1) Commercial Unit and five (5) Residential Units, the Common Elements and certain Limited Common Elements designated to certain units in the Building. The cellar level contains the lower level of the Commercial Unit plus electric meters, gas meters, boiler room, vault space and mechanical space. The first floor contains the lobby and the upper level of the Commercial Unit. The upper floors contain the Residential Units. There is to be one passenger elevator in the Building. A space heater boiler

plant and domestic gas fired hot water heaters will provide heat and hot water that will be utilized for all space heating and hot water.

The Building will be constructed of steel frame consisting of beams and columns resting on a reinforced concrete matt slab and foundation walls. The front façade will be made of block and brick with cast concrete element incorporated into the street wall. The side walls will be concrete masonry units. Above the first floor, the rear wall will be made of EIFS.

There is one main entrance to the lobby at the first floor level from Thomas Street.

The Building will have several terraces that are Limited Common Elements for the exclusive use of certain Unit Owners. On the second floor roof, the northern portion of the second floor terrace located adjacent to residential Unit 2 is a Limited Common Element for the exclusive use of the second floor Unit Owner and that portion of the second floor terrace located on the southern portion of the building will be for the exclusive use of the Commercial Unit Owner. The two terraces on the seventh floor are for the exclusive use of the Unit Owner of Penthouse.

ARTICLE 5

The Units. Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; approximate area; location; the portion of the Common Elements, including Limited Common Elements, if any, to which the Unit has immediate access, and the percentage of common interest. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

(a) As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Arpad Baksa Architect, P.C. registered architect, and intended to be filed in the New York County Office of the Register of the City of New York simultaneously with the recording of this Declaration, the approximate physical dimensions of each Unit consist of the area enclosed horizontally on each of one or two floors by the Unit side of the glass or the line of the inside face of the interior exposed face of the masonry or brickwork of the exterior walls (perimeter concrete columns and perimeter mechanical pipes are not deducted), the centerline of the partitions separating one Unit from another Unit, and by the unit side face of the studs or the exterior face of the masonry or brickwork dividing the Units from corridors, elevator shaft, stairs, or Common Elements. Vertically, each Unit consists of the space between the upper face of the floor slab and the lower face of the joists at the ceiling on each of one or two floors. Doors, windows and skylights which open from or form the border of a Unit shall be deemed part of the Unit. Chases in excess of two feet (2') will be excluded from the floor area of the Unit.

Any Common Element located within a Unit will not be considered a part of such Unit.

(b) Any and all equipment, fixtures and appliances (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, waterclosets, refrigerators, ovens, ranges, dishwashers and any other appliances) affixed, attached, or appurtenant to such Unit; and all other Facilities affixed, attached, or appurtenant to such Unit and benefiting only that Unit is included as part of such Unit.

(c) Notwithstanding anything contained in this Article 5 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, 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 of the Unit or of the Building. Because, the Property in a Landmark district, the exterior alterations of the Building including windows, doors, roof trimming and any interior renovation that may affect the exterior of the Building must be approved by the Landmarks Commission.

ARTICLE 6

Common Elements. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

(A) General Common Elements.

(1) The land on which the Building is physically erected and the land, if any, on all sides of the Building within the boundaries of the Property, but not including the areas designated Limited Common Elements set forth in Article 6(B) below.

(2) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and any insulation beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, elevator shaft and stairs located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the block, brick or concrete work of the interior walls of the Building separating one Unit from another Unit, or from the corridors, elevator shaft, lobby or stairs not within a Unit; concrete floor slabs; the support beams, joists and archways,

including any furring attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads; skylights which do not open from or form the border of a Unit; water towers and tanks, if any; the roof, excluding any terraces allocated to specific Units; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls or block, brick or concrete work of the walls enclosing a Unit; any storage and utility areas which are not part of a Unit or not otherwise specifically designated as a Limited Common Element, located beyond the unexposed face of the dry walls or block, brick or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; the entrances to and exits from the Building;

(3) The lobby, mailboxes in lobby, the gas and electric meter rooms, the gas meters and electric meters in the cellar; and all other cellar areas which are not designated as part of a Unit,

(4) All central and appurtenant installations outside the Units for services such as gas, power, light, telephone and water; intercom system; heating system, sprinkler system; ventilation;

(5) All sewer pipes and drainage pipes;

(6) The elevator, elevator shaft, pit and bulkhead; refuse chute, trash compactor; elevator room, mechanical and equipment rooms for apparatus and installations for common use;

(7) Any tanks, pumps, motors, fans, compressors, ducts and in general, all apparatus and installations existing for common use; and

(8) All other apparatus and installations existing or hereafter constructed in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building to the extent same are not included as part of a unit or is a Limited Common Element.

(B) Limited Common Elements. The following portions of the Common Elements will be Limited Common Elements:

(1) Any terraces adjacent to and with access directly from a particular Unit, shall be for the exclusive use of such Unit Owner. In this Plan, all terraces, fireplace flues and elevator shaftways adjacent to and accessed directly from a particular Unit shall be Limited Common Elements, which shall be for the owner of the Unit having exclusive use of such elements. The northern portion of the roof terrace adjacent to the second floor Unit is a Limited Common Element for the exclusive use of the second floor Unit Owner. The southern portion of the roof terrace is a Limited Common Element for the exclusive use of the Commercial Unit. The two

terraces on the seventh floor are both Limited Common Elements for the exclusive use of the Penthouse Owner. All fireplaces flues are a Limited Common Element. A 64 SF area located on the west side of the 7th floor roof is a Limited Common Element for the exclusive use of the Commercial/First Floor Unit.

(2) The shaftway exhaust and any ducts, vents, cables, wires or such existing or to be installed therein and the second floor southern terrace are Limited Common Elements for the exclusive use of the Owner of the Commercial Unit Owner.

All Limited Common Elements shall be maintained, repaired and improved by the Unit Owner with exclusive use of such areas. Structural repairs and replacements to such areas shall be a common expense.

ARTICLE 7

Use of Units.

(A) Each of the Residential Units may be used only for a private residence, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained which consent shall not be unreasonably withheld. In the event the Commercial Unit is converted to residential, professional or joint living-work space, the Owner thereof shall not be required to obtain the consent of the Board or Unit Owners or their agents. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use, or grant permission to use, as models, sales and/or production offices in connection with the sale or rental of the Units or for any lawful purpose.

(B) The Commercial Unit may be used or leased for any commercial and lawful purpose which the law permits, including residential, professional or joint-living work space, provided such uses are in keeping with applicable codes and ordinances of the City of New York and such use is not prohibited by the declaration. The Sponsor, its Designee or any subsequent Commercial Unit Owner shall have the right to use or lease the Commercial Unit for any lawful use, and to change the use, without the consent of the Board of Managers or Residential Unit Owners provided such use is in keeping with applicable code and the existing certificate of occupancy, as such may be amended, at the Commercial Unit Owner's expense, to authorize a different use.

ARTICLE 8

Determination of Percentages in Common Elements. The percentage of Common Interest allocated to each Unit is based upon respective 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 a particular Unit. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Condominium Act.

ARTICLE 9

Encroachments. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

ARTICLE 10

Easements.

(A) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair, add to or replace the Common Elements contained therein or elsewhere in the Building.

(B) The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, Common Elements and Units and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of any recreation facilities, Common Elements and Units and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iii) ingress to and egress from all land

areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

(C) The Sponsor, its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants and the Owner of the Commercial Unit (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit of such size and content as sponsor, its designee or the owner of the Commercial Unit shall determine, in, on, about and adjacent to the Building as well as an easement in and access to Units and Common Elements consistent with the purposes of a certain Offering Plan for the Property, as same may be amended, and in the case of the Commercial Unit for the purpose of advertising its business; and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and their Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or its designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for private residential use or home occupation purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

(D) Each Unit shall have an easement for the exclusive use of its Limited Common Elements. The Commercial Unit shall have exclusive use of the shaftway exhaust located in the western side of the Building extending to the upper roof and have the right to install, replace, improve said shaftway with ducts, vents, cables, wires and such in the conduct of its business without the consent of the Board or the Unit Owners or their agents, including having access to said shaftway from any Residential Unit provided prior notice is given to the Residential Unit Owner thereof for access at a reasonable time.

(E) The user of any easement granted by Paragraphs B, C and D of this Article 10 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be

imposed by the Board of Managers for any easement granted herein. The Sponsor or its designee or the Owner of the Commercial Unit shall not require the consent of the Board of Manager or Residential Unit Owners for exercising such right of easement.

ARTICLE 11

Power of Attorney to Board of Managers.

(A) Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers and to the Sponsor or its designee an irrevocable power of attorney, coupled with an interest, and with power of substitution to acquire title to or lease any Unit whose Owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

(B) To execute, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Sponsor or the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks Preservation Commission, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Sponsor or the Condominium Board deems necessary or appropriate. In any action affecting the Commercial Unit as to its Unit or use, the consent of the Sponsor or the Commercial Unit Owner shall be required.

In the actions of the Board, the acts of a majority of the Persons constituting the Condominium Board shall constitute the acts of such attorneys-in-fact.

In confirmation of the foregoing power of attorney, each Unit Owner, shall deliver to Sponsor or the Condominium Board, duly executed and acknowledged, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

ARTICLE 12

Acquisition of Units by Board of Managers. (a) In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto, (ii) the interest of such Unit Owner in any other Units acquired by the Board

of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 8.1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

(b) As more detailed in article VIII of the By-Laws, the Board of Managers shall have a right of first refusal as to the sale and leasing of residential units. Such right of first refusal shall not apply to units owned by the Sponsor or its designees or any Commercial Unit Owner. The provision of this section (b) may not be deleted or amended at any time for any reason without the consent of the Sponsor or its designee as to its units or the Commercial Unit Owner as to the Commercial Unit/First Floor.

ARTICLE 13

Person to Receive Service. For the period during which Sponsor is in control of the Board of Managers, 58 Thomas Street Associates, LLC, with an office at 145 Hudson Street, Suite 706, New York, New York 10013 is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, 58 Thomas Street, New York, New York 10013.

ARTICLE 14

Units Subject to Declaration, By-Laws and Rules and Regulations. Other than Sponsor and the Commercial Unit Owner, all present and future Residential Unit Owners, tenants, subtenants and 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 Unit 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 thereof.

ARTICLE 15

Amendment to Declaration. This Declaration may be amended, modified, added to or deleted from by the vote of at least seventy-five percent (75%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by seventy-five(75%) in number and in Common Interest of all Unit Owners, provided, however:

- (A) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;
- (B) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Unit Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;
- (C) No amendment may interfere with the sale, lease or other disposition of the Sponsor's Units and the Commercial Unit.
- (D) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit or the Commercial Unit Owner as to its Commercial Unit unless Sponsor or such designee, or the Commercial Unit Owner in regard to the Commercial Unit, shall consent thereto in writing.
- (E) The Sponsor hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the purpose: (i) of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded or which are changed pursuant to Article 16 below and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; (ii) changes required by an institutional lender or title insurance company to insure title to the units provided such changes does not affect the Common Interests or modifies the physical dimensions of sold units without the owner's consent, or adversely affect the priority or validity of the lien of an institutional

lender or purchase money mortgage, unless the affected Unit Owner consents thereto. No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

ARTICLE 16

Changes in Unsold Units.

(A) For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s), shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Units and their Limited Common Elements, if any; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners and contract vendees, if any, who are adversely affected as a result of the above changes. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. The provisions of this Article 16 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designees(s) or the Commercial Unit Owner as to its Unit.

(B) The Commercial Unit Owner shall have the right, without the vote or consent of the Board of Managers or the Unit Owners or anyone else, unless prohibited by law or ordinance, to (i) make alterations, additions, repairs, or improvements in or to or upon the Commercial Unit; (ii) subdivide the Unit or change the layout, add or remove non-bearing walls, enclose rooms; (iii) change the use of the Commercial Unit by amending the certificate of occupancy; (iv) install signs advertising its business on its location without restrictions as to size, type or material provided said Owner files all required permits, if any, and maintains the sign(s) in good condition at its own cost and expense; (v) shall freely mortgage the Unit without restrictions; (vi) shall freely sell or lease the Commercial Unit without restrictions and the right of first refusal; (vii) shall have the right to maintain, replace or improve its Limited Common Elements (the shaftway on the western side of the Building) as needed for the conduct of its business, including having access from any of the residential units, with prior notice to the affected residential unit

owner, to make such repairs, alterations and improvements. Any and all costs related to the exercise of such rights shall be borne by the Commercial Unit Owner. References to the Commercial Unit shall mean the First Floor Unit if the use of the space is changed.

(C) Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

(D) Any Person subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, the Sponsor, Commercial Unit Owner, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person 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. Failure to comply herewith will give the Sponsor or its designee or the Commercial Unit Owner authority to act as attorney-in-fact for the Condominium Board to execute, acknowledge and deliver such instrument or to take such action in the name of the Condominium Board and such action or document shall be binding on the Condominium Board. Except with regard to the Commercial Unit Owner such right shall be restricted to the Commercial Unit.

ARTICLE 17

Invalidity.

(A) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or 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 shall 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 the 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 or 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 that is necessary to cause this Declaration or 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 a part of 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.

(B) Subject to the terms of Paragraph A of this Article 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall 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.

ARTICLE 18

Termination of Condominium. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than seventy-five percent (75%) in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least seventy-five percent (75%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. 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 the 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 off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

ARTICLE 19

Common Expense. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.

ARTICLE 20

Definition of "Sponsor-designee." The term "Sponsor-designee" as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee."

ARTICLE 21

Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 22

Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

ARTICLE 23

Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine and/or the neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 24

Successors and Assigns. The rights and/or obligations of, and limitations imposed on, Sponsor or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Sponsor or its designee (as the case may be), but a Unit Owner who is not so designated by Sponsor or its designee in writing shall not exercise any of the special rights, powers or privileges reserved to Sponsor or its designee in this Declaration or the By-Laws. The rights and/or obligations of a Commercial Unit Owner as set forth herein shall inure to the benefit of and be binding upon any successor or assign of such Commercial Unit Owner. Subject to the foregoing, Sponsor or its designee (as the case may be) shall each have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise. Notwithstanding the foregoing, any Permitted Mortgage of a Unit or a purchaser at a foreclosure sale of a Permitted Mortgage who succeeds to the interest of a Unit Owner shall be responsible only for the obligations of such Unit Owner arising from or after the effective date of succession to title to title to such Unit and shall not be liable for any unpaid Common Charges or Special Assessments owing prior thereto.

ARTICLE 25

Covenants to Run With the Land.

(A) All provisions of this Declaration the By-Laws and the Rules and Regulations, including,

without limitation, the provisions of this Article 25, 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 thereof shall be binding upon, and shall insure to the benefit of, the owner of all or any part thereof, or interest therein, and his 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. All present and future owners, tenants and 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 succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the 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, 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 through such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(B) Any Party who is subject to the terms of this Declaration, whether such is a Unit Owner, a lessee or sublessee, or a member of the Board of Managers, or an officer of the Board, or otherwise, shall, at the expense of any requesting Party, execute, acknowledge, and deliver to the requesting Party such instruments, in addition to those provided for herein, and to take such other action as the requesting Party may reasonably request to effectuate the provisions of the Declaration or any transaction contemplated herein or to confirm or perfect any right created or transferred hereunder or pursuant to any such transaction. In the event of such failure to take such action, the Sponsor or the Board of Managers is hereby authorized to act as attorney-in fact for such Unit Owner or other Party, which power shall be deemed to be coupled with interest, to execute, acknowledge and deliver such instrument or take such action on behalf of the requesting Party, and such document or action shall be binding.

ARTICLE 26

Severability. Subject to the provisions of paragraphs (A) and (B) of Article 17 and (A) and (B) of Article 25 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 27

Incorporation by Reference. The terms, covenants, conditions, descriptions and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the Table of Definitions annexed hereto as Exhibit C; (iv) the By-Laws; (v) the Unit Owner's Power of Attorney; (vi) the form of Unit Deed; and (vii) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this _____ day of _____, 2002.

58 THOMAS STREET ASSOCIATES, LLC

By: _____

[illegible]

On the _____ day of _____, 2002, before me personally came Angelo Cosentini, to me known, being duly sworn, deposes and says that (s)he is the Manager of 58 Thomas Street Associates, LLC, the limited liability company described in and which executed the foregoing instrument; and that (s)he had authority to sign such instrument and that (s)he acknowledged that (s)he executed the same as the act and deed of said firm.

Notary Public

**EXHIBIT A
TO THE DECLARATION OF
THE 58 THOMAS STREET CONDOMINIUM**

**58 Thomas Street
New York, New York 10013**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City, State of New York, being known and designated as Block 147 Lot 24 on the Tax Map for the Borough of Manhattan, bounded and described as follows:

BEGINNING at a point on the southerly side of Thomas Street, distant 100 feet 2-1/2 inches westerly from the corner formed by the intersection of the southerly side of Thomas Street and westerly side of Church Street;

RUNNING thence southerly, parallel with Church Street, 101 feet 2-1/4 inches;

THENCE westerly, parallel with Thomas Street, 24 feet 10-1/2 inches;

THENCE northerly along a line forming an angle of 90 degrees 16' 50" on its easterly side with the last mentioned course, 101 feet 2-1/4 inches to the southerly side of Thomas Street;

THENCE easterly along the southerly side of Thomas Street, 25 feet 9-1/4 inches to the point or place of **BEGINNING**.

* * * * *

**EXHIBIT B
TO THE DECLARATION
58 THOMAS STREET CONDOMINIUM
Description of Units**

<u>UNIT</u>	<u>APPROX. TOTAL SQ. FT.</u>	<u>PERCENTAGE COMMON INTEREST</u>	<u>LIMITED COMMON ELEMENT</u>	<u>TAX LOTS</u>
Commercial Unit/ First Floor And Cellar	2028 1435	15%	42 SF (6 SF Shaftway on each Floor, 1 st through 6th) 64 SF (Shaftway area on Roof) 332 SF (2 nd Fl. South Roof Terrace)	1501
2	1542	16%	397 SF (2 nd Fl. No. Roof Terrace) 12 SF (Fireplace flue)	1502
3	1542	15%	12 SF (Fireplace flue)	1503
4	1542	15%	12 SF (Fireplace flue)	1504
5	1542	16%	12 SF (Fireplace flue)	1505
PH Duplex And Two Terraces	1536 875	23%	175 SF (PH Rar Roof Terrace) 376 SF (PH Front Roof Terrace) 18 SF (Fireplace flue)	1506
Total		100%		

EXHIBIT C
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES KNOWN AS
THE 58 THOMAS STREET CONDOMINIUM
58 Thomas Street
New York, New York 10013

“Appurtenant Interest” means with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

“Assessments” means the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in this Declaration or in the By-Laws).

“Board of Managers” or “Condominium Board” means the governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.

“Building” means the structures and improvements known as The 58 Thomas Street Condominium, New York, New York 10013, in which the Units of the Condominium are located.

“By-Laws” means the by-laws governing the operation of the Condominium as set forth in Part II of this Plan, as the same may be amended from time to time.

“City Register’s Office” means the New York County office of the Register of the City of New York.

“Closing” or “Closing Date” means respectively the transaction by which or date on which legal title to a Unit is conveyed by the Sponsor to a Purchaser who shall have fully paid the required Purchase Price for his or her Unit and who shall have otherwise fully performed all obligations on his or her part to be performed under the Purchase Agreement.

“Common Charges” means each Unit’s proportionate share of the Common Expenses in accordance with its Common Interest.

“Common Elements” means the entire Property, including all parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

“Common Expenses” means (a) the expenses of operation of the Property, and (b) all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

“Common Interest” means the proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in this Declaration.

“Condominium” means a form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, “Condominium” specifically refers to The 58 Thomas Street Condominium.

“Condominium Act” means Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

“Condominium Board” shall have the same meaning as “Board of Managers.”

“Condominium Documents” means this Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, the form of Unit Deed and the form of Power of Attorney.

“Date of Presentation” means with respect to the Plan or any amendment thereto the date which is (a) the date copies thereof are personally delivered or (b) five (5) days after copies thereof are mailed to persons entitled to the same pursuant to Title 13, Part 20 of the regulations of the Department of Law.

“Declaration” means this instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.

“Down Payment” means all amounts paid to the Sponsor, or its agent, by a Purchaser upon the signing of a Purchase Agreement (including any additional sums paid thereunder by a Purchaser, such as the cost of special work, upgrades, or extras on a Unit), together with interest earned thereon, if any.

“Escrow Agent” has the meaning ascribed to that term in the Section of the Plan entitled “Procedure to Purchase.”

“Escrow Agreement” refers to the form of escrow agreement set forth in Part II of this Plan.

“First Unit Closing” means the first closing of title with a bona fide Purchaser of a Unit.

"Floor Plans" means the floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the City Register's Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

"General Common Elements" include, without limitation, the following:

- (1) The land on which the Building is physically erected and the land, if any, on all sides of the Building within the boundaries of the Property, including the outdoor recreation area at the rear of the Building, but not including the areas designated as patios which are Limited Common Elements.
- (2) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and any insulation beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, elevator shaft and stairs located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the block, brick or concrete work of the interior walls of the Building separating Units from the corridors, elevator shaft, lobby or stairs not within a Unit; concrete floor slabs; the support beams, joists and archways, including any furring attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads; skylights which do not open from or form the border of a Unit; water towers and tanks, if any; roofs, excluding the roof terraces allocated to either specific Units; corridors, halls, stairs and stairway areas located beyond the unexposed face of a dry wall enclosing a Unit; any storage and utility areas which are not part of a Unit or not otherwise specifically designated as a Limited Common Element, located beyond the unexposed face of the dry walls or block work, brick work or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; the entrances to and exits from the Building;
- (3) The lobby, mailboxes in lobby, the gas and electric meter rooms, the gas meters and electric meters in the cellar; and all other cellar areas which are not designated as part of a Unit, but excluding the street vault; the street vault area, if any, is owned by The City of New York;
- (4) All installations outside the Units for services such as gas, power, light, telephone and water; intercom system;
- (5) All sewer pipes and drainage pipes;
- (6) The elevator, elevator shaft, pit and bulkhead; refuse chute, trash compactor; elevator room, mechanical and equipment rooms for apparatus and installments for common use;
- (7) Any tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use; and

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

"Insurance Trustee" means a bank, a trust company or a savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Land" means all that certain tract, plot, piece and parcel of land situate, lying and being in the City of New York, New York, County, State of New York, as more particularly described in Schedule A to this Declaration.

"Law" means the laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Lender" shall have the meaning ascribed to such term in the Section of the Plan entitled "Rights and Obligations of the Sponsor."

"Limited Common Elements" means parts of the whole which are owned as Limited Common Elements the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the structural repairs of which is the responsibility of the Board of Managers as a Common Expense. In this Plan, all terraces and fireplace flues adjacent to and accessed directly from a particular Unit shall be Limited Common Elements, which shall be for the owner of the Unit having exclusive use of such elements. The northern portion of the roof terrace on the second floor adjacent to the second floor Unit is a Limited Common Element for the exclusive use of the Owner of Unit 2. The southern portion of the roof terrace is a Limited Common Elements for the exclusive use of the Commercial Unit Owner. The two terraces on the seventh floor are both Limited Common Elements for the exclusive use of the Unit Owner of the Penthouse. The shaftway exhaust on the western part of the Building and any ducts, vents, cables, wires or such existing or to be installed therein are Limited Common Elements for the exclusive use of the Commercial Unit Owner.

"Majority of Unit Owners" means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in this Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in this Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and

in number of Units may be so specified.

"Managing Agent" means a person employed by the Condominium Board pursuant to Article II, Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

"Offeree" has the meaning ascribed to that term in the Section of the Plan entitled "Introduction."

"Offering Plan" means the document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. The Offering Plan is sometimes herein referred to as the "Plan."

"Operation of the Property" means the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to the Common Elements.

"Person" means a natural person, corporation, partnership, association, trustee, limited liability company, limited liability partnership or other legal entity.

"Plan" shall have the same meaning as "Offering Plan."

"Power of Attorney" means the document, signed by Unit Owners, which appoints:

- (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as it may determine.
- (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Property" means and includes the Land, the Building and all other improvements thereon owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchase Agreement" refers to that contract of purchase and sale of a Unit as set forth in Part II of the Plan.

“Purchaser” means any Person who has entered into an agreement with the Sponsor to purchase any Unit and is not in default thereunder.

“Recording officer” and “recording” or “recorded” shall have the meanings stated in section two hundred ninety of the New York Real Property Law.

“Residential Unit” shall have the same meaning as “Unit.” All such Residential Units are collectively referred to as “Residential Units” or “Units.”

“Residential Unit Owner” shall have the same meaning as “Unit Owner.”

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

“Selling Agent” means Brown Harris Stevens, or its successors, as the selling agent for the Sponsor with respect to the Units being offered for sale under this Plan.

“Sponsor” means the promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 58 Thomas Street Associates, LLC constitutes the Sponsor of the Offering Plan.

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

“Sponsor's Architect” means Arpad Baksa, or its successor, as the architect engaged by the Sponsor to design the Building and supervise construction thereof.

“Unavoidable Delays” means delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of the Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body, or lightning, earthquake, fire, storm, hurricane, flood, washout, explosion, act of God or any cause whatsoever beyond the reasonable control of the Sponsor whether or not similar to any of the causes hereinabove stated.

“Unit” means any space in the Building designated as a Unit in this Declaration, consisting generally of a specific apartment in the Building, together with any appurtenant, proportionate, undivided interest in the Common Elements and, as the case may be, the Limited Common Elements. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a storage room, balcony, or terrace. All such Units are collectively referred to as “Units” or “Residential Units.”

“Unit Deed” means the deed transferring title to a specified Unit from the Sponsor to the Purchaser in fee simple absolute.

“Unit Designation” means the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in this Declaration and on the Floor Plans.

“Unit Owner” means any owner of a Unit in fee simple absolute, and all such owners are collectively referred to as the “Unit Owners.”

“Unsold Unit” means any Unit owned by the Sponsor or its designee at the time in question, and all such Units are collectively referred to as “Unsold Units.”

BY-LAWS
OF
THE 58 THOMAS STREET CONDOMINIUM

58 Thomas Street
New York, New York 10013

Borough of Manhattan
County of New York, City and State of New York

Martin Shaw, Esq.
Attorney for Sponsor
350 Fifth Avenue
The Empire State Building
Suite 1225
New York, New York 10118

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE</u>
ARTICLE I	PLAN OF UNIT OWNERSHIP	221
	Section 1.1 Unit Ownership.....	221
	Section 1.2 Applicability of By-Laws	221
	Section 1.3 Application.....	221
	Section 1.4 Office	221
ARTICLE II	BOARD OF MANAGERS	221
	Section 2.1 Number and Term.....	221
	Section 2.2 Powers and Duties	222
	Section 2.3 Managing Agent and Manager	225
	Section 2.4 First Board of Managers	225
	Section 2.5 Removal of Members of the Board of Managers	225
	Section 2.6 Vacancies	226
	Section 2.7 Organization Meeting	226
	Section 2.8 Regular Meetings	226
	Section 2.9 Special Meetings.....	226
	Section 2.10 Waiver of Notice.....	226
	Section 2.11 Quorum of Board of Managers.....	227
	Section 2.12 Fidelity Bonds.....	227
	Section 2.13 Compensation	227
	Section 2.14 Liability of the Board of Managers.....	227
	Section 2.15 Executive Committee.....	228
	Section 2.16 Other Committees	228
ARTICLE III	UNIT OWNERS	228
	Section 3.1 Annual Meetings.....	228
	Section 3.2 Place of Meetings.....	229
	Section 3.3 Special Meetings.....	229
	Section 3.4 Notice of Meetings.....	229
	Section 3.5 Adjournment of Meetings	229
	Section 3.6 Order of Business.....	229
	Section 3.7 Title of Units	230
	Section 3.8 Voting	230
	Section 3.9 Majority of Unit Owners.....	230
	Section 3.10 Quorum	231
	Section 3.11 Majority Vote.....	231
	Section 3.12 Action Without Meeting	231

ARTICLE IV	OFFICERS.....	231
	Section 4.1 Designation	231
	Section 4.2 Election of Officers.....	231
	Section 4.3 Removal of Officers.....	231
	Section 4.4 President.....	232
	Section 4.5 Vice President.....	232
	Section 4.6 Secretary	232
	Section 4.7 Treasurer	232
	Section 4.8 Agreements, Contracts, Deeds, Checks, etc.	232
	Section 4.9 Compensation of Officers.....	232
	Section 4.10 Liability of Officers	232
ARTICLE V	NOTICES.....	233
	Section 5.1 Definition	233
	Section 5.2 Service of Notice Waiver.....	233
ARTICLE VI	OPERATION OF THE PROPERTY.....	233
	Section 6.1 Determination of Common Expenses and Fixing of Common Charges.....	233
	Section 6.2 Insurance.....	234
	Section 6.3 Repair or Reconstruction After Fire or Other Casualty	236
	Section 6.4 Payment of Common Charges	237
	Section 6.5 Collection of Common Charges and Assessments	237
	Section 6.6 Default in Payment of Common Charges or Assessment.....	237
	Section 6.7 Foreclosure of Liens for Unpaid Common Charges.....	238
	Section 6.8 Statement of Common Charges and Assessments.....	238
	Section 6.9 Abatement and Enjoinment of Violations by Unit Owners	238
	Section 6.10 Maintenance and Repairs.....	238
	Section 6.11 Restrictions on Use of Units	239
	Section 6.12 Additions, Alterations or Improvements by Board of Managers.....	240
	Section 6.13 Additions, Alterations or Improvements by Unit Owners	241
	Section 6.14 Use of Common Elements and Facilities.....	243
	Section 6.15 Right of Access	243
	Section 6.16 Rules of Conduct	244
	Section 6.17 Water Charges and Sewer Rents.....	245
	Section 6.18 Electricity and Gas.....	245
	Section 6.19 Vault Charges	245
	Section 6.20 Review of Real Estate Tax Assessments	245

ARTICLE VII	MORTGAGES.....	245
	Section 7.1 Notice to Board of Managers.....	245
	Section 7.2 Notice of Unpaid Common Charges.....	245
	Section 7.3 Notice of Default	246
	Section 7.4 Examination of Books	246
ARTICLE VIII	SALES, LEASES AND MORTGAGE OF UNITS.....	246
	Section 8.1 Sales and Leases	246
	Section 8.2 Consent of Unit Owners to Purchase or Lease of Units by Board of Managers.....	248
	Section 8.3 No Severance of Ownership	248
	Section 8.4 Release by Board of Managers of Right of First Refusal	248
	Section 8.5 Certificate of Termination of Right of First Refusal	248
	Section 8.6 Financing of Purchase of Units by Board of Managers.....	248
	Section 8.7 Exceptions.....	249
	Section 8.8 Gifts and Devises, etc.	249
	Section 8.9 Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common.....	249
	Section 8.10 Payment of Common Charges and Assessments.....	249
	Section 8.11 Mortgage of Units.....	249
	Section 8.12 Fees and Charges	250
ARTICLE IX	CERTAIN REMEDIES	250
	Section 9.1 Self Help	250
	Section 9.2 Abatement and Enjoinment	251
	Section 9.3 Remedies Cumulative	251
	Section 9.4 Costs and Expenses.....	251
ARTICLE X	CONDEMNATION	251
	Section 10.1 Condemnation Records.....	251
ARTICLE XI	RECORDS	252
	Section 11.1 Records and Audits	252

ARTICLE XII	MISCELLANEOUS	252
	Section 12.1 Invalidity	252
	Section 12.2 Captions	253
	Section 12.3 Gender.....	253
	Section 12.4 Waiver.....	253
	Section 12.5 Insurance Trustee.....	253
	Section 12.6 Definition of "Mortgagee"	253
ARTICLE XIII	AMENDMENTS TO THE BY-LAWS	253
	Section 13.1 Amendment to By-Laws.....	253
ARTICLE XIV	CONFLICTS.....	254
	Section 14.1 Conflicts.....	254
SCHEDULE A	RULES AND REGULATIONS OF THE 58 THOMAS STREET CONDOMINIUM.....	255

**BY-LAWS
OF
THE 58 THOMAS STREET CONDOMINIUM**

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1.1 Unit Ownership: The property, located in the Borough of Manhattan, County of New York, City and State of New York at 58 Thomas Street, New York, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") by the recording of the Declaration in the New York County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as The 58 Thomas Street Condominium.

Section 1.2 Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 1.3 Application: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4 Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 2.1 Number and Term: The affairs of the condominium shall be

managed by the Board of Managers. The number of members which shall constitute the whole Board of Managers (sometimes herein referred to as the "Board") shall not be less than three (3) and not more than five (5). Until succeeded by the members elected at the first meeting of Unit Owners called for such purpose, members need not be Unit Owners; thereafter, all members, other than a representative of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of members elected at the first such meeting shall be three (3), of whom two (2) shall be elected pursuant to the terms of Section 3.8 hereof at the annual meeting of the Residential Unit Owners and one (1) individual shall be designated by the Commercial Unit Owner. Thereafter, within the limits above specified, the number of members shall be determined by the Unit Owners at their annual meetings. There shall always be an odd number of members. The members shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 2.2 Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- (a) Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.
- (b) Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- (c) Collection of the Common Charges and expenses of the Condominium from the Unit Owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- (e) Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 6.16).
- (f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- (g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers.

- (h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- (i) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.
- (j) Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- (k) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.
- (l) Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 6.2 hereof.
- (m) Making of repairs, alterations, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (n) Negotiation and settlement of all claims and actions relating to the Condominium.
- (o) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$20,000, and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportional share thereof as his 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 shall have filed or shall have the right to file against the Unit Owner's Unit.

- (p) Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges.
- (q) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own Condominium Units equaling at least twenty-five (25%) percent of the total Common Interest of the Condominium but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent (which may be given or withheld in its sole discretion): (a) make, permit, or consent to any addition, alteration, improvement or change in or to the Common Elements, the Limited Common Elements, or any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) enter into any service or maintenance contract, (d) borrow money on behalf of the Condominium, the Board of Managers or Unit Owners, (e) exercise a right of first refusal to purchase a Unit, (f) increase or decrease the number, or change the type of employees of the Condominium or the Board of Managers from those set forth in the Section of the Plan entitled "Notes to Schedule B," or (g) change or increase or decrease the services or operating expenses as set forth in the "Notes to Schedule B" except as required to reflect normal annual increases in operating expenses; provided, however, that the Sponsor will not exercise veto power over (i) expenses described in Schedule B of the Plan, (ii) expenditures necessary to remedy any notice of violation, (iii) expenditures necessary to remedy any work order by an insurer or (iv) expenses required in order to comply with applicable laws or regulations. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; operation of general or sales and leasing offices at the Property; or actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. Subject to the foregoing, the Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. The provisions of this paragraph may not be amended without the prior written consent of the Sponsor.
- (r) Notwithstanding anything to the contrary contained in these By-Laws, the Commercial Unit Owner shall be entitled with respect to the following matters: (i) to operate, care, upkeep, maintain, repair, replace, in and to its Commercial Unit including the shaftway; (ii) sell, lease, mortgage and

otherwise deal with all or any portion of the commercial unit; adjust and settle insurance claims (and execute and deliver releases in connection herewith) if the loss involves only the Commercial Units; borrow money provided no lien to secure repayment of any sum borrowed may be created on any other Unit or its appurtenant interests in the Common Elements without the consent of the Owners of such Unit; execute; acknowledge and deliver any declarations or other instrument affecting the Commercial Units which the Owner thereof deems necessary or deems appropriate to comply with any applicable law, ordinance, or regulation; execute, acknowledge and deliver any documents or other instruments necessary to commence, pursue, negotiate or settle certiorari proceedings to obtain a reduced real estate assessment with respect to the Commercial Unit

Section 2.3 Managing Agent and Manager: The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2.2 of this Article II. All Unit Owners of Units occupied by a non-purchasing tenant, other than Sponsor or its designee, herein agree to irrevocably appoint the managing agent of the Condominium and its successors and assigns, or to appoint the Board of Managers, if no managing agent is employed by the Condominium, as his or her agent to provide to the non-purchasing tenant(s) all services and facilities required by law.

Section 2.4 First Board of Managers: The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing members. Any or all of said members shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2.6 of this Article II. The Sponsor retains the right to substitute its designated persons with other persons until the resignation of the Initial Board.

Section 2.5 Removal of Members of the Board of Managers: At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other holder of Unsold Units) owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the

Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner, unless such member is a Sponsor-designee, he shall be deemed to have resigned, effective as of the date such ownership interest ceased.

Section 2.6 Vacancies: Vacancies in the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee shall be filled only by the Sponsor or Sponsor-designee.

Section 2.7 Organizational Meeting: The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, provided a majority of the whole Board of Managers shall be present thereat.

Section 2.8 Regular Meetings: Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 2.9 Special Meetings: Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph, facsimile or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers if the number of members is three (3) and at least three (3) members of the Board of Managers if the number of members is five (5).

Section 2.10 Waiver of Notice: Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice

by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.11 Quorum of Board of Managers: At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board of Managers or the committee.

Section 2.12 Fidelity Bonds: The Board of Managers may obtain fidelity bonds in the amount of \$25,000 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 2.13 Compensation: No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 2.14 Liability of the Board of Managers: The Board of Managers and the members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability

thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 2.15 Executive Committee: The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one (1) of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property, or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (o) of Section 2.2 of this Article II.

Section 2.16 Other Committees: The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subdivisions (a)-(d) of Section 2.15 of this Article II.

ARTICLE III

UNIT OWNERS

Section 3.1 Annual Meetings: (a) Within sixty (60) days after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds fifty (50%) percent or (ii) five (5) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties, Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Upon the earlier of (i) five (5) years subsequent to the date of the First Unit Closing or (ii) the date of the closing of title to a Unit or Units resulting in the aggregate Common Interest of the Condominium exceeding fifty percent (50%) having been sold to bona fide purchasers, Sponsor and/or Sponsor-designee(s) will relinquish control of the Board of Managers if they have such control and will not elect a majority of the Board of Managers of the Condominium even though the aggregate of Common Interest owned by them may enable them to otherwise do so. Subsequent to the date when the Sponsor relinquishes control of the Board of Managers and so long as the Sponsor or a Sponsor-designee shall continue to own Units representing at least twenty-five percent (25%) of the aggregate Common Interest, the Sponsor or Sponsor-designee shall have the right to elect two (2) of the five (5) members of the Board of Managers or one (1) member less than a majority of the Board of Managers, as the case may be. Also, subsequent to the date when the Sponsor relinquishes control of the Board of Managers and as long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unit, the Sponsor or Sponsor-designee shall have the right to elect at least one (1) of the members of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. The Commercial Unit Owner shall have the right to elect one (1) member of the Board of Managers.

Section 3.2 Place of Meetings: Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3.3 Special Meetings: It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority the Unit Owners as defined in Section 3.9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 3.4 Notice of Meetings: It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 3.5 Adjournment of Meetings: If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 3.6 Order of Business: The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Board of Managers;
- (f) Reports of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of members of the Board of Managers (when so required);
- (i) Unfinished business;
- (j) New business.

Section 3.7 Title to Units: Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation, partnership, limited liability company, limited liability partnership, fiduciary, trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 3.8 Voting: The owner or owners of each Unit, or some person designated by such owner or owners to act as proxy on his or their behalf, who need not be an one, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his Unit per Member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. In the event that joint owners cannot agree on any given vote, such Unit Owners' vote will not be counted and the Common Interests attributable to their Unit shall be discounted from the aggregate Common Interest of the condominium for such vote. A fiduciary shall be the voting member with respect to any Unit held in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 3.9 Majority of Unit Owners: As used in these By-Laws the term

"majority of Unit Owners" shall mean those Unit Owners having greater than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 3.8 of this Article III.

Section 3.10 Quorum: Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 3.11 Majority Vote: The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 3.12 Action Without Meeting: Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 4.1 Designation: The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 4.2 Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organizational meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 4.3 Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose, except as limited by Section 2.5 herein.

Section 4.4 President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law

of the State of New York, including, but not limited, to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 4.5 Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 4.6 Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.7 Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc: All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 4.9 Compensation of Officers: No officer shall receive any compensation from the Condominium for acting as such.

Section 4.10 Liability of Officers: The officers of the Condominium shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all contractual liability to others arising out of contracts made by the officers or any of them on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original officers of the Condominium, who are

members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the officers of the Condominium or out of the aforesaid indemnity in favor of the officers of the Condominium shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the officers of the Condominium or by the managing agent or by the manager on behalf of the Condominium shall provide that the officers of the Condominium, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE V

NOTICES

Section 5.1 Definition: Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 5.2 Service of Notice Waiver: Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 6.1 Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 6.2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for

the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements or improvements, to make up any deficit in the Common Expenses for any prior year or to include a management fee for a manager employed by the Board. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

The Commercial Unit shall pay its fair share of common expense in proportion to its percentage of Common Interest but shall be exempt from payments for any Common Expense for future increases to the existing Budget items or new item expenses that do not provide service or benefits to the Commercial Unit. Any dispute between the Unit Owner and the Board regarding such allocation of Common Expense shall be submitted to the American Arbitration Association for determination that shall be binding and conclusive on the parties. The cost of such proceeding will be borne equally between the parties.

The cost of utilities and domestic water serving the Commercial Unit shall be borne by the Owner and shall not be a Common Expense of the condominium unless such expense is provided in the Initial Budget.

Section 6.2 Insurance: The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) of the full replacement cost of the Building, including the above noted items but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall

contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (2) workers' compensation insurance, if the Condominium has employees; (3) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, may be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (4) disability benefits insurance if the Condominium has employees; and (5) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$100,000), and that the total proceeds thereof, if \$100,000 or less, shall be payable to the Board of Managers and if more than \$100,000 shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. Such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be in a limit of at least \$1,000,000 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of a particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use shall continue for more than thirty (30) days after written notice from

the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by Condominium as if such additional premium constituted an assessment.

Section 6.3 Repair or Reconstruction After Fire or Other Casualty: In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 6.3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of priority of such liens.

Whenever in this Section the words "promptly repair" are used, it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work, or not more than ninety (90) days after Insurance Trustee notifies said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, "promptly resolve" are used, it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 6.4 Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 6.1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 8.1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 8.1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the Appurtenant Interests to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges assessed prior to the foreclosure sale.

Section 6.5 Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against the Unit Owners from time to time, at least annually, and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges shall be paid by the tenth day of the month in which they are due or they shall be deemed to be late.

Section 6.6 Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the rate of sixteen percent (16%) or, if less, the highest legal rate, on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and the attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including, but not limited to, attorneys' fees and expenses, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall

not be permitted to vote at any regular or special meeting of Unit Owners.

Section 6.7 Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. In the event the net proceeds received on such foreclosure 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.

Section 6.8 Arrears of Common Charges by Sponsor: In the event that Sponsor is more than thirty (30) days in arrears of common charges for Unsold Units, the Board shall file a lien on such Units as provided in Section 339-aa of the Real Property Law.

Section 6.9 Statement of Common Charges and Assessments: The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 6.10 Abatement and Enjoinment of Violations by Unit Owners: The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 6.11 Maintenance and Repairs: (a) All maintenance of and repairs to any Unit, ordinary or extraordinary, including the skylights of a Unit, and to the doors (except painting of the exterior side of Unit entrance doors), windows (except painting of

the exterior sides of windows), electrical (except Common Elements), plumbing (except Common Elements), heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

(b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if it involves nonstructural ordinary maintenance, repairs or replacements, such as a roofing surface and/or a roof deck above such surface, or as a result of the Unit Owner's negligence, misuse or neglect.

Section 6.12 Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) The Residential Units shall be used only for a private residence, except that a Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Unit may also be used as a professional office by a resident thereof, provided such professional use does not violate zoning regulations and provided further that the prior consent of the Board of Managers to such professional use is obtained, which shall not be unreasonably denied. Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; and (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.

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

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes

with the peaceful possession or proper use of the Property by its residents.

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

(e) No portion of a Residential Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The foregoing restrictions (except as to lawful uses) shall not apply to the Commercial Unit or any Unsold Units owned by the Sponsor or its designee. The Commercial Unit may be used for any purpose permitted by Law and any existing certificate of occupancy, provided such use is not an adult entertainment use as defined in the New York City Zoning Resolution or an illegal, noxious or immoral use.

Section 6.13 Additions, Alterations or Improvements by Board of Managers: (a) Subject to the provisions of Section 2.2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations, improvements or repairs (but not maintenance) costing in excess of \$10,000, and the making of such additions, alterations, improvements or repairs shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations, improvements or repairs and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations, improvements or repairs costing \$10,000 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

(b) The Landmarks Commission restricts exterior alterations of buildings within the Historic district, including but not limited to, windows, doors, and roof trim decoration. Alterations to the interior portions of the building which may affect the exterior of the building must also be approved by the Commission. Such requirements may restrict choices of color, material and finishes that otherwise may have been selected by Unit Owners and/or board of Managers.

(c) If it becomes legally required to seal a lot line window, the cost of sealing such window shall be borne by the Condominium as a Common Expense. However, the cost of decorating and painting shall be the responsibility of the Unit Owner at such Unit Owner's expense.

Section 6.14 Additions, Alterations or Improvements by Unit Owners:

Except as provided below, no Unit Owner shall make any structural addition, alteration, improvement or repair in or to his Unit, or which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval in such Unit Owner's Unit of a proposed structural addition, alteration, improvement or repair or which affects the exterior of the Building or the value of other Units, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration, improvement, or repair. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration, improvement or repair in or to any Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration, improvement or repair, or addition, alteration, improvement or repair which affects the exterior of the Building or the value of other units to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations, improvements or repairs, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by the structural alteration, addition, improvement or repair, or due to improper design or construction of the structural alteration, addition, improvement or repair, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition, improvement or repair; such expenses may include, but shall not be limited to, any fees and expenses of an attorney and/or fees and expenses of an architect consulted in connection with any request by a Unit Owner for approval of such work. Such Board approval shall be for code compliance only. Any consent given by the Board of Managers, through inaction or otherwise pursuant to this paragraph, shall be subject to regulation by the Condominium as to any one or more of the following aspects of construction:

- (a) time periods during which work is permitted;
- (b) the manner in which construction debris will be handled;
- (c) measures which must be taken to prevent compromising security of the

- building during construction;
- (d) the interruption of services during construction; and
- (e) liability insurance for contractors during construction.

The provisions of this Section 6.14 which require the consent of the Board of Managers in connection with a structural addition, alteration, improvement or repair or which affect the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee, and the Commercial Unit whether owned by the Sponsor or subsequent Owner and shall not apply with respect to any Limited Common Element for which the Sponsor or its designee has exclusive use. Sponsor or its designee or the Commercial Unit Owner shall not need such consent with respect to such Unit or Limited Common Element. All other provisions of this Section 6.14 shall apply to all Units. For example, with respect to any structural addition, alteration, improvement or repair to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, as the case may be, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workers' compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations, improvements or repairs shall be maintained in their entirety by said Sponsor or its designee, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any structural alteration, addition, improvement or repair, or due to improper design or construction of any structural alteration, addition, improvement or repair. Additionally, the Sponsor and/or its designee, as the case may be, shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition, improvement or repair.

Non-structural alterations and improvements to Units that do not affect the exterior of the building or the value of other Units may be made without the prior approval of the Board of Managers.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent, or adversely affect, or create a material risk of materially delaying, preventing, or adversely affecting, whether directly or indirectly, the issuance or re-issuance of a temporary or permanent certificate of occupancy for other Units or for the Building, then on the written request of Sponsor or the Board of Managers, 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 Sponsor or the Board of Managers 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.

Until such time as the initial construction of the Building is complete, including

the completion of "punch list" work, neither the Board nor any Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces that are completing the construction of the Building on behalf of the Sponsor. 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 the Sponsor, shall take precedence over the prosecution of any other work at the Building.

The Sponsor and the Board shall not incur any liability to any contactor, subcontractor, material man, architect or engineer or any person or entity on account of any addition, alteration, repair or improvement, or to any person or entity having claim for injury to person or damage to property arising therefrom.

The Board of Managers will execute any application or document required to be filed with any governmental authority having or asserting jurisdiction in connection with any structural addition, alteration, repair or improvement made by the Sponsor or its designee to any Unit or portion of the Building or made by the Commercial Unit Owner as to its Unit provided that neither the Condominium Board or the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or document.

Section 6.15 Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 6.11 of this Article VI. The owner of any Unit, which Unit is the only Unit serviced or benefited by any General Common Element adjacent or appurtenant to such Unit (for example, the portion at the end of any hallway that is directly adjacent to any such Unit located on opposite sides of such hallway) will, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed), have the right to use such General Common Element exclusively, as if it were a part of such Unit (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such owner shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General Common Element for so long as such owner exercises such exclusive right of use and (b) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use. The Commercial Unit shall have unrestricted use of the elevator for the conduct of its business operations.

Section 6.16 Right of Access: A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and

threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, or in order to grant access to the Commercial Unit Owner for access to its Limited common Elements, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 6.15, any costs for repairs shall be borne in accordance with the provisions of Section 6.10 of this Article VI.

A Unit Owner shall grant a right of access to his Unit, and the Board of Managers shall grant access to the Common Elements and Limited Common Elements to Sponsor and its contractors, subcontractors, agents and employees for the completion of punch list work or to fulfill Sponsor's obligations under the Offering Plan or amendments thereto whether or not Sponsor owns any Unit, and to the Commercial Unit Owner in respect to inspecting, repairing, altering, and making improvements to the shaftway that is a Limited Common Element for the Commercial Unit, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with use of the Units for their permitted purposes.

Section 6.17 Rules of Conduct: Rules and regulations concerning the use of the Residential Units and the Common Elements and Residential Limited Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the owner of one or more Units, the Residential Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without the Sponsor's or the Sponsor-designee's prior written consent. The Commercial Unit Owner may modify, amend or add to such Rules and Regulations regarding any Rules and Regulations that adversely affect the Commercial Unit.

Section 6.18 Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through a building meter and a separate sub-meter for the Commercial Unit. The Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Residential Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Residential Unit by the owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Residential Unit as of the date of closing of title to such Residential Unit, promptly after such charges

shall have been billed.

Section 6.19 Electricity and Gas. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. The electricity serving the Common Elements shall be metered by one or more meters, and the Board of Managers shall pay the bills for such consumption as a Common Expense. All gas serving the Common Elements and the Units shall be metered by one or more meters and the Board of Managers shall pay the bills for such consumption as a Common Expense.

Section 6.20 Vault Charges. All license fees and all periodic taxes and charges for street vaults, if any, or other protrusions beyond the lot line shall be paid by the Board of Managers to the City of New York as a Common Expense.

Section 6.21 Review of Real Estate Tax Assessments: It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

ARTICLE VII

MORTGAGES

Section 7.1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 7.2 Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 7.3 Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 7.4 Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers on business days.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 8.1 Sales and Leases: No Unit Owner other than the Sponsor or Sponsor-designee or the Commercial Unit Owner may sell or lease his Unit or any interest therein except by complying with the provisions below. Sponsor or Sponsor-designee and the Commercial Unit Owner need not comply with such provisions.

Any Unit Owner who receives a bona fide offer (hereinafter called an "Outside Offer") (a) for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"), or (b) for a lease of his Unit, which Outside Offer he intends to accept, shall give notice by certified or registered mail, or by hand of messenger against receipt therefor, to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice given to such Unit Owner within said thirty (30) day period by certified or registered mail, or by hand of messenger against receipt therefor, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and

conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, corporate or otherwise, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that 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 these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell

such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 8.1 of this Article VIII.

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

Section 8.2 Consent of Unit Owners to Purchase or Lease of Units by Board of Managers: The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority in Common Interest of the Unit Owners.

Section 8.3 No Severance of Ownership: No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 8.4 Release by Board of Managers of Right of First Refusal: The right of first refusal contained in Section 8.1 of this Article VIII may be released or waived with respect to an Outside Offer by the Board of Managers, provided that such release or waiver shall only be effective if in writing; in such event, the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased to the Outside Offeror, free and clear of the provisions of such Section, for a period of sixty (60) days following the date of such release or waiver.

Section 8.5 Certificate of Termination of Right of First Refusal: A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 8.1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 8.1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 8.6 Financing of Purchase of Units by Board of Managers: Acquisition or lease of Units by the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, may be made from the working capital and

Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 6.6 and 6.7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no assessment may be levied under this Section 8.6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 8.7 Exceptions: The provisions of Section 8.1 of this Article VIII shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; provided, however, that each succeeding Unit Owner shall be bound by, and each such Unit shall be subject to, the provisions of Section 8.1 of this Article VIII.

Section 8.8 Gifts and Devises, etc: Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction; provided, however, that each succeeding Unit Owner shall be bound by, and each such Unit shall be subject to, the provisions of Section 8.1 of this Article VIII.

Section 8.9 Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common: In the event that a Unit shall be acquired by the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 8.10 Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 8.11 Mortgage of Units. No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, a family member, business associate or employer or a purchase money mortgage made to

the seller of the Unit, or, except in the case of an initial acquisition from the Sponsor, a mortgage made to the Sponsor or a Sponsor-designee. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor. No such restrictions shall apply to the Sponsor or Sponsor-designee or the Owner of the Commercial Unit who are all free to mortgage their units freely.

Section 8.12 Fees and Charges. The Board of Managers shall have the right to require the Unit Owner who is selling or is a prospective lesser to pay a fee to the Board of Managers and/or the managing agent to cover reasonable legal and other expenses of the Board of Managers and the managing agent in connection with the sale or lease of a Unit pursuant to the provisions of this Article VIII, except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CERTAIN REMEDIES

Section 9.1 Self Help: If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any

necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 Abatement and Enjoinment: (a) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(b) The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative: The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses: All sums of money expended, and all costs and expenses incurred, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (a) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 9.2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month, but in no event in excess of the maximum legal rate chargeable to such Unit Owner. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 10.1 Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$25,000 or less, and

to the Insurance Trustee, if any, if such award amounts to more than \$25,000. If seventy-five percent (75%) or more in Common Interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 6.3 of Article VI hereof. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE XI

RECORDS

Section 11.1 Records and Audits: The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners, annually, the following:

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

ARTICLE XII

MISCELLANEOUS

Section 12.1 Invalidity: The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these

By-Laws.

Section 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, or the intent of any provision thereof.

Section 12.3 Gender: The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 12.4 Waiver: No restriction, condition, obligation, or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 12.5 Insurance Trustee: The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of a majority of the Unit Owners). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of two (2) or more Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 12.6 Definition of "Mortgagee": As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any acquisition loan mortgage or construction loan mortgage which shall be a lien on a Unit.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 13.1 Amendment to By-Laws: These By-Laws may be modified or amended by the vote of seventy five percent (75%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, as regards the Commercial Unit and for as long as Sponsor or its designee remains the Owner of one or more Units, these By-Laws, including the Residential Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect the Commercial Unit or Commercial Unit Owner or Sponsor or its designee, in the Commercial Unit Owner's or Sponsor's or Sponsor-designee's sole discretion, without the Commercial Unit Owner's or Sponsor's or Sponsor-designee's prior written consent, as is applicable. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Unit Owner; and (iii)

no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit(s), if any.

ARTICLE XIV

CONFLICTS

Section 14.1 Conflicts. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

**EXHIBIT 1 TO THE BY-LAWS
RULES AND REGULATIONS
FOR RESIDENTIAL UNITS
OF
THE 58 THOMAS STREET CONDOMINIUM**

1. The Units may be used only for private residential use, except that a Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.
2. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one foot (1') foot by two feet (2'). Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size or other restrictions. Sponsor or its designee shall be responsible for installing and removing such signs.
3. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Board of Managers.

4. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any owner in any manner without the prior written consent of the Board of Managers.
5. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other General Common Elements.
6. No Unit Owner shall make or permit any noise that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.
7. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace(s) and terrace drain(s) free of debris.
8. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by law.
9. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.
10. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.
11. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements.
12. Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

13. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without prior written consent of the Board of Managers.
14. No bird or animal shall be kept or harbored in the Building unless the same in each instance be expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.
15. No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without prior written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Unit.
16. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.
17. The Board of Managers or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).
18. If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, invitee, licensee, guest, visitor, patient or client, to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or

other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

19. No Unit Owner or any family member, agent, servant, employee, invitee, licensee, guest, visitor, patient or client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.
20. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.
21. No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.
22. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, invitees, licensees, guests, visitors, patients or clients shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.
23. The Unit Owners shall not be allowed to put their names on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.
24. Any damage to the Building or equipment caused by Unit Owners, their family members, agents, servants, employees, invitees, licensees, guests, visitors, patients or clients shall be repaired at the expense of the said Unit Owners.
25. Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.
26. No Unit shall be used or be occupied in such manner as to obstruct or

interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

27. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.
28. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
29. Unless expressly authorized by the Board of Managers in each case, the floors of each Unit must be covered with rugs or carpeting or equally effective noise-reducing material, to the extent of at least eighty percent (80%) of the floor area of each room excepting only kitchens, pantries, bathrooms, maid's rooms, closets and foyers.
30. No portion of a Residential Unit other than the entire Unit may be leased.
31. Smoke detectors must be installed in every Unit as required by New York City Building Code. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.
32. 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 prior written notice to the Managing Agent.
33. The cost of maintenance and repair of the sidewalks and adjacent curbs,

including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium.

34. No group tour or exhibition of any part of a Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Unit without the prior consent of the Board of Managers or the Managing Agent in each instance.
35. Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches (2") from the terrace or balcony surface, and, if adjoining a wall, at least three inches (3") from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches (3") from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches (2") above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.
36. Any consent or approval given by the Board of Managers or the Managing Agent under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.
37. These Residential Rules and Regulations govern the use of the Residential Units and Common Elements and the Residential Limited Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of these Residential Rules and Regulations shall be applicable to any Unsold Unit or the Commercial Unit, unless agreed to by Sponsor or the Sponsor-designee or the Commercial Unit Owner as to its Unit, as the case may be.

ESCROW AGREEMENT

AGREEMENT, made this ____ day of _____, 2001 between **58 THOMAS STREET ASSOCIATES, LLC ("SPONSOR")** as Sponsor of the offering plan and Martin Shaw, Esq. ("**ESCROW AGENT**") as escrow agent.

WHEREAS, **SPONSOR** is the Sponsor under the condominium offering plan for the premises located at 58 Thomas Street, New York, New York 10013, which premises are known as the **58 Thomas Street Condominium**; and

WHEREAS, Martin Shaw, Esq. 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 and 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:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

- 1.1 **SPONSOR** and **ESCROW AGENT** hereby establish an escrow account with **ESCROW AGENT** for the purpose of holding deposits or payments made by purchasers ("Purchasers") pursuant to the Offering Plan at North Fork Bank at its branch located at 120 West 23rd Street, New York, New York 10011.
- 1.2 The name of each segregated account is Martin Shaw, Esq.\58 Thomas Street Condominium Escrow Account (last name of Purchaser), located at HSBC Bank, 555 Madison Avenue, New York, New York 10022.
- 1.3 **ESCROW AGENT** is the sole signatory on the account.
- 1.4 Unless the Purchaser defaults, all interest will be credited or paid (at the option of **SPONSOR**) 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 Deposit. All interest will be credited or paid to the **SPONSOR** only in the event Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

- 2.1 All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the Master Escrow

Account. All instruments to be deposited into the Master Escrow Account shall be made payable to, or endorsed by the purchaser to the order of "Martin Shaw, Esq. as Escrow Agent." Endorsed instruments will not be accepted. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by **ESCROW AGENT**. In the event of such return of funds, the instrument shall be deemed not to have been delivered to **ESCROW AGENT** pursuant to the terms of this Agreement.

- 2.2 Within ten (10) business days after tender of the deposit submitted with the purchase agreement, **ESCROW AGENT** shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. **RELEASE OF FUNDS.**

- 3.1 **ESCROW AGENT** shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve **SPONSOR** of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 **ESCROW AGENT** shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 **SPONSOR** shall not object to the release of the escrowed funds to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all Purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, **ESCROW AGENT** shall not pay the funds to **SPONSOR** until **ESCROW AGENT** has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to **SPONSOR** unless the purchaser has made application to the Department of Law pursuant to the dispute resolution

provisions contained in the Attorney General's regulations and has so notified **ESCROW AGENT** in accordance with such provisions.

4. **RECORD KEEPING.**

- 4.1 **ESCROW AGENT** shall maintain all records concerning the escrow account for seven (7) years after release of the funds.
- 4.2 Upon the dissolution of a law firm which was **ESCROW AGENT**, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.
- 4.3 **ESCROW AGENT** shall make available to the Attorney General, upon his request, all books and records of **ESCROW AGENT** relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT.**

- 5.1 **ESCROW AGENT** shall maintain the accounts called for in this Agreement under the direct supervision and control of **ESCROW AGENT**.
- 5.2 A fiduciary relationship shall exist between **ESCROW AGENT** and Purchasers, and **ESCROW AGENT** acknowledges its fiduciary obligations.
- 5.3 **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 Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of **ESCROW AGENT**.
- 5.4 **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**.
- 5.5 **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.
- 5.6 **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.

6. **RESPONSIBILITIES OF SPONSOR.**

- 6.1 **SPONSOR** agrees that **SPONSOR** and its agents, including any selling agents, shall immediately deliver all Deposits and payments received by them prior to closing of an individual transaction to **ESCROW AGENT** within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as may be required by **ESCROW AGENT** from time to time.
- 6.2 **SPONSOR** agrees that it shall not interfere with **ESCROW AGENT'S** performance of its fiduciary duties and compliance with the Attorney General's regulations.
- 6.3 **SPONSOR** shall obtain or cause the selling agent with 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 the Purchase Agreement.

7. **TERMINATION OF AGREEMENT.**

- 7.1 This Agreement shall remain in effect unless and until it is canceled, by either:
- (a) Written notice given by **SPONSOR** to **ESCROW AGENT** of cancellation of designation of **ESCROW AGENT** to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor **ESCROW AGENT**; or
 - (b) The resignation of **ESCROW AGENT** upon giving notice to **SPONSOR** of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor **ESCROW AGENT**; or
 - (c) All Units offered pursuant to the plan have been sold and all sales transactions have been consummated.
- 7.2 Upon termination of the duties of **ESCROW AGENT** as described in paragraph 7.1(a) or (b) above, **ESCROW AGENT** shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by **ESCROW AGENT** to the new escrow agent.

8. **SUCCESSORS AND ASSIGNS.**

- 8.1 This Agreement shall be binding upon **SPONSOR** and **ESCROW AGENT** and

their successors and assigns.

9. **GOVERNING LAW.**

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

10. **ESCROW AGENT'S COMPENSATION.**

- 10.1 **SPONSOR** agrees to pay **ESCROW AGENT** for services rendered by its and paralegals and expenses, costs and disbursements 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. **SPONSOR** agrees that **ESCROW AGENT's** compensation shall not be paid from the Deposit nor from any interest accruing thereon and that compensation to **ESCROW AGENT** shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. **SEVERABILITY.**

- 11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. **INDEMNIFICATION.**

- 12.1 **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 on the part 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.

13. **ENTIRE AGREEMENT.**

- 13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed the Agreement as of the day and year written below.

ESCROW AGENT

Martin Shaw, Esq.

SPONSOR
58 THOMAS STREET ASSOCIATES, LLC

By: _____
Angelo Cosentini, Manager

CERTIFICATION BY SPONSOR

and by
Principals of Sponsor
Pursuant to Section 20.4

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, NY 10271

Re: 58 Thomas Street, New York, New York

We are the Sponsor and the principals of Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the 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 statements of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

- (vii) not contain any representation or statement which is false, where We:
- (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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

58 THOMAS STREET ASSOCIATES, LLC

By: _____

Angelo Cosenitni, Manager

Angelo Cosentini, Principal

John Carson, Principal

Thomas D. Currier, Principal

Sworn to before me this
2ND day of August, 2001

Notary Public

JOHN RAINE
Notary Public, State of New York
No. 01RAS022080
Qualified in New York County 02
Commission Expires January 3, 2002

ARPAD BAKSA
ARCHITECT, P.C.

25 West 43rd Street, suite 1616
New York, New York 10036-7406
tel: 212.768.4191
fax: 212.768.4473
e-mail:
abaksa@arpad-baksa-architect.com
www.arpad-baksa-architect.com

**CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SECTION 20.4(C)-occupied units
20.4(C)-vacant OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED.**

Department of Law of the State of New York
120 Broadway
New York, NY 10271

Attn: Real Estate Financing Bureau

Re: 58 Thomas Street, New York, NY

The undersigned, an architect licensed to practice as a professional architect in New York State certifies as follows:

The Sponsor of the offering to convert the captioned property to condominium ownership retained Arpad Baksa Architect, P.C. (ABA) to prepare a report describing the renovation of the property (the "Report"). ABA visually inspected the property on N/A. ABA prepared the building plans and specifications and prepared the Report dated July 18, 2001, revised on July 31, 2001, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this report.

ABA has 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. ABA certifies that the Report:

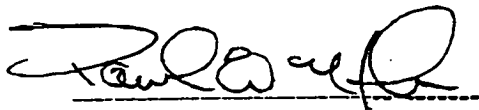
- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that ABA prepared;
- (ii) in ABA's professional opinion, affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and the physical condition of the property as it will exist upon completion of renovation, provided renovation is in accordance with the plans and specifications that ABA prepared;
- (iii) does not omit any material fact;

- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I; (a) knew the truth; (b) with reasonable effort could have known the truth; © made no reasonable effort to ascertain the truth, or; (d) did not have knowledge concerning the representations or statement made.

ABA further certifies that ABA is not owned or controlled by and has no beneficial interest in the Sponsor and that ABA's compensation for preparing this Report is not contingent upon the conversion of the Property to Condominium ownership or on the profitability or the 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
24 day of AUG, 2001.



Notary Public



Daniel W. McFarlane
Commissioner of Deeds
City of New York - 2-10739
Certified in New York County
Commission Expires Jun 1, 2002

condorep.1050

ARPAD BAKSA
ARCHITECT, P.C.

25 West 43rd Street, suite 1616
New York, New York 10036-7406
tel: 212.768.4191
fax: 212.768.4473
e-mail:
abaksa@arpad-baksa-architect.com
www.arpad-baksa-architect.com

CERTIFICATION BY SPONSOR'S ARCHITECT
Pursuant To Section 20.4(c)

Department of Law of the State of New York
120 Broadway
New York, NY 10271

Attn: Real Estate Financing Bureau

Re: 58 Thomas Street, New York, NY

The undersigned, an architect licensed to practice as a professional architect in New York State certifies as follows:

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained Arpad Baksa Architect, P.C. (ABA) to prepare a report describing the renovation of the property (the "Report"). ABA visually inspected the property, formerly a one-story garage that was demolished, and prepared the building plans and specifications for a new seven-story structure on 31 March, 2000 and prepared the Report dated 18 July, 2001 and the Addendum dated 23 October, 2001. A copy of the Report and the Addendum are intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report and Addendum.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

ABA has read the entire Report and Addendum and investigated the facts set forth in the Report and Addendum and the facts underlying both Reports 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. ABA certifies that the Report and Addendum:

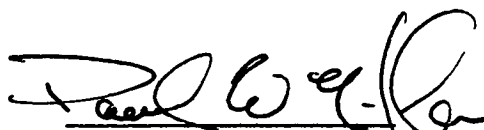
- (i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation, and the Addendum thereto, provided that the renovation is in accordance with the plans and specifications that ABA prepared;

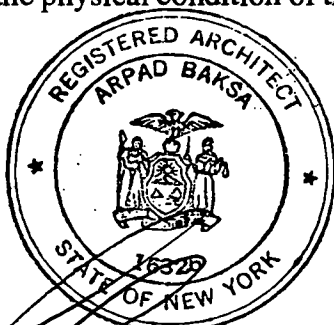
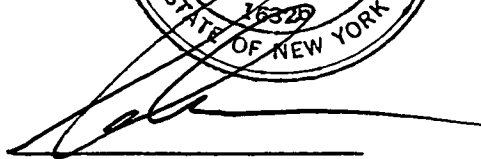
- (ii) in ABA's professional opinion afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that ABA prepared;
- (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 ABA:
 - (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.

ABA further certifies that we are not owned or controlled by the Sponsor and have no beneficial interest in the Sponsor and that ABA's compensation for preparing this Report and Addendum are not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering.

This statement is not intended as a guarantee or warranty of the physical condition of the property.

Sworn to before me this
23rd day of October, 2001.


Notary Public

(Seal) 

Arpad Baksa, R.A., #16325

Daniel W. McFarlane
Commissioner of Deeds
City of New York - 2-10780
Certified in New York County
Commission Expires Jan 1, 02

1050\CondoAddendum.wpd

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION
20.2 (c), NEWLY CONSTRUCTED, VACANT OR NON-RESIDENTIAL, CONDOMINIUMS
OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLES
23-A AS AMENDED

October 23, 2001

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

RE: 58 Thomas Street

The undersigned certifies as follows:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare and review Schedule B, containing projections of income and expensed for the first year of condominium operation by the Residential Unit Owners and the Commercial Unit Owner. My experience in this field includes being a licensed real estate broker, active in brokerage and property management since 1987. Since then, I have managed numerous buildings which underwent condominium conversions similar to the one contemplated for the captioned property. This work involved the following buildings:

- 243-245 East 50th Street, New York, NY 10022
- 77 Hudson Street, New York, NY 10013
- The Sneaker Factory, Brooklyn, NY 11217

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 Schedule B.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operational expenses for the projected first year of condominium operation. I also certify that the projections for common charges payable by the Owner of the Commercial Unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Commercial Unit for the projected 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.

I certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;

- (ii) affords potential investors, purchasers and participants an adequate basis upon which to form their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statements of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representations as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

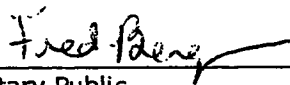
I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties and the General Business Law and Penal Law.



Martin R. Goldin

Sworn to before me this
23rd day of October 2001



Notary Public

Fred Bergman
Notary Public, State of New York
No. 01BE6028156
Qualified in Kings County
Commission Expires 1/30/03

Final Report: 31 July, 2001

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

PREPARED BY THE OFFICE OF

ARPAD BAKSA ARCHITECT, P.C.
(WITH THE AIDE OF CONSULTANTS BELOW)

ADDRESS: 58 Thomas Street
New York, New York 10013

Block: 147
Lot: 24
Zoning: C6-2A
Map: 12a

REQUESTING PARTY: 58 Thomas Street Associates, LLC
c/o On The Level Enterprises
145 Hudson Street, Suite 706
New York, NY 10003

STRUCTURAL ENGINEER: Albert Piao Kung
6 East 46th Street, #402
New York, NY 10017
212-682-1707

MEP ENGINEER: Kenneth Delves
Midel Technical Associates
509 Eighth Avenue, #3R
Brooklyn, NY 11215
718-788-7190

INTRODUCTION

This Report was prepared for the Sponsor for inclusion in an offering plan for conversion of the property to condominium units. The Report is based on (a) a visual inspection of the existing spaces and mechanical equipment and a description of the proposed work to be performed as deemed necessary, but not, unless otherwise stated herein, any tests or penetration into existing walls, ceilings, floors, etc. or removal of any remaining structural or mechanical elements. It is understood that not all aspects of the physical condition of the Property can be ascertained from a visual inspection alone, and (b) information provided by the Sponsor and/or his representatives.

This Report fairly describes the condition of the building and proposed improvements on the Property as of the date of the inspection with respect to those facts which could be ascertained from a visual inspection at that time, except as noted herein. Proposed work to be performed and described herein is accurate and as descriptive of the date of this report. This Report provides a general description of the Property, interior spaces and mechanical equipment and a fair summary of their general condition existing and proposed, but is not intended to be a complete detailed list of every piece of equipment or of their condition. Emphasis is on their condition at the time of the inspection including deficiencies probably unknown to occupants, rather than description of material make-up usually obvious to residents.

The scope of this Report does not include estimates of costs of repairs which would be required to correct the defects brought to light by this Report. In order to obtain such estimates it would be necessary to engage an engineer and/or architect for preparation of detailed plans and specifications for each trade and to secure competitive bids from contractors in that trade.

The contents of this Report are correct to the best of my knowledge and belief. This Report and the conclusions stated herein are, however, limited to actual knowledge based upon visual inspection, undertaken with due diligence, of visible portions of the Property and information voluntarily supplied by the Sponsor and obtained from governmental Records. No representation is made, however, as to the truth, completeness or accuracy of this information.

This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the Property or as an option as to the advisability or inadvisability to purchase the Property or acquire share(s) in the condominium units being offered pursuant to the Sponsor's Offering Plan.

DESCRIPTION OF PROPERTY AND BUILDING

58 Thomas Street
New York, New York 10013

Date of Inspection: N.A.
Date of Report: 18 July, 2001
Revised: 31 July, 2001

(a) Location and Use of Property. *State whether this property and proposed use will comply with all zoning and use requirements at closing. Include in discussion:*

- (1) Address: 58 Thomas Street
New York, New York 10013
- (2) Block and lot number:
Block: # 147
Lot: # 24
Tentative Tax Lots: 1501 through 1507
- (3) Zoning: TMU, C6-2A underlying
- (4) Permissible use: Permissible use: Residential, community facilities, retail and commercial uses, use groups 1 through 12.
- (5) Proposed use: Cellar: Proposed use in cellar through 1st floor is commercial, use group 6. 2nd through 7th floors is residential, use group 2. Proposed uses are permitted as of right.

(b) Status of construction. *State:* Under construction

(For existing buildings state): The building is new Construction.

- (1) Year built: Under construction.
- (2) Class of construction: 1D, non-combustible and fire protected.
- (3) Certificate of Occupancy, type and number: N.A.
- (4) Alteration permit numbers and description of work done: A new building is to be constructed. Plans have been filed and approved with the New York City Department of Buildings and permits have been issued. The application number is: No. 102184832, general construction, structural, mechanical, plumbing, ventilation and air conditioning, and sprinklers.

In addition a Certificate of Appropriates has been issued by the Landmarks Preservation Commission dated March 2, 2000 C OF A # 00-4419. Construction commenced in August 2000, and is scheduled to be substantially completed by January 2002. After all the work is completed a new Certificate of Occupancy will be obtained.

(c) Site. *Discuss:*

- (1) Size: The lot is approximately 2,613 square feet and the lot coverage is full.
- (2) Number of buildings and use: There is one (1) building used for both commercial and Class A apartments.
- (3) Streets owned or maintained by the project: See site plan for location. The streets are owned and maintained by the City of New York.
 - (i) Paving (*material and condition*): The street paving is asphalt and is in fair to good condition.
 - (ii) Curbing (*material and condition*): The existing curbing is steel in good condition.
 - (iii) Catch basins, drainage (*location and condition*): See site plan for location. The catch basins are provided by the City of New York, in good condition. No visible puddling occurs.
 - (iv) Street lighting (*material, type, location and condition*): See site plan for location. The street lamps are aluminum as provided by the City of New York, and they are in good condition.
 - (v) *State whether these items are in conformity with local fire district, town or municipal building codes*: All the items above are in conformity with local fire district, town and municipal building codes.
- (4) Drives, sidewalks and ramps:
 - (i) Paving (*material and condition*): New concrete sidewalk will be installed.
 - (ii) Curbing (*material and condition*): See (3) (ii) above.
 - (iii) Catch Basins, drainage (*location and condition*): See (3) (iii) above.
 - (iv) Street lighting (*material, type, location and condition*): See (3) (iv) above.
 - (v) *State whether these items are in conformity with local fire district, town or municipal building codes*: All the items above will be in conformity with local fire district, town and municipal building codes including ADA.
- (d) Utilities. *Identify source or provider of each utility. Specifically identify which are public utilities or regulated companies and which are solely the obligation of the board of managers of the condominium. Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing:* Electrical Service: Provided by Consolidated Edison Company of New York. Individual electric meters provided for each dwelling unit and for common areas. Gas Service: Natural gas is supplied by Con Edison Energy Company. Gas service consist of one meter that provides heat and hot water and a second meter for cooking. The meters are located in the mechanical/meter room at the cellar level. Water/Sewer Service: Both fire and domestic

water service is supplied by the New York City Department of Water Supply. The water service is centrally metered prior to distribution to the domestic and fire standpipe and sprinkler systems. Drainage: The combined storm and sanitary drainage connects to the New York City Public Sewer System in Thomas Street. Telephone service is provided by Verizon.

(e) Sub-soil conditions. *Describe (including water conditions):*

- (1) *Whether uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.):* Test borings were done by C.E. Boss Co., Inc. On December 15, 1999 and they indicate undisturbed soil approximately 10.5 feet below grade of sufficient bearing capacity to support the building. There is no evidence of moisture or seepage or ground water at the depth of the foundation of the building, nor any danger of mud slides or erosion in the site or adjacent sidewalks in the immediate vicinity of the site.
- (2) *Whether there is any evidence of moisture or seepage or ground water infiltration and, if any, indicate whether corrective action is needed:* The ground water was not encountered and the boring was drilled to a depth of 36 feet.
- (3) *Whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslides or erosion and what preventive action is appropriate:* The building is in a "built up" urban area. There is no mud slides, flooding or erosion danger present.

(f) Landscaping and enclosures. *Describe:*

- (1) Grass cover (*type, location*): None
- (2) Plantings (*type, location*): None
- (3) Trees (*location*): None
- (4) Fencing (*type, location*): None
- (5) Gates (*type, location*): None
- (6) Garden walls (*type, location*): None
- (7) Retaining walls (*type, location*): None
- (8) Display pools and fountains (*location, materials*): None

(g) Building size. *Specify:*

- (1) *Total height (approximate total feet from ground level to highest part of roof):* See Schematic section for the total height of the building from the ground level to the main roof. The building will have to comply with Local Laws 10/80 and 11/99 after the construction is complete.
- (2) *Crawl spaces (floor to ceiling, height):* None
- (3) *Number of Sub-cellars and cellars:* No sub-cellar, one cellar.

- (4) Number of floors (*actual including penthouses*): There are 7 floors and a cellar.
- (5) Equipment rooms (*location and use*): There is a mechanical/meter room, elevator machine room and a boiler room in the cellar.
- (6) Parapet (*height above roof*): 3'-6"
- (h) Structural system. *Describe materials used, include type of foundation(s) and method of installation. Specify:*

The building will be constructed of steel frame consisting of beams and columns resting on a reinforced concrete matt slab and foundation walls. Floor construction will consist of steel beams, supporting a corrugated metal deck with a welded wire mesh reinforced concrete slab. The foundation of the building will consist of a new reinforced concrete matt slab and concrete foundation walls. Columns will rest on the foundation walls. The structure has been designed to support the dead load of the building and the structural components as well as the following live loads:

Residential portions	-	40 pounds/sq. ft
Commercial portions	-	100 pounds/sq. ft
Roofs	-	30 pounds/sq. ft
Terraces	-	100 pounds/sq. ft)

(1) Exterior of buildings:

- (i) Walls: *List materials, type of construction, method of construction. For New York City buildings, if Local Law 11 applies, include the entire report of the results of the inspection. If Local Law 11 is inapplicable, so state. If such inspection is required, but not performed, specify as a violation. If insulated, describe material, type, size and insulating value where available:*

The front facade of the building will be made of block and brick with cast concrete elements incorporated in to the street wall. The side wall abutting the adjacent buildings will be concrete masonry units. The rear yard wall above the first floor will be made of EIFS. The rear lot-line wall at the cellar and first floor will be concrete masonry units. Local Law 11 inspection will become required after completion of the building. Insulation will be installed as per New York City Building Code.

- (ii) Windows: *Specify type and materials in all part of the building including sills, screens, window guards, lintels, storm sash, hardware, single or double glazing and caulking. Indicate whether lot line windows exist and describe any potential future problems:*

Windows shall be extended aluminum with a painted finish and a minium ½" inch thick insulated glazing. All windows will be double hung except the windows on the street facades of the second floor which will be "tilt and turn". The windows/doors facing the patios at the second and upper PH floors will be wood patio doors with glass. At the first floor the windows are fixed

insulating glass with aluminum storefront doors and glass panels. There will be no screens or storm windows provided.

Lot Line Windows: None are proposed

(iii) Landmark status: *State whether building has landmark status and discuss consequences:* The building is in a landmark district. The building is not an individual landmark. All work has been approved by Landmarks Preservation Commission.

- (2) Parapets and copings: *State type of materials, how firmly secured in place and whether there is any indication of problems e.g., leakage, spalling, deterioration of mortar, cracking, etc.:*

There shall be 3'-6" (min) high parapets built topped with aluminum coping along the exposed facades on the east and west, the front parapet will be built of brick masonry with decorative precast elements and a copper cornice. The remaining rear exterior walls will have 3'-6" steel stud wall with an extended aluminum coping and EFIS system.

- (3) Chimneys and caps: *Indicate number, location and material of each chimney for boilers, incinerators, compactors and fireplaces. If fireplaces are not usable for wood fires, this fact must be conspicuously disclosed:*

Units 2,3, 4 and 5 will each have one prefabricated sheet-metal fireplaces with tempered glass doors. The PH unit will have two. Chimneys for these fireplaces will be class "B" (double wall) flues extending a minimum of 3 feet above the roof. In addition there is also a Class "B" (Double Wall) flue for the venting of the boiler.

- (4) Balconies and terraces. *Describe:* There shall be no balconies. However there is a terrace in the front and rear roofs of the PH lower level available for use by the owner of Unit PH. Part of the 1st floor roof will be a terrace for the 2nd floor unit. The support of furniture and planters will be the responsibility of unit purchasers.

- (i) Deck finish (*material*): None
- (ii) Balustrade (*type, material*): None
- (iii) Railings (*material*): None
- (iv) Copings (*material*): See parapets
- (v) Soffits (*material*): None.
- (vi) Doors to balconies and terraces (*type, material*): Wood with glass

- (5) Exterior Entrances. *Describe:*

- (i) Exterior doors and frames (*material, type, lock*): There is an exterior door and a vestibule door to the building. The door, frame, and hardware as well as side light and transom shall be made of aluminum and insulating glass. The door will have an electric strike. The intercom directory will be enclosed in the columns and will contain the panel which permit voice contact between the front

door and the units. There are also exterior entrances serving the Unit 1. These entrances are in the center of the facade. and the frames, doors, sidelights and transoms panels are fabricated of extruded aluminum with insulating glass.

There is also a door on the west end of the facade that matches in appearance the residential entry. This door leads to the cellar.

- (ii) Vestibule doors and frames (*material, type, lock*): See above
 - (iii) Exterior stairs (*material, location*): N.A.
 - (iv) Railings (*material, location*): N.A.
 - (v) Mail boxes (*type, location*): Mail boxes are located in the residential lobby of the building. Mail boxes are U.S. Government approved. Mail boxes are front loading, vertical type.
 - (vi) Lighting (*type, location*): There will be two (2) new incandescent mounted lights at the building entrance.
- (6) Service entrances. *Describe:*
- (i) Doors and frames (*material, type, lock*): The frames, doors, sidelights and transoms panels are fabricated of the extruded aluminum with insulating glass with a mortise lock.
 - (ii) Gates (*material, type, lock*): N.A.
 - (iii) Exterior stairs (*material, location*): N.A.
 - (iv) Railings (*materials, location*): N.A.
- (7) Roof and roof structures. *Describe:*
- (i) Type roofs for all areas:
 - (a) Material: All roofing shall be modified bitumen over a base sheet. All exposed roof edges will be installed with an aluminum gravel stop or parapet. There is a ten year warranty provided by the roof installer.
 - (b) Insulation (*size, type and insulating value if available*): 2" minimum, tapered rigid.
 - (c) Surface finish: N.A.
 - (d) Bond or guarantee: A 10-year guarantee will be provided, which will be assignable to the condominium.
 - (e) Flashing materials including counter flashing: Bitumenious sheet flashing at base of parapet walls comparable to roofing material.
 - (ii) Drains:
 - (a) Location, material and type: The roof drains are cast iron, located at roofs and roof terraces.
 - (b) Gutters and leaders (*type, material*): There is one aluminum gutter and leader at the rear of the building.

- (iii) Skylights (*location, type, material*): There is a skylight at the PH Upper Level roof and at the stair bulkhead roof, as well as above the stair which terminates at the PH Upper Level floor. There is a venting skylight at the elevator shaft roof.
- (iv) Bulkheads:
 - (a) Stairs (*material*): There is one new stair bulkhead built of steel studs clad in stucco-type finish.
 - (b) Elevator (*material*): The elevator shaft has one exposed wall facing west which is covered in roofing material.
 - (c) Other: None
- (v) Metal work at roof levels:
 - (a) Exterior, metal stairs (*material*): None
 - (b) Vertical ladders, including gooseneck (*material*): There is a painted steel ladder to the PH Upper Level roof.
 - (c) Railings (*material*): There are new steel pipe rails around the upper roof. The handrails and the parapet heights meet minimum code requirements.
 - (d) Hatches to roof (*type, material*): There is one side- hinged locking metal roof hatch at the first floor rear roof.
 - (e) Other: None
- (vi) Rooftop facilities (*describe in detail*): None
- (8) Fire escapes. *Describe at each floor and specify any unusual access situations*: None
 - (i) Location (*describe how attached and supported*): N.A.
 - (ii) Floors covered: N.A.
 - (iii) Drop ladder: N. A.
 - (iv) Type: N.A.
 - (v) Materials: N.A.
- (9) Yard and courts. *Describe each yard of court including front, rear and interior areas, listing methods of access* There is one rear yard, part of which is accessible from and appurtenant to unit 2.
 - (i) Paving (*material*): A code compliant paving system will be applied to roof terraces.
 - (ii) Drainage (*type and material*): Cast iron roof drain.
 - (iii) Railings (*material*): N.A.
 - (iv) Stairs (*material*): N.A.
 - (v) Fencing (*type and material*): N.A.

- (vi) Walls (*type and material*): N.A.
- (10) Interior stairs. *Describe:*
- (i) Number of stairs of each type: There are two public stairs. One stair extends from the cellar floor to the main roof, the other stair extends from the cellar to the PH Lower Level floor. There will be a new accessory stair from the cellar to the 1st floor, and from the PH Lower Level floor to the PH Upper Level floor.
 - (ii) Enclosure (*construction and interior finishes*): The stair walls are gypsum board and/or CMU and/or concrete, where enclosure is required.
 - (iii) Stair construction (*steel, concrete, wood*): The stairs are concrete filled steel pan stairs, the accessory stair from PH Lower Level to the PH Upper Level is constructed of wood.
 - (iv) Stringers (*material*): Steel or wood
 - (v) Treads (*material*): Wood or steel and concrete.
 - (vi) Risers (*material*): Steel or wood
 - (vii) Guard rails (*material*): Steel pipe rail or wood
 - (viii) Balustrade (*material*): Steel or wood
- (11) Interior doors and frames. *Describe material, type and location for each, and state whether fireproof or exceeds fire/safety standards:*
- (i) Unit entrance and interior doors and frames: Entrance doors and frames are hollow metal and 1 ½ hr. Fire Proof Self Closing. Interior doors are hollow core wood doors and frames.
 - (ii) Corridor doors and frames: None
 - (iii) Stair hall doors and frames: Hollow metal fireproof self closing 1 ½ hr. rated.
 - (iv) Roof doors, basement doors and frames: Roof and cellar doors are hollow metal 1 1/2 hr. Fire Proof Self Closing.
- (12) Elevators. *Describe:* There is one elevator in the building. The elevator will be new and installed by the sponsor. All related components but not limited to cab, motor, rails, etc. will be new.
- (i) Number of passenger and service elevators: 1 passenger
 - (ii) *Manufacturer, age of each and capacity (in pounds and number of passengers):*
Capacity 2,000 lbs., 13 persons

- (iii) Type of operation for each elevator by elevator number or location in building
(for large numbers of elevators describe by class-passenger/freight): Automatic passenger
 - (iv) Automatic (type of controls): Automatic
 - (v) Floors served: Cellar through PH Upper Level.
 - (vi) Type (hydraulic, gearless): Hydraulic
 - (vii) Doors (sliding, swinging, manual, automatic): Sliding
 - (viii) Location of machine rooms: Cellar
 - (ix) DC motor (manufacturer): N.A.
 - (x) AC motor-generator set (manufacturer): Has not been determined
 - (xi) Other: None
- (13) Elevator cabs, Passenger. Describe:
- (i) Kind (manufacturer): Manufacturer has not been determined.
 - (ii) Floor (material): Reinforced vinyl tile
 - (iii) Walls (material): Plastic laminated
 - (iv) Ceiling (material): Suspended plastic diffuser
 - (v) Lighting (describe): Fluorescent.
 - (vi) Alarm, safety system: Standard stop and alarm button
- (i) Auxiliary Facilities:
- (1) Laundry rooms. Describe: None
 - (i) Location and number of rooms: N.A. Each unit will be provided with connection for laundry equipment.
 - (ii) Clothes washers, number and type (e.g., heavy duty, coin operated, electric, gas): N.A.
 - (iii) Clothes dryers (number and type): N.A.
 - (iv) Room ventilation (method and final exhaust): N.A.
 - (v) Dryer ventilation (method and final exhaust): Mechanical through the roof.
 - (2) Refuse Disposal. Describe, including :A room for the storage of refuse and recycling shall be provided in the cellar. There are no other auxiliary facilities.
 - (i) Incinerator(s) (number, location, capacity, type, manufacturer): None
 - (ii) Compactor(s) (number, location, capacity, type, manufacturer): None
 - (iii) Approvals by Authority Having Jurisdiction (date of each approval): N.A.
 - (iv) Initial storage location (ultimate storage location): Initial storage location will be within each apartment; ultimate storage location will be in the refuse room.
 - (v) Pick-up schedule (whether public or private provider): The pick-up is by the New York City Department of Sanitation on a regular basis. Refuse from commercial space will be removed by commercial haulers at the commercial tenants' expense.

(j) Plumbing and drainage:

- (1) *Water supply. Describe system, pumps, storage and location:* Water shall be supplied by the City of New York through a water main located in Thomas Street. A copper domestic water service of 2 ½ inch diameter shall enter through the front wall on Thomas Street. Cold water risers of sufficient diameter shall serve the units in common. These main and branches will be copper pipe. All of the exposed piping in the cellar will be insulated.
- (2) *Fire protection system. Describe:*
 - (i) *Standpipes (material, size, location):* Combination Sprinkler/Standpipe see item (2)(iii).
 - (ii) *Hose racks, hoses and nozzles (location):* See item (2) (iii).
 - (iii) *Sprinkler heads (type system, location):* A 6" diameter schedule 40 steel pipe sprinkler/standpipe service entrance shall enter the cellar on Thomas Street from the 6" curb valve box in the sidewalk and shall be distributed throughout the building via mains and branches so as to furnish full sprinkler coverage for the entire structure. There shall be a 4" standpipe in the stair with a fire hose cabinet in the lobby. The service will be complete with all controls and valves. The system shall be a wet system consisting of Schedule 40 black steel pipe with fusible link heads. The entire system will be supplemented by a siamese connection located at Thomas Street and a booster pump in the cellar. All appropriate drawings and forms and permits and sign offs will be obtained.
 - (iv) *Siamese connection (type, location):* One siamese connection is located at the building facade.
- (3) *Water storage tank(s) and enclosures. Describe:* There are no provisions within the structure or on the roof for water storage facilities and none are required by the law since there is a booster pump in the cellar.
 - (i) *Number, type, location of each:* None
 - (ii) *Material (interior, exterior and roof of tank):* N.A.
 - (iii) *Access to tank (e.g., vertical gooseneck ladder):* N.A.
 - (iv) *Capacity (total gallons):* N.A.
 - (v) *Capacity (fire reserve):* N.A.
- (4) *Water pressure and how maintained:* To maintain a required pressure at plumbing fixtures, a constant pressure booster system is located in the cellar.
- (5) *Sanitary sewage system. Describe, including:* All sanitary sewage shall be drained through no-hub standard weight cast iron pipe with gasketed fittings sized in accordance with New York City Building Code to house trap in the cellar at Thomas Street. The house trap will be connected to a new 8 inch diameter cast iron combined sewer which will be connected to the combined sewer in Thomas street. The sanitary system shall be vented through a separate system of cast iron no-hub pipe. All plumbing pipe below the cellar floor will be service weight cast iron with extra heavy no-hub connectors.

- (i) *Sewage piping (materials)*: No-Hub cast iron sanitary system inside the building is connected to the house sewer to the street.
 - (ii) *Sewage pumps (if any)*: A duplex sewer ejector is located below the slab in the cellar on Thomas Street for the ejection of sewage from the cellar level plumbing fixtures and floor drains.
 - (iii) *Sewage disposal (public/private; treatment; drainfield sewer)*: City of New York.
- (6) Permit(s) required. *List and include date(s) obtained*: All plans have been filed and approved as part of the project filing listed above.
- (7) *Storm drainage system. Describe system, adequacy, method of disposal and materials including*: Storm drainage system is connected to combined building drain inside the building with connection to the house sewer to the street.
 - (i) *Catch basins (location)*: None
 - (ii) *Yard and roof drains (location)*: There are roof drains at every roof terrace. The penthouse upper level roof is drained via scupper and leader to the roof terrace below.
 - (iii) *Piping (materials)*: Piping is cast iron. Drains are cast iron. Exterior leaders are aluminum.
 - (iv) *Eject or sump pumps (describe in detail and describe conditions requiring pumps)*: None for storm drainage.
- (k) Heating. *Describe including space heating and domestic hot water heating*:
 - (1) *Heating and distribution of domestic hot water and whether capable of providing peak required services. Describe heating system's ability to maintain legally required conditions under anticipated weather conditions, specifying internal temperature and ambient temperature used in calculations*: The building will have a Weil McLain Boiler Model #EGH450 in the cellar with an input of 450 MBH with a New York City MEA #160-75-E. Each residential unit (2 through PH and upper PH) shall have baseboards. Hot water will be circulated through the apartment by means of a circulating hot water pump. Copper pipe will make up the mains and risers to convection heating elements. The boiler will be controlled by an outside demand sensor. The actual controls have not been determined or submitted by heating contractor. There is no heat in the smaller baths at the typical floors or the ½ bath on the upper PH floor. Heating Unit 1 and the common areas will be heated by the above listed building boiler and have base board heaters with electronic control valves with a remote thermostat. There is no heat in the commercial bathrooms. The heating system is adequate and maintains comfortable conditions under anticipated weather conditions. The internal temperature and base is calculated at 72 degrees. Domestic hot water will be provided via an A.O. Smith BTC 154 hot water heater with 154 MBH input, 89 gal. and a New York City MEA #97-92-E. Domestic hot water will be supplied to the various plumbing fixtures in each unit via copper pipe. Domestic hot water will be

supplied to the commercial unit by means of 20 gallon electric water heater. All hot water pipes will be insulated.

- (2) *Number of boilers and description:* One new as described above.
- (3) *Manufacturer and age of boiler(s) (model, capacity; alternatively, give type, approximate age and approximate remaining useful life):* New as described above.
- (4) *Manufacturer and age of burners (model; alternatively, give type and approximate remaining useful life):* New and integral to boiler as described above.
- (5) *Type of controls:* Manufacturer is not determined. The controls will be a low water cut-off, back flow preventer, heat timer.
- (6) *Radiators, piping, insulation, valves, pumps:* See above.
- (7) *Fuel (for oil give type and grade):* Natural gas.
- (8) *Location of oil tank, materials, enclosure:* N.A.
- (9) *Capacity of oil tank:* N.A.
- (10) *For gas (details on type and supply system):* Natural gas supplied via item (1) below.
- (l) Gas supply (if not described above). *Describe:* A new gas service will enter from Thomas Street.
 - (1) *Type:* Natural
 - (2) *Meters:* There will be two gas meters. One gas meter will supply the building's boiler and hot water heater. The second gas meter will supply the building's apartments with gas for cooking.
 - (3) *Piping:* Standard weight black steel.
- (m) Air conditioning. *Describe cooling system's adequacy to maintain comfortable conditions under anticipated weather conditions, specifying internal temperature and base ambient temperature used in calculations. Describe:* Each floor of the building from the cellar to the PH Upper Level has an electrically powered AC unit. Compressors and condensers for the cellar through PH Lower Level are located on the PH Upper Level roof. Refrigeration lines shall connect these units to air handlers located at the ceilings of units cellar through PH Lower Level. Cooled air shall be circulated by means of sheet metal or ductwork as required by the particular needs of the unit. In addition, the PH Upper Level has a package rooftop system which will supply conditioned air directly to the PH Upper Level via sheet-metal or metal ductwork.
 - (1) *Type of system:* Air cooled split systems, except for the package unit at the upper PH floor roof.

- (2) *Central system (give manufacturer, model and capacity):* The system shall be a Carrier split system or equivalent. Condensers and air handlers shall be Carrier or equivalent. Rooftop package units shall be Carrier or equivalent. The model numbers for the split system in units 2 through 5 and the 1st floor of unit PH (PH floor) are Carrier FG3A-048 and 38CK-048; for the split system in unit 1 (cellar) Carrier FG3A036 and 38CK-036, for the split system in unit 1 (1st floor) Carrier 40BA009 and 38AQS008, and for the packaged rooftop unit for the top floor of unit 6 Carrier 48HJ005. Each unit has the appropriate New York City Approved MEA #'s.
- (3) *Cooling towers, condensers (roof top, self-contained units, including number, location and description):* N.A.
- (4) *Individual units covered by the offer (window/sleeve - specify number, capacity, amperage and efficiency):* N. A.
- (n) Ventilation. *Describe system in kitchens, fireplaces and all windowless areas such as corridors, garages, laundries, baths, etc.:* All kitchens are naturally ventilated with additional exhaust hoods for stoves. All bathrooms are mechanically ventilated.

Fresh air will be provided to the elevator machine room and the gas meter room by means of ducts to the outside. The refuse storage area will also be vented to the outside. All dryers are electric and will have individual ducts to the roof of the building. These ducts are not required with electric dryers and may require maintenance. The cellar corridor, office spaces, elevator, and elevator machine will be ventilated as required by the New York City Building Code.

- (o) Electrical system. *Specify:*
 - (1) *Service from main service switchgear (amperes, voltage, phases, wire, protective equipment):* 900 amp, 208 V, 3 ph, 4 wire, main 1200 A switch fused at 900 amp. All equipment will be new.
 - (2) *Service to individual units (risers, etc.):* Service to individual units are as follows: Unit 1: 200-amp, 3-phase/Units 2 through PH: 100-amp, single phase in each apartment.
 - (3) *Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards):* N.A.
 - (4) *Unit service (ratings of fuses and circuit breakers); adequacy of electrical system to handle modern usage and appliances such as air conditioners, dishwashers and dryers:* See (2) above.
 - (5) *Adequacy:*
 - (i) *Service - average number of circuits per apartment and capacity to handle modern appliances - specifically air conditioners, dishwashers and electric dryers:* Apartment service has been designed to accommodate appliances, air conditioners, lighting and miscellaneous household electrical requirements. The service meets code.

- (ii) Lighting and fixtures: Bathrooms, some halls and foyers have ceiling or wall mounted incandescent fixtures. The lighting meets code.
- (iii) Convenience outlets, appliance outlets: There is one outlet per appliance and each room having an average of three convenience outlets except bathrooms and kitchens which have at least one each. The outlets meet code.
- (p) Intercommunication and/or door signal systems, security closed circuit TV. Specify mode of operation and condition. Describe television reception facilities (master antennae, cable TV, antennae by tenants): All residential units shall be connected to an intercom and remote door release system with an annunciator panel located outside the lobby entrance. Each unit shall be provided with one apartment station for communication. All residential units shall have cable television and telephone connection terminals.
- (q) Public area lighting. Describe and state adequacy (entrances, halls and stairs, corridors, basements, courts and yards): The lobby entrance, lobby and public stairway shall be adequately lit with surface mounted lighting. The common areas in the cellar shall be adequately lit by wall or ceiling surface mounted lighting.
- (r) Garages and parking areas. Describe: There are no parking or garage facilities on the site and none required by law.)
 - (1) Location of garages (*description of facility*): None
 - (2) Location of parking areas (*number of spaces in each*): None
 - (3) Surfaces (*materials used, lighting, fencing, etc.*): N.A.
 - (4) Parking (*attended or not attended*): N.A.
 - (5) Garage ventilation (*method and equipment*): N.A.
 - (6) Garage fire protection (*method and equipment*): N.A.
 - (7) Drainage: N.A.
- (s) Swimming pool(s). Describe in detail: There will be no swimming pool or other recreational facilities provided.
 - (1) Type (*concrete, material composition*) and location on property: N.A.
 - (2) Size, including length, width, depth, and approximate number of bathers permitted at any time: N.A.
 - (3) Enclosure (*material including roof*): N.A.
 - (4) Pumping and filter system (*describe material*): N.A.
 - (5) Water heating equipment or usage of building's hot water (*feed or heat exchangers*): N.A.
 - (6) If on building roof, specify structural support system: N.A.
- (t) Tennis courts, playgrounds and recreation facilities.
 - (1) Tennis courts. *Describe:*
 - (i) Type (*clay, macadam, turf*): N.A.
 - (ii) Number and size: N.A.

- (iii) Lighting (*number and type*): N.A.
- (iv) Fencing or enclosure (*including distance between fence or enclosure and all sides of court*): N.A.
- (2) Playgrounds. *Describe location and size(s) of playground(s), fencing (if any), equipment types and sand bed or safety padding*: None
- (3) Other recreation facilities. *Describe any beach or lake front, boating facilities, golf course(s), handball, basketball or other game courts*: None
- (u) Permits and certificates. *List all applicable permits which must be obtained and inspections which are to be done. List type of inspection, authority inspecting and duration of approval once obtained. Include all compactors, incinerators, boilers, oil storage, tanks, elevators, etc. In New York City include Department of Air Resources, Elevator Safety, Boiler Safety, Fire Department and Buildings Department permits: All these inspection and reports must be filed with Department of Buildings and all necessary defects corrected.*
 - (1) Department of Air Resources: A new boiler will be installed and has been filed with the Department of Buildings.
 - (2) Elevator Safety: A new elevator will be installed, see above. Annual inspections and 5-year tests will have to occur.
 - (3) Boiler Safety: A new boiler will be installed and signed off. Annual inspections will have to occur.
 - (4) Fire Department: Fire protection plan will be filed and approved.
 - (5) Buildings Department: An "NB" application was filed for a new building. Drawings are approved. Sign off will have to be obtained. The sprinkler and standpipe system will require annual inspections by the building's sprinkler maintenance company
 - (6) Permits: Construction, plumbing, fire protection, electrical, landmark, mechanical, structural, elevator, boiler, DOT.
 - (7) Inspections: Construction, plumbing, fire protection, electrical, landmark, elevator, and boiler prior to obtaining a new C of O.
- (v) Violations. *List all violations outstanding as of the date of this report and the agency imposing the violation, the condition involved, the date violation issued, and work required by violation notice to cure. If no violations are outstanding, so state: At the date of this report, there are NO open Building Department violations and NO open Environmental Control Board violations.*
- (w) Unit Information. *Specify the number of units inspected. Specify the unit designations for each typical unit or line of units, including the number and type of rooms. Give criteria for calculations of the number of rooms. For lofts give useable residential space in square feet. Describe (include foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.): All units and commercial spaces were inspected. Square footages for usable square feet are provided on drawings.*

<u>Unit No.</u>	<u>Type</u>	<u>Rooms</u>	<u>Description</u>
Cellar	Comm	NA	Comm and utility
1st fl	Comm	NA	Comm/bldg lobby
2nd-5th fl	1 Class A Unit (each)	4 ½	Living room, 2 bedrooms, 2 baths, kitchen
PH	1 Class A Unit (duplex)	7 ½	Living room, 3 bedrooms, 2 1/2 baths, kitchen, dining room

- (1) *Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used:* Ceilings and walls are primed and painted. Floors are wood. Bathrooms have ceramic tile on floors, shower surrounds and base. Room walls and ceilings are gypsum board. Bath walls are water resistant type "MR" gypsum board and wonder board around tubs/showers.

- (2) Describe presence, type and condition of all bathroom fixtures:

All bathrooms will have new water closets, lavatories, and bathtubs. All powder rooms will have a new water closet and lavatory.

Bath: W.C. (1) - Kohler, Wellworth K-3423, White, Vitreous China or equal
Lavatory (1) - Kohler, Pennington K-2196, White, Vitreous China or equal
Tub (1) - Crane Plumbing, San Marcos 2-206X, Enameled steel or equal

Master Bath: W.C. (1) - Kohler, Wellworth K-3423, White, Vitreous China or equal
Lavatory (2) - Kohler, Pennington K-2196, White, Vitreous China or equal
Shower (1) - Moen, Chateau Posi-Temp L2363 or equal
Tub (1) - Crane Plumbing, San Marcos 2-206X, Enameled steel or equal

Powder Room: W.C. (1) - Kohler, Wellworth K-3423, White, Vitreous China or equal
Lavatory (1) - Kohler, Pennington K-2196, White, Vitreous China or equal

In each bathroom, accessories included:

Towel bars
Toilet paper holder
Shower rod
Medicine cabinet

- (3) Describe presence, type and condition of kitchen and laundry equipment:
- (i) *If data is substantially the same for all units, a single narrative may be substituted for this schedule:* Kitchen equipment provided for the units will be:
- (a) Refrigerator: G. E. Model No. GSS25JEMCC or equal
(b) Dishwasher: G. E. Model No. GSD5360FSS or equal

(c) Range/Oven: G. E. Model No. JGBP90MEBBC or equal

- (ii) *If any equipment or fixtures described are not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.*

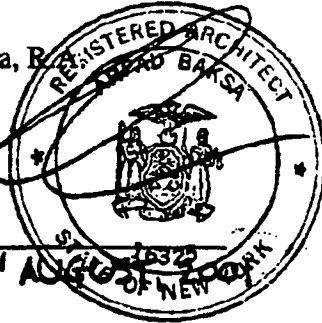
In each kitchen or kitchenette: Kitchen cabinets and counters are made of plastic laminate. Kitchens and cabinets are new as provided by the sponsor.

Laundry Equipment: No equipment, hook-ups only which include water supply and waste and dryer vent.

- (x) Finish schedule of spaces other than units. The following is a form of schedule to be given for each floor. *(Include all common rooms and spaces including but not limited to: Sub-sub cellar, sub-cellar, basement, cellar, first floor, penthouse floor, public and service halls, corridors, lobbies):* The lobby shall have a concrete floor, painted gypsum wallboard ceiling and walls. All stairways, landings, corridors, and public areas in the cellar shall have concrete floors. Ceilings are gypsum drywall. Walls are gypsum drywall or painted concrete.
- (y) Safety and warning devices. *Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed:* Smoke detectors are located at sleeping areas, elevator machine rooms, boiler rooms. Smoke detectors are located in all residential units. All required devices will be installed. Smoke detectors are provided adjacent to each bedroom in each dwelling unit. These smoke detectors are hardwired to individual apartment panels. A local sprinkler alarm system is provided.
- (z) Additional information required. *Include the following in the Description of Property and Building Condition section of the plan:*
- (1) *A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot):* The building covers the entire lot.
 - (2) *An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area):* The building is located in a highly urban area.
 - (3) *Floor Plans for each unit drawn to scale and showing room dimensions:* See plans enclosed.
 - (4) *Floor to ceiling heights of units:* See building section.
 - (5) *Approximate total area of each unit:* Approximate total areas are located on each floor plan.

- (6) A master floor plan showing unit boundaries and the relationship of units to each other. *The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations: Full floors illustrating unit boundaries are enclosed.*

Arpad Baksa, R.



Date

6TH AUGUST 1932

ARPAD BAKSA
ARCHITECT, P.C.

25 West 43rd Street, suite 1616
New York, New York 10036-7406
tel: 212.768.4191
fax: 212.768.4473
e-mail:
abaksa@arpad-baksa-architect.com
www.arpad-baksa-architect.com

ADDENDUM
DESCRIPTION OF PROPERTY AND BUILDING CONDITION

PREPARED BY THE OFFICE OF

ARPAD BAKSA ARCHITECT, P.C.
(WITH THE AIDE OF CONSULTANTS BELOW)

ADDRESS: 58 Thomas Street
New York, New York 10013

Block: 147
Lot: 24
Zoning: C6-2A
Map: 12a

REQUESTING PARTY: 58 Thomas Street Associates, LLC
c/o On The Level Enterprises
145 Hudson Street, Suite 706
New York, NY 10003

STRUCTURAL ENGINEER: Albert Piao Kung
6 East 46th Street, #402
New York, NY 10017
212-682-1707

MEP ENGINEER: Kenneth Delves
Midel Technical Associates
509 Eighth Avenue, #3R
Brooklyn, NY 11215
718-788-7190

ADDENDUM

II. Describe the condition of the following items:

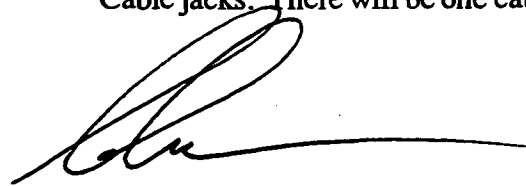
1. *Compliance with Local Law 58:* The building complies with Local Law 58.
2. *Materials and "R" value of the exterior walls:* R 11 minimum, batt insulation.
3. *"R" value of the roof insulation:* 2" minimum rigid with an R 19 value.
4. *Make, model numbers, warranties & guarantees of the windows:* Windows shall be extruded aluminum with a painted finish and a minimum ½" inch thick insulated glazing. All windows will be double hung except the windows on the street facades of the second floor which will be "tilt and turn". The windows/doors facing the patios at the second and upper PH floors will be wood patio doors with glass. At the first floor the windows are fixed insulating glass with aluminum storefront doors and glass panels. There will be no screens or storm windows provided. The make of the windows is a Crystal Aluminum window, Model No. 2000, with a 5-year warranty.

Lot Line Windows: None are proposed

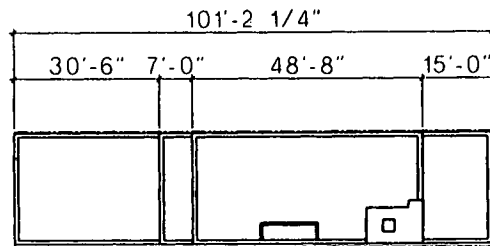
5. *Materials of the skylights:* There is a skylight at the PH Upper Level roof and at the stair bulkhead roof, as well as above the stair which terminates at the PH Upper Level floor. There is a venting skylight at the elevator shaft roof. The skylights will be made out of galvanized steel.
7. *Make and model numbers of the fire places:* Units 2,3, 4 and 5 will each have one prefabricated sheet-metal fireplaces with tempered glass doors. The PH unit will have two. Chimneys for these fireplaces will be class "B" (double wall) flues extending a minimum of 3 feet above the roof. The make of the fireplaces is Majestic Fireplace, Model No. SR42, wood-burning.
8. *Adequacy of the a/c system:* A/C service meets code.
9. *Number and location of the phone/cable jacks in the units:*

Phone jacks: There will be one phone jack in each of the bedrooms, kitchens, and living rooms.

Cable jacks: There will be one cable jack in each of the bedrooms and living rooms.



Arpad Baksa, R.A.



THOMAS STREET

LEGEND

- CATCH BASIN
- STREET LIGHT
- HYDRANT
- SUBWAY GRATING
- SUBWAY STAIRS

CHURCH STREET

CURB LINE

PLOT PLAN

17 MAY 01



ARPAD BAKSA ARCHITECT, P.C.
 25 West 43rd Street
 New York, New York 10036-7406
 Tel (212) 768.4191 Fax (212) 768.4473
 e-mail:
 abaksa@arpad-baksa-architect.com

LEGEND

B. BATHROOM

B.R. BEDROOM

C. COMMON

CL. CLOSET

COM. COMMERCIAL

COR. CORRIDOR

D. DEN

D.A. DINING AREA

E. ELEVATOR

E.E.R. ELEVATOR EQUIPMENT RM

E.S. ELEVATOR SHAFT

F. FOYER

F.ST. FIRE STAIR

G. GARBAGE CHUTE

H. HALL

K. KITCHEN

L. LOBBY

L.C. LIMITED COMMON

L.R. LIVING ROOM

M.R. METER ROOM

O. OFFICE

P. WARMING PANTRY

PIT ELEVATOR PIT

P.R. PUMP ROOM

PWD. POWDER ROOM

R. RAMP

S. STORAGE

S.L. SKYLIGHT

ST. STAIR

T. TERRACE

U. UTILITY ROOM

V. VESTIBULE

W/D WASHER/DRYER

C.  GENERAL COMMON

U.B.  UNIT BOUNDARY

P.C.  PENTHOUSE LIMITED COMMON

C.C.  COMMERCIAL LIMITED COMMON

R.C.  RESIDENTIAL LIMITED COMMON

TOP OF PARAPET
 EL. +99.06
 ROOF
 EL. +97.56

 7TH FLOOR
 EL. +84'-8"

 6TH FLOOR
 EL. +73.83

 5TH FLOOR
 EL. +62.56

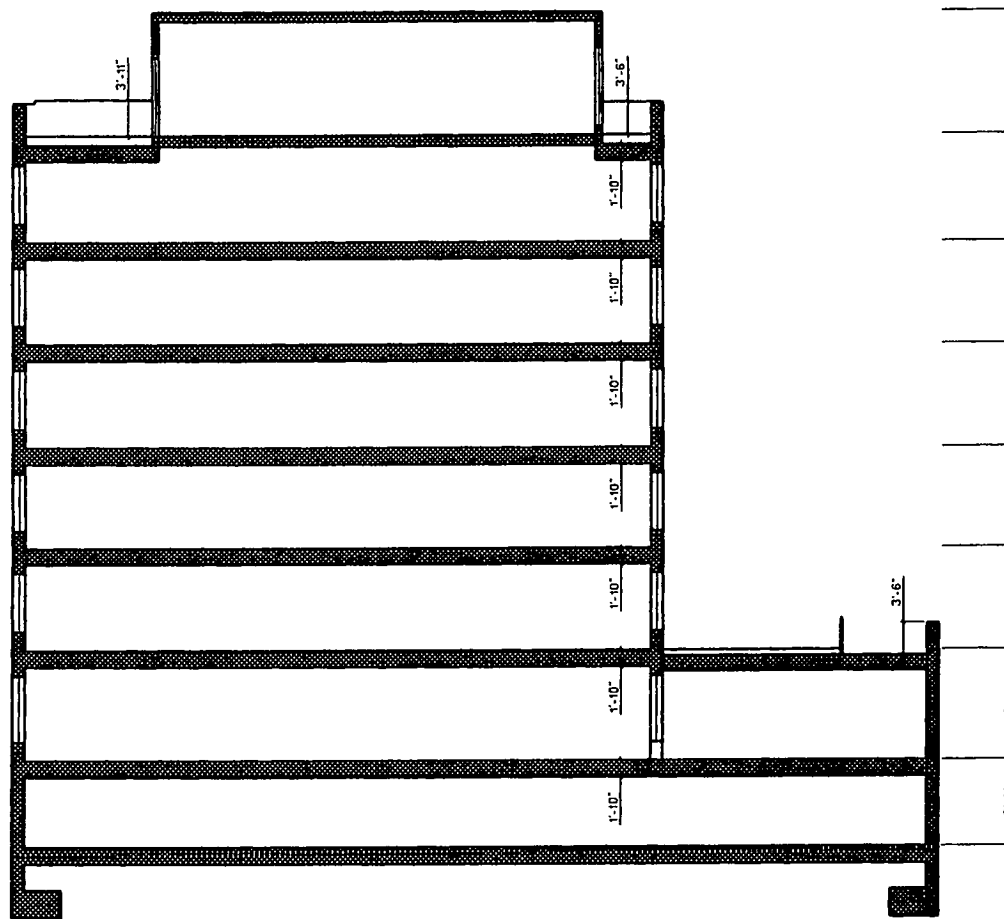
 4TH FLOOR
 EL. 51.33

 3RD FLOOR
 EL. +40.06

 2ND FLOOR
 EL. +26.83

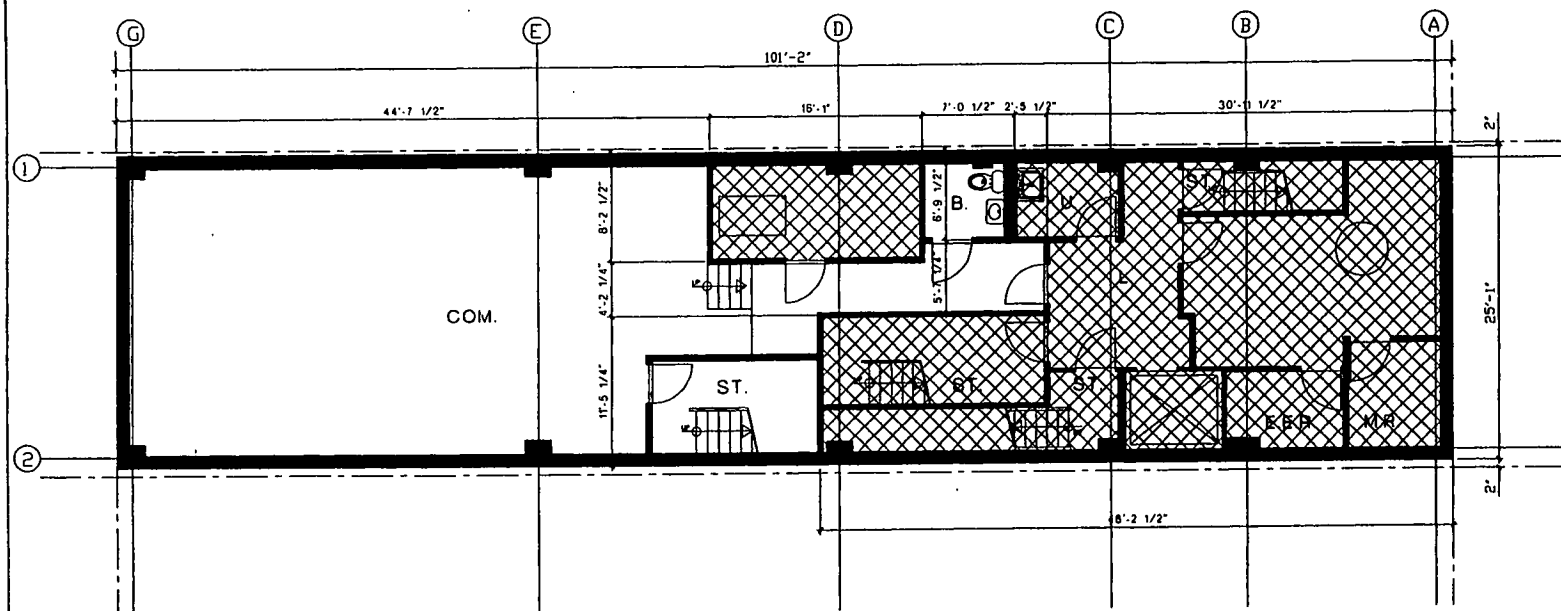
 1ST FLOOR RESIDENTIAL
 EL. +16.89
 1ST FLOOR COMMERCIAL
 EL. +16.64

 CELLAR
 EL. +7.14



SCHEMATIC SECTION

ARPAD BAKSA ARCHITECT, P.C.
 25 West 43rd Street
 New York, New York 10036-7406
 Tel (212) 768.4191 Fax (212) 768.4473
 e-mail:
 abaksa@arpad-baksa-architect.com



UNIT C - COMMERCIAL

APPROX. SF : 1435 SF
TAX LOT NO. 1501
(INCLUDES UNIT 1)

RESIDENTIAL COMMON:

APPROX. SF : 0 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF : 0 SF

GENERAL COMMON:

APPROX. SF : 1103 SF

TOTAL AREA:

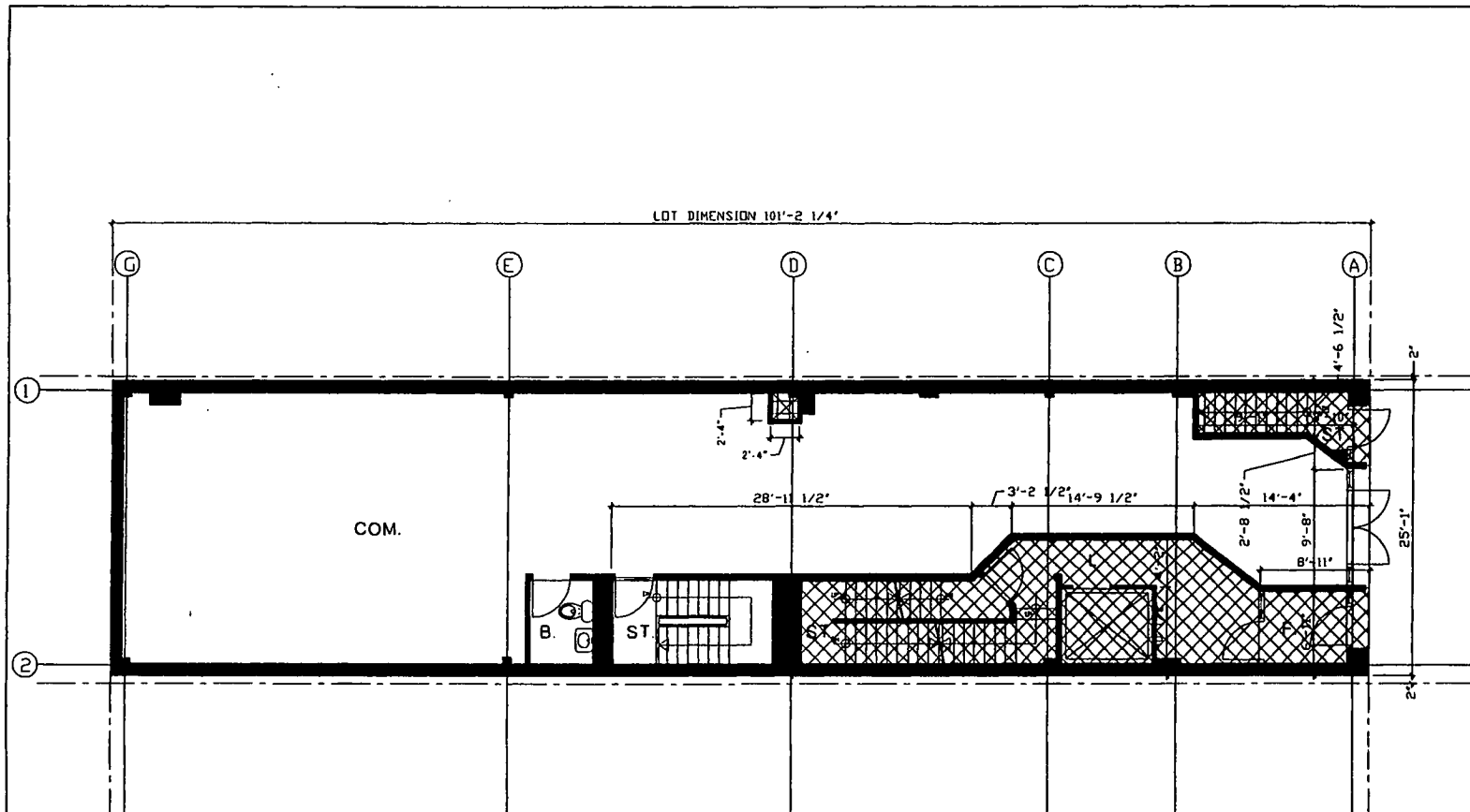
APPROX. TOTAL SF : 2538 SF

17 MAY 01

REV 09 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
25 West 43rd Street
New York, New York 10036-7406
Tel (212) 768.4191 Fax (212) 768.4473
e-mail:
abaksa@arpad-baksa-architect.com





1ST FLOOR PLAN

UNIT I - COMMERCIAL

APPROX. SF : 2028 SF
TAX LOT NO. 1501
(INCLUDES UNIT C)

RESIDENTIAL LIMITED COMMON:

APPROX. SF : 0 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF : 6 SF

GENERAL COMMON:

APPROX. SF : 504 SF

TOTAL AREA:

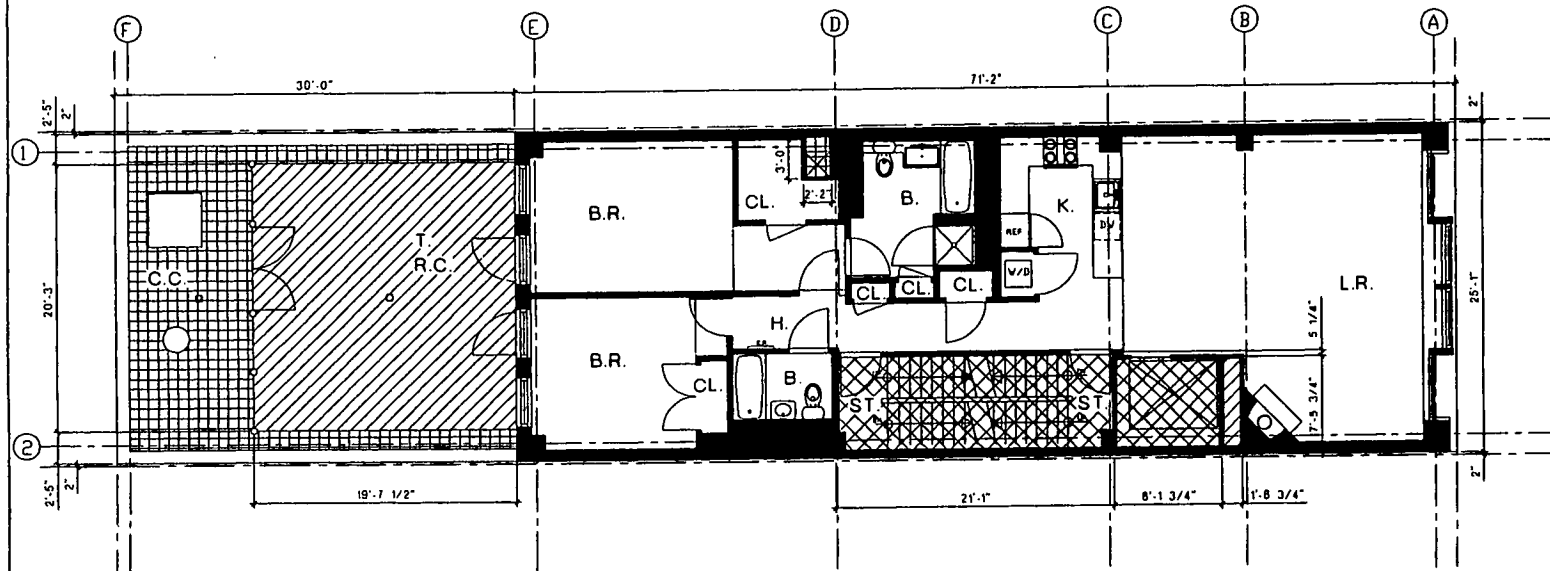
APPROX. TOTAL SF = 2538 SF

17 MAY 01

REV 09 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
25 West 43rd Street
New York, New York 10036-7406
Tel (212) 768.4191 Fax (212) 768.4473
e-mail:
abaksa@arpad-baksa-architect.com





2ND FLOOR PLAN

UNIT 2 - RESIDENTIAL
 APPROX. SF : 1542 SF

TERRACE PART OF UNIT RESIDENTIAL
 APPROX. SF : 397 SF

TAX LOT NO. 1502

RESIDENTIAL LIMITED COMMON:
 APPROX. SF : 12 SF

COMMERCIAL LIMITED COMMON:
 APPROX. SF : 359 SF

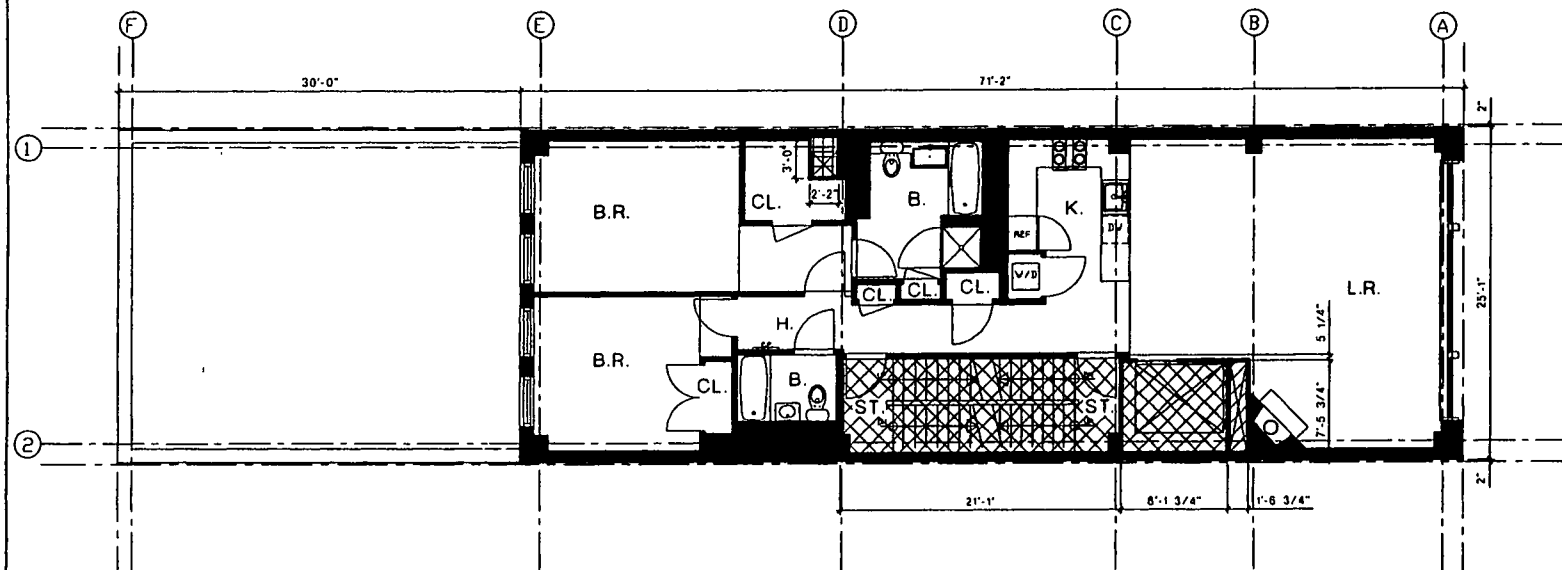
GENERAL COMMON:
 APPROX. SF : 228 SF

TOTAL AREA:
 APPROX. TOTAL SF : 2538 SF

17 MAY 01 REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
 25 West 43rd Street
 New York, New York 10036-7406
 Tel (212) 768.4191 Fax (212) 768.4473
 e-mail: abaksa@arpad-baksa-architect.com





3RD FLOOR PLAN

UNIT 3 - RESIDENTIAL

APPROX. SF : 1542 SF

TAX LOT NO. 1503

RESIDENTIAL LIMITED COMMON:

APPROX. SF : 12 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF : 6 SF

GENERAL COMMON:

APPROX. SF : 228 SF

TOTAL AREA:

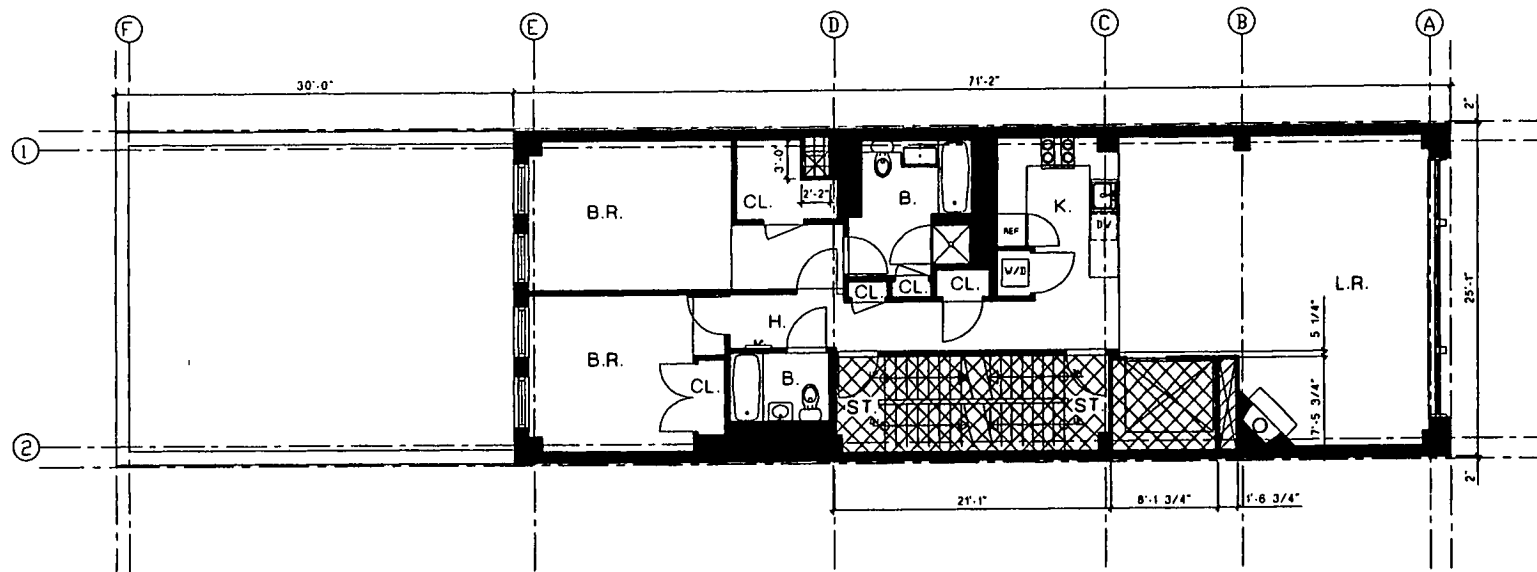
APPROX. TOTAL SF : 1788 SF

17 MAY 01

REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
25 West 43rd Street
New York, New York 10036-7406
Tel (212) 768.4191 Fax (212) 768.4473
e-mail:
abaksa@arpad-baksa-architect.com





4TH FLOOR PLAN

UNIT 4 - RESIDENTIAL
 APPROX. SF : 1542 SF
 TAX LOT NO. 1504

304

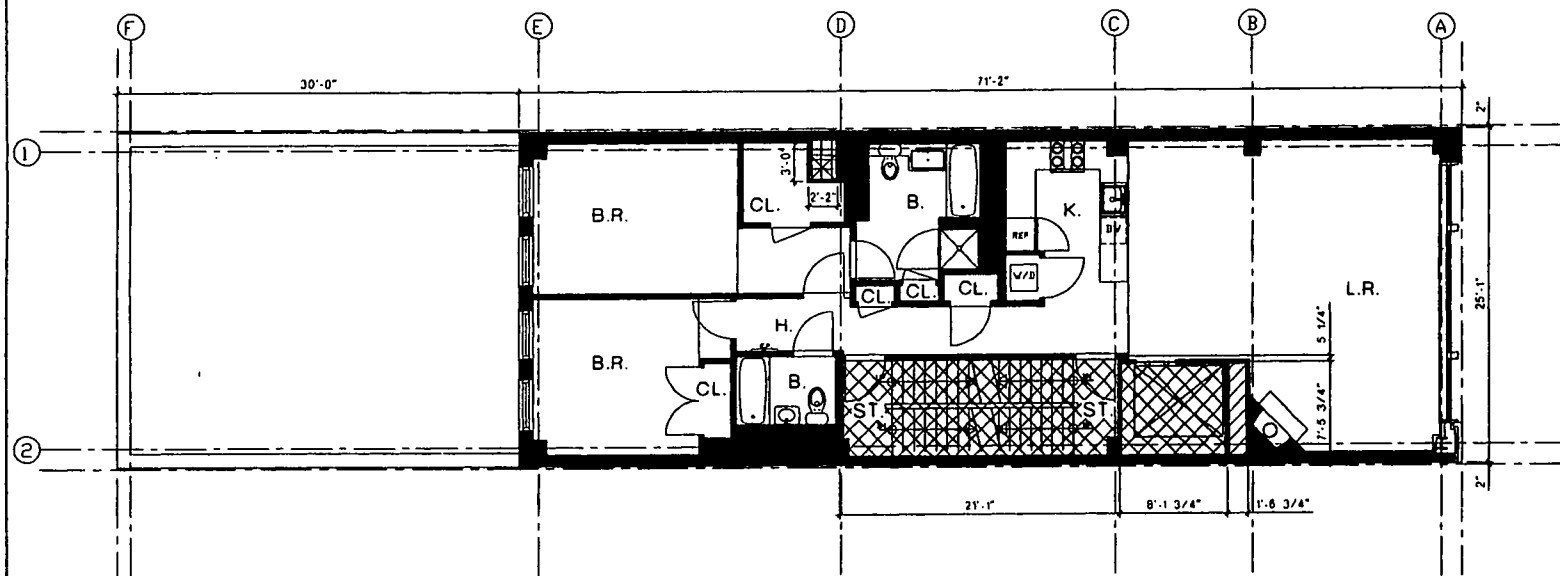
RESIDENTIAL LIMITED COMMON:
 APPROX. SF : 12 SF
COMMERCIAL LIMITED COMMON:
 APPROX. SF : 6 SF
GENERAL COMMON:
 APPROX. SF : 228 SF

TOTAL AREA:
 APPROX. TOTAL SF : 1788 SF

17 MAY 01 REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
 25 West 43rd Street
 New York, New York 10036-7406
 Tel (212) 768.4191 Fax (212) 768.4473
 e-mail:
 abaksa@arpad-baksa-architect.com





5TH FLOOR PLAN

UNIT 5 - RESIDENTIAL
 APPROX. SF : 1542 SF
 TAX LOT NO. 1505

RESIDENTIAL LIMITED COMMON:
 APPROX. SF : 12 SF

COMMERCIAL LIMITED COMMON:
 APPROX. SF : 6 SF

GENERAL COMMON:
 APPROX. SF : 228 SF

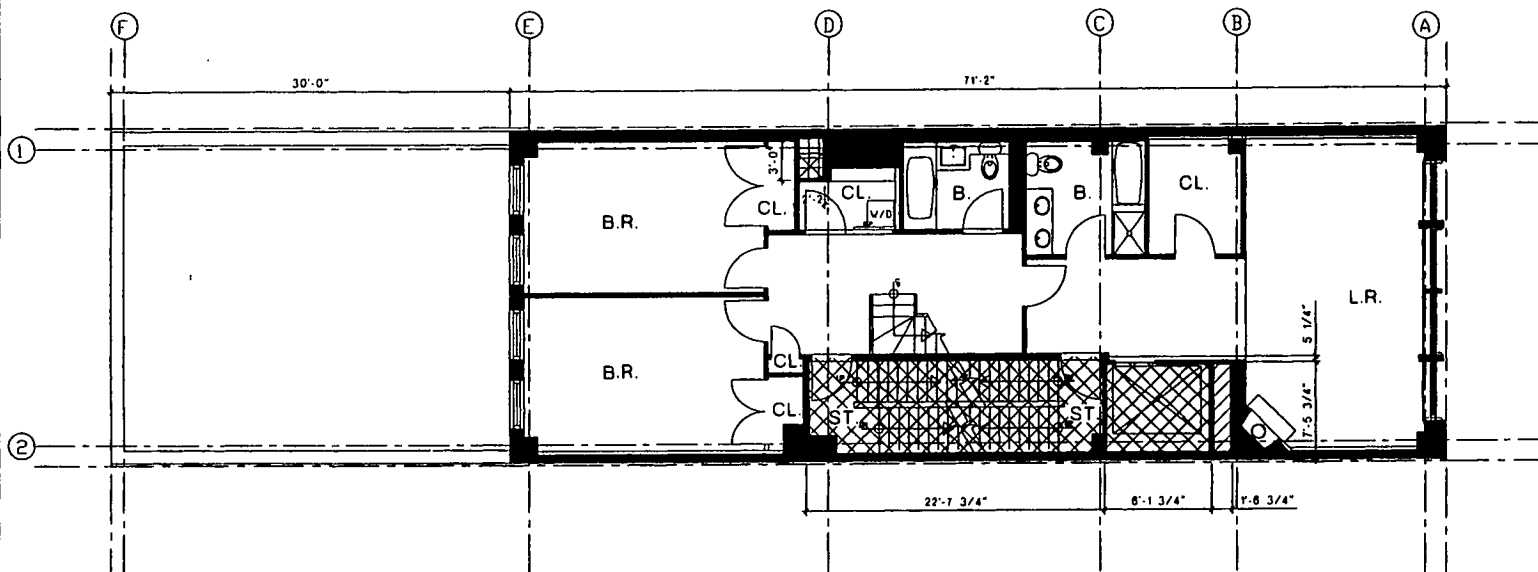
TOTAL AREA:
 APPROX. TOTAL SF : 1788 SF

17 MAY 01 REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
 25 West 43rd Street
 New York, New York 10036-7406
 Tel (212) 768.4191 Fax (212) 768.4473
 e-mail:
 abaksa@arpad-baksa-architect.com



305



PH LOWER LEVEL PLAN

UNIT 6 - RESIDENTIAL

APPROX. SF : 1529 SF

TAX LOT NO. 1506

(DUPLEX - INCLUDES PENTHOUSE)

306

RESIDENTIAL LIMITED COMMON:

APPROX. SF : 12 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF : 6 SF

GENERAL COMMON:

APPROX. SF : 241 SF

TOTAL AREA:

APPROX. TOTAL SF : 1788 SF

17 MAY 01

REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.

25 West 43rd Street

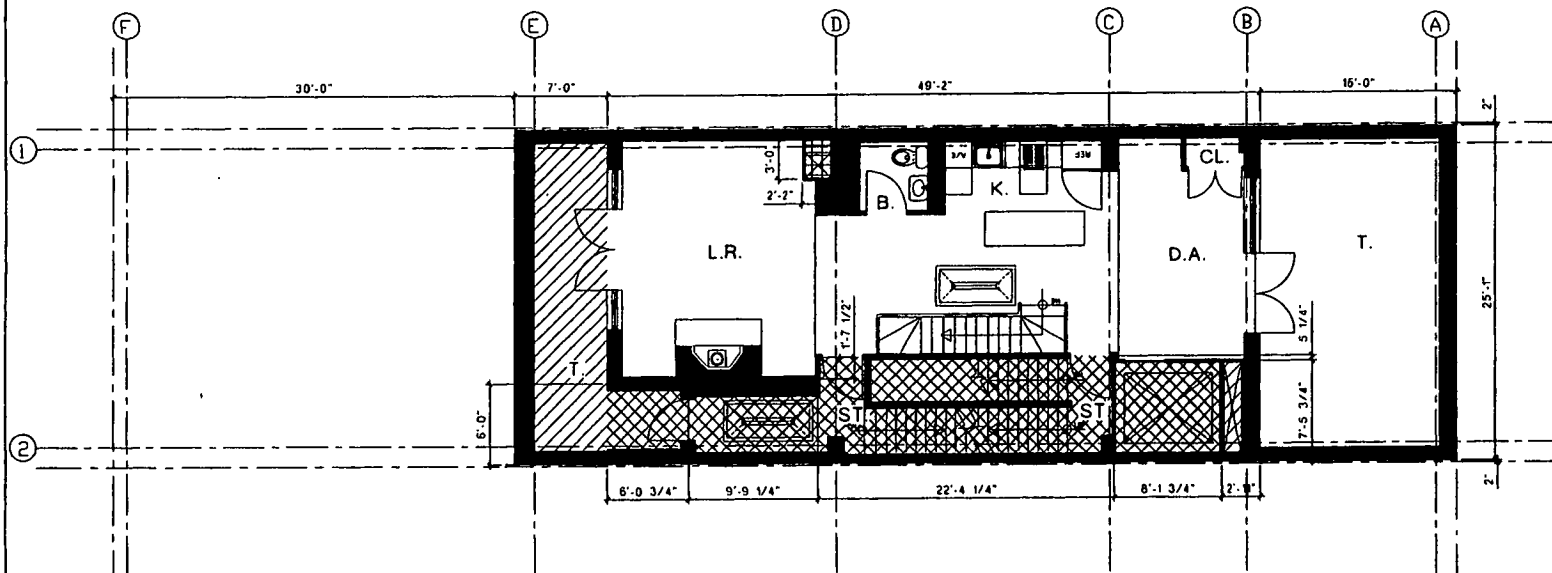
New York, New York 10036-7406

Tel (212) 768.4191 Fax (212) 768.4473

e-mail:

abaksa@arpad-baksa-architect.com





PH UPPER LEVEL PLAN

UNIT PH - RESIDENTIAL

APPROX. SF : 854 SF

REAR TERRACE

APPROX. SF : 175 SF

FRONT TERRACE

APPROX. SF : 376 SF

TAX LOT NO. 1506

(DUPLEX - INCLUDES UNIT 6)

RESIDENTIAL LIMITED COMMON:

APPROX. SF : 22 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF : 6 SF

GENERAL COMMON:

APPROX. SF : 355 SF

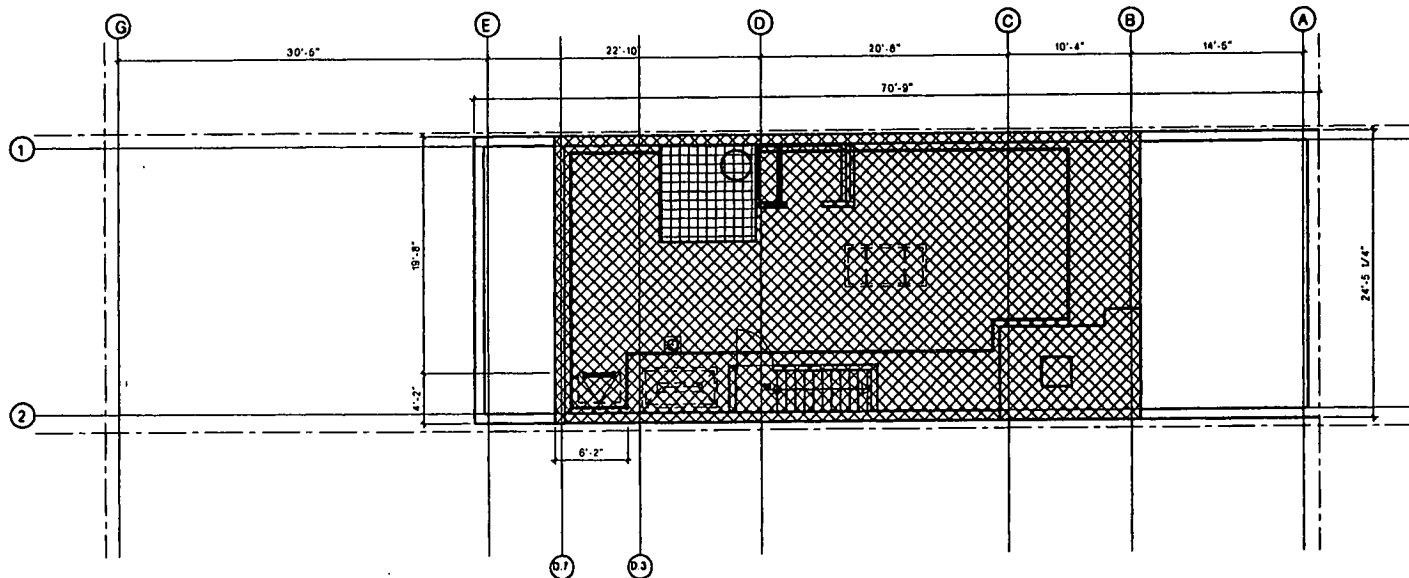
TOTAL AREA:

APPROX. TOTAL SF : 1788 SF

17 MAY 01

REV. 15 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
25 West 43rd Street
New York, New York 10036-7406
Tel (212) 768.4191 Fax (212) 768.4473
e-mail:
abaksa@arpad-baksa-architect.com



ROOF PLAN

ROOF GENERAL COMMON

RESIDENTIAL LIMITED COMMON:

APPROX. SF = 0 SF

COMMERCIAL LIMITED COMMON:

APPROX. SF = 64 SF

GENERAL COMMON:

APPROX. SF = 1173 SF

17 MAY 01

REV. 09 NOV 01

ARPAD BAKSA ARCHITECT, P.C.
25 West 43rd Street
New York, New York 10036-7406
Tel (212) 768.4191 Fax (212) 768.4473
e-mail:
abaksa@arpad-baksa-architect.com



