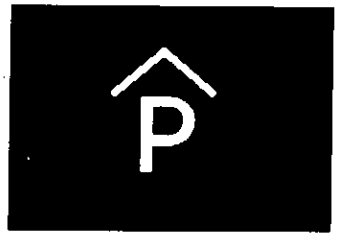
CONDOMINIUM OFFERING PLAN
FOR SALE OF RESIDENTIAL UNITS
IN



THE PORTER HOUSE CONDOMINIUM

Location

366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York 10011
New York County

Total Purchase Price of Offering (22 Residential Units)*	$ 29,275,000.00
Reserve Fund/Working Capital Fund**	$ 0.00

* The Condominium includes 1 Commercial Unit which is not being offered for sale at this time.

** See the sections of the Plan titled, "Working Capital Fund" and "Reserve Fund."

Name and Address of Sponsor:

66 Ninth LLC
c/o Jeffrey M. Brown Associates, Inc.
330 Seventh Avenue, 18th Floor
New York, New York 10001

Name and Address of Selling Agent:

Stribling Marketing Associates, LLC
924 Madison Avenue
New York, New York 10021

Date of Acceptance for Filing: April 25, 2003
This Offering Plan May Not Be Used After April 24, 2004 Unless Extended By An Amendment to the Offering Plan.

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 GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. MOREOVER, THE OWNER-OCCUPANTS OF UNITS MAY NEVER CONTROL THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS PLAN. (SEE THE SPECIAL RISKS SECTION OF THE OFFERING PLAN).

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

"THIS PLAN HAS BEEN AMENDED
SEE INSIDE COVER"

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SPECIAL RISKS

1. It is noted that although it is the intent of Sponsor that all Residential Units be offered for sale pursuant to the terms of the Offering Plan, Sponsor has reserved the unconditional right to withhold certain Residential Units from sale. In the event that the Sponsor withholds one (1) or more of the Residential Units from sale, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases certain Residential Units to tenants and such Units are subsequently offered, Sponsor shall amend the Plan, accordingly, if such Units are offered subject to such tenancies.

Although Sponsor shall make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

See the section of the Offering Plan titled "Introduction," located at pages 9 to 12a for further details.

2. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all the Residential Units; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the date of the First Unit Closing. See the section of the Offering Plan titled, "Control By Sponsor," located at pages 110 to 111, for further details.

3. As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interest allocated to the Units, but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 4.00% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer. See the section of the Offering Plan titled, "Control By Sponsor," located at pages 110 to 111, for further details.

4. If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the downpayment deposit, together with any accrued interest, and any other amounts paid by the Purchaser for any special or custom work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustment for real estate taxes and Common Charges will

be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date. See the section of the Offering Plan titled, "Procedure to Purchase," located at pages 67 to 73, for further details.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations thereunder.

5. Pursuant to the Offering Plan, one of Purchaser's costs of closing title to his or her Unit shall be the payment to All New York Title Agency, Inc.,of the cost of fee title insurance which Sponsor shall order on Purchaser's behalf from All New York Title Agency, Inc., provided Purchaser elects to obtain title insurance. If Purchaser elects to obtain title insurance and/or a title report from any other title insurance company and/or abstract company, said title insurance and/or title report shall be recognized, by Sponsor, provided Purchaser pays Sponsor's additional legal fee, which shall in all cases be no less than $500.00 and no more than $1,000.00, for the clearing of title with such other company. See the section of the Offering Plan titled, "Unit Closing Costs and Adjustments" located at page 87 to 93 for further details.

6. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, who are not then in default, will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter. Please consult page 94 of the Plan for further discussion in the section titled "Rights and Obligations of Sponsor."

7. As set forth on page 67 of the Offering Plan in the section titled "Procedure to Purchase," although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are,

therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the downpayment may be forfeited.

8. Once issued, the Certificate of Occupancy for the Building shall provide that the Commercial Unit located on the first floor and part of the cellar level of the Building shall be used for commercial purposes, including, but not limited to, retail or restaurant uses, or for any lawful purpose under the Zoning Resolution of the City of New York, as amended ("Zoning Resolution").

The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee to accommodate more than one rental tenant and as stated above may be used for any permitted use under the Zoning Resolution. However, although the Commercial Unit Owner has the right to change the use of the Commercial Unit, any other permitted use of the Commercial Unit must comply with the Certificate of Occupancy for the Building as it currently exists or as amended by Sponsor or Sponsor's designee, and as otherwise provided by the Declaration and By-Laws of the Condominium.

Additionally, as part of the renovation or subsequent to the renovation, the Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have the right to install a flue which will be sized for possible restaurant or commercial grade kitchen use in or on the common areas of the Building and such flue may run from the cellar or first floor level through the roof or some other point in the Building where it will terminate in accordance with the NYC Building Code. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have an easement, without charge or limitation, to use said flue for any lawful purpose and in conjunction with the use of the Commercial Unit. Further, the Commercial Unit Owner, their servicemen, consultants and/or repairmen, shall have an easement to install, maintain and repair in the mechanical equipment room or boiler room located on the cellar level of the Building or located elsewhere in the common areas or on the roofs of the Building, any mechanical equipment, including, but not limited to, air-conditioning, heating or boiler equipment, and any piping or ductwork related thereto, which service the Commercial Unit. Although the Commercial Unit has its own separate entrances, prospective purchasers of the Residential Units located above the Commercial Unit must anticipate that the right of the Commercial Unit Owner to change the use of the Commercial Unit may result in a greater number of people entering and leaving the ground floor and cellar levels of the Building, a higher volume of noise and/or hours of usage and other possible adverse effects on the Building resulting from the use of the Commercial Unit. Accordingly, it is possible that a change of usage could have an adverse impact on other Condominium Unit Owners. Other than as set forth herein regarding the use of the Commercial Unit, it is Sponsor's opinion that the rights of the Commercial Unit Owner have no material adverse impact on the Condominium.

The Commercial Unit is not being offered for sale by Sponsor at this time but shall be retained by the Sponsor. Further, the Sponsor has reserved the right to amend the Offering Plan in the future to allow Sponsor and/or a Sponsor designee to offer the Commercial Unit for sale at that time.

The Commercial Unit may be used for any lawful purpose and may be subdivided by Sponsor or a Commercial Unit Owner into two (2) or more separate Commercial Units. The Condominium Board will have no right to restrict or limit the uses or subdivision of the Commercial Unit which are permitted by law, applicable zoning ordinances and the Declaration and By-Laws. Additionally, the Commercial Unit Owner shall have the right to make alterations, additions, improvements or repairs to their Units, to subdivide its Unit or later combine a subdivided Commercial Unit without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers. See the section of the Plan entitled "The Commercial Unit" located at pages 61 to 63 for further details as to the Commercial Unit.

Pursuant to the By-Laws of the Condominium, in the event that the Commercial Unit Owner's use of his or her Unit increases the rate of insurance required for the Building, the Commercial Unit Owner shall be responsible for the increased cost thereof.

Further, although real estate tax projections for the Commercial Unit are not set forth in Schedule A located at page 33, once individual condominium tax lots are established, which Sponsor anticipates to be no earlier than July 1, 2004, the Commercial Unit shall pay full real estate taxes based upon the assessed valuation of the Commercial Unit at that time and the then current tax rate. Until such time that individual tax lots are established, the Commercial Unit shall pay its proportionate share of the real estate taxes due for the entire Property based upon the percentage common interest of the Commercial Unit. See the section of the Plan entitled "Real Estate Taxes" located at pages 134 to 135b for further details.

9. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Property Transfer Tax ("deed stamps") and the New York City Real Property Transfer Tax ("NYCRPT"). In condominium transactions, either seller or the purchaser can pay these transfer taxes. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale. For purposes of paying this tax with respect to this project, consideration also includes the amount of deed stamps and NYCRPT to be paid for the Unit. See the section of the Offering Plan titled "Unit Closing Costs and Adjustments" for further details.

Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000 or more (the "Mansion Tax"). Residential real property includes a 1 to 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. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of the New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser. See the section of the Offering Plan titled, "Unit Closing Cost and Adjustments," located at pages 87 to 93, for further details.

10. Pursuant to the terms of the Offering Plan, Sponsor may declare the Plan effective when Purchase Agreements have been executed and accepted by Sponsor for the sale of four (4) Residential Units, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. The availability of financing to Purchasers may be limited based upon such minimum sales. Lenders may require a greater number of sales prior to financing the purchase of a Unit. See the section of the Offering Plan titled, "Effective Date of Plan," located at pages 75 to 76, for further details.

11. Pursuant to the terms of the Offering Plan, the ten percent (10%) downpayment made by Purchaser upon execution of a Purchase Agreement may be increased by the cost of special custom work ordered by the Purchaser and itemized in the Purchase Agreement. All funds received by Sponsor for such custom work will initially be placed in an escrow account. However, subsequent to Sponsor declaring the Plan effective, the escrowed funds for custom work may be released from the escrow account to Sponsor as long as Sponsor uses the additional escrowed funds for custom work. As a result, in the event a Purchaser is entitled to rescind his Purchase Agreement subsequent to the release of the additional escrowed funds, the Purchaser will not receive a refund of any such funds required for the payment of custom work. See the section of the Offering Plan titled, "Procedure to Purchase," located at pages 67 to 73, for further details.

12. In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York 10001, as Escrow Agent to hold all deposits, down payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchaser, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at Chase Bank located at 305 Seventh Avenue, New York, New York, titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for The Porter House Condominium or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a down payment in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000. See the section of the Offering Plan titled, "Procedure to Purchase," located at pages 67 to 73, for further details.

13. The Sponsor's Attorney's have not opined whether the Condominium will or will not qualify as a "Condominium Management Association" under Section 528 of the Internal Revenue Code of 1986, as amended, and for the purposes of the Plan have assumed that it will not qualify. Therefore, the possible income tax consequences to the Condominium of not qualifying as a "Condominium Management Association" is a special risk of the offering of the Units hereunder. An estimate of the possible income tax due from the Condominium is not included as a projected expense in Schedule B of the Plan. For further details regarding Section 528, see Counsel's Income Tax Opinion, which is located on pages 139 to 145.

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. The Sponsor, at its sole discretion, reserves the right

to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. 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 and/or, including but not limited to its appliances, fixtures and equipment. For further details, see the section of the Plan titled "Procedure to Purchase," located at Page 67.

15. 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, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within six (6) 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 after the First Unit Closing. See the section of the Plan titled "Rights and Obligations of Sponsor," located at pages 94 to 102, for further details.

16. The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located at page 33, (i) for the anticipated first year of Condominium operation, and (ii) upon 100% completion of Sponsor's renovations to the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT. See Notes 8 and 9 of the Notes to Schedule A, located at page 34 to 39, for a discussion of Sponsor projections of real estate taxes.

17. As against all other Unit Owners, but subject to the recorded Declaration of Zoning Lot Restrictions in Reel 3486 page 2070 and the recorded Zoning Lot and Development Agreement in Reel 3486 page 2033 as more fully set forth in the section of the Plan titled "Terms of Sale" located at pages 77 to 82, the Sponsor, its successor and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.

Based upon the approved Altered Building Plans for the construction of the Building, currently there are no usable excess transferable development rights and/or air rights. However, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor has bound itself, its successors and assigns from transferring air rights and/or development rights, if such transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration or as will allow any part including Sponsor as the holder of Unsold Units, to build on or directly above the land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in such event, any construction shall be made only in accordance with the Condominium's Declaration and By-Laws.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without the purchase of said rights from Sponsor. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor, as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns. See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located at page 154 for further details.

18. Regulations governing disclosure of information regarding Residential Lead Based Paint (the "Regulations"), issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence.

Based upon a Phase II Site Investigation Report, dated May 2002, prepared by AKRF, Inc., located at 116 East 27th Street, 7th Floor, New York, NY 10016 (the "Report"), soil samples taken pursuant thereto revealed the presence of lead ten or more feet below the basement slab of the Building. However, the levels of lead detected were below levels acceptable to EPA and therefore do not pose a hazard to human health. A copy of the Report will be made available to a Purchaser at his or her request.

The Sponsor does not have any other actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the Property was constructed prior to 1978 and therefore either the Property or the Units may contain lead-based paint and lead-based paint hazards. Other than set forth above, the Sponsor has not undertaken any separate

investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Units. See the section of the Offering Plan titled, "Procedure to Purchase," located at pages 67 to 73, for further details.

19. Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as the owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest or Contributing Share, as the case may be), of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. See the section of the Offering Plan titled, "Rights and Obligations of Sponsor," located at pages 94 to 102, for further details.

INTRODUCTION

General

66 Ninth LLC, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building being renovated and constructed (the "Building") located at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York. Specifically excluded from such conversion are any transferable air rights and/or development rights pertaining to the land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. See the section of the Plan titled "Reservation of Air and Development Rights," located at page 154. The parcel of land is more particularly described as being rectangular in dimension and located at the southeasterly corner formed by the intersection of West 15th Street and Ninth Avenue. The aggregate site is approximately 5,162 square feet, with 51 feet 7 and 1/2 inches of frontage on Ninth Avenue and 100 feet along West 15th Street.

The land, Building and appurtenances are hereinafter sometimes referred to as the Property and/or the Condominium. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of four (4) Residential Units, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of eighteen (18) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase documents to Sponsor and/or the Selling Agent, and are not in default, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day subsequent to the date of mailing.

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

The Condominium

The land and the Building thereon which is being renovated and constructed is owned by 66 Ninth LLC, which acquired the Property from David Weinstock, Trustee of the Weinstock Charitable Remainder Unitrust, by deed dated February 12, 2002 and recorded on April 9, 2002 in Reel 3486 page 2021. Accordingly, 66 Ninth LLC is the sponsor (the "Sponsor") of this Plan.

All of the aforementioned Residential Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A commencing at page 33 . These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. Hereinafter, the Residential Units and the Commercial Unit shall sometimes be collectively referred to as the "Units". It is noted that although it is the intent of Sponsor that all Residential Units be offered for sale pursuant to this Offering Plan, Sponsor is hereby reserving the unconditional right to withhold certain Residential Units from sale. In the event the Sponsor withholds one or more of the Residential Units from sales, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases certain Residential Units to tenants and such Residential Units subsequently are offered, Sponsor shall amend the Plan, accordingly, if such Residential Units are offered subject to such tenancies.

Although Sponsor shall make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupant"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

It is the intention of Sponsor to rehabilitate the existing six (6) story building and construct a new 7th, 8th, 9th and 10th floor thereon. Sponsor shall submit the Property to the provisions of the Condominium Laws of the State of New York.

The Building when completed will consist of ten (10) stories plus a cellar level. The proposed condominium will contain twenty-two (22) Residential Units. Three (3) Residential Units will be located on each of the 2nd, 3rd, 4th, 5th and 6th floors. Two (2) Residential Units will be located on each of the 7th and 8th floors. The 9th floor will contain one (1) Residential Unit and the lower level of PHW which is located on a portion of the 10th floor. The 10th floor will contain two (2) Residential Units, one of which is the upper level of PHW. The second Unit on the 10th floor is PHE. There will also be one (1) Commercial Unit on part of the first floor and cellar level. The Commercial Unit is not being offered for sale at this time and shall be retained by Sponsor or Sponsor's designee. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee to accommodate more than one rental tenant. The Sponsor or its designee may at some future date offer the Commercial Unit for sale, but shall amend the Offering Plan prior thereto to reflect such offer.

Common Elements of the Condominium located at the cellar level will include, but shall not be limited to, the common hallways, stairways, mechanical rooms, gas and electric meter rooms, trash room, as well as the elevator, elevator shaft and pit. Common Elements located at the ground floor level include the vestibule, lobby and elevator which service the Residential Units. Additionally, the common hallways and staircases at the ground floor and upper floors are Common Elements. Residential Units 5E, 6E, 7E, 7W, 8E, 9E, PHE and PHW will have either private balconies and/or roof terraces for the exclusive use of the respective Owners thereof.

There are no parking facilities at the Property for use by the Unit Owners and other than the common roof areas at the main roof of the Building and the exercise room at the cellar level, which are for the exclusive use of all the Residential Unit Owners, there are no recreation facilities at the Property.

Individual residential storage bins will be installed in the residential storage room located at the cellar level of the Building. The individual storage bins will be steel mesh cages or their equivalent which will be secured with a lock or locking mechanism. The residential storage room shall be a Limited Common Element of all the Residential Unit Owners. Although a storage bin will be designated for each Residential Unit, the use of the storage bins shall be governed by the Board of Managers of the Condominium in their sole discretion.

Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor. Parts A, B, C and D of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the on-site sales office at all times such office is open or, in the event there is no on-site office, at the offices of the Sponsor. Copies of the Offering Plan and Exhibits are also available for inspection at the Department of Law. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner or Commercial Unit Owner, as the case may be, owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roofs, (hereinbefore and hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("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 ("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 individually defined roof terraces which are adjacent to and directly accessed from certain Residential Units or are located at the main roof of the Building shall be a Limited Common Element either for the exclusive use of individual Owners of respective Units or for all the Residential Unit Owners collectively. Other than the terraces as described above, there are no other balconies or terraces at the Property. However, other Limited Common Elements include, but are not limited to, an exercise room and a residential storage room located in the cellar of the Building which are for the exclusive use of the Residential Unit Owners as set forth in the Condominium Declaration.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, business associate or employer, or a selling Residential 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 located in Part II of the Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of Managers. No Residential Unit Owner shall be permitted to encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described on page 112 of the Plan. He can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he is obligated for the cost of his own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate

taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may, under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him. The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest or Contributing Share, as the case may be, as defined in the section of the Plan titled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Unit Owner, including the Commercial Unit Owner, will pay for all electricity consumed within his own Unit, the charges for which shall be separately metered.

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

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section entitled "Rights and Obligations of Board of Managers/Summary of By-Laws" at page 126 for further discussion.

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

THE PURCHASE OF A CONDOMINIUM 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

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as The Porter House Condominium, renovated or being renovated at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York.
"Commercial Common Expenses"	-	As set forth in the By-Laws of the Condominium, the Commercial Unit shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Unit, commercial garbage collection, vault charges, if any, repairs, maintenance and replacement of the sidewalk elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Commercial Unit only and any other expense, which is not a Shared Expense, attributable to the Commercial Unit only.
"Commercial Unit"	-	An area designated on the first floor and a portion of the cellar level of the Building, which shall be owned in fee simple absolute. According to the terms of the Offering Plan, there shall be one (1) Commercial Unit.
"Commercial Unit Owner"	-	The Person owning the Commercial Unit in fee simple absolute.

"Common Charges" - In the case of the Residential Units, each Unit Owner's proportionate share or Contributing Share of the Shared Common Expenses (as defined in the Condominium Documents), payable by the Residential Unit Owners together with each Residential Unit Owner's proportionate share or Contributing Share of the Residential Common Expenses (as defined in the Condominium Documents);

In the case of the Commercial Units the Commercial Unit Owner's proportionate share of the Shared Common Expenses (as defined in the Condominium Documents), payable by the Commercial Unit Owner together with the payment by the Commercial Unit Owner of its proportionate share or Contributing Share of the Commercial Common Expenses (as defined in the Condominium Documents).

"Common Elements" - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses" - (a) 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" - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.

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

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

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

"Consummation of the Plan" - Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1)

purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.

"Contributing Share" - (a) In the case of the Residential Units, each Residential Unit's proportionate share of the Common Charges payable by all of the Residential Unit Owners. Each Residential Unit Owner's proportionate share or contributing share shall be determined by the proportion such individual Residential Unit Owner's percentage of Common Interest bears to the aggregate percentage of Common Interest of all Residential Unit Owners, multiplied by the Common Charges payable by all the Residential Units.

(b) In the case of the Commercial Unit, or in the event that there is more than one Commercial Unit, the Commercial Units, the Commercial Unit's or each Commercial Unit's proportionate share of the Common Charges payable by all of the Commercial Unit Owners. The Commercial Unit Owner's or each Commercial Unit Owner's proportionate share or contributing share shall be determined by the proportion such Commercial Unit Owner's percentage of Common Interest bears to the aggregate percentage Common Interest of all the Commercial Unit Owners, multiplied by the Common Charges payable by all the Commercial Units.

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

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.

"First Unit Closing" - The first closing of title with a bona fide purchaser of a Residential Unit.

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

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Yard areas or other areaways at the Property, if any, are not intended for public use except for fire egress purposes;

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and any insulation or framing 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 walls; those portions of the walls and partitions dividing the Units from corridors, the elevator shafts, fire staircases and stairs located beyond the unexposed face of the drywalls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases and stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads, roof areas which are not part of a Unit or for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights, if any, other than those that are directly over Units; water towers or tanks, if any, sprinkler systems, standpipe systems or parts thereof installed in the common area of the Building, if any, service corridors, fire corridors, corridors, halls, stairs, and stairway areas located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit which are not specifically designated as Limited Common Elements; storage and utility areas; if any, which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the

unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building, including any sidewalk hatchway located at the front of the Building, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The gas and electric meter rooms, the domestic water service and fire pump rooms, generator room, storage closets at the cellar level, the boiler room and superintendent's office at the cellar level, the gas meters, water meters and electric meters in the cellar and all cellar or other areas which are not designated as part of a Unit or a Limited Common Element;

(4) The boilers, hot water heaters, if any, heating and/or air-conditioning equipment, if any, and related machinery, wherever located in the Building, which services two or more of the Units or the Common Elements;

(5) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters, if any, heating and/or air-conditioning equipment, if any, wherever located in the Building, which service two or more of the Units or the Common Elements;

(6) All installations on the Property outside the Units for services such as gas, power, light, heat, telephone, cable television and water;

(7) All sewer pipes and drainage pipes;

(8) That portion of the main roof terrace and main roof above the tenth floor of the Building which has been designated for the installation of mechanical equipment, including but not limited to, air-conditioning equipment which services a particular Unit or Units or part or all of the Building;

(9) Any tanks, pumps, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations existing for common use;

(10) Except as specifically noted, 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" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

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

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

"Limited Common Elements" - 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 Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements:

1) The skylights, if any, existing or installed at some future date, that are directly above any Unit, which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units.

2) The residential vestibule and lobby together with the adjoining elevator lobby, mailboxes, concierge area and half bathroom, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers subject to an easement in favor of the Commercial Unit Owner, or tenants thereof, for fire egress purposes;

3) The passenger elevator; passenger elevator machinery, shaft and pit; the elevator bulkhead and elevator machine room located at the main roof of the Building, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

4) The trash room located at the cellar level of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

5) The elevator lobby together with the adjoining trash room located on each of floors two through and including ten, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

6) The private balconies and/or roof terraces, together with any fencing delineating such roof area, which are adjacent to and directly accessed from a particular Residential Unit, as delineated on the Floor Plans. Non-structural, ordinary repairs and maintenance of the private balconies and/or roof terraces, together with any fencing which delineates such roof area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

7) The common roof terrace located at the main roof of the Building which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers;

8) The exercise room and residential storage room located at the cellar level which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers. Notwithstanding anything herein to the contrary, each Residential Unit Owner shall be assigned one (1) storage bin located in the residential storage room;

9) All street vaults, if any, which shall be for the exclusive use of the Commercial Unit Owner. To the extent there are any charges for said vault areas, such charges shall be paid by the Commercial Unit Owner.

"Majority" - 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" - A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

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

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

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

"Power of Attorney" - The document, signed by Unit Owners, which appoints:

(i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.

(ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of

the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns.

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

"Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.

"Recording officer and "Recording" or "Recorded" - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.

"Residential Common Expenses" - As set forth in the By-Laws of the Condominium the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") arising from the employment of a superintendent and one or more other employees of the Condominium, if any, who will service the Residential Units, residential garbage collection, gas consumption for cooking in the Residential Units, maintenance, repair and replacement of the passenger elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Residential Units only, the repair, maintenance and replacement of the roofs of the Building and any other expense, which is not a Shared Expense, attributable to the Residential Units only.

"Residential Unit" - A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.

"Residential Units" - Collectively, all the apartments in the Building.

"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Stribling Marketing Associates, LLC is the Selling Agent pursuant to the terms of the Offering Plan.
"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 66 Ninth LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Unit"	-	Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a roof bulkhead and/or a private roof terrace. Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment. Notwithstanding anything herein to the contrary, the existing sidewalk elevator located at the northerly side of the Building on West 15th Street shall be a fixture which is the personal property of the Unit Owner of the Commercial Unit and therefore part of the Commercial Unit. The Commercial Unit

Owner shall be responsible for the cost of any maintenance, repair or replacement of such elevator.

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

"Unit designation" - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

"Unit Owner" - The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units and the Commercial Unit.

"Unsold Units" - Any Unit owned by Sponsor or its designee at the time in question.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property which consists of one (1) parcel, has an aggregate area of approximately 5,162 square feet with approximately 100 feet of frontage along the southerly side of West 15th Street and runs approximately 51 feet 7 and 1/2 inches along Ninth Avenue. The parcel which represents the land upon which the Condominium will be situated is rectangular in dimension and is located on the corner formed by the intersection of the easterly side of 9th Avenue and the southerly side of West 15th Street.

Although the Property consists of one (1) parcel upon which the Building is being constructed, it is also part of a larger zoning lot as that term is defined under the Zoning Resolution of the City of New York, as amended. Pursuant to a Zoning Lot and Development Agreement ("ZLDZ"), dated February 12, 2002, between Sponsor and the owner of the two (2) properties adjoining on the south, certain rights and obligations relating to the Property were created between the parties which run with the land and subject to which the Units shall be conveyed. The ZLDZ provides for the transfer of excess zoning rights from the two adjoining properties to the south to the Property but only such excess zoning rights which are actually used to construct the Building. Otherwise, all unused and/or future zoning rights related to the two adjoining properties are reserved by the owner of those properties. The ZLDA also provides for (i) a defined light and air easement over the two adjoining properties in favor of the Property; (ii) a reciprocal easement in favor of the Property and the two adjoining properties for future construction, repair and maintenance; (iii) the encroachment or cantilever of a portion of the Building over the adjoining properties; a violation covenant between the owners, including the obligation to pay all costs for the cure thereof; and (iv) agreements relating to the future expansion of the Zoning Lot and the development rights inherent therein. A copy of the ZLDA is set forth in Part II of the Plan.

Based upon rights granted in the ZLDZ and subject also to its requirements, the Sponsor is completely renovating the building situated at the Property. The existing building which was previously a commercial loft building, has six (6) stories plus a cellar level. As part of the construction, the Sponsor shall construct a new 7th, 8th, 9th and 10th floor.

The renovated and newly constructed portions of the Building shall be comprised of one (1) Commercial Unit and twenty-two (22) Residential Units plus other Common Elements of the Building. The Commercial Unit will be located on a portion of the ground floor and a portion of the cellar level of the Building which are not Common Elements. Three (3) Residential Units will be located on each of floors 2 through 6, inclusive. Residential Units 5E and 6E will have a private balcony adjacent thereto. The 7th and 8th floors will contain two (2) Residential Units each. Each of the Units on the 7th floor will have a private terrace adjacent thereto. Residential Unit 8E will also have a private balcony adjacent thereto. The 9th floor will contain one (1) Unit and the lower level of PHW which is also located on a portion of the 10th floor. The 10th floor will contain two (2) Residential Units, one of which is the upper level of PHW. The other Unit located on the 10th floor is PHE. PHE is also known as Residential Unit 10E. Residential Unit 9E and each of the Units on the 10th floor will also have a private balcony and/or terrace adjacent thereto. However, the private balcony and/or roof terrace adjacent to PHW is located at the main roof of the Building and directly accessed by means of a convenience stair located within that Unit. Sponsor shall install a traffic bearing surface for all private balconies and/or terraces adjacent to and directly accessed from a Residential Unit.

The Building is being renovated and constructed pursuant to the NYC Building Code. The renovation of the existing portions of the Building will be Class 3 non-fireproof construction. All the new elements introduced as part of the construction will be fireproof construction with three hour separation between the new and existing components of the structure. The plans for renovation and construction were approved on April 1, 2002 and April 15, , 2002, by the Department of Buildings as an Alteration Application Type II, Permit No. 103123111 and Alteration Application Type I, Permit No. 103139587, respectively. Completion of construction is scheduled for the end of June, 2003, unless delayed by weather, strikes, lockouts, acts of God, shortages, or inability to obtain materials or labor, governmental restrictions or preemption, damage by fire or the elements of any other cause over which the Sponsor has no control. A new Certificate of Occupancy will be obtained by the Sponsor upon completion of the project. The uses on the new Certificate of Occupancy will be commercial at the cellar and first floor and residential use on the second through tenth floors.

The Building has a cellar level consisting of a part of the Commercial Unit and Common Elements. The Common Elements located at the cellar level include the gas and electric meter rooms, the domestic water service and fire pump rooms, generator room, exercise room for the Residential Unit Owners, storage closets, residential storage room containing 22 individual storage closets, sidewalk vaults, the boiler room, the residential trash room, the superintendent's office, common service corridors and fire staircases, as well as the passenger elevator, elevator shaft and pit. The existing sidewalk elevator shall be part of the Commercial Unit. Common Elements located at the ground floor level include the main vestibule to the Building located on Ninth Avenue, the residential lobby, the concierge area, elevator lobby, the mail room and mail boxes, a half bathroom, the passenger elevator, fire staircases, and two (2) service entrances to the building both of which open to a fire staircase leading to the cellar level. The elevator, elevator lobby, trash room, fire staircases and public corridors on each floor above the ground floor are also Common Elements of the Building. Other than the common roof terrace located at the main roof of the Building and the exercise room in the cellar which are Limited Common Elements for the exclusive use of all of the Residential Unit Owners, there are no common recreational areas or facilities at the Property. Any other roofs of the Building, including, but not limited to, the mechanical terrace located at the main roof of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of individual Residential Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than the balconies and/or roof terraces described above.

There are two "scissor" fire staircases at the Building. One runs from the cellar level to the 10th floor roof of the Building while the other runs from the first floor to the roof of the Building. The Building will have one (1) passenger elevator. This elevator will service all of the floors of the Building from, and including, the cellar, to and including, the main roof of the Building. The elevator machine room and bulkhead for the passenger elevator will be located at the main roof of the Building. There are no fire escapes at the Building.

The structural system of the existing portion of the Building consists of masonry load-bearing exterior walls. The existing foundations are concrete spread footings bearing on soil. New footings required for the addition shall be friction compression and tension piles drilled and anchored to bedrock with reinforced concrete pile caps set with steel anchor bolts. The new addition to the Building shall be a steel and concrete deck structure with walls constructed of steel studs, cement board, water proofing membrane, and exterior zinc metal panels. There shall be several concrete

band beams on the south facade between the existing and new portions of the Building. All new facades shall be insulated.

The roofing material shall be modified bitumen roofing with bat insulation beneath the concrete floor slab. The roof will be flashed with turned up roofing at the edges as well as ice and water-shield membrane.

The Building will have two (2) boilers which will be located in the boiler room at the cellar level of the Building. The boilers will produce low pressure steam that will generate both the domestic hot water and the heating hot water. All apartments are heated and air-conditioned by water source heat pumps. The boilers will also provide hot water to the Commercial Unit. The residential public corridors will be heated and ventilated by a roof-top, gas fired, outside air system.

Individual heat pump type air-conditioning/heating units will be located in each of the Residential Units. Each heat pump is independent from the others except for a connection to the condenser water system for the Building. Condenser water held in a cooling tower located at the roof of the Building will be piped to all heat pumps and to capped outlets in the Commercial Unit. The public corridors will be serviced by a separate independent gas-fired air-conditioning system that does not require condenser water. The Commercial Unit Owner shall be responsible for any additional equipment installations necessary to heat and/or air-condition the Commercial Unit. In the sole discretion of the Sponsor, its designee or the Commercial Unit Owner, such equipment installations may be located in the Commercial Unit and/or other Common Elements of the Building, including, but not limited to, those portions of the roofs of the Building designated for mechanical equipment.

Gas consumption for heat and hot water in all the Units, including supplemental heat for the public corridors, and hot water in the Common Elements, shall be collectively metered by one (1) meter and shall be a Shared Common Expense of all the Unit Owners. Additionally, gas consumption for cooking in the Residential Units shall be collectively metered by one (1) meter and shall be a Residential Common Expense of all the Residential Unit Owners. There will be no separate gas service to the Commercial Unit. In the event that separate gas service is required in the Commercial Unit, the Commercial Unit Owner shall have the right to install, at its sole cost and expense, separate gas service or connect to the existing gas service. However, the Commercial Unit Owner shall also be required to install a separate gas meter or sub meter and the gas consumption and cost measured thereby shall be the sole responsibility of the Commercial Unit Owner.

Each of the Units shall be separately metered for the consumption and cost of electricity in the respective Unit. A common meter shall measure the consumption of electricity in the common areas or Common Elements which shall be a Shared Common Expense of all of the Unit Owners. Water and sewerage services are provided for by the City of New York. The Residential Units and Commercial Unit in the Building shall be metered for water usage by one meter. Such water and sewer charges shall be a Shared Common Expense of all Unit Owners.

Notwithstanding anything herein to the contrary, if the Commercial Unit is occupied for a restaurant use or some other use which requires a high volume of water, then, in such event, the individual Commercial Unit Owner, at its sole cost and expense, shall be required to install a separate meter or submeter in the Unit to measure such additional water consumption. The Commercial Unit Owner shall be solely responsible for the cost of water consumption measured thereby..

There are no public or common laundry facilities at the Property. The Residential Units will be provided with a laundry closet with individual hook-ups for one (1) electric washer and one (1) electric dryer or for a stackable unit which is a combination thereof. The washer and dryer are being supplied by the Sponsor as part of the Offering Plan.

Individual residential storage bins will be installed in the residential storage room located at the cellar level of the Building. The individual storage bins will be steel mesh cages or their equivalent which will be secured by a lock or a locking mechanism. Pursuant to paragraph numbered 6.B of the Condominium Declaration set forth in Part II of the Offering Plan, the residential storage room shall be a Limited Common Element of all the Residential Unit Owners. Although a storage bin will be designated for each Residential Unit, the use of the storage bins shall be governed by the Board of Managers of the Condominium in their sole discretion.

The Building is being constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

The Sponsor shall provide each kitchen in a Residential Unit with certain appliances. A list of those appliance follows:

<u>One Bedroom Units (2N, 3N, 4N, 5N, 6N)</u>

(i) The gas range shall be a Viking 30" model #VGIC-3056BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti 30" model #XXXX or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

<u>Two Bedroom Units (2E, 3E, 4E)</u>

(i) The gas range shall be a Viking 36" model #VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Two Bedroom Units (2W, 3W, 4W, 7W, 8W)

(i) The gas range shall be a Viking 36" model #VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Two Bedroom plus Study Units (5E, 6E, 5W, 6W)

(i) The gas range shall be a Viking 36" model #VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Three Bedroom Units (7E, 8E, 9E, 10E)

(i) The gas range shall be a Viking 36" model #VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Four Bedroom Duplex Penthouse Unit (PH)

(i) The gas range shall be a Viking 36" model #VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model #VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model #PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

At the sole option of Sponsor, Sponsor may elect to install a working fireplace in Residential Unit PHW as part of the sale of that Unit.

Any additional custom work requested by Purchaser shall be deemed custom work under the Purchase Agreement and the cost thereof is in addition to the total purchase price. The initial

downpayment to be made by Purchaser upon execution of a Purchase Agreement shall be increased by the entire cost and expense of the custom work. Pursuant to the terms of the Purchase Agreement, all custom work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

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. The Certificate of Occupancy for the Commercial Unit shall provide for commercial uses on a portion of the ground floor level and a portion of the cellar, as permitted in the Zoning Resolution of City of New York, as amended. See the section of the Plan titled, "The Commercial Unit," for a discussion of the Commercial Unit Owner's right to change the use of the Commercial Unit. In the event that a permanent Certificate of Occupancy for a Residential Unit has not yet been obtained by such Unit closing, Sponsor is subsequently obligated to obtain same. However, Sponsor shall not be obligated to perform any work in the Commercial Unit other than as set forth in the Plan. Please consult page 94 of the Plan in the section titled "Rights and Obligations of Sponsor" for further discussion.

For further details, please see the "Description of Property and Building Specifications" located in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location and Surrounding Area:

The Property is located on the southerly side of West 15th Street at the corner formed by the intersection of West 15th Street and Ninth Avenue, and is at the convergence point of the Greenwich Village Historic District with the Chelsea neighborhood of Manhattan, New York City. It is also directly across the street from the trendy "Meat-Packing District."

A variety of off-Broadway theaters, movie houses, universities, grocery stores, specialty shops, gift and card shops, newspaper outlets, and restaurants offering a diverse selection of cuisines, are within a short distance of the Property. The Midtown, Midtown South and Downtown Office Districts lie to the north, northeast and south within close proximity to the Property.

The neighboring areas of Midtown South, Noho, Soho, Greenwich Village, the Meat-Packing District, Tribeca and Downtown provide a wide choice of cultural activities. Retail and discount shopping is extensive in Southern Tribeca, Chinatown, the Lower East Side and Downtown, including the South Street Seaport. Soho, Noho, the Meat-Packing District, Greenwich Village and Tribeca have many restaurants and art galleries.

Transportation:

Public transportation is convenient. Bus lines are located on West 14th Street (crosstown), Seventh and Ninth Avenues (downtown) and Eighth and Eleventh Avenues (uptown). Subway stops are located at the 14th Street and Seventh Avenue (1, 2, 3 and 9 trains) and 14th Street and Eighth Avenue (A, C, E and L trains). Access to the Holland Tunnel is to the south at Canal Street. The Lincoln Tunnel and the Midtown Tunnel may be accessed at 36th Street. City Hall and the financial districts of mid and lower Manhattan are easily accessible.

The Property is within walking distance of, among other attractions, Madison Square Garden, Chelsea Piers and the Hudson River.

Schools:

Public Schools located in the general vicinity are:

Grade School:

P.S. 11 which is located at 320 West 21st Street.

P.S. 41 which is located at 116 West 11th Street.

Junior High School:

Clinton Junior High School located at 320 West 21st Street.

MS 104 for 6th and 7th grades only, which is located at 330 West 21st Street.

Frederick Douglas Academy - grades 6th through 12th located at 134 West 22nd Street.

High School:

High School of the Humanities which is located at 351 West 18th Street.

Fashion Industries High School which is located at 225 West 24th Street.

Liberty High School which is located at 250 West 18th Street.

Private Schools located in the area include the following:

Pre-School:

Greenwich House Preschool located at 80 8th Avenue, Unit 412.

Buckle My Shoe Learning Center located at 230 West 13th Street.

Corlears School - Pre K to 4th Grade located at 324 West 15th Street.

City & Country School - Pre K to 8th Grade located at 146 West 13th Street.

Grade School:

Corlears School which is located at 324 West 15th Street.

Xavier Parochial which is located at 126 West 17th Street.

Guardian Angel School (Catholic) which is located at 193 10th Avenue.

High School:

Xavier High School located at 30 West 16th Street.

Liberty High School located at 250 West 18th Street.

Universities:

New York University located at 22 Washington Square North.

New School University located at 64 West 11th Street.

Parsons School of Design located at 2 West 13th Street.

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

Religious:

Churches in the vicinity include the following:

St. Bernard's Church, 328 West 14th Street (Roman Catholic).

St. Peter's Episcopal Church, 346 West 20th Street.

Chelsea Community Church (meet in St. Peter's Church), 346 West 20th Street (non-denominational).

Japanese American United Church, 255 Seventh Avenue.

Synagogues in the vicinity is:

Congregation Emunath Israel, 236 West 23rd Street.

Young Israel of 5th Avenue located at 3 West 16th Street.

Parks/Recreation:

The Gertrude B. Kelly Playground is located at 317 West 16th Street.

The McBurney YMCA is located at 215 West 23rd Street.

Public Library:

The Mulhenberg Library is located at 209 West 23rd Street.

Andrew Heiskill Library located at 40 West 20th Street.

Medical:

St. Vincent's Hospital is located at 153 West 11th Street.

Municipal Services:

Police, fire protection, water, sanitation, snow removal and street maintenance services are provided by the City of New York and all charges are incorporated into the City tax. Commercial garbage removal must be obtained and paid for privately by the Commercial Unit Owner.

The Property is located in the 10th Police Precinct, the station being located at 230 West 20th Street. The nearest fire house is Engine Co. No. 3, located at 146 West 19th Street.

Postal:

The zip code for the Property is 10011, which is the Old Chelsea Postal Station located at 217 West 18th Street.

Zoning:

The Property is located in a C6-2A Zoning District, which permits residential occupancies of the type contemplated by this Plan. Additionally, in the case of the commercial space, the zoning district permits the uses contemplated under the Plan, including, but not limited to, retail and restaurant enterprises for the Commercial Unit.

The Sponsor or its principals do not have at this time any right or option to acquire, in whole or part, any adjacent areas in whole or part. See the section of the Offering Plan titled "Terms of Sale," located at page 77 to 82 for a discussion of the zoning lot, of which the Property is a part, and the development rights and obligations which affect the future use of the Property and two adjoining properties to the south.

THE PORTER HOUSE CONDOMINIUM

366 WEST 15TH STREET A/K/A 66 NINTH AVENUE

NEW YORK, NEW YORK

SCHEDULE A

04/03/2003

Offering Prices and Related Information

All Projected Charges are for the Twelve Month Period

Commencing September 1, 2003 and Ending August 31, 2004 ("First Year").

Unit (1)	Unit Description: Number of Bedrooms & Baths, Etc. (2)	Approximate Gross Square Footage of Unit (3)	Approximate Square Footage of Balcony and/or Terrace	Offering Price (4)	Percentage of Common Interest (5)	Contributing Share Percentage (6)	Estimated Annual/ Common (First Year) (7)	Estimated Monthly Charges	Estimated Annual/ Real Estate Taxes (First Year) (8)	Estimated Monthly	Estimated Annual/ Real Estate Taxes Upon Completion (9)	Estimated Monthly 100%	Estimated Annual/ Carrying (First Year) (10)	Estimated Monthly Charges	Estimated Annual/ Deductible Carrying (First Year) (11)	Estimated Monthly Charges
2E	2BR/2	1779	NA	$1,185,000.00	3.12%	3.90%	$10,365.36	$863.78	$5,540.12	$461.68	$16,114.96	$1,342.91	$15,905.47	$1,325.46	$5,540.12	$461.68
2W	2BR/2.5	1942	NA	$1,345,000.00	3.59%	4.49%	$11,933.45	$994.45	$6,378.24	$531.52	$18,552.86	$1,546.07	$18,311.69	$1,525.97	$6,378.24	$531.52
2N	1BR/1.5	958	NA	$625,000.00	1.69%	2.11%	$5,607.92	$467.33	$2,997.34	$249.78	$8,718.60	$726.55	$8,605.27	$717.11	$2,997.34	$249.78
3E	2BR/2	1779	NA	$1,185,000.00	3.01%	3.76%	$9,993.27	$832.77	$5,341.24	$445.10	$15,536.47	$1,294.71	$15,334.51	$1,277.88	$5,341.24	$445.10
3W	2BR/2.5	1942	NA	$1,345,000.00	3.59%	4.49%	$11,933.45	$994.45	$6,378.24	$531.52	$18,552.86	$1,546.07	$18,311.69	$1,525.97	$6,378.24	$531.52
3N	1BR/1.5	958	NA	$625,000.00	1.62%	2.03%	$5,395.30	$449.61	$2,883.70	$240.31	$8,388.04	$699.00	$8,279.00	$689.92	$2,883.70	$240.31
4E	2BR/2	1779	NA	$1,185,000.00	3.19%	3.99%	$10,604.56	$883.71	$5,667.96	$472.33	$16,486.84	$1,373.90	$16,272.52	$1,356.04	$5,667.96	$472.33
4W	2BR/2.5	1942	NA	$1,345,000.00	3.78%	4.73%	$12,571.32	$1,047.61	$6,719.17	$559.93	$19,544.55	$1,628.71	$19,290.48	$1,607.54	$6,719.17	$559.93
4N	1BR/1.5	958	NA	$625,000.00	1.68%	2.10%	$5,581.35	$465.11	$2,983.14	$248.59	$8,677.28	$723.11	$8,564.49	$713.71	$2,983.14	$248.59
5E	2BR/3/S/B	2039	89	$1,450,000.00	4.02%	5.02%	$13,342.08	$1,111.84	$7,131.12	$594.26	$20,742.84	$1,728.57	$20,473.20	$1,706.10	$7,131.12	$594.26
5W	2BR/3/S	2271	NA	$1,680,000.00	4.66%	5.82%	$15,468.30	$1,289.03	$8,267.56	$688.96	$24,048.47	$2,004.04	$23,735.86	$1,977.99	$8,267.56	$688.96
5N	1BR/1.5	958	NA	$695,000.00	1.80%	2.25%	$5,980.01	$498.33	$3,196.22	$266.35	$9,297.09	$774.76	$9,176.23	$764.69	$3,196.22	$266.35
6E	2BR/3/S/B	2039	89	$1,550,000.00	4.30%	5.37%	$14,272.30	$1,189.36	$7,628.31	$635.69	$22,189.05	$1,849.09	$21,900.61	$1,825.05	$7,628.31	$635.69
6W	2BR/3/S	2271	NA	$1,750,000.00	4.85%	6.07%	$16,132.75	$1,344.40	$8,622.69	$718.56	$25,081.48	$2,090.12	$24,755.44	$2,062.95	$8,622.69	$718.56
6N	1BR/1.5	958	NA	$735,000.00	1.97%	2.46%	$6,538.15	$544.85	$3,494.53	$291.21	$10,164.82	$847.07	$10,032.68	$836.06	$3,494.53	$291.21
7E	3BR/2.5/T	1836	650	$1,650,000.00	4.58%	5.72%	$15,202.52	$1,266.88	$8,125.50	$677.13	$23,635.27	$1,969.61	$23,328.03	$1,944.00	$8,125.50	$677.13
7W	2BR/2.5/T	1573	939	$1,450,000.00	4.02%	5.02%	$13,342.08	$1,111.84	$7,131.12	$594.26	$20,742.84	$1,728.57	$20,473.20	$1,706.10	$7,131.12	$594.26
8E	3BR/2.5/B	1836	89	$1,400,000.00	3.88%	4.85%	$12,890.25	$1,074.19	$6,889.63	$574.14	$20,040.39	$1,670.03	$19,779.88	$1,648.32	$6,889.63	$574.14
8W	2BR/2.5	1573	NA	$1,275,000.00	3.54%	4.42%	$11,747.41	$978.95	$6,278.80	$523.23	$18,263.62	$1,521.97	$18,026.20	$1,502.18	$6,278.80	$523.23
9E	3BR/2.5/B	1836	89	$1,450,000.00	4.02%	5.02%	$13,342.08	$1,111.84	$7,131.12	$594.26	$20,742.84	$1,728.57	$20,473.20	$1,706.10	$7,131.12	$594.26
PHE	3BR/2.5/B	1836	89	$1,525,000.00	4.23%	5.29%	$14,059.68	$1,171.64	$7,514.67	$626.22	$21,858.49	$1,821.54	$21,574.35	$1,797.86	$7,514.67	$626.22
PHW*	3BR/4.5/M/T	3146	1010	$3,200,000.00	8.87%	11.09%	$29,474.82	$2,456.24	$15,753.82	$1,312.82	$45,824.32	$3,818.69	$45,228.64	$3,769.05	$15,753.82	$1,312.82
Residential Totals:		38209	3044	$29,275,000.00	80.00%	100.00%	$265,778.40	$22,148.20	$142,054.25	$11,837.85	$413,204.00	$34,433.67	$407,832.65	$33,986.05	$142,054.25	$11,837.85
C	-	3784	-	Not Offered	20.00%	100.00%	$46,181.60	$3,848.47	NA	NA	NA	NA	NA	NA	NA	NA
		Plus 2988CS														
Grand Totals:		41993	3044	$29,275,000.00	100.00%	NA	$311,960.00	$25,996.67	$142,054.25	$11,837.85	$413,204.00	$34,433.67	$407,832.65	$33,986.05	$142,054.25	$11,837.85
		Plus 2988CS														

C denotes Commercial Unit. CS denotes Cellar Storage which is part of the Commercial Unit.

BR denotes Bedroom; D denotes Duplex Unit; S denotes Study; M denotes Maid's Room; T denotes Terrace; B denotes Balcony.

PHE is also known as Residential Unit 10E. PHW is also known as Residential Unit 9W.

* PHW is a Duplex Unit located on the 9th and 10th floors.

NA denotes Not Applicable.

NOTES TO SCHEDULE A

Offering Prices and Related Information

1. Set forth in column numbered (1), titled "Unit," is the Unit's designation in the Building and the Offering Plan.

2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms & Baths, etc." is a description of the Unit's layout, including the number of bedrooms and baths. Also set forth is whether a Unit has a private balcony and/or roof terrace. The number of rooms in each bedroom type Unit is set forth below and is calculated on the basis of zoning rooms as defined in the Zoning Resolution of the City of New York, as amended:

Bedroom Type	Rooms
One Bedroom	3.5
Two Bedroom	4.5
Three Bedroom	5.5
Four Bedroom	6.5

Residential Units 5E, 6E, 7E, 7W, 8E, 9E, PHE and PHW have the exclusive use of private balconies and/or roof terrace areas which are adjacent to and directly accessed from those Units. There is a common roof terrace located at the main roof of the Building for the exclusive use of all Residential Units.

Please see the Floor layouts of the Units set forth in Part II of the offering for more information regarding Unit Layouts.

3. The approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit which is obtained by measuring the floor area of the Unit measured to the outside face of the exterior walls of the Building enclosing the Unit to the centerline of the demising walls separating the Unit from other Units and/or the Common Elements. The gross square footage of a Unit is greater than the Approximate Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages exceed the useable floor area of each Unit.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their downpayments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Element as set forth in the "Description of Property and Building Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

4. The column numbered (4), titled "Offering Price," is the offering price of the Residential Unit to Purchasers.

Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units" on Page 64. Please note that purchase prices are technically negotiable, although Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price".

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments" at page 87. Included in these costs is the Purchaser's contribution to the Working Capital Fund in the amount of two (2) months Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, 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.

5. As set forth in column numbered (5), the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. 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 (the "Condominium Act"). The aggregate Common Interest of all Units equal 100%.

6. As set forth in column numbered (6), these amounts reflect (i) each Residential Unit's "percentage share" of the Shared Common Expenses, plus the Residential Common Expenses to be paid by the Residential Units only, allocated to each Residential Unit in the proportion that the Common Interest of each Residential Unit bears to the aggregate Common Interests of all Residential Units; and (ii) the Commercial Unit's "percentage share" of the Shared Common Expenses, plus the Commercial Common Expenses to be paid by the Commercial Unit only. A Residential Unit's or the Commercial Unit Owner's Contributing Share is used to determine his or her share of Common Charges to be paid by either all of the Residential Unit Owners or the Commercial Unit Owner. Each Unit's projected Common Charges for the first year of condominium operation are set forth in column numbered (7).

7. These estimates as set forth in column numbered (7) are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing September 1, 2003 and which will appear in Schedule B in the Plan, hereinafter referred to

as the "First Year". Included in these charges, amongst other costs, are the cost of insurance for the Property, repairs & maintenance for the common areas and electricity for common areas. It does not include the cost of electricity for individual Units, which will be separately metered and billed by the utility company to each Unit Owner. Projected annual Common Charges payable by each Residential Unit Owner are determined by first multiplying such Residential Unit Owner's Contributing Share by 80% of the total Shared Common Expenses of the Condominium and then by multiplying such Unit Owner's Contributing Share by 100% of the Residential Common Expenses as set forth in the annual budget for each fiscal year. Projected annual Common Charges payable by the Commercial Unit Owner are determined by first multiplying the Commercial Unit Owner's Contributing Share by 20% of the total Shared Common Expenses of the Condominium and then by multiplying such Unit Owner's Contributing Share by 100% of the Commercial Common Expenses as set forth in the annual budget for each fiscal year. As stated above, since the Commercial Unit is not being offered at this time by Sponsor or Sponsor's designee, the Common Charges set forth in Schedule A for the Commercial Unit only include those items that are Shared Expenses and do not include those items which are Commercial Common Expenses as defined hereinafter. See "Schedule B, Projected Budget for First Year of Condominium Operation" located at Page 40 for a further discussion of Shared Expenses and Residential and Commercial Common Expenses.

In addition to the aforementioned charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (ii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit, including, without limitation, the equipment and appliances contained therein; and (iii) 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 his Unit.

8. The estimates set forth in column numbered (8) are a calculation of real estate taxes due for each Residential Unit for the first year of Condominium operation commencing September 1, 2003 and ending August 31, 2004 ("First Year"). Therefore, the estimates are based upon nine (9) months of the 2003/2004 tax year which commences July 1, 2003 and three (3) months of the 2004/2005 tax year which commences July 1, 2004. Estimates of real estate taxes due for the Residential Units are based upon (i) the tentative 2003/2004 transitional assessed valuation for the Property as apportioned to all the Residential Units, (ii) the estimated taxable assessed valuations for the Residential Units for the 2004/2005 tax year, and (iii) projected tax rates for the 2003/2004 and 2004/2005 tax years. The apportioned and estimated aggregate taxable assessed valuation for all of the Residential Units, and the projected tax rates, have been projected by Joel Leitner, MAI, of Leitner Group, Inc., 50 East 42nd Street, 9th Floor, New York, New York 10017. A copy of Mr. Leitner's letter is set forth in Part II of the Plan. The tentative 2003/2004 assessed valuations for the entire Property are as follows:

Tentative Actual Total Assessed Valuation:	$571,500.00
Tentative Transitional Total Assessed Valuation:	$490,500.00

The Tentative Actual Total Assessed Valuation is the amount which, once finalized and barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment. Since the Property is being newly renovated and constructed into "Class A" apartments and commercial space, which renovation and construction commenced pursuant to an alteration permit in 2002, it can be expected that the Actual Total Assessed Valuation will be further increased for the 2004/2005 tax years and subsequent tax years due to such renovation and construction. It has been assumed by Mr. Leitner that as of January 5, 2003, the construction and renovation of the Property has not been fully completed and therefore the real estate taxes for the Residential Units shall increase substantially for the 2004/2005 tax year. See Note 9 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the renovation and construction to be completed by Sponsor.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is based, in part, upon a projection letter by Joel Leitner, MAI, of Leitner Group, Inc., who apportioned 90.97% of the tentative 2003/2004 transitional total assessed valuation for the Property. The transitional value has been used since it is the lower of the two assessments. Mr. Leitner has projected the 2003/2004 tax rate for the Residential Units to be 11.58%.

It is the tentative 2003/2004 Transitional Total Assessment as apportioned above to all the Residential Units upon which real estate taxes for the first nine (9) months of the First Year of Condominium operation have been based. The 2003/2004 real estate taxes for all the Residential Units as projected by Mr. Leitner are $51,671.00.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is also based, in part, upon a projection by Joel Leitner, MAI, of Leitner Group, Inc., who appraised the Actual Total Assessed Valuation of all of the Residential Units upon 100% completion of the construction. Upon 100% completion, assumed to be the end of June, 2003, the projected post-rehabilitation/construction actual assessment for all the Residential Units and assumed to be effective July 1, 2004 for the 2004/2005 tax year is projected as $3,268,500.00. The 2004/2005 real estate taxes for all the Residential Units as projected by Mr. Leitner are $413,204.00 assuming a tax rate of 12.642% for the 2004/2005 tax year.

It is the projected 2004/2005 projected Actual Total Assessment of all of the Residential Units upon which real estate taxes for the last three (3) months of the First Year of Condominium operation have been based.

Based upon the above assumptions, the aggregate real estate taxes for the Residential Units for the First Year of Condominium operation are projected to be approximately $142,054.25.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments**

of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mr. Leitner and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2003/2004, 2004/2005 or subsequent years.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner and the Commercial Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units or the Commercial Unit, as the case may be.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. 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 actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

9. Upon 100% completion of the construction by Sponsor which is assumed to be prior to January 5, 2004 for assessment purposes, and the implementation of the post rehabilitation/construction actual total assessment of the Property as projected by Joel

Leitner, MAI, of Leitner Group, Inc., the estimated annual/monthly real estate taxes for the period July 1, 2004 to June 30, 2005 for each of the Residential Units is set forth in column numbered 9.

Upon 100% completion, the post rehabilitation/construction actual total assessed valuation for all the Residential Units has been projected by Mr. Leitner as $3,268,500.00. This projected actual total assessed valuation for all of the Residential Units is assumed to be effective as of July 1, 2004. Further, Mr. Leitner has projected the 2004/2005 tax rate for the Residential Units to be 12.642%.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2004/2005 POST-REHABILITATION/CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE RESIDENTIAL UNITS OF $3,268,500.00 AND A PROJECTED TAX RATE 12.642% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2004/2005 TAX YEAR WOULD BE APPROXIMATELY $413,204.00 FOR THE RESIDENTIAL UNITS, WHICH, WHEN COMPARED ON AN ANNUALIZED BASIS, ARE SUBSTANTIAL INCREASES IN THE REAL ESTATE TAX ESTIMATES SET FORTH IN COLUMN NUMBERED (8) FOR EACH OF THE UNITS.

10. The figures in this column numbered (10) equal the sum of the Estimated Annual/Monthly Common Charges (First Year) and the Estimated Annual/Monthly Real Estate Taxes (First Year).

11. The figures in column numbered (11) equal the Estimated Annual/Monthly Real Estate Taxes (First Year). These amounts should 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. In the event that any Unit Owner obtains mortgage financing for his Unit the interest paid on such mortgage indebtedness will, in most cases, be deductible for income tax purposes.

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING SEPTEMBER 1, 2003

Income:	Residential Units	Commercial Unit	Total
Common Charges (1)	$265,778.40	$46,181.60	$311,960.00
Total Income (2)	$265,778.40	$46,181.60	$311,960.00
Expenses (3):	Residential Units	Commercial Unit	Total
Salaries, Including Payroll Taxes and Benefits (4)	$ 72,500.00	NA	$ 72,500.00
*Gas for Heat and Hot Water (5a)	$ 33,671.20	$ 8,417.80	$ 42,089.00
Gas for Cooking (5b)	$ 4,655.00	NA	$ 4,655.00
*Electricity for Common Elements (6)	$ 40,274.40	$10,068.60	$ 50,343.00
*Water and Sewer Charges (7)	$ 10,278.40	$ 2,569.60	$ 12,848.00
*Repairs, Maintenance and Supplies (8)	$ 18,000.00	$ 4,500.00	$ 22,500.00
*Service Proposals and/or Contracts (other than Elevator Maintenance) (9a)	$ 11,920.00	$ 2,980.00	$ 14,900.00
Elevator Maintenance (9b)(9c)	$ 3,897.00	NA	$ 3,897.00
*Insurance (10)	$ 37,802.40	$ 9,450.60	$ 47,253.00
*Management Fees (11)	$ 19,200.00	$ 4,800.00	$ 24,000.00
*Administrative Expenses (12)	$ 6,400.00	$ 1,600.00	$ 8,000.00
*Contingency 3% (13)	$ 7,180.00	$ 1,795.00	$ 8,975.00
Total Expenses	$265,778.40	$46,181.60	$311,960.00

*Shared Expenses[1]

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1 For purposes of this Budget, the projected first year of Condominium operation refers to the twelve month period beginning as of the First Unit Closing. As of the Offering Date, the Sponsor anticipates that the Initial Closing will take place on or about September 1, 2003. "NA" denotes Not Applicable.

Note: Sponsor represents that in the event that the commencement date of the First Year of condominium operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him to rescind his Purchase Agreement, and, if not otherwise in default, have his deposit refunded within a reasonable period of time. Sponsor may not declare the Offering 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. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

NOTES TO SCHEDULE B

1. Common Charges ($311,960.00)

This estimate is based upon the sum of all expenses which are described in Schedule B. Each Unit Owner shall be responsible for paying his, her or its share of the Common Expenses in accordance with its Common Interest or Contributing Share, as the case may be, except as otherwise provided in the footnotes to Schedule B and the By-Laws of the Condominium.

The Common Charges for the Commercial Unit are based, in part, upon the Commercial Unit Owner's payment of 20% of the Common Interest multiplied by the projected amount of the Shared Expenses as set forth in Schedule B and 100% of the Commercial Common Expenses to be paid by the Commercial Unit Owner only. Please note that since the Commercial Unit is not being offered at this time by Sponsor or Sponsor's designee the aggregate Common Charges for the Commercial Unit only include those items that are Shared Expenses and do not include those items which are Commercial Common Expenses as defined in footnote 3 below.

The Common Charges for the Residential Units are based, in part, upon each Residential Owner's Contributing Share of 80% of the Common Interest multiplied by the projected amount of the Shared Expenses and 100% of the Residential Common Expenses to be paid by the Residential Unit Owners only.

Where a Common Expense, if any, has been allocated amongst the Units other than in accordance with their respective Common Interests or Contributing Share, such special allocations are based upon projected usage by and applicability to a particular Unit Owner or group of Unit Owners in the opinion of the Sponsor or Sponsor's consulting engineer or managing agent. It is the opinion of Sponsor that the Common Charges payable by the Residential Unit Owners will be sufficient to cover expenses fairly attributable to the Residential Units. If the Condominium or the Board of Managers has a reasonable basis to believe that a particular Common Expense or Shared Expense should hereafter be specially allocated or re-allocated either amongst the Residential Unit Owners or between the Residential Unit Owners and the Commercial Unit Owner, the By-Laws of the Condominium provide for the procedure for, and if necessary the arbitration of, such reallocation. See Article VI, Section 1 and Article XV of the By-Laws in Part II of the Plan.

2. Total Income ($311,960.00)

This figure does not include any interest income that may be received by the Board of Managers from investment of the Working Capital Fund to be established at the various Unit Closings. For more information regarding the Working Capital Fund, see the section of the Plan titled, "Working Capital Fund and Reserve Fund," located at page 145a. It is expected that all or part of the Working Capital Fund will be expended during the first or subsequent years of operation. Accordingly, such interest income cannot be determined with exactitude. For this reason, and for the further reason that such interest income does not reflect normally anticipated income

from operations, no interest income has been included in the estimated income for the First Year of Condominium Operation. Further, as stated above, this figure does not include the payment of Commercial Common Expenses.

3. Expenses ($311,960.00)

Unless a special allocation is applicable, the Commercial Unit shall bear 20% of the Common Expenses which are designated as "Shared Expenses." The Commercial Unit will be separately metered for all consumption of electricity and the Commercial Unit Owner will be solely responsible for the payment of the cost for such electricity. Although initially there will not be separate gas service to the Commercial Unit, the Commercial Unit shall subsequently be separately metered or submetered for gas consumption related to heat, hot water and other gas usage in the Commercial Unit. Once separately metered or submetered for gas, the Commercial Unit shall be responsible for the cost thereof. Further, pursuant to the By-Laws of the Condominium, the Commercial Unit Owner is solely responsible for the payment of "Commercial Common Expenses," together with the costs of the utilities described above, which include the cost of snow removal from the front of the Commercial Unit, commercial garbage collection, vault charges, if any, repairs, maintenance and replacement of the sidewalk elevator, repairs, maintenance or replacement of those portions of the sprinkler system and standpipe system which service the Commercial Unit only, and any other expense, which is solely attributable to the Commercial Unit and not a Shared Expense. As stated above, since the Commercial Unit is not being offered at this time by Sponsor or Sponsor's designee, the aggregate Expenses for the Commercial Unit only include those items that are Shared Expenses and do not include those items which are Commercial Common Expenses.

Those expenses set forth in Schedule B which are borne solely by all the Residential Unit Owners are referred to in the Plan as "Residential Common Expenses." Pursuant to the By-Laws of the Condominium, the Residential Common Expenses include all expenses arising from the employment of a superintendent and one or more other employees of the Condominium, if any, who will service the Residential Units, residential garbage collection, gas consumption for cooking in the Residential Units, maintenance, repair and replacement of the passenger elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Residential Units only, repair, maintenance and replacement of the roofs of the Building and any other expense which is not a Shared Expense attributable to the Residential Units only or as provided for in the Plan and/or By-Laws of the Condominium.

4. Salaries, Including Payroll, Taxes and Benefits ($72,500.00)

The payroll projection for the Building is based upon (i) a part-time, visiting superintendent who will be on call 24 hours a day and expected to be at the Building approximately 20 hours a week, and (ii) one doorman, as set forth below. It is anticipated that such employees will be non-union employees and together with any other independent contractors will be supervised by the Managing Agent, or in the absence of the Managing Agent, the Board of Managers of the Condominium.

The duties of the non-resident superintendent include cleaning the residential lobby, cleaning

the sidewalk in front of the residential lobby, including snow removal, cleaning the common hallways, stairs, elevator cab and common areas, as needed, putting out residential trash for collection and checking the daily operation of the common mechanical equipment in the Building. Please note that the Commercial Unit Owner shall be responsible for the cost of removing debris and snow from the sidewalk directly in front of its respective entrances and the Commercial Unit Owner shall also be responsible for the cost of debris and snow removal from the entire sidewalk which is adjacent to its respective Unit.

The one doorman shall provide security service and be available at the lobby desk five (5) days per week, Monday through Friday, during the hours of 9:00 a.m. to 5:00 p.m. (or during such intervals as the Board of Managers may decide in their sole discretion).

It is Sponsor's opinion that this level of staffing complies with all applicable housing and labor laws since the Residential Units are to be individually owned.

Position		Number of Weeks at Pay Rate	Approx. Rate Per Week	Estimated Total Amount
Superintendent		56*	$400.00	$ 22,400.00
Doorman		56*	$630.00	$ 35,280.00
Subtotal:				$ 57,680.00
Benefits:	Social Security		6.20%	$ 3,576.16
	Medicare		1.45%	836.36
	SUI		3.60% on first 8500	612.00
	FUTA		0.8% on first 7000	112.00
	Disability Insurance		$39.00 per person	78.00
	Worker's Compensation		4.00% per 100	2,307.20
	Health Insurance		Estimated cost $300 per month	7,200.00
	Total Benefits			$ 14,721.72
Total				$ 72,401.72

* includes 2 weeks vacation and 10 holidays.

Raised to $72,500.00 for projection purposes.

5a. Gas for Heat and Hot Water ($42,089.00)

Heat and hot water for all of the Units, including hot water for the Common Elements, shall be provided by gas-fired boilers located in the cellar of the Building. The residential public corridors

will be heated and ventilated by a roof-top, gas fired outside air system. The cost of this gas consumption for such heat and hot water shall be collectively metered by one or more meters. Gas service shall be provided by the Consolidated Edison Company of New York and shall be a Shared Common Expense of the Residential Units and the Commercial Unit.

Total cost of gas consumption is based upon projections made by Buro Happold Consulting Engineers PC, located at 105 Chambers Street, 3rd Floor, New York, New York 10007, as follows:

GAS:

For heating: 35,000 Therms/yr. @ $0.88/Therm =	$ 30,800.00/yr.
For hot water: 10,500 Therms/yr. @ $0.88/Therms =	$ 9,284.00/yr.
Total:	$ 40,084.00/yr.

$40,084.00 x 5% inflation factor = $2,004.20
$40,084.00 + $2,004.20 = $42,088.20, raised to $42,089.00 for projection purposes.

Notes:

(1) All of the above calculations do not include the requirements for additional heat or any hot water and/or other gas consumption in the Commercial Unit. It is not possible at this time to estimate the commercial energy usage as it will depend heavily upon the type of business occupying the space.

(2) Initially, there will be no separate gas service to the Commercial Unit. In the event that separate gas service is required in the Commercial Unit, the Commercial Unit Owner shall have the right to install, at its sole cost and expense, separate gas service or connect to the existing gas service. However, the Commercial Unit Owner shall also be required to install a separate gas meter or submeter and at the time of such installation, the cost of consumption measured thereby shall be a Commercial Common Expense of the Commercial Unit Owner only. Also at the time of the installation of a separate meter or submeter, the Commercial Unit Owner will no longer be required to contribute its percentage share of the cost of gas for heat and hot water which initially is a Shared Expense.

(3) The above figures are based on the following assumptions:

1. 1/4" Double insulated glass, thermal barrier type windows.
2. R-20 insulation for roof.
3. R-12 insulation for walls.
4. Cost of Gas: $0.88 per Therm to include taxes and adjustments but no inflation factor.
5. Continuous occupancy.
6. Common gas meter for heating and hot water.
7. Cost for gas of $0.88 per therm to include taxes and adjustments but not inflation.

8. Heating based on 5000 degree days (base 65°F) with an outdoor condition of 0°F.

The above figures are based upon the construction of the Building complying with the New York State Energy Conservation Construction Code. Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

5b. Gas for Cooking ($4,655.00)

One or more meters shall collectively meter gas consumption for cooking in each of the Residential Units. Gas service shall be provided by the Consolidated Edison Company of New York and shall be a Residential Common Expense of the Residential Units only. There will be no separate gas service to the Commercial Unit. In the event that separate gas service is required in the Commercial Unit, the Commercial Unit Owner shall have the right to install, at its sole cost and expense, separate gas service or connect to the existing gas service. However, the Commercial Unit Owner shall also be required to install a separate gas meter or submeter and the gas consumption and cost measured thereby shall be the sole responsibility of the Commercial Unit Owner.

The cost of gas consumption is based upon projections made by Buro Happold, Consulting Engineers PC, located at 105 Chambers Street, 3rd Floor, New York, New York 10007, as follows:

Cooking 5,037 therms @ $0.88 per therm = $4,433/yr

$4,433.00 x 5% inflation factor = $221.69
$4,433.00 + $221.69 = $4,654.65, raised to $4,655.00

The above figures are based on the following assumptions:

1. Continuous occupancy.
2. Common gas meter for tenant cooking ranges.
3. Cost for gas of $0.88 per therm to include taxes and adjustments but not inflation meter for tenant cooking ranges.
4. R-12 wall insulation.
5. R-20 roof insulation.
6. 1/4" double insulated glass.
7. Each apartment has a gas range for cooking.

The above costs are based on construction complying with the New York State Energy Conservation Construction Code. Actual usage and cost will vary widely with tenant habits, maintenance of equipment, and thermostat setting. The figures above are estimates only and are not guaranteed.

6. Electricity for the Common Elements ($50,343.00)

The first year electricity projection includes the aggregate cost of electricity supplied to the Common Elements at the Property. Common site electric meters are for the elevators, lighting in public corridors and stairs, mechanical equipment and miscellaneous common electric power for the Building, including, but not limited to, electricity consumed for heating and/or air-conditioning of the Common Elements. Electrical Service shall be provided by the Consolidated Edison Company of New York. The cost of electricity for the Common Elements shall be a Shared Expense of all the Unit Owners and shall be paid by the Board of Managers. The cost of such electricity has been estimated by the office of Buro Happold, Consulting Engineers PC.

The estimate is calculated on the following basis:

ELECTRIC:

Common Electric Charges:

For public lighting: 64,977 kwh/yr. @ 0.13/kwh =	$ 8,447.00/yr.
For public power: 378,541 kwh/yr. @ 0.13/kwh =	$39,498.31/yr.

The above figures are based on the following assumptions:

1. 1/4" Double insulated glass, thermal barrier type windows.
2. R-20 insulation for roof.
3. R-12 insulation for walls.
4. Individual electric meters for the apartments and a house meter.
5. Continuous occupancy.
6. Cost of electricity: $0.13 per KWH. Costs do not include taxes, adjustments or inflation factors.
7. Each apartment has an electric dryer.
8. Toilet exhaust, and kitchen exhaust fans run 18 hours per day.
9. Laundry exhaust fans run 12 hours a day.

The above figures are based upon the construction of the Building complying with the New York State Energy Conservation Construction Code. Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

Total Annual Cost for common areas @ 13 cents/KW-hr: $47,945.31, raised to $50,343.00 to reflect a 5% inflation factor.

Each Residential Unit and the Commercial Unit shall be separately metered for electrical consumption within the Unit and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. See Schedule B-1 hereinafter for electrical cost projections as to individual Residential Units.

7. Water and Sewer Charges ($12,848.00)

All charges for water consumed in both the Residential Units and the Commercial Unit and in the Common Elements, together with all related sewer rents arising therefrom, shall be a Shared Expense of all of the Units Owners and shall be paid by the Board of Managers.

The cost of water consumption in the Residential Units, together with all related sewer rents arising therefrom, has been estimated by the office of Buro Happold, Consulting Engineers PC, as follows:

WATER:	
424,727 cu. ft./yr. @ $1.06/100 cu. ft. =	$ 4,502.00/yr.
SEWER:	
424,727 cu. ft./yr. @ $1.69/100 cu. ft. =	$ 7,178.00/yr.
Total:	$11,680.00/yr.

The above figures are based on the assumption that there will be continuous occupancy of the Units.

The above figures are based upon the construction of the Building complying with the New York State Energy Conservation Construction Code. Costs can vary considerable depending upon actual usage, personal habits maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

The projection does not include an estimate for water and sewer usage for the Commercial Unit and therefore the actual usage for the Building shall be greater than projected. The usage in Commercial Unit can not be estimated at this time since it depends on the type of business that will occupy this space. However, as set forth below, the projection has been increased by five percent (5%) as an adjustment for usage in the Commercial Unit. In the event that the Commercial Unit is used as a restaurant or other high capacity water use, the Commercial Unit shall be metered or submetered by one or more separate meters. The Commercial Unit Owner would then be responsible for paying the cost of the consumption measured thereby and for the installation of the separate meters or submeters.

All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located at the cellar level of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Commercial Unit Owner as a Commercial Common Expense.

Further, any vault charges or similar charges due as of the First Unit Closing shall be an adjustment with the Commercial Unit Owner.

However, please note that as of January 1, 1998, the City of New York repealed the local law which provided for annual vault charges. Therefore, no vault charges have been budgeted for the first year of condominium operation.

Water supply and sewage conveyance and disposal will be provided by the City of New York. It should be noted that there have been significant increases in N.Y.C. water and sewer charges in recent years and this trend is likely to continue. The estimate for the first year of condominium operation has been increased by an inflation factor of five percent (5%) to accommodate this trend and an additional five percent (5%) as an estimate of usage in the Non-Residential Units.

$11,680.00 x 110% = $12,848.00.

8. Repairs, Maintenance, and Supplies ($22,500.00)

Based upon the fact that the Building is being newly renovated and constructed. The figure does not include maintenance, repairs and supplies within specific Units, which are the obligation of the Unit Owner, but is designated to cover the cost of maintaining certain Common Elements only, i.e., interior repairs not within Units, exterior repairs, including walls, windows, doors and locks, and painting of common areas. Each Residential Unit Owner and the Commercial Unit Owner will be responsible for the cost of interior maintenance, repairs, 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 because the Building has been newly renovated and constructed, each Unit Owner, except for the Commercial Unit Owner with regard to the roofs and passenger elevator of the Building only, will be obligated to pay his pro rata share of such expenditures in the event that any such expenditures are required. The Commercial Unit Owner will not be obligated to contribute towards any expense related to the roofs or passenger elevator of the Building. However, the Commercial Unit Owner shall be responsible for all expenses related to the sidewalk elevator.

9a. Service Proposals and/or Contracts (other than Elevator Maintenance) ($14,900.00)

a. Exterminator Service - Based upon a proposal of Evins Pest Control Co., Inc., located at P.O. Box 405-22 Roosevelt Avenue, Roslyn, NY 10576, which provides for monthly service on a weekday at a rate of $65.00 per month plus sales tax.

$65.00 x 12 months = $780.00
$780.00 x 8.25% = $64.35
$780.00 + $64.35 = $844.35

b. Cooling tower/air-conditioning system maintenance service for the common cooling tower/air-conditioning equipment-the annual cost of such service has been estimated at $6,711.50 including sales tax based upon a proposal, dated January 19, 2003, from Lazar Mechanical Corp., located at 49 Market Street, New York, NY 10002. The proposal provides that it is for a term of one (1) year.

$6,200.00 x 8.25% sales tax = $511.50
$6,200.00 + 511.50 = $6,711.50

Additionally, any air-conditioning equipment, including any piping and/or ductwork related thereto which only services a particular unit shall be the sole cost and responsibility of the individual Unit Owner. This responsibility includes all maintenance, repair and/or replacement of such equipment, piping and/or ductwork and any permits or code compliance required by any applicable law.

c. Standpipe and sprinkler systems maintenance service - the standpipe and sprinkler systems are located throughout the Building. However, no amount has been budgeted for the first year of condominium operation since the standpipe and sprinkler systems have a one (1) year warranty from the date of the initial temporary certificate of occupancy for the Building. The cost of twelve (12) monthly inspections of the standpipe and sprinkler systems at the Building has been estimated based upon a proposal, dated March 28, 2003, of VIP Fire Sprinklers, Inc., located at 700 Columbia Street, Building 301A, Brooklyn, NY 11231, which provides for monthly inspections in consideration of an annual fee of $324.75 including sales tax.

d. Chemical Water Treatment - the annual cost of chemical water treatment for the HVAC system of the Building is estimated to be $2,110.88, including sales tax, based upon a proposal, dated April 1, 2003 of Lazar Mechanical Corp.

e. Central Station Fire Alarm - the annual cost of monitoring and maintaining the Central Station Fire Alarm System of the Building is estimated to be $49.95 per month for monitoring the system and $3,200.00 per year for maintenance for a total annual cost of $3,799.40. These estimates are based upon a proposal, dated April 2, 2003, of Protection One, located at 70 Jackson Drive, Cranford, New Jersey 07016.

f. Fire Pump Inspection - the annual cost to test the fire pump four (4) times per year is estimated to be $1,082.50, including sales tax, based upon a proposal, dated March 28, 2003, of VIP Fire Sprinklers, Inc.

g. Garbage disposal - garbage collection and disposal for the Residential Units shall be by the Department of Sanitation for the City of New York. An estimate for garbage disposal for the Commercial Unit has not been projected since it shall be the responsibility and cost of the Owner of the Commercial Unit to arrange for private carting of garbage collected from that Unit.

Summary	
Exterminator	$ 844.35
Cooling Tower/Air-Conditioning	$ 6,711.50
Standpipe and Sprinkler Inspections	$ 324.75
Chemical Water Treatment	$ 2,110.88
Central Station Fire Alarm	$ 3,799.40
Fire Pump Inspection	$ 1,082.50
Total	$14,873.38 raised to $14,900.00 for projection purposes.

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 three years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than three years.

9b. Elevator Maintenance ($3,897.00)

The one (1) passenger elevator in the Building which services all the Residential Units is a Limited Common Element for the exclusive use of all the Residential Unit Owners. Therefore, the cost of any repairs, maintenance and/or replacement of the passenger elevator shall be the sole responsibility of the Residential Unit Owners as a Residential Common Expense.

A January 2003 proposal from Dynamic Elevator Corp., located at 137 East 25th Street, New York, NY 10010, for monthly elevator maintenance service provides for a rate of $300.00 per month plus tax for the servicing of the one (1) passenger elevator in the Building. The proposal provides that it is for a term of one (1) year and renews automatically for another year unless canceled by either party by giving thirty (30) days written notice prior to the end of any contract term.

($3,600.00 x 12 months = $3,600.00)
$3,600.00 x 8.25% sales tax = $297.00
$3,600.00 + $297.00 = $3,897.00 per year.

The existing sidewalk elevator located at the northerly side of the Building on West 15th Street shall be a fixture which is the personal property of the Unit Owner of the Commercial Unit and therefore is part of the Commercial Unit. The Commercial Unit Owner shall be responsible for the cost of any maintenance, repair and/or replacement of such elevator.

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 three years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than three years.

9c. Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by September 15th of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within ten (10) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner. Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevator and the cost of such inspections shall be a Residential Common Expense.

Recent amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980) (presently known as Local Law 11/98) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a Local Law 10 inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law.

The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within 30 days with the option of a 90 day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five-year period between mandatory inspections. As a result of the additional floors, the completed Building will require regular 5-year inspections in accordance with Local Law 11/98. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building much be inspected in accordance with NYC Local Law 11/98's five (5) year cycle.

Although not budgeted for the first year of Condominium Operation, the cost of any future additional inspections, if any, required by Local Law 11 and any amendments thereto, shall be a Residential Common Expense of all of the Residential Unit Owners.

10. Insurance ($47,253.00)

The following is recommended for the Condominium for the first year of Condominium Operation in a letter dated February 3, 2003, from DeWitt Stern Group, Inc., Insurance Brokers, having an office at 420 Lexington Avenue, New York, NY 10170.

The proposal for the Property is based upon quoted rates of Atlantic Mutual Insurance Company and Travelers Insurance Company. The following coverage is proposed:

COVERAGES, TERMS AND CONDITIONS	**PROPOSED PROGRAM**
PROPERTY COVERAGES:	
BUILDING	$12,500,000
Special Form	Included
Co-Insurance	Waived
Replacement Cost	Included
Agreement Amount	Included
PERSONAL PROPERTY	$ 50,000
Personal Property of Others	$ 50,000
Valuable Papers	$ 10,000

LOSS OF INCOME (MAINTENANCE FEES)	$ 300,000
EARTHQUAKE	$ 1,000,000
FLOOD (RISING WATERS)	$ 1,000,000
BACK-UP OF SEWERS AND DRAINS, and SEEPAGE	Included
TERRORISM	$10,000,000

SPECIAL PROPERTY PROVISIONS:

Canopies/Awnings	$ 10,000
Glass	Included
Ordinance of Law (Demolition, & Increased Cost of Construction)	$ 1,000,000
Gazebo	$ 5,000

DEDUCTIBLES:

Flood	$ 5,000
Earthquake	5%
Seepage, Back Up of Sewers and Drains	$ 1,000
Awnings & Canopies	$ 500
All Other	$ 1,000

COMMERCIAL GENERAL LIABILITY COVERAGES:

General Aggregate Limit Per Location	$2,000,000
Products & Completed Operations	Included
Aggregate Limit	$2,000,000
Each Occurrence Limit	$1,000,000
Personal & Advertising Injury Liability	$1,000,000
Water Damage Legal Liability ($1,000 Ded)	$1,000,000
Non-Owned & Hired Automobile Liability	$1,000,000
Fire Damage Legal Liability	$ 50,000
Medical Payments	$ 5,000

TERMS AND CONDITIONS:

Blanket Addition Insureds	Included
Volunteers as Additional Insureds	Included
Unit Owners & Families as Additional Insureds (Excluding their own unit)	Included
Blanket Contractual Liability	Included
Employees as Additional Insureds	Included
Host Liquor Law Liability	Included
Mold	Excluded
Terrorism	Excluded

CRIME COVERAGES:

Employee Dishonesty	$ 250,000
Depository Forgery	$ 250,000
Optional Coverages:	
Managing Agent Rider	$ 250,000
Deductible	$ 1,000

BOILER & MACHINERY COVERAGES:

"Comprehensive Form"

Property Damage Limit	Up To Property Limit
Loss of Income	INCLUDED

DEDUCTIBLES:

Property Damage	$ 1,000
Loss of Income	2 Hrs.

UMBRELLA LIABILITY COVERAGES:

Excess Liability Limit	$50,000,000
Includes Directors and Officers Liability Provision; Excludes Mold and Terrorism.	

DIRECTORS & OFFICERS LIABILITY:

Limit	$ 1,000,000
Retention	$ 1,000

Managing Agent Rider Included

The projected annual premium is $47,253.00. The proposal was prepared in the framework of current insurance market conditions. Should these conditions change in the future, the terms and pricing can not be guaranteed. Costs for Worker's Compensation coverage and New York State Disability are included in the cost projection for Salaries, Including Payroll Taxes and Benefits.

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

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.

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.

Pursuant to the By-Laws of the Condominium, in the event that the Commercial Unit Owner's use of his or her Unit increases the rate of insurance required for the Building, the Commercial Unit Owner shall be responsible for the increased cost thereof.

11. Management Fees ($24,000.00)

Based upon a proposed management agreement with Andrews Building Corporation, located at 666 Broadway, New York, NY 10012, ("Managing Agent") for a term of one (1) year, commencing on the date of the First Unit Closing, at an annual fee of $24,000.00, payable in twelve (12) equal monthly installments of $2,000.00. Please consult the section of the Plan titled "Management Agreement and Other Contractual Arrangements" for further discussion.

12. Administrative Expenses and Franchise Tax ($8,000.00)

Based upon its experience with similar buildings and the other estimates set forth below, Andrews Building Corporation, located at 666 Broadway, New York, NY 10012, has made the following itemized projections:

Various Office Supplies, Telephone, Postage and Miscellaneous	$1,000.00
Legal Expense	$2,500.00
Accounting Expense	$1,500.00
Fees, Inspection, Permits and Filings	$1,500.00
Franchise Taxes	$1,500.00
	$8,000.00

The estimate of Accounting Expenses is based upon a fee quotation of $1,500.00 provided by Joseph P. Melvin Company, certified public accountants, located at 135 South Wayne Avenue, Suite 200, Wayne, PA 19087.

The accounting services to be provided will consist of the preparation of the applicable income tax returns for the Condominium and preparation of year end audit financial statements, which shall be certified if Sponsor is still in control of the Board.

The estimate of legal expense is based upon 10 hours of consultation with an attorney to be retained by the Board of Managers at an approximate rate of $250.00 per hour. Such consultation would include, but not be limited to, issues raised by the Board of Managers in connection with the operation of the Property. Since no separate counsel has been appointed by Sponsor for the Condominium and as it is expected that each Purchaser shall be represented by an attorney in connection with the purchase of a Unit, it is not anticipated that further legal expense shall be required by the Condominium during the first year of Condominium operation. However, in the event that legal services are required by the Condominium in excess of the first year estimate, then such services would be billed on an hourly rate or monthly retainer rate to be determined and negotiated by the Board of Managers with the attorney to be retained.

The New York State Department of Taxation & Finance through the issuance of Advisory Opinions has taken the position that "unincorporated associations" will be deemed corporations under Article 9A of the Tax Law of the State of New York and the regulations promulgated thereunder. As a result, all condominiums will be required to file annual franchise tax returns and pay any applicable tax. Based upon the fact that it is not anticipated that the Condominium will have net income or other capital assets, a minimum amount of tax due has been included as part of the Budget for the first year of condominium operation. However, in the event that the condominium has net income or capital assets in the future and the amount of tax due is greater than projected, the amount of each Unit's Common Charges shall increase.

13. Contingency ($8,975.00)

The contingency provides for possible Shared Expenses not included in the projected budget or possible increases in one or more categories of operating expense beyond the projected amounts. This contingency shall be 3% of the Shared Expenses. It is not intended to be a reserve for capital improvements. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

SCHEDULE B-1

Individual Residential Unit Electric Charges:

Typical for apartment No. 2E, 3E, 4E (2 Br.)
For Lighting & Power Consumption: 6,022 KWH/year @ 0.13 $/KWH = $782.86/year
For air conditioning & heating: 11,693 KWH @ 0.13 $/KWH = $1,520.09/year

Typical for apartment No. 2W, 3W, 4W (2 Br.)
For Lighting & Power Consumption: 9,318KWH/year @ 0.13 $/KWH = $1,211.38/year
For air conditioning & heating: 11,693 KWH @ 0.13 $/KWH = $1,520.09/year

Typical for apartment No. 5E & 6E (2 Br.)
For Lighting & Power Consumption: 9,982 KWH/year @ 0.13 $/KWH = $1,297.66/year
For air conditioning & heating: 23,925 KWH @ 0.13 $/KWH = $3,110.25/year

Typical for apartment No. 5W & 6W (2 Br.)
For Lighting & Power Consumption: 9,709 KWH/year @ 0.13 $/KWH = $1,262.17/year
For air conditioning & heating: 23,925 KWH @ 0.13 $/KWH = $3,110.25/year

Typical for apartment No. 7E, 8E, 9E & 10E (2 Br.)
For Lighting & Power Consumption: 10,764 KWH/year @ 0.13 $/KWH = $1,399.32/year
For air conditioning & heating: 19,460 KWH @ 0.13 $/KWH = $2,529.80/year

Typical for apartment No. 7W & 8W (3 Br.)
For Lighting & Power Consumption: 10,278 KWH/year @ 0.13 $/KWH = $1,336.14/year
For air conditioning & heating: 19,460 KWH @ 0.13 $/KWH = $2,529.80/year

Typical for apartment No. 2N, 3N, 4N, 5N & 6N (1 Br.)
For Lighting & Power Consumption: 6,283 KWH/year @ 0.13 $/KWH = $816.79/year
For air conditioning & heating: 6,868 KWH @ 0.13 $/KWH = $829.91/year

Typical for apartment No. 10W (4 Br.)
For Lighting & Power Consumption: 15,831 KWH/year @ 0.13 $/KWH = $2,058.03/year
For air conditioning & heating: 31,153KWH @ 0.13 $/KWH = $4,049.89/year

The above figures are based on the following assumptions:

1. 1/4" Double insulated glass, thermal barrier type windows.
2. R-20 insulation for roof.
3. R-12 insulation for walls.
4. Individual electric meters for the apartments and a house meter.
5. Continuous occupancy.
6. Cost of electricity: 0.13 $ per KWH. Costs do not include taxes, adjustments or inflation factors.

7. Each apartment has an electric dryer.
8. Toilet exhaust and Kitchen exhaust fans run 18 hours per day.
9. Laundry exhaust fans run 12 hours a day.

Calculations are based upon the construction of the Building complying with the New York State Energy Conservation Construction Code. Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i(1)

April 9, 2003

The Porter House Condominium
c/o The Board of Managers
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York 10011

Re: **The Porter House Condominium**
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York 10011

Gentlemen/Mesdames:

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

It is our opinion that the allocation of the Percentages of Common Interest allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-i(1).

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

The allocation of the percentages of Common Interest as set forth in the said "Schedule A" is based on the following: size of Unit, layout of Unit, location of the Unit in the Building and its status as a Residential or Commercial Unit.

Our firm is in the real estate management business for a period in excess of fourteen (14) years. We currently manage residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership, many of which contain commercial property. Some of the properties that we manage are as follows:

420 West Broadway, New York, NY

51-53 Leonard Street, New York, NY

79-101 Laight Street, New York, NY

359 West 11th Street, New York, NY

41 Warren Street, New York, NY

206 West 17th Street, New York, NY

19 Beach Street, New York, NY

132 Perry Street, New York, NY

This firm will not act as the selling agent but shall be the Managing Agent of the Property. We have no beneficial interest in the Sponsor and no interest in the profits of this offering plan other than the fee for this service and for managing the property.

Very truly yours,

Andrews Building Corporation

By: _____
Eugene Andrews, President

Dated: April 9, 2003

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.
Attorneys At Law
345 Seventh Avenue • 23rd Floor
New York, New York 10001

212-564-9800
Fax 212-564-9802

JOHN D'AGOSTINO
MICHAEL J. LEVINE*
WAYNE R. LANDESMAN*
MARK D. RISK

BETTINA M. MIRAGLIA◆
JOSE M. RIVERA*
KELLYANN S. MONAGHAN

* ALSO ADMITTED IN NJ
◆ ALSO ADMITTED IN CT

COUNSEL
BRUCE H. LEDERMAN*
ERIC S. KAMISHER

WRITER'S E-MAIL:

April 10, 2003

66 Ninth LLC
c/o Jeffrey M. Brown Associates, Inc.
330 Seventh Avenue, 18th Floor
New York, NY 10001

Re: The Porter House Condominium
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York
(the "Condominium")

Gentlemen/Mesdames:

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

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

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

in calculating the Common Interests, the square footage allocated to the cellar space which is part of the Commercial Unit was discounted and the fact that the Commercial Unit only contributes to the Shared Expenses of the operation of the Property was considered.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i (1) has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, D'Agostino, Levine & Landesman, LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

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

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

Very truly yours,

D'Agostino, Levine & Landesman, LLP

DLL:gr

THE COMMERCIAL UNIT

The Commercial Unit, which consist of space on a portion of the cellar and the first floor of the Building, is not being offered for sale at this time and shall be retained by Sponsor or Sponsor's designee. The Commercial Unit may be physically altered and/or subdivided by Sponsor or its designee to accommodate more than one rental tenant. The Sponsor or its designee may at some future date offer the Commercial Unit for sale, but shall amend the Offering Plan prior thereto to reflect such offer.

The Commercial Unit may be used for any legal use permitted by the Zoning Resolution of the City of New York, as amended, or other applicable laws. The Commercial Unit Owner shall have the right to change the use of the Commercial Unit without the consent of the Board of Managers and without paying any cost or charge to the Board of Managers. The Building is located within an C6-2A (R8-A Equivalent) Zoning District. The legal uses proposed will comply with all Zoning requirements, and initially will be as set forth in the approved Department of Buildings' Application. The predominant use of this Building is residential and such use will be located above the ground floor. A substantial portion of the cellar and first floor use will be commercial uses. The commercial uses allowed, depending upon whether its cellar or ground floor space, are defined by Use Groups 2-12 of the Zoning Resolution. Permitted uses of these Use Groups include, but are not limited to, retail uses, eating and drinking establishments, offices and wholesale establishments. The percentage of Common Interest attributable to the Commercial Unit and the resulting Common Charges to be paid by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to such Unit. The Commercial Unit shall be separately metered for electricity upon the obtaining of the permanent Certificate of Occupancy. Although initially there will not be separate gas service to the Commercial Unit, the Commercial Unit shall subsequently be separately metered or submetered for gas consumption related to heat, hot water and other gas usage in the Commercial Unit. Once separately metered or submetered for gas, the Commercial Unit Owner shall be responsible for the cost thereof. Water consumption shall be collectively metered for all of the Units and the cost thereof shall be a Common Expense of all the Unit Owners. If the Commercial Unit is occupied for a restaurant use or some other use which requires a high volume of water, then, in such event, the Commercial Unit Owner, at its sole cost and expense, shall be required to install a separate meter or submeter in the Unit to measure such additional water consumption. The Commercial Unit Owner shall be solely responsible for the cost of water consumption measured thereby.

Currently, the Commercial Unit is being renovated and there is no executed lease for the Commercial Unit with the Sponsor.

As stated above, the Commercial Unit may be used for any permitted use under the Zoning Resolution of the City of New York, as amended. However, although the Commercial Unit Owner has the right to change the use of the Commercial Unit, any other permitted use of the Commercial Unit must comply with the Certificate of Occupancy for the Building as it currently exists or as amended by Sponsor or Sponsor's designee, and as otherwise required by the Declaration and By-Laws of the Condominium.

However, the right of the Commercial Unit Owner to change the use of the Commercial Unit may result in a greater number of people entering and leaving the ground floor and cellar levels of the Building, a higher volume of noise and/or hours of usage and other possible adverse effects on the Building resulting from the use of the Commercial Unit. Accordingly, it is possible that a change of usage could have an adverse impact on other Condominium Unit Owners.

The percentage of Common Interest for the Commercial Unit was allocated pursuant to method (iv) contained in Section 339-i(1) of the New York Condominium Act, which takes into consideration floor space, subject to the relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use and the overall dimensions of the particular Unit.

With respect to allocation of expenses, other than for the allocation of specific expense items, including but not limited to, (i) gas and electricity which are to be separately metered for the Commercial Unit and paid for by the owner or tenant(s) thereof, (ii) the exception of the Commercial Unit from the contribution for the expenses related to the superintendent for the Building and the repair or replacement of the roofs, and (iii) the cost of refuse removal which is a separate cost of the Commercial Unit Owner, the Commercial Unit is treated similarly to the other Units and the common charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit.

The allocation of common charges attributable to the Commercial Unit shall also reflect special exclusive use or availability or exclusive control of particular common areas by either the Commercial Unit Owner or the Residential Unit Owners.

The Commercial Unit Owner shall also have the right to make alterations, additions, improvements or repairs to the Unit, to subdivide the Unit or later combine a subdivided Unit without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers. Additionally, as part of the renovation or subsequent to the renovation, the Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have the right to install a flue which will be sized for possible restaurant or commercial grade kitchen use in or on the common areas of the Building and such flue may run from the cellar or first floor level through the roof or some other point in the Building where it will terminate in accordance with the NYC Building Code. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have an easement, without charge or limitation, to use said flue for any lawful purpose and in conjunction with the use of the Commercial Unit. Other than as set forth herein regarding the use of the Commercial Unit, it is Sponsor's opinion that those rights have no material adverse impact on the Condominium.

The Owner of the Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair and maintain either within or in the immediate location of such particular Unit below the windows at the second floor level and on the sidewalk adjacent to the Commercial Unit's entrances a sign or signs, which may be illuminated, including neon, for advertising or identification purposes and shall have an easement to use any adjacent sidewalk in connection with its use of the Unit to the extent permitted by law. Additionally, the Owner of the Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent

of the Board of Managers to install, or erect, repair and maintain in the immediate location of such particular Unit below the windows at the second floor level, but not to interfere with the entrance of any other Unit, a canopy and/or awning for advertising or identification purposes. Such Unit Owner and any tenant of space in such Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities, including the Landmarks Preservation Commission if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs or canopies/awnings and/or any necessary renewal fees.

At the request of the Sponsor, a Sponsor-designee or the Unit Owner of the Commercial Unit, the Board of Managers will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, repair or subdivision of the Commercial Unit or the operation or use of the Commercial Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application of such other documents.

The Condominium shall have a right to access, upon reasonable notice, unless such access is needed in an emergency, in which case no notice is required, to any portion of the Commercial Unit on the ground floor or cellar level to service equipment which is necessary for the operation of the residential portion of the Building.

The Commercial Unit shall be responsible for the cost of removing debris and snow from the sidewalks directly in front of its respective entrances and shall also be responsible for the cost of debris and snow removal from the entire sidewalk which is adjacent to the Commercial Unit.

In the event of a dispute between the Commercial Unit Owner and the Condominium as to any issue relating to the Commercial Unit, the Commercial Unit Owner or any tenant of the Commercial Unit Owner and the Condominium agree to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article XV of the By-Laws of the Condominium. Pursuant to Article XV of the By-Laws, any such dispute will be submitted to a single arbitrator in accordance with the existing rules of the American Arbitration Association or any successor thereto. The resolution of any dispute pursuant to this arbitration clause may be varied by the written agreement of the parties. The decision of the arbitrator shall be final and binding and may be entered in any court of appropriate jurisdiction. The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be decreased or increased only by a duly filed amendment to the Offering Plan when the change of price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. As set forth in the Notes to Schedule A, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment before entering the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. However, no price change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering price was changed nor shall it alter the amount of Common Charges payable by such Unit Owner.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units, by subdividing one or more separate Unsold 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. Such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

No material change will be made in the size and no adverse material change will be made in the quality of Common Elements unless all Purchasers consent.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at 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.

The 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 of this Plan.

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 fully recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

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

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

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

INTERIM USE AND OCCUPANCY AGREEMENTS

Subject to all applicable Zoning Laws and pursuant to an issued certificate of occupancy, Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit at Sponsor's sole option may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, but not to exceed the maximum of such fee legally collectible, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement, if any, shall be for a period which will expire on the earlier of the date of the closing of such Unit or one year after the execution date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Use and Occupancy Agreement, if any, 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. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment, if any. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement shall also contain a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. No portion of the rental paid under an Interim Use and Occupancy Agreement will be credited toward the Unit's purchase price.

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

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit in the Condominium shall be required to execute a Purchase Agreement in quadruplicate, the form of which is contained in Part II at pages 156 to 174, and return it to the Sponsor and/or Selling Agent, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the order of D'Agostino, Levine & Landesman, L.L.P., as attorneys or as escrow agent. This deposit may be increased for the entire cost of special custom work ordered by the Purchaser and itemized in the Purchase Agreement. D'Agostino, Levine & Landesman, L.L.P. shall be the "Escrow Agent" pursuant to the Purchase Agreement and the 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) business days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the seventh day subsequent to Purchaser's executing and delivering such Agreement. Those Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

A deposit in the amount of no more than $200.00 payable in check or money order to the Sponsor is required of all prospective purchasers in order to obtain a copy of the Plan. The amount of the deposit will either be credited toward the Down Payment of a Unit or returned upon execution of the Purchase Agreement by Sponsor for anyone who purchases a Unit or refunded to anyone who does not purchase a Unit if a copy of the Plan is returned undamaged, but subject to normal wear and tear, together with the original receipt, within thirty (30) days of receipt of a copy of the Plan.

A Purchaser may seek to finance any portion of the Purchase Price through a bank or other lending institution. No representation, warranty or assurance is given by the Sponsor, or any person on its behalf, as to the availability, cost, terms or other conditions of such financing. **HOWEVER, A PURCHASER'S OBLIGATION UNDER THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON THE PURCHASER'S OBTAINING A SATISFACTORY MORTGAGE COMMITMENT FOR FINANCING THE PURCHASE OF A UNIT.** Therefore, a Purchaser will be obligated to pay the balance of the Purchase Price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the Purchase Price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine & Landesman, L.L.P., as Escrow Agent to hold all deposits, down payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at Chase Bank office located at 305 Seventh Avenue, New York, New York, titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for The Porter House Condominium," or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a Down Payment in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000. D'Agostino, Levine & Landesman, L.L.P. is located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, 212-564-9800. The signatories on this special escrow account authorized to withdraw funds are the partners of D'Agostino, Levine & Landesman, L.L.P. who are John D'Agostino, Esq., Michael J. Levine, Esq. and Wayne R. Landesman, Esq. all of whom are located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001.

This escrow account will be interest-bearing and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate from this type of account as stated by Chase Bank at the time of the initial deposit and as provided thereafter. Such interest rate as stated in December, 2002 by Chase Bank is approximately 1/2%. Interest will begin to accrue as of the date the deposit of the down payment clears and is posted by Chase Bank to the escrow account. No fees of any kind from the account principal or any interest earned thereon may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow account and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit with fifteen (15) business days after tender of the deposit, 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 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 and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Section 71-a(3) of the Lien Law, as applicable herein, also provides for the following:

(a) Down payments shall be placed in an interest bearing account if so requested by Purchaser. Such down payment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.

(b) As an alternative to depositing down payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company

ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond pursuant to this paragraph (b), an amendment to the Plan which complies with the applicable provisions of the Attorney General's Regulations will be filed disclosing same.

(c) Down payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) release or discharge of Sponsor's liability to refund such down payment or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.

(d) The Purchase Agreement shall contain the following:

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

In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, or in the event that the Purchaser has been unable to obtain a written mortgage commitment and the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to Purchaser with any interest.

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Down Payment to be released pursuant to an uncured default shall be released prior to the Consummation of the Plan. Any withdrawals or disbursement of funds from this special account or accounts shall be made only upon the written approval by a partner in the firm of D'Agostino, Levine & Landesman, L.L.P., despite the fact that Chase Bank may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payment. Any provision of any Purchase Agreement, contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement.

The Escrow Agent will hold funds in escrow until otherwise directed in (i) a writing signed by both Sponsor and Purchaser; or (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or (iii) a judgment or order of a court of competent jurisdiction.

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

The Sponsor will not object to the release of the escrowed funds to (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; and (ii) all Purchasers after an Amendment abandoning the Plan is accepted for Filing by the Department of Law.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit "A" to the Purchase Agreement in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

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

A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations is contained in the Back-up Documents which have been submitted to the Department of Law as part of this Plan. The Model Form for the Escrow Agreement is also set forth in Part II of the Plan.

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

Subsequent to the date that the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser. The notice shall state the date of the First Unit Closing and set forth the closing date for the respective Unit. Purchasers shall be given not less than thirty (30) days notice of the closing of title on their Units. This notice period may be waived by Purchasers. The notice shall also provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as otherwise directed by Sponsor. In all cases, all checks are to be drawn on a member bank of the New York Clearing House Association. The notice to Purchaser shall also specify when Common Charges will be due and payable.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

The notice of closing will be served upon all Purchasers who have executed and delivered a Purchase Agreement for a Unit to the Sponsor or Selling Agent (and whose Purchase Agreements are in effect and not in default). The notice of closing will be served either by personal delivery or sent by registered or certified mail to the address of the Purchaser as set forth in the Purchase Agreement. Notices served by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

Sponsor anticipates the First Unit Closing to occur on or about September 1, 2003. In the event that the First Unit Closing is delayed twelve (12) months or more beyond September 1, 2003, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect, will be given the right to rescind their Purchase Agreements.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than ten percent (10%) of the purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work 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. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement to otherwise enforcing Purchaser's obligations hereunder.

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

Within twenty (20) days of receiving four (4) copies of a Purchase Agreement, both executed by Purchaser, together with the required Down Payment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said twenty (20) day period the Purchase Agreement shall be deemed null and void.

At the closing of title to a Unit, and as a condition thereto, the Purchaser shall be required to execute a Power of Attorney to the Board of Managers of the Condominium and to the Sponsor. The Power of Attorney appoints (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns. The Form of Power of Attorney to be executed is set forth in Part II of the Offering Plan.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent which may be withheld for any reason.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, payment of all or part of

Purchaser's financing costs, price reductions tied to rental of Units, reduced Down Payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Regulations governing disclosure of information regarding Lead Based Paint (the "Regulations"), issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. Based upon a Phase II Site Investigation Report, dated May 2002, prepared by AKRF, Inc., located at 116 East 27th Street, 7th Floor, New York, NY 10016 (the "Report"), soil samples taken pursuant thereto revealed the presence of lead ten or more feet below the basement slab of the Building. However, the levels of lead detected were below levels acceptable to EPA and therefore do not pose a hazard to human health. A copy of the Report will be made available to a Purchaser at his or her request. The Sponsor does not have any other actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the Property was constructed prior to 1978 and therefore either the Property or the Units may contain lead-based paint and lead-based paint hazards. Other than as set forth above, the Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Units. The Sponsor also does not have any other actual knowledge that anyone else has undertaken any such investigation or risk assessment. Pursuant to the Purchase Agreement, the Purchaser will acknowledge that the Sponsor indicated it did not have any other reports or records pertaining to lead-based paint or lead-based paint hazards as to the Units or the Property. The regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser will further recognize and agree pursuant to the Purchase Agreement that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Units or the Property. Pursuant to the Purchase Agreement, the Purchaser shall assume all risks, if any, as to lead-based paint hazards in the Units or the Property. The Purchaser may undertake his own risk assessment or inspection for possible lead-based paint hazards. If a Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of a Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached to the Purchase Agreement as Exhibit "C" which must be simultaneously executed by the Purchaser with the Purchase Agreement, the Purchaser will either undertake his own inspection or risk assessment or waive his rights to undertake same. The Purchaser will also acknowledge receipt of the lead-based paint hazard information brochure entitled "Protect Your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld for any reason.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one (1) year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been accepted for filing by the Department of Law substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

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

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of eighteen (18) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equalling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (b) work orders of a mortgagee or hazardous or dangerous conditions that cannot be cured for less than a cost which does not exceed an amount equalling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (c) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equalling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (d) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorneys fees, hazardous or dangerous conditions, work orders or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

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

The Plan will not be declared effective based upon Purchase Agreements: (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (b) if the Purchaser was either not afforded at least three (3) business days to review the Plan, and all filed amendments thereto prior to executing a Purchase Agreement, or if he was not permitted seven (7) days after delivering an executed Purchase Agreement and deposit to rescind the Purchase Agreement; or (c) with any Purchaser who is the Sponsor/Selling Agent or the Managing Agent or is a principal of the Sponsor/Selling Agent or the Managing Agent or is related to the Sponsor/Selling Agent or the Managing Agent or to any principal of the Sponsor/Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee or 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 Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide Purchaser.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers, who may be individuals, a duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in Schedule A (as such prices may be changed by the Sponsor as set forth on page ___), and will include the respective undivided interests in the Common Elements. Good and marketable title to the Units and their appurtenant interests in the Common Elements will be conveyed 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 in paragraphs 1 through 20, inclusive. The form of unit deed is set forth in Part II of the Plan.

1. Survey made by Montrose Surveying Co., LLP, dated September 19, 2001, redated January 29, 2002 discloses the following:

   a. Projections over and encroachments upon West 15th Street:

      Awning - 3.1 feet more or less

      Ledge above 1st story - 0.6 feet more or less

      Light - 1.0 feet more or less

      Vault - 13.2 feet more or less

      Door (when open) - 2.8 feet more or less

      Roof trim and cap - 0.6 more or less

      Window sill - 0.1 feet more or less

      Electrical Pipe - 0.1 feet more or less

      A.C. Unit - 0.6 feet more or less

      Metal Stud - 0.2 feet more or less

      Cellar door - 5.13 feet

      Cellar windows - 8.32 feet

      Base - 0.38 feet

      Water table - 0.47 feet

      Show windows - 0.05 feet

b. Roofing of the Building located upon described Premises leans 0.01 feet over premises adjoining to the east. The purchaser's title policy will insure that same may remain in its current location for as long as the Building shall stand.

c. Wire connection box encroaches up to 0.13 feet upon premises adjoining to the east. The purchaser's title policy will insure that same may remain in its current location for as long as the Building shall stand.

d. Wire (0.1 feet) roof cap (0.2 feet) door, when open (2.7 feet) and roof (0.06 feet) project/encroach upon described Premises from premises adjoining to the south.

e. Wire (0.1 feet more or less) roof cap (0.2 feet more or less) connection bags (0.4 feet more or less) sign (0.2 feet more or less) project and independent wall (0.2 feet more or less) encroaches from described Premises upon premises adjoining to the south. The purchaser's title policy will insure that same may remain in its current location for as long as the Building shall stand.

f. Projections over and encroachments upon 9th Avenue:

Awning - 3.1 feet more or less

Ledge (above 1st story) - 0.6 feet more or less

Light - 1.0 feet more or less

Vault - 14.8 feet more or less

Door (when open) - 1.5 feet more or less

Roof trim and cap - 0.7 more or less

Base - 0.33 feet more or less

Water table - 0.4 feet

2. Any additional state of facts which updated and accurate surveys would show, providing such surveys do not render title unmarketable;

3. 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 contemplated structures and use;

4. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;

5. 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;

6. Easements, if any, 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;

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

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

9. Any easement or right of use created in favor of any public utility company and/or cable television 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;

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

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

12. 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 residential use of the Residential Units and a legal permitted use of the Commercial Unit at the Property nor prevent the existence of the present structures;

13. Zoning Lot Certification in Reel 3486 page 2026. A copy of said Zoning Lot Certification is set forth in Part II of the Plan;

14. Declaration of Zoning Lot Restrictions in Reel 3486 page 2070. A copy of said Declaration is set forth in Part II of the Plan;

15. Zoning Lot and Development Agreement in Reel 3486 page 2033. A copy of said Zoning Lot and Development Agreement ("ZLDA") is set forth in Part II of the Plan. Each Purchaser and their advisors and/or attorney should read the entire ZLDA which sets forth certain rights and obligations relating to the Property which run with the land and subject to which the Units shall be conveyed. The following is a brief summary of those rights and obligations but is not intended as a substitute for the Purchaser's review of the copies of the documents set forth in Part II of the Plan.

    The ZLDZ provides that for the transfer of excess zoning rights from the two adjoining properties to the south to the Property but only such excess zoning rights which are actually used to construct the Building. Otherwise, all unused and/or future zoning rights related to the two adjoining properties are reserved by the owner of those properties. The ZLDA also provides for (i) a defined light and air easement over the two adjoining properties in favor of the Property; (ii) a reciprocal easement in favor of the Property and the two adjoining properties for future construction, repair and maintenance; (iii) the encroachment or cantilever of a portion of the building over the adjoining properties; a violation covenant between the owners, including the obligation to pay all costs for the cure thereof; and (iv) agreements relating to the future expansion of the Zoning Lot and the development rights inherent therein.

16. Waiver of Declaration of Zoning Restrictions and Subordination in Reel 3486 page 2203. A copy of said waiver and subordination is set forth in Part II of the Plan;

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

18. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at closing);

19. Any service variations between tax lot lines and lines of recorded title;

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

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of

God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing. As set forth in the section of the Plan titled "Effective Date", in the event of a casualty which cannot be repaired for less than a cost which exceeds an amount equalling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such event all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, 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;
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> 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 his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonably adequate 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 his or her Unit and did not result from the acts of Purchaser or other

occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her 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.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

At the time of the First Unit Closing each mortgagee will (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; (c) release its lien on the Condominium Unit being conveyed.

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

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

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

(b) employees' wages, vacation and severance 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) charges for gas for the Common Elements, for which Sponsor shall obtain readings;

(e) charges for electricity for the Common Elements, for which Sponsor shall obtain a reading;

(f) charges under service and maintenance contracts and concession agreements, if any;

(g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings if applicable, which Sponsor shall obtain;

(h) supplies on hand at Sponsor's cost (plus sales tax);

(i) premiums for transferable insurance policies, if any, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B on pages 52 to 53;

(j) vault charges, if any;

(k) such other items as are customarily included in closing adjustments in the City of New York;

The Condominium Board shall reimburse the Sponsor in full for any electric, utility or other utility construction deposits or security deposits paid by Sponsor. Such items are not items for closing adjustment.

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser 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 at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital

paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such 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 well as determined by the Board of Managers in its sole discretion.

No provision has been made for any Reserve Fund or for any Working Capital Fund other than as set forth above.

CLOSING OF TITLE TO UNITS

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 and the Sponsor will deliver to the Purchaser a bargain and sale deed for that Unit with covenants against grantors acts. The form of Unit Deed is set forth in Part II of the Plan.

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

(1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and 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, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost to complete all alterations and improvements to the public portions and common areas of the Building. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

(2) The recordation in the New York County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said office of 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 registered or certified mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and

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

At the closing of title to a Unit, 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 within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

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

a. Payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Sponsor recommends that Purchaser order such insurance from All New York Title Agency, Inc. (Tel. No. 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 and/or abstract company shall be recognized by Sponsor provided Purchaser pays Sponsor's additional legal fee, which shall in all cases be no less than $500.00 but no more than $1,000.00, for clearing title pursuant to the Offering Plan with such other company. Fee title insurance rates as quoted by All New York Title Agency, Inc., as of the date of this Plan are as follows: a base rate of $402.00 for the first $35,000.00 in coverage; $6.67 per thousand dollars of purchase price in excess of $35,000.00 up to $50,000.00, plus $5.43 per thousand dollars of purchase price in excess of $50,000.00 up to $100,000.00, plus $4.36 per thousand dollars of purchase price in excess of $100,000.00 up to $500,000.00, plus $3.98 per thousand dollars of purchase price in excess of $500,000.00 up to $1,000,000.00; plus $3.66 per thousand dollars of purchase price in excess of $1,000,000.00 up to $5,000,000.00;

b. Recording fee for recording the deed and power of attorney of approximately $125.00;

c. If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

1. Legal fees of the lending institution's attorney;

2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by All New York Title Agency, Inc., as of the date of this Plan are as follows: a base rate of $344.00 for the first $35,000.00 in coverage; $5.55 per thousand dollars of coverage in excess of $35,000.00 up to $50,000.00, plus $4.54 per thousand dollars of coverage in excess of $50,000.00 up to $100,000.00, plus $3.64 per thousand dollars of coverage in excess of $100,000.00 up to $500,000.00; plus $3.31 per thousand dollars of coverage in excess of $500,000.00 up to $1,000,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, insurance coverage rates shall be discounted;

3. A mortgage recording tax of one and three quarters percent (1-3/4%) of the first ten thousand dollars ($10,000.00) 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 the amount of less than $500,000.00. For mortgages of $500,000.00 or more the rate is two point one two fifths (2.125%). Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent (.25%) of the two (2%) percent tax, thereby reducing Purchaser's cost to one and three quarters percent (1-3/4%) less $25.00, for mortgages less than $500,000.00 and 1.875% less $25.00 for mortgages of $500,000.00 or more;

4. Recording fee of approximately $200.00 for recording of the Purchaser's Mortgage and the partial release of mortgage and termination of any Uniformed Commercial Code Financial Statement related to the Unit and any underlying Mortgage, construction loan or otherwise, obtained by Sponsor;

5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;

d. New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for less than $500,000.00 and which has been increased to 1.425% where the consideration is equal to or greater than $500,000.00. It is customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below;

In condominium transactions, either the seller or the Purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Unit;

e. New York State Real Estate Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part thereof. 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;

f. Contribution to the Working Capital Fund in the amount equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing, payable to the Board of Managers;

g. Legal fee of Sponsor's attorneys in the amount of $1,000.00 per Unit, payable to D'Agostino, Levine & Landesman, L.L.P. provided that an additional fee of $500.00 per closing shall be due for closings which occur outside the offices of Sponsor's attorneys;

Furthermore, a legal fee of $350.00 shall be payable to Sponsor's attorneys for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of $350.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $250.00 shall be paid by Purchaser to Sponsor's attorney's for each cancellation and/or release if prepared by such firm pertaining to other than a termination relating to the Mortgage Financing Contingency;

h. Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter (1/4) of a year or one half (1/2)of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser;

i. Under the State Tax law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more (the "Mansion Tax"). Residential real property includes a 1 to 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. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser.

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

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

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

Notwithstanding anything hereto the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally Scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally Scheduled Closing Date regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price of this Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault to Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

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

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on September 1, 2003, Sponsor will have paid the real estate taxes for the Property through December 31, 2003, Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six (6) months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for part of this six (6) month period, then this six (6) month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on September 1, 2003, and real estate tax have been paid through December 31, 2003, then Sponsor shall have to place three (3) months of real estate taxes into escrow with the Condominium Board of Managers since three (3) months of real estate taxes will have already been paid. Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's 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 such Unit up to six (6) months from the First Unit Closing or an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next tax payment date (which in New York City is either July 1st or January 1st). At the option of Sponsor, this funding may occur in addition to Purchaser paying such funds to its mortgagee, or by paying 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 Unit Owner 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 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. At the option of Sponsor, Purchasers may be required to fund at the closing of title to their Unit, their proportionate share of the funds to be escrowed with the Board of Managers for this purpose. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

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

If Sponsor has paid a mortgage recording tax for a construction loan and/or blanket mortgage on the Property and in the event that a mortgage tax credit becomes available pursuant to the above Section of the New York Real Property Law, then 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. At closing the Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

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

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit with a purchase price of $1,450,000.00 and a mortgage of $1,087,500.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous fee discount $7,365.00 ($6,155.00 fee) ($1,210.00 mortgage);

2. recording costs for deed and power of attorneys $125.00;

3. mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) $23,084.38;

4. recording cost of mortgage, partial release, UCC Termination Statement $200.00;

5. New York City Real Property Transfer Tax $21,039.59;

6. New York State Real Estate Transfer Taxes (deed stamps) $5,906.00;

7. New York State Mansion Tax $14,764.63;

8. legal fee of Sponsor's attorney (assuming the closing takes place in the office of Sponsor's attorneys, no assignment and no unauthorized delay in closing by Purchaser) $1,000.00;

9. real estate tax escrow -

   For a closing occurring on September 1, 2003, 1st half 2003/2004 real estate taxes will have been paid. Therefore, for 2nd half 2003/2004 real estate taxes, due January 1, 2004, six (6) months of real estate tax escrow would be picked up. For example, for Unit 5E, this amount would be estimated at $3,565.56 based upon the estimates in Schedule A for the First Year of Condominium operation. It is also noted that a September 1, 2003 closing where the 1st half of 2003/2004 real estate taxes are paid would mean the Purchaser would have to reimburse Seller for three (3) months of real estate taxes. For Unit 5E, based upon the estimates in Schedule A for the First Year of Condominium operation, this amount would equal approximately $1,782.78.

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

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

The project is being financed from Sponsor's own funds and construction loan financing being provided by Builders Bank, an Illinois banking corporation, having an office at 77 West Wacker Drive, Suite 3100, Chicago, Illinois 60601 and CIG, International, LLC, a Delaware limited liability company, having an office at 1350 Connecticut Avenue, N.W., Washington, DC 20036, (hereinafter collectively the "Construction Lender"). The construction loan closings occurred on February 12, 2002 and October 31, 2002, respectively. Pursuant to the terms of the Sponsor's construction loan financing, provided Sponsor is not in default of any loan provision, the Sponsor has the right to sell the Units at offering prices that are not less than a minimum sales price determined by the loan documents. Sponsor represents that all of the offering prices as set forth in Schedule A located at page 33 of the Offering Plan are above the minimum sales prices required by the loan documents. Upon the payment by Sponsor of approximately 90% of the sales proceeds from each Unit closing until the loan is paid in full, the Construction Lender has agreed to partially release the Unit closed from the lien of its construction loan. Additionally, pursuant to the loan documents, the Sponsor may not lease any portion of the Property without the consent of the Construction Lender.

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

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.

2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a permanent Certificate of Occupancy, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials or any of the construction procedures specified in either the Altered Building Plans, the Description of Property and Building Specifications or elsewhere in the Plan, materials which are equal to or of better quality and design and/or construction procedures which are equal to or of better custom for the industry in which the Property is located as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment and procedures described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are equal to or of better quality and design and/or similar construction procedures for any of those set forth in the specifications or otherwise in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan titled "Changes in Prices or Units" at page 64 herein.

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

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

3. The Sponsor, at 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. Sponsor shall complete construction and 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, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of completing all the public portions and common areas of the Building. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the section of the Plan titled "Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, 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 Sponsor shall continue to own the same. As set forth on page 90 of the Plan, however, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

Notwithstanding anything herein to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

6. Prior to the First Unit Closing, all 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, due to substantially improper workmanship or materials substantially at variance with the

architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within six (6) 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, Sponsor will correct said defect in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, if notified by the Board of Managers within sixty (60) days from closing of title to or first leasing of that particular Unit. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within six (6) 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 after the First Unit Closing. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Sponsor makes no warranties as to kitchen appliances or other appliances and mechanical equipment in the Unit, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. **In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding 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, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, marks, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by grinding the stone, filling the formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces.

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

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

8. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so

maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for cost of less than an amount equalling one half of one percent (.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of a damaged Unit, then the following shall be applicable: The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), 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 his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her 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 his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her 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.

9. Sponsor shall deliver to The Board of Managers a set of architectural plans upon completion of the project.

10. Sponsor shall procure on behalf of and at the expense of the Condominium, prior to the First Unit Closing, the insurance policy(ies) provided for in Schedule B of Part I of the Plan.

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

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

Sponsor's representations 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.

12. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

13. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

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 or rehabilitation of buildings.

15. During the time the principal of the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

16. Although it is the intent of Sponsor to sell all of the Residential Units, the Sponsor, its successors, assigns or designees, may offer all or any Unsold Units, for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor

will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

17. At the closing of title to a Unit, 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 within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 17 of this section shall survive delivery of the deed. Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

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

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

Without in any way limiting the generality of rights reserved in Paragraph "a" above, such rights reserved to Sponsor and its designee(s) 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 Residential Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;

2) Right of access in and to Units, Common Elements and Limited Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;

3) Right to show vacant or leased Units;

4) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

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

Sponsor's Right to Perform Alterations

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

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

At or prior to the First Unit Closing, the Condominium Board ("Principal") will enter into a management agreement with Andrews Building Corporation, having an office at 666 Broadway, New York, New York 10012. The agreement will be for an initial term of one (1) year, commencing on the date of the First Unit Closing. It shall be subject to the right of the Managing Agent to cancel at any time with or without cause upon at least sixty (60) days prior written notice. Further, it shall be subject to the right of the Principal to cancel the agreement at any time upon thirty (30) days prior written notice. After the term of the management agreement has expired it will be automatically renewed from month to month until cancelled by the Principal on thirty (30) days' prior written notice. The Management Agreement shall not be assignable by the Principal or the Managing Agent.

The Managing Agent will receive a stated annual fee of $24,000.00, payable in equal monthly installments. Such fee will be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense. However, the Managing Agent will be entitled to collect from each Unit Owner other than the Sponsor, its designee or any other owner of an Unsold Unit, a fee in the amount of $500.00 for the processing of each application for the sale of a Unit or $350.00 for the processing of each application for the leasing of a Unit, including the obtaining of a waiver of the right of first refusal and other agreements necessary to properly effect the transfer of interest or lease. Other fees which are due to the Managing Agent depend upon the services rendered and only if requested by the Principal and/or a Unit Owner. Such services include, but are not limited to, the following:

(a) Mortgage Refinancing of a Unit. In connection with Unit Owner's application for appraisal or mortgage refinancing, a fee of $150.00 for each application, to be paid by the Unit Owner and not by the Principal;

(b) Alteration Agreements. If a Unit Owner undertakes an alteration to a Unit requiring Board review and approval of architect's plans, issuance of building department permits, and the negotiation and execution of an Alteration Agreement between the Board and the Unit Owner, a fee of $250.00 to be paid by the Unit Owner and not by the Principal;

(c) Judicial Proceedings. In connection with appearances in Civil, Criminal or Supreme Court proceedings, hearings in union arbitration matters, and appearances before hearing examiners at the Environmental Control Board, on behalf of the Principal, a fee in the amount of $75.00 per hour;

(d) Capital Improvement Projects. The Principal has acknowledged that the conceptualization and administration of extraordinary construction projects designated as Capital Improvement Projects ("Projects") are outside the scope of the

Managing Agent's duties. If the need for such a project arises, in acknowledgment of the Managing Agent's increased work schedule, Principal agrees to discuss a Life-of-the-Project supplemental fee for the duration of such Project. Such mutually agreeable supplemental fee shall include the Managing Agent's assistance in the processing of the J-51 tax abatement application, if any.

Pursuant to the proposed management agreement, the duties and services to be rendered by the Managing Agent include, among others:

(a) Cause to be hired, paid and supervised, all persons necessary to be employed, including a part-time, non-union superintendent, in order to properly maintain and operate the Common Elements of the Building, who, in each instance, shall be the Principal's and not the Managing Agent's employees, and cause to be discharged by either written order of the Board of Managers or the Managing Agent, subsequent to consultation with the Board, all persons unnecessary or undesirable, all subject to such contracts, if any, or other agreements concluded on behalf of the Principal with the Principal's approval.

(b) Cause the Common Elements of the Building to be maintained in such a condition as may be deemed advisable by the Principal, including interior and exterior cleaning, and cause repairs and alterations thereof to be made, including, but not limited to, electrical, plumbing, steamfitting, carpentry, masonry, elevator, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in the management agreement. Ordinary repairs or alterations involving an expenditure of over $1,000.00 for any one item shall be made only with the prior written approval of the Principal, but emergency repairs, immediately necessary for the preservation or safety of the Common Elements of the Building or for the safety of Unit Owners, tenants or other persons, or required to avoid the suspension of any necessary service in the Building, may be made by the Managing Agent irrespective of the cost thereof, without the prior approval of the Principal.

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

(c) Recommend and with the approval of the Principal, cause all such acts and things to be done in or about the Common Elements of the Building as shall be necessary to comply with any and all orders or violations affecting the Building, placed thereon by any federal, state or municipal authority having jurisdiction thereover, and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, except that if failure to promptly comply with any such order or violations would or might expose the Principal or the Managing Agent to criminal liability, the Managing Agent may cause such order or violations to be complied with after consultation with the President, Vice-President

or Treasurer of the Condominium (in the order given), or with any member of the Board of Managers, or if no such officer or Board member shall be available to the Managing Agent, after consultation with the Condominium's attorneys. The Managing Agent shall notify the Condominium's attorneys immediately after receipt of any order or violation, as aforesaid.

(d) Enter into contracts for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, vermin extermination and other services or such of them as shall be advisable, provided however, that the Managing Agent has obtain the prior approval of the Principal.

(e) Purchase all supplies which shall be necessary to maintain and operate the Common Elements of the Building, make all such contracts and purchases in either the Principal's or the Managing Agent's name, as the Managing Agent shall elect; credit to the Principal any discounts or commissions obtained for purchases or otherwise, except insurance commissions and commissions payable to the Managing Agent under the terms of the Management Agreement.

(f) Advise the Principal with respect to proper insurance coverage of the Building, its employees and Unit Owners, which such advice shall be given on the basis of competitive bids solicited by the Managing Agent and after review of the insurance requirements of any mortgagee of the Principal and, if requested by the Principal, cause to be effected and/or maintained, in such amounts and through such carriers as the Principal shall designate or approve, fire, rent, plate glass, boiler, water damage, liability, worker's compensation, employer's liability, disability and any other insurance the Principal may elect to carry; and to cooperate with any independent insurance broker or consultant that Principal may designate or approve and engage for the purpose of effecting insurance and protecting its interests with respect thereto;

(g) Check all bills received for services, work and supplies ordered in connection with maintaining and operating the Common Elements of the Building, advise Principal of any discrepancies with respect thereto; timely pay or cause to be paid all such bills and, also pay water charges, sewer rent and assessments assessed with respect to the Common Elements of the Building, if any, as and when the same shall become due and payable.

(h) If requested by the Principal, list and offer for sale, lease or sublease through its own organization and, if the Principal shall deem it advisable, through other brokers on such terms and conditions as may be approved by the Principal, space reserved, acquired or reacquired by the Principal in the Building and in any commercial space in the Building, and use its best efforts to effect sales, leases and subleases thereof, and to renew leases and subleases of such residential or commercial space, reserved, acquired to reacquired by the Principal in the Building, including the preparation and execution of lease and sublease documents under the supervision of the Condominium's attorneys.

(i) Accept applications from all prospective Unit Owners, and prospective tenants of space being leased by a Unit Owner or the Principal (and, at the Principal's request, for any other space in the Building) in connection with the transfer of ownership, and leases; assist with Principal's bank applications to refinance existing mortgages; obtain credit and other reports relating to applications submitted by prospective Unit Owners or tenants; obtain from Unit Owners proposing to transfer ownership such record searches and other information as the Principal may require, and submit same to the Principal; in cooperation with the Condominium's attorneys facilitate transfers of ownership of Units or leases of space owned by Unit Owners; and, if requested by the Principal, in cooperation with the Condominium's attorneys, accept and process requests from Unit Owners for permission to perform apartment renovations, review architect or engineering plans, arrange for the execution of alteration agreements and obtain required certificates of insurance.

(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.

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

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

(m) 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 appropriate assistance from a paycheck service at the expense of the Principal if desired by Managing Agent.

(n) Render monthly statements supported by disbursement vouchers and bills to the Principal, not later than the 20th day of each month, remitting the amount collected during the previous month less disbursements made on behalf of and for the account of the Principal, including the Managing Agent's compensation hereinafter specified, and less, also, all such amounts as in the Managing Agent's judgment it may be necessary or advisable to reserve or withhold to meet obligations due or which will or may become due thereafter and for which current income will not or may not be adequate. A copy of each such monthly statement shall be sent by the Managing Agent to the President or the Treasurer of the Principal.

(o) Set up, keep and maintain in a satisfactory manner, the records of cash receipts and cash disbursements, checkbooks, operating bank account(s), minute books and other records of the Principal.

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

(q) Cooperate with Principal's accountants with regard to the preparation and filing on behalf of the Principal of Federal, State, City and any other income tax returns required by any governmental authority. Prepare tax form 1099 upon receiving related information from Principal's accountant.

(r) When requested by the Principal, cooperate with the Board and its accountant's in the preparation and submission to the Board of an operating budget setting forth the anticipated income and expenses of the Condominium for the ensuing year; send to each Unit Owner a copy of the operating budget as adopted by the Board of Managers of the Principal, and notify Unit Owners of annual and all other assessments of Common Charges as determined by the Board of Managers of the Principal.

(s) 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 annual meetings of the Unit Owners and monthly meetings of the Board of Managers, if requested.

(t) 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.

(u) When the books of tentatively assessed valuations of the City of New York are opened for public inspection in each year, ascertain the assessment of the land on which the Building is located or forms a part, and the assessments of individual Units in the Building, and report such assessments to the Board. Should the Board consider such assessments excessive the Managing Agent will, if requested by the Board, cooperate with the Condominium's attorneys in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York and, if the Board shall not have any regular attorneys, retain special counsel to prepare such application (with the Managing Agent's cooperation) and to institute tax certiorari proceedings.

(v) Promptly file, as may be required by law, an amended building registration statement with the appropriate governmental agency (or agencies), designating one of the officers or responsible employees of the Managing Agent as the "Managing Agent" of the Building in accordance with the Multiple Dwelling Law and Housing Maintenance Code.

(w) Provide storage for building files for a period two (2) years and financial files for a period of seven (7) years at no cost to the Building beyond which the Building shall provide a storage area for its files or arrange through the Managing Agent for off site storage at Principal's expense.

(x) Maintain at its expense an emergency telephone answering service to receive emergency calls from Principal's representatives or tenants during periods other than regular business hours and respond to any such emergency calls promptly as may be appropriate under the circumstances.

(y) Managing Agent shall generally do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Common Elements of the Building.

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

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

The Managing Agent will obtain, at its sole cost and expense, from a surety company authorized to do business in the State of New York a fidelity bond in the minimum amount of $250,000.00 for the benefit of the Condominium against loss incurred by the Condominium through any improper acts of the officers and employees of the Managing Agent.

Other Contractual Agreements

It is anticipated that a non-union, non-resident, part-time superintendent and one (1) non-union doorman will be retained by the Condominium subsequent to the First Unit Closing. Projected wages and other benefits are set forth in Schedule B in Part I of the Plan.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium

Board, provided that there will be no material increase in the estimated Common Charges for the "Projected Budget for the First Year of Condominium Operation."

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are as follows:

a) Cooling tower/air-conditioning system maintenance service - the cost of such service has been estimated at $6,200.00 per year plus tax based upon a proposal, dated January 19, 2003, from Lazar Mechanical Corp., located at 49 Market Street, New York, NY 10002. The proposal provides that it is for a term of one (1) year.

Additionally, any air-conditioning equipment, including any piping and/or ductwork related thereto, which only services a particular Unit shall be the sole cost and responsibility of the individual Unit Owner. This responsibility includes all maintenance, repair and/or replacement of such equipment, piping and/or ductwork and any permits or code compliance required by any applicable law.

b) For once a month extermination for rodents and roaches during a weekday, Evins Pest Control Co., Inc., located at P.O. Box 405-22 Roosevelt Avenue, Roslyn, NY 11576, has estimated monthly service at a monthly rate of $65.00, plus sales tax.

c) A January 2003 proposal from Dynamic Elevator Corp., located at 137 East 25th Street, NY 10010, for monthly service at a rate of $300.00 per month plus sales tax for the servicing of the one passenger elevator in the Building. The proposal provides that it is for a term of one (1) year and renews automatically for another year unless canceled by either party by giving thirty (30) days written notice prior to the end of any contract term.

d) The standpipe and sprinkler systems are located throughout the Building. However, no amount has been budgeted for the first year of Condominium operation since the standpipe sprinkler systems have a one (1) year warranty from the date of the initial temporary certificate of occupancy for the Building. The cost of twelve (12) monthly inspections of the sprinkler system at the Building has been estimated based upon a proposal, dated March 28, 2003, of VIP Fire Sprinklers, Inc., located at 700 Columbia Street, Building 301A, Brooklyn, NY 11231, which provides for monthly inspections in consideration of an annual fee of $324.75 including sales tax.

e) Chemical Water Treatment - the annual cost of chemical water treatment for the HVAC system of the Building is estimated to be $2,110.88, including sales tax, based upon a proposal, dated April 1, 2003 of Lazar Mechanical Corp.

f) Central Station Fire Alarm - the annual cost of monitoring and maintaining the Central Station Fire Alarm System of the Building is estimated to be $49.95 per month for monitoring the system and $3,200.00 per year for maintenance for a total

annual cost of $3,799.40. These estimates are based upon a proposal, dated April 2, 2003, of Protection One, located at 70 Jackson Drive, Cranford, New Jersey 07016.

g) Fire Pump Inspection - the annual cost to test the fire pump four (4) times per year is estimated to be $1,082.50, including sales tax, based upon a proposal, dated March 28, 2003, of VIP Fire Sprinklers, Inc.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to Residential Units, the percentage Common Interest of which, in the aggregate, equals at least ninety percent (90%) or (ii) five (5) years after the First Unit Closing. However, Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) managers, within thirty (30) days after the earlier of (i) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety (90%) percent or (ii) two (2) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4.00%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by

Sponsor to comply with applicable laws in construction, renovations or repair of Units. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer.

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

Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee or the Commercial Unit Owner, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee or the Commercial Unit Owner may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units and/or the Commercial Unit Owner) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor, Sponsor-designee or the Commercial Unit Owner, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Unit

Each Unit Owner is free to sell or lease his Unit, except that a Residential Unit Owner must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed purchaser or lessee, as more specifically provided for in Article VIII, Section 1 of the By-Laws of the Condominium. Any such lease of a Residential Unit shall be substantially in the form for apartment leases prepared by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

Notwithstanding the foregoing, the Sponsor, its designee, the Commercial Unit Owner, or a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure, shall have the right to sell or lease Units owned by the Sponsor, its designee, the Commercial Unit Owner or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases.

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

Each Conveyance of 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.

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

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

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy for the Unit which permits lawful use of the leased Unit.

With the exception of the Commercial Unit, no portion of a Unit other than the entire Unit may be leased.

Mortgage of Units

Each Unit Owner is free to mortgage his Unit, provided that any mortgage encumbering a Residential Unit 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, the Sponsor, Sponsor-designee, or to the Seller of such Unit(s). 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 encumbering a Residential Unit 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. The Commercial Unit Owner may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned instructions. Such restrictions also do not apply to Unsold Units. NOTWITHSTANDING THE FOREGOING, IF ANY INITIAL PURCHASER WHO PURCHASES PURSUANT TO THIS OFFERING PLAN SEEKS MORTGAGE FINANCING, SUCH PURCHASER SHALL BE REQUIRED TO FOLLOW THE PROCEDURES FOR MORTGAGE FINANCING SET FORTH IN THE OFFERING PLAN AND THE PURCHASE AGREEMENT. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Easements and Right of Access

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements

located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through a designated manager, managing agent, or their employees or other designee shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

Use of Units

The Residential Units may be used only for private residential use, except that a Residential 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 Residential 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. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitee shall be permitted to wait in any public hallway. 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.

The Commercial Unit may be used for commercial purposes, including, but not limited to, retail or restaurant uses, or for any other lawful purpose. The Owner of the Commercial Unit and any tenant or tenants of such Unit pursuant to the terms of any leasing pertaining thereto, shall have the right, without charge or limitation, to install, repair and maintain either within or in the immediate location of such Unit below the windows at the second floor level and on the sidewalk adjacent to the Commercial Unit's entrance a sign or signs, which may be illuminated, for advertising or identification purposes. In the case of a Commercial Unit only, the sign may also be illuminated in neon. Additionally, the Commercial Unit Owner shall have the right, without charge or limitation, to erect or install, repair and maintain, a canopy and/or awning at any entrance to the Building which services the Commercial Unit only, without prior written consent of the Board of Managers. Such Unit Owner and any tenant of space in the Commercial Unit shall comply with all the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant(s) shall obtain and pay for all permits required for such signs, canopies and/or awnings, and any necessary renewal fees to the extent they are applicable to such installations.

Such Unit Owners shall also have the right without consent of the Board of Managers, charge or limitation, to install, repair and maintain window protection devices. Such Unit Owners and any tenant of space in the Commercial Unit shall comply with all the laws, orders, rules and regulations

of the governmental authorities having jurisdiction thereof, including zoning laws, building codes ad as required by insurance underwriters. Such Unit Owners or their tenants shall obtain and pay for all permits required for such installation and any necessary renewal fees.

Except as set forth above and herein, 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 Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). 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 any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property, excluding the glass surfaces of any windows in the Commercial Unit, be colored or painted.

No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Residential Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused at the sole discretion of the Board of Managers, nor shall anything be projected out of any window of any Residential Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

No exterior of any Residential Unit, including the roof terraces, balconies or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or

decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

Plantings on any roof terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches (2") from the terrace 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 wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3") inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, but shall stand on supports at least two inches (2") above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any terrace by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

Each Unit Owner shall keep his 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. No clothes, sheets, blankets, or other articles of any kind shall be

hung or shaken from any doors, windows, open terraces or placed upon the window sills of the Building.

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.

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. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including, (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any government agency shall be payable by the Unit Owner as additional Common Charges.

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 bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent or the Sponsor and/or Sponsor's designee. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit 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 their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial shall be attached to or hung from the exterior of the Building without 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 Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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.

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

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

No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit, except that the Owner of the Commercial Unit may install and use extra equipment in the risers and conduits servicing the Building so long as such Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

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

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

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners 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 pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; 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, except if a use of the Commercial Unit shall increase the rate of hazard and liability insurance for such area and improvements situated thereon, the Owner of the Commercial Unit shall pay the increase.

Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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.

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

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

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 Board of Managers. 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.

The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose

of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential 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 Residential Unit Owner's property).

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

No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

The use of (i) the common roof terrace located at the main roof of the Building, and (ii) the residential storage bins or residential storage room located at the cellar level of the Building by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

The use of the exercise room, including any and all exercise and/or gym equipment located therein, shall be at the sole discretion of the Board of Managers and shall also be subject to all and any restrictions, regulations and/or guidelines established by the Board of Managers relating thereto. Such restrictions, regulations and/or guidelines may include, but are not limited to, any medical waiver or consent that a Unit Owner must execute prior to the use of any exercise and/or gym equipment.

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

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

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges for each Unit which shall include "Shared Expenses" and either "Residential Common Expenses" attributable to the Residential Units only, or "Commercial Common Expenses" attributable to the Commercial Unit only, as set forth in "Schedule B, Projected Budget For First Year Of Condominium Operation Beginning July 1, 2003" herein and further defined in the footnotes thereto, and shall be determined by multiplying that Unit's Contributing Share by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest and/or Contributing Share, whichever is applicable. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest and/or Contributing Share, whichever is applicable.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York 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.

On July 22, 1998 the Governor of the State of New York signed Real Property Law Section 339-kk, allowing a condominium's Board of Managers the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if the Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Unit Owner must fail to make the payment of Common Charges, Assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and Unit Owner providing that, commencing immediately and until such time as all payments for all Common Charges, Assessments or late fees are made current, all rental payments are to be made directly to the Condominium Association at the address provided in the notice. Once all Common Charges, Assessments or late fees are current, the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present its supporting facts at the next scheduled Board meeting (which must be held within 30 days of the Board receiving notice of contest). Section 339-kk also allows the Board the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

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

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 made by him of his 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.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis,

excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning equipment or other mechanical equipment.

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, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Residential Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) in the event there is more than one (1) Commercial Unit, by the Board of Managers as a Commercial Common Expense, if such Limited Common Elements is for the exclusive use of all of the Commercial Unit Owners and whether or not that it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, repairs that are not caused by the acts or omissions of a Unit Owner(s), having direct and exclusive access thereto), or (iii) by the Unit Owner(s), whether a Residential Unit Owner(s) or the Commercial Unit Owner(s), having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iv) by the Board of Managers at the sole cost and expense the individual Unit Owners having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (v) by the Unit Owner or Owners where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium.

Additions, Alterations and Improvements

A non-structural alteration to a Residential Unit or the Commercial Unit that does not affect the exterior of the Building or the value of other Units may be made by any Residential Unit Owner or the Commercial Unit Owner without consent of the Board of Managers. Notwithstanding the above to the contrary, Sponsor or its designee may also make structural alterations in any Unit owned by it, including the Commercial Unit, without prior consent of the Board of Managers. No Unit Owner other than the Sponsor or its designee as a holder of Unsold Units or the Commercial Unit Owner, may make a non-structural or structural alteration which does affect the exterior of the Building or the value of other Units without prior written approval of the Board of Managers. The

Sponsor or its designee or the Commercial Unit Owner needs no such consent for any of their Units. No Unit Owner other than the Sponsor, or its designee, as a holder of Unsold Units or the Commercial Unit Owner, may make a structural alteration in a Unit, without the prior written approval of the Board of Managers. The Sponsor, or its designee or the Commercial Unit Owner needs no such consent for any of their Units. Any approval, if granted, shall provide that such alteration 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 insurance (a certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition 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 or due to improper design or construction of the structural alteration. 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. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect/engineer consulted in connection with the request by a Unit Owner for approval of a structural alteration.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited 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 Limited 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.

Insurance

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be an additional insured. These policies shall provide fire and casualty insurance for the Building, liability insurance, water damage legal liability insurance, Board of Managers and officers liability coverage and Workers Compensation and New York State Disability insurance. The specific amounts of coverage other than Workers Compensation and New York Disability Insurance, are noted in footnote numbered 10 in the section titled "Schedule B" at page 40.

The insurance coverage does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance and any additional coverage which might be recommended.

Miscellaneous

In certain instances the Sponsor or its designee as the holder of Unsold Units and/or the Commercial Unit Owner, are not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners. Included among these are the right to use Units as models and display "For Sale," "For Rent" or "For Lease" signs, or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. For as long as the Sponsor or its designee owns title to one or more Units, and in the case of the Commercial Unit Owner, the Rules and Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, or in some cases the Commercial Unit Owner, adversely affect the Sponsor or its designee or the Commercial Unit Owner in any way, unless the Sponsor or its designee or the Commercial Unit Owner gives its written consent to such an amendment.

RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS AND SUMMARY OF BY-LAWS

Principal provisions of the By-Laws are summarized herein. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

Board of Managers

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three and not more than five 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 their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to 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 or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) the closing of title to Residential Units whose percentage of Common Interest equals, in the aggregate, at least ninety percent (90%) or (ii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of three (3) individuals designated by Sponsor. The three (3) initial Board Members designated by Sponsor shall be Jeffrey M. Brown, Gregory R. Hill and Gregg Pasquarelli, all of whom are either principals of Sponsor or a principal of a member of Sponsor. These individuals will resign as board members upon the termination of the aforesaid period and will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. The calling of the first annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth in the next two paragraphs. The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Each of the members of the five (5) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee or the Commercial Unit Owner, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee or the Commercial Unit Owner may

only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units and/or the Commercial Unit Owner) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor, Sponsor-designee or the Commercial Unit Owner, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

As long as the Sponsor or a Sponsor designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest, allocated to the Residential Unit, the Sponsor or Sponsor-designee shall have the right to elect at least three (3) of five (5) members of the Board of Managers or in any event a majority of the members of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one (1) Unit but less than ten percent (10%) in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least two (2) of the five (5) members of the Board of Managers and in any event the right to elect a number of members of the Board which equals one (1) less than a majority of the Board. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in the event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on 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 shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to, determination of the Common Charges, including the Shared Expenses to be paid by the Commercial Unit Owner, 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, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Andrews Building Corporation for a term of one (1) year, commencing on the date of the First Unit Closing at an annual fee of $24,000.00 being payable in twelve (12) equal monthly installments.

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

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors, (except painting the exterior side of a Unit entrance door) windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s) shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting

as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment which only services their Unit.

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, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Residential Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) in the event there is more than one (1) Commercial Unit, by the Board of Managers as a Commercial Common Expense, if such Limited Common Element is for the exclusive use of all of the Commercial Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, repairs that are not caused by the acts or omissions of a Unit Owner(s), having direct and exclusive access thereto), or (iii) by the individual Unit Owner, whether a Residential Unit Owner or a Commercial Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iv) by the Board of Managers at the sole cost and expense of the individual Unit Owner having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (v) by the Unit Owner or Owners where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect.

The Board of Managers and Managing Agent shall have a right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: Fire insurance with extended coverage, insuring the Building, 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 the greater of the agreed upon replacement cost of the Building, including the above noted items, but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker or the amount of insurance necessary to avoid the effects of co-insurance. All such policies shall provide that adjustment of loss, if over $50,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $50,000.00 or less, shall be payable to the Board of Managers, and if more than $50,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be $12,500,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

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

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

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

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

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

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building the insurance proceeds shall be dedicated to the repair and/or renovation of the Building and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance proceeds available the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed an amount which shall be in proportion to their respective Common Interests.

In the event of a fire or other casualty in which more than seventy-five percent (75%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy-five percent (75%) of the Total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

Notice of Meetings; Reports to Unit Owners

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

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his 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 his Unit.

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

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit not owned by Sponsor or its designee or the Commercial Unit Owner, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit

Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges 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 or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The 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 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 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 Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

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

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-six and two-thirds percent of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-six and two-thirds percent (66 2/3%). However, for as long as Sponsor or its designee owns title to one or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely effect the Commercial Unit or the Commercial Unit Owner without the prior written consent of the Commercial Unit Owner. The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-six and two-thirds percent (66 2/3%) of the Units and whose percentage of Common Interest equals, in the aggregate, at least sixty-six and two thirds percent (66 2/3%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee or the Commercial Unit Owner, without the prior written consent of Sponsor or such designee or the Commercial Unit Owner, as the case may be.

Termination

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%). The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equalling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

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.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner and the Commercial Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units or the Commercial Unit.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. 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 actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

The Sponsor's estimate of the project real estate taxes for the Units to be levied by New York City during the First Year of Condominium operation is based on an estimate provided by Joel Leitner, MAI of Leitner Group, Inc., and information available to the Sponsor at the date of this Plan.

Projected real estate taxes for each of the Residential Units are set forth in columns numbered 8 and 9 of Schedule A located at page 33 of the Offering Plan.

The estimates set forth in column numbered (8) are a calculation of real estate taxes due for each Residential Unit for the first year of Condominium operation commencing September 1, 2003 and ending August 31, 2004 ("First Year"). Therefore, the estimates are based upon nine (9) months of the 2003/2004 tax year which commences July 1, 2003 and three (3) months of the 2004/2005 tax year which commences on July 1, 2004. Estimates of real estate taxes due for the Residential Units are based upon (i) the tentative 2003/2004 transitional assessed valuation for the Property as apportioned to all the Residential Units, (ii) the estimated taxable assessed valuation for the Residential Units for the 2004/2005 tax year, and (iii) projected tax rates for the 2003/2004 and 2004/2005 tax years. The apportioned and estimated aggregate taxable assessed valuation for all of the Residential Units, and the projected tax rates, have been projected by Joel Leitner, MAI, of Leitner Group, Inc., 50 East 42nd Street, 9th Floor, New York, New York 10017. A copy of Mr. Leitner's letter is set forth in Part II of the Plan. The tentative 2003/2004 assessed valuations for the entire Property are as follows:

Tentative Actual Total Assessed Valuation:	$571,500.00
Tentative Transitional Total Assessed Valuation:	$490,500.00

The Tentative Actual Total Assessed Valuation is the amount which, once finalized and barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment. Since the Property is being newly renovated and constructed into "Class A" apartments and commercial space, which renovation and construction commenced pursuant to an alteration permit in 2002, it can be expected that the Actual Total Assessed Valuation will be further increased for the 2004/2005 tax years and subsequent tax years due to such renovation and construction. It has been assumed by Mr. Leitner that as of January 5, 2003, the construction and renovation of the Property has not been fully completed and therefore the real estate taxes for the Residential Units shall increase substantially for the 2004/2005 tax year. See Note 9 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the renovation and construction to be completed by Sponsor.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is based, in part, upon a projection letter by Joel Leitner, MAI, of Leitner Group, Inc., who apportioned 90.97% of the tentative 2003/2004 transitional total assessed valuation for the Property. The transitional value has been used since it is the lower of the two assessments. Mr. Leitner has projected the 2003/2004 tax rate for the Residential Units to be 11.58%.

It is the tentative 2003/2004 Transitional Total Assessment as apportioned above to all the Residential Units upon which real estate taxes for the first nine (9) months of the First Year of Condominium operation have been based. The 2003/2004 real estate taxes for all the Residential Units as projected by Mr. Leitner are $51,671.00.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is also based, in part, upon a projection by Joel Leitner, MAI, of Leitner Group, Inc., who appraised the Actual Total Assessed Valuation of all of the Residential Units upon 100% completion of the construction. Upon 100% completion, assumed to

be the end of June, 2003, the projected post-rehabilitation/construction actual assessment for all the Residential Units and assumed to be effective July 1, 2004 for the 2004/2005 tax year is projected as $3,268,500.00. The 2004/2005 real estate taxes for all the Residential Units as projected by Mr. Leitner are $413,204.00 assuming a tax rate of 12.642% for the 2004/2005 tax year.

It is the projected 2004/2005 projected Actual Total Assessment of all of the Residential Units upon which real estate taxes for the last three (3) months of the First Year of Condominium operation have been based.

Based upon the above assumptions, the aggregate real estate taxes for the Residential Units for the First Year of Condominium operation are projected to be approximately $142,054.25.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mr. Leitner and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan.** In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2003/2004, 2004/2005 or subsequent years.

Upon 100% completion of the construction by Sponsor which is assumed to be prior to January 5, 2004 for assessment purposes, and the implementation of the post rehabilitation/construction actual total assessment of the Property as projected by Joel Leitner, MAI, of Leitner Group, Inc., the estimated annual/monthly real estate taxes for the period July 1, 2004 to June 30, 2005 for each of the Residential Units is set forth in column numbered 9.

Upon 100% completion, the post rehabilitation/construction actual total assessed valuation for all the Residential Units has been projected by Mr. Leitner as $3,268,500.00. This projected actual total assessed valuation for all of the Residential Units is assumed to be effective as of July 1, 2004. Further, Mr. Leitner has projected the 2004/2005 tax rate for the Residential Units to be 12.642%.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2004/2005 POST-REHABILITATION/CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE RESIDENTIAL UNITS OF $3,268,500.00 AND A PROJECTED TAX RATE 12.642% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2004/2005 TAX YEAR WOULD BE APPROXIMATELY $413,204.00 FOR THE RESIDENTIAL UNITS, WHICH, WHEN COMPARED ON AN ANNUALIZED BASIS, ARE SUBSTANTIAL INCREASES IN THE REAL ESTATE TAX ESTIMATES SET FORTH IN COLUMN NUMBERED (8) FOR EACH OF THE UNITS.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among the Units in proportion to their respective Common Interests. If they are not so allocated, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorneys fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorneys fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located at page 33, (i) for the anticipated first year of Condominium operation, and (ii) upon 100% completion of the Sponsor's renovations to the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

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

As fully set forth in the tax opinion by D'Agostino, Levine & Landesman, L.L.P., counsel to the Sponsor, in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential 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 during the taxable year.

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

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

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

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:

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

(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 for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) or more of the expenditures of the condominium management association for the taxable year 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 management association must annually elect to be treated as a condominium management association; and

(vi) Substantially all (at least eighty five percent (85%)) of the square footage of the units must be used for residential purposes.

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.

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 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 the Condominium Board either cannot qualify (and for the purposes of the Plan, Sponsor has assumed that it will not qualify) or chooses not to elect the benefits of section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

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

If section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

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

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

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

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.
Attorneys At Law
345 Seventh Avenue • 23rd Floor
New York, New York 10001

212-564-9800
Fax 212-564-9802

JOHN D'AGOSTINO
MICHAEL J. LEVINE*
WAYNE R. LANDESMAN*
MARK D. RISK

BETTINA M. MIRAGLIA◆
JOSE M. RIVERA*
KELLYANN S. MONAGHAN

* ALSO ADMITTED IN NJ
◆ ALSO ADMITTED IN CT

COUNSEL
BRUCE H. LEDERMAN*
ERIC S. KAMISHER

WRITER'S E-MAIL:

COUNSEL'S INCOME TAX OPINION LETTER

December 11, 2002

The Board of Managers of
The Porter House Condominium
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York 10011

Re: **Offering Plan for Condominium**
Ownership of Premises
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York

Gentlemen/Mesdames:

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

The condominium units of "The Porter House Condominium" will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory mixed-used building to be renovated and constructed at 366 West 15th Street a/k/a 66 Ninth

Avenue, New York, New York. The reconstructed building will contain twenty-two (22) Residential Units and one (1) Commercial Unit. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the closing under the Plan will occur in 2003.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, pursuant to the terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $1 million, or $500,000 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1 million limit mentioned above as interest on home equity indebtedness.

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

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

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

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000, the amount of such deduction may be reduced by up to twenty five percent (25%) of such deduction.

It should be noted, however, that the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax. Section 55 of the Code. In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

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

II. Common Charges

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

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. However, because of certain tests for qualification, including the composition of the Condominium Board's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings or regulations, it is not presently possible to determine the application of Section 528 to the Condominium. Accordingly, while a Section 528 election may be contemplated, it is not possible at this time to express an opinion as to the Section's applicability and we assume for the first year of operation that the Condominium will not qualify under Section 528.

If the Condominium qualifies as a condominium management 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, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

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

Despite the information contained in Schedule A, the Description of the Property and Building Specifications and the Plot and Floor Plans to the Plan, we cannot affirmatively opine that the Property will or will not qualify as a condominium management association under Section 528 of the Code. Our inability to affirmatively opine is due to the uncertainty of the current state of the law as to what floor space specifically qualifies as total square footage for residential purposes (i.e., stairwells, lobby; terraces, etc.). Accordingly, we cannot opine as to whether the Condominium will or will not be eligible to elect to be treated as a condominium management association under Section 528 of the Code.

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

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

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

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

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent

of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

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

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

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

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

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above.

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

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

Very truly yours,

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.

D'Agostino Levine & Landesman LLP

RESERVE FUND

No provision has been made for any Reserve Fund for the Condominium. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

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

WORKING CAPITAL FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay a sum equal to two (2) months Common Charges for the Unit being purchased, to the Board of Managers for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the two (2) months Common Charges paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the two (2) months Common Charge checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of the two (2) months Common Charges for each Residential Unit in the Building. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to prepay the note, in full only, at any time and without penalty. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such 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.

No provision has been made for any Working Capital Fund other than the above. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

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

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

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 66 Ninth LLC, a limited liability company formed pursuant to the laws of the State of New York on January 9, 2002, which consists of three (3) members. Only two of the three members are managing members. The managing member of 66 Ninth LLC is Brown Hill II, LLC, a limited liability company formed pursuant to the laws of the State of New York on May 25, 2001, which has one (1) appointed manager. The appointed manager is Brown Hill I, LLC, a limited liability company which has two (2) members, Jeffrey M. Brown and Gregory R. Hill, who are its managing members. Brown Hill II, LLC, Brown Hill I, LLC, Jeffrey M. Brown and Gregory R. Hill, all maintain an office at the principal office of Sponsor as set forth below.

The Sponsor's principal office is located at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York 10001.

Jeffrey M. Brown is the chief executive officer of both Jeffrey M. Brown Associates, Inc., a Pennsylvania corporation authorized to do business in New York, and K & J Construction, Inc., a New York corporation, which are general contractors operating or which have operated in New York and/or Pennsylvania. Mr. Brown resides in Pennsylvania but also maintains an office at Sponsor's principal office as set forth above. Mr. Brown is also a real estate investor but prior to this Offering has not been a Sponsor or a principal of a sponsor in any other cooperative or condominium offering or homeowner's association or timeshare offering in the State of New York.

Gregory R. Hill is the President of Jeffrey M. Brown Associates, Inc. and a limited partner of K&J Construction, Inc., which, as stated above, are general contractors operating or which have operated in New York and/or Pennsylvania. Mr. Hill resides in Pennsylvania but also maintains an office at Sponsor's principal office as set forth above. Prior to this offering, Mr. Hill has not been a sponsor or a principal of a sponsor in any other cooperative or condominium offering or homeowner's association or timeshare offering in the State of New York.

One of the two other members of 66 Ninth LLC is Shop/Sharples Holden Pasquarelli, P.C. located at 200 East 37th Street, #2, New York, New York 10016, which is also the Sponsor's Architect for the project. The principal and officer of the Architect that is actively involved in this Offering is Gregg Pasquarelli. Mr. Pasquarelli resides in New York and is a registered architect in the State of New York. Prior to this Offering neither Shop/Sharples Holden Pasquarelli, P.C. or any principal thereof have been the Sponsor or a principal of Sponsor of a cooperative or condominium offering or homeowner's association or timeshare offering in the State of New York.

The third member of Sponsor is G2 Development, LLC, a limited liability company formed pursuant to the laws of the State of Nevada on October 26, 2000. The principal of G2 Development, LLC actively involved in the offering is Gregg Pasquarelli.

Neither the Sponsor or any principal of Sponsor or any person owning or controlling ten percent (10%) or more of equity interest of the Sponsor has any prior felony conviction or any prior bankruptcy, conviction, injunction or judgment that may be material to this Plan or has offering of securities generally during the fifteen (15) years prior to the date of this Plan. 66 Ninth LLC has not been a sponsor or principal in any other cooperative or condominium development or timeshare offering and does not own ten percent (10%) or more of the unsold units or unsold shares in any condominium or cooperative.

Selling Agent

The Selling Agent for this offering is Stribling Marketing Associates, LLC, a licensed real estate brokerage firm which has offices at 924 Madison Avenue, New York, New York 10021 and at 246 West Broadway, New York, New York 10013. The principals of the Selling Agent have been involved with the development and marketing of numerous condominium and cooperative projects over the last ten (10) years. The Selling Agent, and/or the principals or officers thereof, have no financial interest in the Property or the Sponsor, except that they are to be paid a fee for their services. There have been no prior convictions, injunctions, or judgments against the Selling Agent or the principals or officers thereof that may be relevant or material to the Offering Plan or any offering of securities generally.

Architects

The Sponsor's Architect for the project is Shop/Sharples Holden Pasquarelli, P.C., located at 200 East 37th Street, #2, New York, New York 10016. As stated above Shop/Sharples Holden Pasquarelli, P.C. is a principal of the Sponsor. Shop/Sharples Holden Pasquarelli, P.C., and the principals thereof have been providing architectural services in excess of ten (10) years. Several properties where Sponsor's Architect has provided services are 3883 Connecticut Avenue, Washington, D.C. (Residential Complex), 108 Arch Street, Philadelphia, PA (Mixed Use Mid-Rise Building) and 205 Race Street, Philadelphia, PA (Mixed Use Mid-Rise Building).

Douglas Gauthier, a registered architect in the State of New York and a principal of System Architects prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications." System Architects, and the principals thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such report and other architectural services. System Architects, and/or the principals thereof, have been providing architectural services in excess of ten (10) years.

Counsel to Sponsor

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, to represent it in the preparation and consummation of the Offering Plan. John D'Agostino, Esq., a partner of the firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and is advising the

Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

D'Agostino, Levine & Landesman, L.L.P., and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

The Managing Agent for the Property for the first year subsequent to the First Unit Closing shall be Andrews Building Corporation with offices located at 666 Broadway, New York, New York 10012. Other condominium or cooperative properties managed by Andrews Building Corporation include the following:

420 West Broadway, New York, NY	(Cooperative)
51-53 Leonard Street, New York, NY	(Condominium)
79-101 Laight Street, New York, NY	(Condominium)
359 West 11th Street, New York, NY	(Condominium)
41 Warren Street, New York, NY	(Condominium)
206 West 17th Street, New York, NY	(Condominium)
19 Beach Street, New York, NY	(Condominium)
132 Perry Street, New York, NY	(Condominium)

As the Managing Agent, Andrews Building Corporation will receive management fees and may also receive other commissions or fees for performance or services for the Board of Managers and Unit Owners.

REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year or the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) A prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

DOCUMENTS ON FILE

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

GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

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

C. To the best of Sponsor's knowledge, the building located at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York was not the subject of a prior public offering.

D. The Declaration and By-Laws of the Condominium located in Part II of this Plan are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

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

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. This Plan may not be changed or modified orally.

I. Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in 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. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given,

for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

As against all other Unit Owners, but subject to the recorded Declaration of Zoning Lot Restrictions in Reel 3486 page 2070 and the recorded Zoning Lot and Development Agreement in Reel 3486 page 2033, as more fully set forth in the section of the Plan titled "Terms of Sale" located at pages 77 to 82, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended, and Sponsor hereby binds itself, its successors and assigns from transferring, assigning, or surrendering in whole or in part any transferable air rights and/or development rights, if such transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration or as will allow any party, including Sponsor as the holder of Unsold Units to build on or directly above the land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in such event, any construction shall be made only in accordance with the Condominium's Declaration and By-Laws. As used herein, "transferable air rights and/or development rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor will not build any further on or above the Property. Based upon the approved Alteration Plans for the renovation of the Building, currently there are no usable excess transferable air rights and/or development rights.

The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor and/or its successors and assigns; (ii) any amendment to the Condominium Declaration which the Sponsor and/or its successors and assigns deems necessary or appropriate to effectuate its rights hereunder.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without the purchase of said rights from Sponsor. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

SPONSOR'S STATEMENT OF BUILDING CONDITION

GENERAL

Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of equal or better quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The Description of Property and Specifications set forth in Part II of the Plan was prepared by Douglas Gauthier of the architectural firm of System Architects, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
THE PORTER HOUSE CONDOMINIUM ("Condominium")

Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Additional Purchaser's Name:

Social Security No.:_____

Address:_____

Telephone No.:_____

Unit Number:_____

Percentage Interest in Common Elements:_____

*Down Payment (not including custom work) $_____

Balance Due at Closing $_____

Total Purchase Price $_____

Name(s) and manner in which
title will be taken: _____

*Additional Downpayment for custom work $_____

Statement of Seller

66 Ninth LLC with an address at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York 10001, a limited liability company formed pursuant to the laws of the State of New York ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of The Porter House Condominium ("the Plan") pursuant to which the land with appurtenances and the Residential Units and the Commercial Unit ("the Units") being renovated and/or constructed by Seller, located at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, New York County, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT 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 NO LATER THAN 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 Shop/Sharples Holden Pasquarelli Architecture ("the Architect").

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

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

1. **Payment for Unit**. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the closing of title,

as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title**. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, as rescheduled pursuant to any adjournment authorized hereunder, and Seller does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, though no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

At the closing of title Seller shall deliver to Purchaser 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 Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price, (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

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 Seller at the closing of title for recording and to pay the recording fee.

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

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

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

6. **Expenses of Closing and Closing Adjustments**. 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, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's financing encumbering the Building, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of $1,000.00 will be payable by Purchaser to D'Agostino, Levine & Landesman L.L.P., if rendered by such firm, provided that an additional fee of $500.00 per closing shall be due and payable for any Unit closing which occurs outside the office of Seller's attorneys. A further fee of $350.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. Finally, a legal fee in the amount of $350.00 shall be paid by Purchaser to Sponsor's attorneys for each cancellation of a Purchase Agreement and/or release related thereto if prepared by such firm. Purchaser will also pay to the Board of Managers the sum equal to two months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment to All New York Title Agency, Inc., of the cost of fee title insurance which Sponsor shall order on Purchaser's behalf from All New York Title Agency, Inc., provided Purchaser elects to obtain title insurance. If Purchaser elects to obtain title insurance and/or a title report from any other title insurance company and/or abstract company, said title insurance and/or title report shall be recognized, by Sponsor, provided Purchaser pays Sponsor's additional legal fees, which shall be no less than $500.00 but no more than $1,000.00 in all cases, for the clearing of title with such other company.

7. **Agreement Subject to Mortgages**. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be to any other mortgage(s) obtained by Purchaser.

8. **Mortgage Financing Contingency**. THE PURCHASE OF THE UNIT WILL NOT BE CONDITIONED ON FINANCING AND THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED).

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the balance of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Seller has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment and any other amounts paid by Purchaser for any special or custom work shall be paid over to Seller as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, D'Agostino, Levine & Landesman, L.L.P., that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine & Landesman, L.L.P., shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. However, if there is no written agreement between the Purchaser and Sponsor to release the escrowed funds, D'Agostino, Levine & Landesman, L.L.P. will not pay the funds to the Sponsor until D'Agostino, Levine & Landesman, L.L.P. 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. A form of application to the Attorney General for a determination on the disposition of downpayments appears as Exhibit A to the Purchase Agreement. D'Agostino, Levine & Landesman, L.L.P. shall have the right to continue to hold the Down Payment deposit pending resolution of such dispute (judicial or otherwise) or pay the Down Payment deposit into court. Seller shall reimburse D'Agostino, Levine & Landesman, L.L.P. insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. D'Agostino, Levine & Landesman, L.L.P. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **Agreement May Not be Assigned; Advertising**. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine & Landesman, L.L.P. the legal fee of Sponsor's attorneys for reviewing the assignment agreement. Such fee shall be approximately $350.00, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

11. **Notices**. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Seller at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York 10001 (with copy to D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation**. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's 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 Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the

architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error. This provision shall survive the closing of title to the Unit.

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

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

15. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel**. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and before eighty percent (80%) of the Residential Units have been purchased. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Seller may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the

Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

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

The required downpayment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special custom work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited with Chase Bank, in an account or accounts titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for The Porter House Condominium," or similar name, with the name of Purchaser and Unit number added to the title of the account at the Chase bank office located at 305 Seventh Avenue, New York, New York, which account or accounts shall be interest bearing in accordance with Section 71-a(3) of the Lien Law. Such funds will be deposited within five (5) business days after this Agreement is executed by all necessary parties. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352-h and 352-e(2-b) of the New York General Business Law, and Regulations promulgated pursuant to said Section 352-e(2-b) by the Department of Law. Such funds will be disbursed only upon written instructions of a representative of Seller and a member of D'Agostino, Levine & Landesman, L.L.P., Seller's attorneys, as follows: (i) to Seller or as directed by Seller, if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is cancelled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

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

As an alternative to depositing Down Payments in escrow as set forth above, Seller may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

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

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

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

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

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

18. **Acceptance of Condition of Unit; Risk of Loss.**

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including custom work, or the Building or (b) other Units or (c) any recreation facilities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan.

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

(iii) Purchaser represents to Seller that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan.

(iv) The risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the closing of title for the Unit. Seller at its sole discretion, reserves the right to either repair or restore such Unit whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. 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, in the event that Purchaser, or one claiming by or through Purchaser enters into possession of the Unit prior to the closing of title, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

19. **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 Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein.

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

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

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

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

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

25. **Brokerage**. Purchaser represents and warrants to Seller that Stribling Marketing Associates, LLC and _____, as the co-broker, are/is the only broker(s) or sales agents with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker". Seller agrees to pay the commission earned by the Broker pursuant to a separate agreement between Seller and the Broker. Purchaser agrees that should any claim be made against Seller or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this paragraph 25 shall survive the closing of title.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principals of Conflict of Laws.

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

28. **Costs of Enforcing and Defending Agreement.** Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement, or in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations hereunder.

29. **Acceptance by Seller**. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or

(b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Seller takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

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

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

32. **Custom Work.** Purchaser acknowledges and agrees that all custom work ordered by Purchaser is to be performed by Sponsor's contractors. The cost of such custom work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The initial downpayment for the purchase of the Unit will be increased by the total cost of the custom work. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

33. **Lead-Based Paint Warning.**[1] Regulations governing disclosure of information regarding Residential Lead Based Paint (the "Regulations"), issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. Based upon a Phase II Site Investigation Report, dated May 2002, prepared by AKRF, Inc., located at 116 East 27th Street, 7th Floor, New York, NY 10016 (the "Report"), soil samples taken pursuant thereto revealed the presence of lead ten or more feet below the basement slab of the Building. However, the levels of lead detected were below levels acceptable to EPA and therefore do not pose a hazard to human health. A copy of the Report will be made available to a Purchaser at his or her request. The Sponsor does not have any other actual knowledge of any lead-based paint or lead-based paint hazards in the Unit or in the Property. However, the Property was constructed prior to 1978 and therefore either the Property or the Unit may contain lead-based paint and lead-based paint hazards. Other than as set forth above, the Sponsor has not under taken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Unit. The Sponsor also does not have any other actual knowledge that anyone else has undertaken any such investigation or risk assessment. The Purchaser hereby acknowledges that the Sponsor indicated it did not have any other reports or records pertaining to lead-based paint or lead-based paint hazards as to the Unit or the Property. The Regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning

[1]Paragraph 33 at the option of the Sponsor may be deleted for studio apartments and open lofts to the extent the Regulations do not apply to studio apartments or open lofts.

disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser further recognizes and agrees that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Unit or the Property. The Purchaser hereby assumes all risks, if any, as to lead-based paint hazards in the Unit or the Property. The Purchaser may undertake his or her own risk assessment or inspection for possible lead-based paint hazards. It is hereby agreed if Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of this Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached hereto as Exhibit "B" which shall be simultaneously executed by the Purchaser with this Agreement, the Purchaser has either undertaken its own inspection or risk assessment or waived its rights to undertake same. Also the Purchaser hereby acknowledges receipt of a copy of the lead-based paint hazard information brochure entitled "Protect your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

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

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

36. **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

_____ _____ L.S.

_____ Purchaser

_____ L.S.

_____ Purchaser

Accepted:
66 Ninth LLC
By: Brown Hill II, LLC, its Managing Member
By: Brown Hill I, LLC, Its Manager

By:_____
Jeffrey M. Brown
Authorized Member

Dated:_____, 2003

ESCROW AGENT:
D'Agostino, Levine & Landesman, LLP

By: _____
, Partner

Dated:_____, 2003

ETF-1 **APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS** Exhibit A

[Send this application to the reviewing attorney assigned to the subject plan.]

Re:_____
Address of Building or Name of Project

File Number:_____

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

1. **Name of Applicant**_____

2. **Address of Applicant**_____

3. **Name, Address, and Telephone Number of Applicant's Attorney (if any)** _____

_____

4. **This is an application for**
   - [ ] **return of downpayment.**
   - [ ] **forfeiture of downpayment.**
   - [ ] **other:** _____

5. **The project is**
   - [ ] **a conversion of occupied premises.**
   - [ ] **newly constructed or rehabilitated.**
   - [ ] **vacant (as is).**

6. **The project is structured as**
   - [ ] **a cooperative.**
   - [ ] **a condominium.**
   - [ ] **a homeowners association.**
   - [ ] **a timeshare.**
   - [ ] **other:**_____

7. **Name and Address of Sponsor:**_____

_____

8. Name and Address of Escrow Agent:_____

_____

9. If down payments are maintained in an escrow account:

(a) Name of Account _____

(b) Name and Address of Bank_____

(c) Account Number (if known)_____

(d) Initial Interest Rate (if known)_____

10. If 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 Address 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 Misdeameanor 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

PRE-CONTRACT LEAD PAINT INSPECTION AGREEMENT

_____ ("Prospective Purchaser") is considering the purchase of Residential Unit ____ (the "Unit") at 366 W. 15th St. Condominiums, 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York 10011 (the "Premises") from 66 Ninth LLC, ("Prospective Seller").

The parties acknowledge that applicable Federal regulations, specifically 24 CFR Part 35 and 40 CFR Part 645, require (among other things) with respect to the Unit"... that the Purchaser has received a 10-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based hazards (unless the parties have mutually agreed to a different period of time) before becoming obligated under the contract to purchase the Unit. Alternatively, a purchaser who chooses to waive the risk assessment or inspection opportunity must so indicate in writing.

In accordance with the foregoing requirement (cross out and initial (a), (b) or (c) below, whichever does not apply):

(a) The Prospective Purchaser hereby chooses to waive any risk assessment or inspection opportunity for lead paint with respect to the Unit or Premises; or

(b) The parties hereto hereby agree to reduce the 10-day opportunity to inspect to a period not to exceed 5 business days;

(c) The parties have agreed that Prospective Purchaser shall have the opportunity to inspect the Unit and Premises during the period beginning _____, 20____, through and including _____, _____ 20___. If Prospective Purchaser elects to make an inspection, he or she shall comply with the following requirements:

(i) Prospective Purchaser hereby indemnifies and holds harmless Prospective Seller from any and all claims, liabilities, causes of action, losses, damages, costs and expenses (including reasonable attorneys fees) resulting from the inspection;

(ii) Initially, Prospective Purchaser shall use only such inspection methods as do not require any removal of any wallpaper, paint or any item permanently affixed to the Unit or Premises. If Prospective Purchaser deems it necessary to remove paint or wallpaper or any other item permanently affixed to the Unit or Premises, no removal may occur until the specific location of the

work is identified to Prospective Seller, Prospective Purchaser agrees to repair and restore the Unit and Premises to the same condition that currently exists immediately following the inspection, and Prospective Purchaser delivers into escrow to be held by Prospective Seller's attorneys an amount agreed between the parties to be sufficient to complete such repair and restorations, which amount shall be held and applied as invoices are presented.

Prior to undertaking any such inspection, the Prospective Seller may require the contractor performing such inspection to add the Prospective Seller as an additional insured party on such contractor's comprehensive general liability insurance policy and to provide evidence of such coverage.

Prospective Purchaser hereby acknowledges that he or she has not been pressured or coerced by Prospective Seller or any other person to waiver or limit the 10-day opportunity to inspect.

The parties agree that this document does not constitute a contract for the sale of the Unit, and does not bind either of the parties or in any way except as it relates to the right and manner of conducting an inspection for lead paint in the Unit. Whether or not the Prospective Purchaser desires to undertake a lead-based paint inspection, the Prospective Seller reserves the right to continue to market the Unit to other Prospective Purchasers and to enter into a Purchase Agreement with another Prospective Purchaser during or after pendancy of the inspection period.

Dated: _____, 20___

_____
PROSPECTIVE PURCHASER

_____
PROSPECTIVE PURCHASER

66 Ninth LLC
By: Brown Hill II, its Managing Member
By: Brown Hill I, its Manager

By: _____
PROSPECTIVE SELLER

_____
BROKER

The broker signing above is a real estate broker duly licensed in the State of New York who provided this form to the parties and who has received a fully executed copy of the Pre-Contract Agreement on the _____ day of _____, 20___. Broker acknowledges that he or she is not entitled to a commission solely based upon the execution and delivery of this Pre-Contract Lead Paint Inspection Agreement.

POWER OF ATTORNEY

The undersigned, _____ the Owner of Unit No. _____ located at 366 West 15th Street a/k/a 66 Ninth Avenue, in the Condominium known as The Porter House Condominium consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated , 200 , and recorded in the New York County office of the Register of the City of New York on , 200 in Reel at Page and on the Floor Plans on file in said office as Map No. , do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The Porter House Condominium jointly, true and lawful attorneys-in fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, 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 66 Ninth 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 17 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) 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.

The undersigned do further nominate, constitute and appoint 66 Ninth LLC as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of , 20 .

_____

_____

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

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the day of , 20 , between 66 Ninth LLC, having an office at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York 10001, "Grantor", and , "Grantee," residing at

WITNESSETH:

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

The Unit known as Unit No. in the Building known as The Porter House Condominium, located at 366 West 15th Street a/k/a 66 Ninth Avenue, in the Borough of the Manhattan, New York County, City and State of New York and also designated and described as Unit No._____ in the Declaration establishing The Porter House 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 , 20 , and recorded in the New York County Office of the Register of the City of New York, on the day of , 20 , in Reel at Page (hereinafter called the "Declaration"), which Unit is also designated as Block No. 738, Tax Lot No. on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by Shop/Sharples Holden Pasquarelli Architecture, Architects, and filed in the Real Property Assessment Department of the City of New York on the day of , 20 , as Condominium Plan No.___and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, New York County, as Condominium Plan No. ____, Map No. ____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Easterly line of Ninth Avenue with the Southerly line of 15th Street;

RUNNING THENCE Easterly along 15th Street, 100 feet;

THENCE Southerly parallel with Ninth Avenue, 51 feet 7 1/2 inches;

THENCE Westerly parallel with 15th Street, 100 feet to the Easterly line of Ninth Avenue; and

THENCE Northerly along Ninth Avenue, 51 feet 7 1/2 inches to the point or place of **BEGINNING.**

TOGETHER with the benefits provided for in a Declaration of Zoning Lot Restrictions made by 66 Ninth LLC dated as of February 12, 2002, recorded in the Office of the City Register, New York County, in Reel 3486 page 2070.

TOGETHER with the benefits and easements provided for in a Zoning Lot Development Agreement between Ninth Avenue LLC and 66 Ninth LLC dated as of February 12, 2002, recorded in the Office of the City Register, New York County, in Reel 3483 page 2033.

SAID PREMISES being known as and by the street number 366 West 15th Street a/k/a 66 Ninth Avenue, New York, NY.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any 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 the construction or rehabilitation 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 the construction or rehabilitation 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 Porter House Condominium recorded in the New York County Office of the Register of the City of New York on the day of , 20 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;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid; this deed was authorized at a duly called meeting of the members of Grantor;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as a (Residential) (Commercial) Unit.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of clause 18 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 Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium 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 office of the New York City Register, New York County.

This conveyance has been made with the consent of all the members of the party of the first part entitled to vote thereon at a meeting duly called.

IN WITNESS WHEREOF, the Grantor has duly executed this deed the day and year first above written.

Grantor:

66 Ninth LLC
By: Brown Hill II, LLC, its Managing Member
By: Brown Hill I, LLC, its Manager

By: _____
Jeffrey M. Brown, Authorized Member

_____
Grantee:

_____
Grantee:

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

On the _____ day of _____, in the year 20___, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20___, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS AND ASBESTOS REPORT

Douglas Gauthier, Principal, SYSTEM Architects
249 West 29th Street No. 2N New York, NY 10013
voice 212.239.8001 fax 212.239.8005

ARCHITECTS REPORT: THE PORTER HOUSE CONDOMINIUM
62-66 NINTH AVENUE, A.K.A. 366 WEST 15TH STREET, NEW YORK, NY 10011

December 31, 2002

(a) LOCATION AND USE OF THE PROPERTY:

(1) Address: 62-66 Ninth Avenue, a.k.a. 366 West 15th Street, New York, NY 10011
(2) Block and Lot Number: Block 738, Lots 76,78,79
(3) Zoning: C6-2A (R8-A Equivalent)
(4) Permissible Use: The proposed use of the cellar for storage, mechanical functions and commercial use is permitted by the New York City Zoning Resolution. The proposed use of the first floor as commercial use and residential lobby use (Use Groups 1-12) is permitted by the New York City Zoning Resolution. These uses consist primarily of retail stores, service establishments, offices, wholesale establishments, and eating and drinking establishments. The proposed use of second floor through penthouse as residential use (Use Groups 1-2) is permitted by the New York City Zoning Resolution.

(b) STATUS OF CONSTRUCTION:

(1) Year built: 1905
(2) The existing construction is Class 3 non-fireproof construction. The proposed addition to the existing building is fireproof construction with a three-hour separation between the new and existing components of the structure. The building shall be fully wet sprinklered throughout and shall have one hour fire rated ceilings.
(3) Certificate of Occupancy, type and number: Certificate of Occupancy No. 75111 was issued on April 11, 1967. It is a Certificate of Occupancy for Warehouse, Factory, Office, Use Group 6 Bank, and Storage Use. A new Certificate of Occupancy is required.
(4) Alteration Permit Numbers and Description of Work Done: The following applications are on file with the N.Y.C. Department of Buildings and otherwise required. Permits are as noted:

(i) Alteration Application Type 2, No. 103123111 has been approved on April 1, 2002, for General Interior Demolition.
(ii) Alteration Application Type 1, No. 103139587 has been approved on April 15, 2002, for the conversion, enlargement, and change of use of existing (6) story building. Permit No. 103139587-01-AL Renewal was issued on November 15, 2002.
(iii) Alteration Application Type 1, No. 103139587 has been approved on April 15, 2002, for the mechanical and plumbing work associated with the conversion and enlargement of existing (6) story building. Permits for this application shall be obtained.
(iv) Alteration Application Type A2, No. 103139587 has been filed for sprinkler modification and installation of a standpipe. Permits for this application shall be obtained.
(v) Elevator Applications for the dismantling of existing elevator and installation of new elevator shall be filed with the Department of Buildings. Appropriate permits and certificates for such work will be obtained.

(vi) Meter and tap permits shall be obtained for installation of new water service for domestic use.

(vii) Alteration Application Type A3, No 103282500 has been approved for a sidewalk fence. Permit No. 103139587 EQ FN was issued on November 15, 2002.

(viii) Alteration Application Type A3, No 103284811 has been approved for the installation of a heavy duty scaffold. Permit No. 103139587 was issued on November 15, 2002.

(c) SITE:

(1) Size: The site is comprised of three lots, 76, 78, and 79. Lot 76 measures 100'-0" along West 15th Street on its north side, 51'-7 1/2" along its east side, 100'-0" along its south side, and 51'-7 1/2" along Ninth Avenue on its west side. Lot 78 measures 100'-0" along its north side, 17'-2 1/2" along its east side, 100'-0" along its south side, and 17'-2 1/2" along Ninth Avenue on its west side. Lot 79 measures 100'-0" along its north side, 16'-11" along its east side, 100'-0" along its south side, and 16'-11" along Ninth Avenue on its west side. The Owner owns Lot 76 only as well as the development rights to Lots 78 and 79.

(2) Number of buildings and use: There is only one building on the site. The buildings on Lots 78 and 79 contain a commercial ground floor space with residential use on the two floors above and is permitted by the New York City Zoning Resolution. These two buildings will remain. The proposed renovation and addition to the building on Lot 76 shall use the cellar for storage, mechanical functions and commercial use is permitted by the New York City Zoning Resolution. The proposed use of the first floor as commercial use and residential lobby use is permitted by the New York City Zoning Resolution. The proposed use of second floor through penthouse as residential use is permitted by the New York City Zoning Resolution.

(3) Streets owned or maintained by the Project: The site is at the southeast corner of Ninth Avenue and West 15th Street and faces both Ninth Avenue to the west and West 15th Street to the north.

(i) Paving: Ninth Avenue is paved with asphalt in fair condition. West 15th Street is paved with asphalt in fair condition.

(ii) Curbing: There is a steel and concrete curb along both Ninth Avenue and West 15th Street in fair condition. There are no existing curb cuts.

(iii) Catch Basins, Drainage: Storm drainage of the streets is provided by way of surface gutters along the curbsides pitched down to the north and west to catch basins covered by cast iron gratings 10'-0" east of the corner of West 15th Street and Ninth Avenue. The catch basins lead to the New York City owned and maintained combined storm and sanitary system. Sewer taxes are billed to the owner by the City of New York.

(iv) Street Lighting: Mercury vapor street lights on metal poles, approximately 20'-0" in height, illuminate the blocks of Ninth Avenue between West 14th Street and West 15th Street, and West 15th Street between Ninth Avenue and Eighth Avenue. They are owned and maintained by the City of New York. Street lights are located at the following locations:

(a) at mid block on West 15th Street, approximately 130'-0" east of the corner of West 15th Street and Ninth Avenue

(b) at mid block on a center island on Ninth Avenue, approximately 70'-0" south of the corner of West 15th Street and Ninth Avenue

(v) The above items are in conformity with local fire district and municipal building codes.

(4) Drives, Sidewalks, and Ramps: The sidewalks extending the entire west and entire north frontages of the building are approximately 15'-0" wide on Ninth Avenue and 15'-0" wide on West 15th Street. A steel hatch covering a sidewalk elevator exists on the north side of the building along West 15th Street.

(i) Paving (material and condition): The sidewalk along Ninth Avenue is paved with concrete and is in fair condition. The sidewalk along West 15th Street is paved with concrete and is in fair condition.

(ii) Curbing (material and condition): There is a steel and concrete curb along both Ninth Avenue and West 15th Street in fair condition. There are no existing curb cuts.

(iii) Catch Basins, Drainage (location and condition) There are no catch basins in the sidewalks. The sidewalks slope to and drain to the streets.

(iv) Street Lighting (material, type, and condition): The sidewalk is lighted by the streetlamps described in (c) (3) (iv). Additional lighting is provided under the street awning by marine grade fluorescent under-mount fixtures.

(v) The above items are in conformity with local fire district and municipal building codes.

(d) UTILITIES:

(1) Domestic Water is provided by the City of New York from mains under the streets. Water consumption for the building shall be supplied through an existing 3" domestic water service pipe from the West 15th Street water main and service both the commercial unit and residential units of the building. The owner of the building is responsible for maintenance, repair, and replacement of water meters and service pipes to the building.

(2) Sewers are provided and maintained by the City of New York. Sewer service charges are based on the amount of water used. The owner is responsible for maintenance, repair and replacement of the sewer line from the main to the building. The house drain shall be 8" in diameter, cast iron, on the northwest corner of the building.

(3) Gas service is provided and maintained by Consolidated Edison Company, a regulated public utility. New gas service piping to each unit will be provided for gas ranges in each kitchen. The utility company is responsible for maintenance and repair of the gas meters and gas service outside the building. The owner is responsible for gas piping in the building and to the units. Each individual owner is responsible for the their appliances and gas piping within their unit. There shall be no gas service to the commercial unit.

(4) Electricity is provided and maintained by Consolidated Edison Company, a regulated public utility. Electric service for the common areas shall be metered and billed to the owner. Electricity used within each unit shall be separately metered and billed to the respective individual unit owner. There shall be a separate meter for the commercial unit. The management is responsible for all electrical equipment and wiring from the meters to the individual units. The meters and electrical service to the building are the responsibility of the utility company.

(5) Telephone lines to a service connection at or near the premises are provided and maintained by Verizon, a regulated public utility. Services to and usage by each individual unit owner are separately monitored and billed. A common telephone riser and common junction boxes shall provide telephone service to the individual units. Such wiring and equipment shall be maintained by the owner. Within each unit there shall be two telephone outlets provided in each kitchen and bedroom of the individual units. The telephone wiring and equipment within each unit shall the responsibility of each individual unit owner or user. Maintenance and installation of the wiring and equipment from the service connection to the individual unit and within the individual unit may be contracted by the individual unit owner to a variety of vendors. Other equipment and wiring may be installed at the expense of the individual user.

(e) SUB-SOIL CONDITIONS:

(1) No uneven foundation movement in the existing structure was evident at the time of my inspection. There were no obvious indications of settlement or other failure in the structure due to the inadequacy of the foundation or the load bearing capacity of the soil.

(2) There was no evidence of water seepage or moisture at the time of my inspection. Soil borings were performed at the site and the water table was more than 25'-0" below grade.

(3) There appears to be no evidence of flooding in this building. The property's proximity to the Hudson river, 800'-0" to the west, may cause fluctuations in the sub-surface water table due to tidal influence.

(f) LANDSCAPING AND ENCLOSURES:

(1) Grass Cover (type, location): None
(2) Plantings (type, location): None
(3) Trees (type, location): None
(4) Fencing (type, location): See section (h)(4) for terrace and balcony fencing description.
(5) Gates (type, location): None
(6) Garden Walls (type, location): None
(7) Retaining Walls (type, location): None
(8) Display Pools and Foundations (location, materials): None

(g) BUILDING HEIGHT:

(1) Total Height: The building averages approximately 119'-9" from the curb level to the top of the roof joists
(2) Crawl Spaces (floor to ceiling, height): None
(3) Number of Cellars and Sub-cellars: One cellar
(4) Number of Floors: Ten plus cellar and a penthouse and roof bulkheads
(5) Equipment Rooms (location and uses): Equipment rooms are located in the cellar and at the roof. Cellar mechanical rooms shall be used for gas meters, electric meters, water meters, telephone equipment, refuse gathering, emergency generator, sprinkler equipment, heating and hot water equipment. At the roof there shall be equipment rooms for heating and air-conditioning equipment and elevator machinery.
(6) Parapet (height above roof): At the seventh floor there is an existing masonry parapet at the north and west set-back that vary between 3'-6" high to 7'-6" high. At the roof there shall be a new parapet constructed of steel studs, cement board, water-proofing membrane, and zinc metal panel and shall be approximately 4'-0" high.

(h) STRUCTURAL SYSTEM:

(1) Exterior of Building:

(i) Walls: The exterior walls of the existing portion of the building are load-bearing brick masonry. All four elevations are in fair to good condition and are in compliance with Local Law 10. As a result of the new construction, the completed building shall require regular 5-year inspections in accordance with Local Law 11/98. The first inspection shall be required five years after the issuance of the Temporary Certificate of Occupancy. Thereafter, the building must be inspected in accordance with the NYC Local Law 11/98 every five years. Minor re-pointing, where necessary, will be provided by the sponsor.

The north and west facades shall be cleaned and all miscellaneous metals removed. The south and east walls abut the neighboring buildings and the joints between them appear to be watertight. The new addition to the building shall be a steel and concrete deck structure with walls constructed of steel studs, cement board, water-proofing membrane, and exterior zinc metal panels. There shall be several concrete bond beams on the south façade between the existing and new portions of the building. All new facades shall be insulated as required.

(ii) Foundations: The existing foundations are concrete spread footings bearing on soil. New footings required for the addition shall be friction compression and tension piles drilled and anchored to bedrock with reinforced concrete pile caps set with steel anchor bolts. New spread footings and underpinning of neighboring buildings with reinforced concrete foundations shall also be utilized where required.

(iii) Windows: All windows in the existing portion of the building will be placed in existing masonry openings with arched masonry lintels or flat-headed steel lintels. Existing stone sills are in fair condition and arched masonry lintels are in good condition. All replacement windows shall be new aluminum frame and sash, double hung and picture, double glazed units. The new addition shall have new concrete sills and new steel lintels. All new windows shall be aluminum frame and sash hopper and picture, double glazed units. No screens will be provided. There are no lot line windows.

(iv) Landmark Status: The subject building has not been designated a Landmark and is not in a Landmark District. The building has been inspected and is in compliance with Local Law 10 and Local Law 11.

(2) Parapets and Copings: The existing masonry parapet at the north and west set-back at the seventh floor shall remain. A new zinc metal coping will be installed by the sponsor. At the roof there shall be a new parapet constructed of steel studs, cement board, water-proofing membrane, and zinc metal panel. All existing parapets are in fair to good condition and will be re-pointed as necessary by the sponsor. All new parapets shall be in new condition.

(3) Chimneys and Caps: There shall be a new boiler gas flue and vent placed within a new chimney constructed from reinforced masonry block with a corrugated metal panel fascia. There shall be one compactor trash chute vent next to the boiler gas flue and it shall project above the level of the roof as required by code. Metal spark arrestors shall be placed at top of all chimneys.

(4) Balconies and Terraces: There shall be private roof terraces at two levels of the building. The first one is accessed through unit 7W and runs along the entire west side and 50'-0" of the north side of the seventh floor set-back (roof of sixth floor). The second private roof terrace is accessed through unit 7E and runs along 50'-0" of the north side of the seventh floor set-back (roof of sixth floor). The two terraces are separated by a 6'-0" high Ipe wood fence that shall be similar in construction to the deck finish, see (4)(i). The third private roof terrace shall be accessed through the PH bulkhead on approximately the western 40'-0" of the roof. The remaining 50'-0" of the roof shall be a terrace that is accessible to all residents and is accessed directly from the elevator and egress stairs on the eastern portion of the tenth floor roof. See attached drawing. There shall be an area designated for mechanical equipment as required to service the systems of the building. The private roof terrace, common roof terrace, and mechanical areas shall be separated from each other by a 6'-0" high Ipe wood fence that shall be similar in construction to the deck finish, see (4)(i). There are five private balconies that are accessed directly from units 5E, 6E, 8E, 9E, and 10E at the south east corner of the building. Each private balcony shall be 15'-0" by 6'-0" (irregular) and shall be similar in construction to the deck finish, see (4)(i).

(i) Deck Finish (material): The deck finish shall be Ipe wood planking built on joists above the roofing membrane

(ii) Balustrade (type, material): None

(iii) Railings (material): All balconies shall be surrounded by a parapet constructed of steel studs, cement board, water-proofing membrane, and zinc metal panels and shall be approximately 4'-0" high. The interior side of the parapet shall have ipe wood decking extending up to the zinc coping.

(iv) Copings (material): All copings shall be constructed of zinc metal panel.

(v) Soffits (material): All soffits shall be constructed of zinc metal panel suspended from steel studs.

(vi) Doors to Balconies and Terraces (type, material): Doors to terraces shall be new aluminum frame, double glazed units. No screens will be provided.

(5) Exterior Entrances:

(i) Exterior Doors and Frames (material, type, and lock): All exterior doors at exterior entrances shall be new aluminum frame, double glazed units or insulated metal doors equipped with self-closing devices and locks. The public entrance of the building shall be equipped with a video intercom and door release system.

(ii) Vestibule Door and Frame (material, type, and lock): The vestibule door shall be new aluminum frame, double glazed units equipped with self-closing devices and locks. The vestibule door shall be equipped with a video intercom and door release system.

(iii) Exterior Stairs (material, location): None

(iv) Railings (material, location): None

(v) Mail Boxes: (type, location): At least twenty-two government approved mailboxes shall be provided in the mail-room adjacent to the residential lobby of the building. The postal service employee shall have access to the building by a key to be located in a key keeper.

(vi) Lighting (type, location): Interior incandescent, halogen, and/or fluorescent lighting, inside the public entrance and inside other means of egress, shall be provided. Additional lighting is provided under the street awning by marine grade fluorescent under-mount fixtures.

(6) Service Entrances:

(i) Doors and Frames (material, type, lock): There shall be a insulated steel door and frame equipped with closing device and heavy-duty lockset at the Ninth Avenue service entrance and the West 15th Street service entrance.

(ii) Gates: None

(iii) Exterior Stairs: None

(iv) Railings: None

(7) Roof and Roof Structures:

(i) Type of Roofs for All Areas:

(a) Material: The roofing material shall be modified bitumen roofing

(b) Insulation: Bat insulation shall be provided beneath the concrete roof floor slab.

(c) Surface finish: The roof surface shall be modified bitumen roofing with a painted surface.

(d) Bond or Guarantee: There shall be a guarantee for the roofing materials by the manufacturer. Such roofing shall be guaranteed by the installer for a minimum of five years from the installation date.

(e) Flashing materials including counter flashing: The roof shall be flashed with turned up roofing at the edges as well as ice and water-shield membrane.

(ii) Drains:

(a) Location, Material, and Type: Roof and area drains shall be cast iron body with steel strainers. There shall be three roof drains at the seventh floor set-back and six roof drains on the tenth floor roof. The bulkhead roof is sloped to drain onto the tenth floor roof.

(b) Gutters and Leaders: None

(iii) Skylights (location, type, material): There shall be two 43" round plastic insulated skylights on the penthouse bulkhead roof.

(iv) Bulkheads:

(a) Stairs: There shall be a new reinforced masonry block enclosed bulkhead with corrugated metal fascia at the stair bulkhead.

(b) Elevator: There shall be a new reinforced masonry block enclosed bulkhead with corrugated metal fascia at the elevator and elevator machine room bulkhead.

(c) Other: There shall be a new reinforced masonry block enclosed bulkhead with corrugated metal fascia at the boiler flue chimney and trash chute compactor vent bulkhead.

(v) Metal Work at Roof Levels:

(a) Exterior Metal stairs: There shall be a new painted steel exterior stair leading from the roof to the bulkhead roof to access the cooling tower and elevator machine room.

(b) Vertical Ladders: None

(c) Railings: There shall be 2" round steel railings at all stair locations.

(d) Hatches to roof: None

(e) Other: There shall be a perforated, painted metal screen enclosing the bulkhead roof, cooling tower equipment, elevator machine room, and chimney.

(vi) Rooftop Facilities: There is a rooftop terrace accessible to all residents of the building on the eastern portion of the tenth floor roof. For a more detailed description of all rooftop facilities see Section (h) (4) above.

(8) Fire Escapes: There are no existing fire escapes on the building and none will be required.

(i) Location: Not Applicable

(ii) Floors covered: Not Applicable

(iii) Drop ladder: Not Applicable

(iv) Type: Not Applicable

(v) Materials: Not Applicable

(9) Yards and Courts: There is an inner court located at the southeast corner of lot 76. It measures 17'-0" along the south property line of lot 76 and extends 8'-0" along the east property line of lot 78. This court exists from the second through tenth floors of the building. The base of the court is the roof of the one story commercial space on lot 78. It is only accessible from the buildings on lot 78 and 79 and is not meant for the use of the Owner of Lot 76.

(10) Interior Stairs:

(i) Number of Stairs of Each Type: There shall be two egress stairs from the cellar to first floor, one located at the northeast corner of the building and the other located at the southwest corner of the building, both with direct access to a street exit. There shall be two "scissor stair" fire stairs centrally located with the building, one that extends from the cellar through the tenth floor roof level, and the other that extends from the first floor through the tenth floor roof level. The Penthouse unit will have an interior accessory stair that extends from the ninth floor through the tenth floor roof level.

(ii) Enclosure: Egress stairs shall be within two-hour rated enclosures. Accessory stairs in the penthouse unit shall not be enclosed.

(iii) Stair construction: Egress stairs shall be of steel and concrete construction. Accessory stairs shall have steel or wood construction.

(iv) Stringers: Stringers for egress stairs shall be of steel and concrete construction. Stringers for accessory stairs shall have steel or wood construction.

(v) Treads: Treads for egress stairs shall be concrete in steel pans. Treads for accessory stairs shall have steel or wood treads.

(vi) Risers: Egress stairs shall have steel risers. Accessory stairs shall have steel, wood, or open risers.

(vii) Guard Rails: The height of the handrails shall be between 30" and 34" above the nosing of the treads and shall have a flame spread rating not exceeding 150.

(viii) Balustrade: Balusters for egress stairs shall be steel pans. Balusters for accessory stairs shall be constructed of steel or wood.

(11) Interior Doors and Frames:

(i) Unit Entrances and Interior Doors and Frames: Unit entrance doors shall be metal fireproof self-closing doors with steel frames. Interior doors shall be solid core wood doors or equivalent with metal or wood frames.

(ii) Corridor Doors: None

(iii) Stair Hall Doors: Stair hall doors shall be metal fireproof self –closing doors with steel frames.

(iv) Roof Doors: Roof doors shall be metal fireproof self –closing doors with steel frames.

(12) Elevator:

(i) Number of Passenger and Service Elevators: There shall be one new passenger elevator serving the entire building and one existing sidewalk freight elevator serving the cellar storage area of the commercial space.

(ii) Manufacturer, Age of Each and Capacity: The passenger elevator manufacturer is Major Elevator Corporation. The elevator shall be new and the capacity shall be 2000 pounds, or 9 persons. The elevator shall have a travel speed of 350'-0" per minute. The sidewalk freight elevator will be replaced by the commercial tenant.

(iii) Type of Operation for Each Elevator by Elevator Number of Locations in Building: The new passenger elevator, an overhead traction elevator, shall be centrally located in the building adjacent to the two egress "scissor stairs." The sidewalk elevator is a gear operated lift and is located in the sidewalk vault along the West 15th Street façade, or north side of the building.

(iv) Automatic (type of controls): The elevator shall be controlled by keyed push buttons except at the first floor which shall be push button controlled without a key.

(v) Floors served: The passenger elevator shall have stops at the cellar through roof level.

(vi) Type: The passenger elevator shall be overhead traction elevator.

(vii) Doors: All elevator doors shall be steel fireproof, self-closing doors.

(viii) Location of Machine Room: The passenger elevator machine room shall be on the Penthouse roof level adjacent to the Cooling Tower. The freight elevator machine room shall be in the cellar and will be part of the commercial space.

(ix) DC Motor: None

(x) AC motor-generator set: There shall be a variable voltage, variable frequency 208 VAC, 55.5 amp, 20 HP motor manufactured by Imperial Electric Company installed.

(xi) Other: None

(13) Elevator Cab:

(i) Kind: The elevator cab shall be manufactured by Major Elevator Corporation.

(ii) Floor: The elevator floor covering shall be a 3/8" thick stone tile laid in thin-set and grouted.

(iii) Wall: The elevator walls shall be stainless steel and plastic laminate.

(iv) Ceiling: The elevator ceiling shall be a perforated metal panel or stainless steel panel in a hung ceiling system.

(v) Lighting: The interior of the elevator cab shall be lighted by incandescent, halogen, and/or fluorescent fixtures.

(14) Floor Construction: In the existing portion of the building, existing wood joists, approximately 10" x 16" and approximately 4'-0" on center span 17'-0" between steel girders and exterior masonry load bearing wall. The floor joists are covered by 1 1/2" tongue and groove wood decking and hardwood tongue and groove wood flooring. The new portion of the building shall be constructed of a 5 1/4" (minimum) thick concrete slab supported by either 2", 20 gauge steel deck and/or steel joists supported by steel beams. Wood sleepers and sound insulation shall be placed over the new concrete slab. New tongue and groove hardwood strip finish flooring shall be placed throughout the residential section of the building. Tile and/or stone finishes shall be installed in areas such as bathrooms.

(i) AUXILIARY FACILITES

(1) Laundry Rooms: There are no common laundry facilities.

(i) Location and number of rooms: Each residential unit shall have a laundry closet or laundry room equipped with rough plumbing, electrical outlets, and capacity for venting to the exterior of the building.

(ii) Clothes Washers: All residential units shall be provided with a electric clothes washer. See section (w).

(iii) Clothes Dryers: All residential units shall be provided with a electric clothes dryer. See section (w).

(iv) Closet ventilation: The washer/dryer closets will not be mechanically ventilated.

(v) Dryer Ventilation: Dryer ventilation shall be achieved via an exhaust duct extending through the roof of the building.

(2) Refuse Disposal: Refuse disposal shall be as required by the New York City regulations.

(i) Incinerators: None

(ii) Compactors: None

(iii) Approvals by Authority Having Jurisdiction: An application by the Owner must be made to the Sanitation Department of the City of New York to initiate sanitation service for residential units.

(iv) Initial Storage Location: There shall be a Trash Receptacle Room leading to a new refuse chute serving each residential floor of the building and leads to a trash storage room at the cellar.

(v) Pick-up schedule: The Sanitation Department schedules pick up three times per week for residential refuse. The commercial tenant shall contract directly with a private vendor for refuse removal. All refuse shall be delivered to the West 15th Street through the egress stair at the northeast corner of the building.

(j) PLUMBING AND DRAINAGE

(1) Water supply: Domestic water service is from an existing 3" connection to the street distribution system of The City of New York. Building pressure is maintained by a constant pressure pump. Domestic hot water is made in a steam to hot water converter with a storage capacity of 250 gallons. All equipment and connections to utilities are in the cellar. All hot and cold water piping will be new copper type "L" tubing with wrought copper fittings and joints soldered with 95/5 lead-free solder. All hot and cold water piping shall be new and in good condition. There shall be no water tank and piping within the building shall be substantially new with some existing piping to remain.

(2) Fire Protection System:

(i) Standpipes: The building shall be protected by a 6" combined sprinkler standpipe riser.

(ii) Hose Racks, Hoses, Nozles: Hose racks and hoses shall be provided in the cellar and on the first floor. Hose outlets and valves shall be provided at every floor and at the roof

(iii) Sprinkler Heads: Sprinklers shall be provided throughout the entire building. Sprinkler heads will be either pendant, upright or sidewall , of the appropriate hazard type for the space and will generally be rated at 165 deg F. All sprinkler heads shall have Board of Standards and Appeals approval. All sprinkler piping shall be black steel with Victaullic, or other approved fittings.

(iv) Siamese Connections: Combined sprinkler and standpipe siamese connections shall be 3"x3"x5" and shall be provided with an automatic ball drip. The combined siamese connection shall be provided on West 15th Street.

(3) Water Storage tanks: There are no storage water tanks provided.

(4) Water Pressure and How Maintained: Domestic water pressure is maintained by a domestic water booster pump located in the cellar. The combined sprinkler standpipe system shall be maintained by a new fire pump in the cellar. Back up power for the new fire pump shall be by a new, diesel fueled, standby generator.

(5) Sanitary Sewage System:

(i) Sewage Piping: The sanitary sewage piping shall be No-HUB cast iron conforming to ASTM A888 and CISPI 301 with rubber sealing sleeve and stainless steel clamp assembly.

(ii) Sewage Pumps Sump pump for cellar floor drains shall discharge to the street side of the house trap into the combined storm sewer line.

(iii) Sewage Disposal: Soil stacks will discharge by gravity into the 6" main sanitary line connected to the combined storm sewer line.

(6) Permits Required: Permits shall be obtained for the sprinkler/standpipe work. The sanitary plumbing work and gas piping are covered by the permits described in Section (b)(4)(i), above. Additional permits shall be obtained for meters, RPZ valves and plugging the existing domestic service.

(7) Storm Drainage System: All storm drainage piping shall be No-HUB cast iron with rubber sealing sleeve fittings and stainless steel shield and clamp assembly conforming to ASTM A888 and CISPI 301. All storm piping shall be new and in good condition.

(i) Catch Basins: None

(ii) Yard and Roof Drains: Roof and area drains shall be cast iron body with steel strainers. There shall be three roof drains at the seventh floor set-back and six roof drains on the tenth floor roof. The bulkhead roof is sloped to drain onto the tenth floor roof.

(iii) Piping Materials: Storm drainage piping within the building is cast iron.

(iv) Ejector Sump Pumps: The shall be one sump pump in the elevator pit and one sump pump serving the cellar floor drains.

(k) HEATING:

(1) Method: The heating system shall be capable of providing code required indoor space temperatures at outside design condition (interior design temperature 70 deg F exterior design temperature 0 deg F). The boilers will produce low pressure steam that will be used to generate both the domestic hot water and the heating hot water. Boilers shall be of a capacity as listed in (3) below. All apartments are heated and air conditioned by water source heat pumps. During the heating season, the boilers provide steam that is converted into hot water to maintain the heat pump water loop temperature as required by the heat pumps. Hot air is then delivered to the apartments by the locally controlled heat pumps. The corridor is supplied with 100% outside air tempered to meet comfort requirements by a gas fired roof top AC unit. Domestic hot water is generated in a steam-to-water converter with a 250 gallon storage capacity and distributed at approximately 120 deg F. A re-circulation system shall be provided to maintain proper water temperature and minimize water waste at each fixture. There shall be a hot water service provided to the commercial unit but the tenant is responsible for the installation of the heat pump equipment and all associated duct work.

(2) Number of Boilers and Description: There shall be (2) two new, gas fired, cast iron low pressure steam boilers with integral burners serving the residential and commercial spaces. There shall be a central boiler room in the cellar.

(3) Manufacturer of Boilers: The boilers shall be Weil McLain model no. 988RSF with an input of 1,991,000 BTU per hour and a net output of 1,546,000 btu per hour each or similar of equal or greater capacity.

(4) Manufacturer of Burners: Burners shall be new and integral to the boilers in 3) above.

(5) Type of Controls: Boilers shall produce low pressure steam to maintain a condenser water loop water temperature. Each heat pump will have a thermostat capable of varying fan speed and cycling it's compressor to meet the load requirements.

(6) Radiators, Piping, Insulation, Valves Pumps, etc.: There are no radiators. All piping conveying fluid significantly above or below ambient temperature shall be insulated to minimize heat loss or gain. Water circulation will be achieved by an end suction pump located in the cellar.

(7) Fuel: The boilers will run off natural gas as provided by Consolidated Edison Company, a regulated public utility.

(8) Location of Oil Tank and Materials or Enclosure: There is no oil tank for heating fuel.

(9) Capacity of Oil Tank: There is no oil tank for heating fuel.

(l) GAS SUPPLY: Natural gas shall be provided by Consolidated Edison Company, a regulated public utility. There shall be one gas service to be sized by Consolidated Edison according to anticipated gas usage

(1) Type: Gas type shall be natural (1000 BTU/CF)

(2) Meters: There shall be two gas meters for the building. One shall be for the all of the residential unit gas ranges and one shall be for the building. There shall be no gas service to the commercial unit.

(3) Piping: All gas piping within the building shall be new, schedule 40 black steel to meet or exceed ASTM A53 grade B standards with threaded joints and black malleable fittings.

(m) AIR CONDITIONING:

(1) Type of System: Each apartment shall contain at least (1) heat pump type air conditioning / heating unit. Each heat pump is independent from the others except for a connection to the building condenser water system. All systems are capable of providing industry standard residential interior space conditions at the outside design condition (interior design temperature 78 deg F outdoor design temperature 92 deg F. Apartment units shall be Florida Heat Pump model EM with cooling capacities ranging from 3 to 8 nominal tons or equivalent.

(2) Central System: The corridor is served by a separate, independent, gas fired AC unit that does not require condenser water. The gas for this unit shall be metered on the building meter.

(3) Cooling Towers, Condensers: The condenser water is provided by a counter flow, induced draft, closed circuit cooling tower on the roof (Baltimore Air Coil FXV-L642 or similar). Condenser water shall be piped to all heat pumps and to capped outlets in the commercial unit.

(4) Individual Units: There are no individual units.

(n) VENTILATION: All interior spaces and equipment required to be ventilated (toilets, kitchens, clothes dryers, etc.) are served by building exhaust systems. Vertical duct risers with branch duct to required spaces shall be connected to roof top exhaust fans. Fan operation shall be set by time clock to hours of operation as set by code. The corridors shall be ventilated at a rate of 0.50 cfm per square foot of floor area by a dedicated rooftop air handler. The cellar shall be exhausted directly to the exterior at a rate of 0.5 CFM/SF. Natural light and ventilation shall be provided by operable windows located on the north, west and south facades.

(o) ELECTRICAL SYSTEM:

(1) Service From Main Service Switch Gear: Con Edison Service: 1 set of 4#500 in 4' duct. 120V/208V, 3phase. For the apartments: There shall be a 1,200 A, 120V/208V, 3 phase service through a 1200A, 3P, 250V disconnect switch. For the retail space: There shall be a 300A, 120V/208V, 3 phase through two disconnect switches: one of 100A, 3P, 250V, one of 200A, 3P, 250V.

(2) Service to Individual Units: Units 2E, 3E, 4E, 2W, 3W, and 4W: Each unit is served by 4 #1/0 in 1 1/2" conduit. Units 2-6N: Each unit is served by 4#1 in 1 1/2"conduit. Units 5E, 6E, 7E, 8E, 9E, 10E, 5W, 6W, 7W, 8W, 9W: Each unit is served by 4# 2/0 in 2"conduit.

(3) Compartment Switch Gear: Sub-feeder protection is provided at each meter location for each unit, retail space and the meter serving the House areas. The residential and the House sub-feeder protection is by circuit breakers.

(4) Unit Service: Circuit breaker panels and switches are appropriately rated according to the corresponding carrying capacity of the wire and the estimated loads. Generally each unit shall have a minimum of ten 20A circuits for appliances, 15A circuits for lighting and convenience receptacles, and appropriate size breakers for heat pumps.

(5) Adequacy:

(i) Service: The service described above shall be adequate to provide electricity for all appliances and air conditioning pursuant to New York City Electrical Code.

(ii) Lighting and Fixtures: Adequate lighting and light fixtures shall be provided in each unit pursuant to New York City Electrical Code.

(iii) Convenience Outlets and Appliance Outlets: Convenience and Appliance outlets shall be provided in each residential unit and throughout the building pursuant to New York City Electrical Code.

(p) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV: A Siedle Vario bell, intercom, and closed circuit video system with door release shall serve all residential units.

(q) PUBLIC AREA LIGHTING: The lobby area shall have Lightolier 5" pinhole recessed incandescent fixtures # 1002P1. The main stairs shall have fluorescent lighting fixtures with battery pack back up. Other common spaces shall have Cooper Lighting saucer acrylic 11" diameter white Circleline fluorescent fixtures.

(r) GARAGES AND PARKING AREAS: No parking garage is required or provided in the building.

(1) Location of Garages: Not Applicable
(2) Location of Parking Areas: Not Applicable
(3) Surfaces: Not Applicable
(4) Parking: Not Applicable
(5) Garage Ventilation: Not Applicable
(6) Garage Fire Protection: Not Applicable
(7) Drainage: Not Applicable

(s) SWIMMING POOLS: None Provided

(1) Type: Not Applicable
(2) Size: Not Applicable
(3) Enclosure: Not Applicable
(4) Pumping and Filter System: Not Applicable
(5) Water Heating Equipment: Not Applicable
(6) Structural Support System: Not Applicable

(t) TENNIS COURTS, PLAYGROUNDS, AND RECREATIONAL FACILITIES:

(1) Tennis Courts: None provided

(i) Type: Not Applicable
(ii) Number and Size: Not Applicable
(iii) Lighting: Not Applicable
(iv) Fencing and Enclosure: Not Applicable

(2) Playgrounds: None provided
(3) Other Recreational Facilities: There shall be a Exercise Room provided in the cellar that will be accessible to all residential tenants. The following exercise equipment shall be provided:

(i) Life Fitness CT8500 Total Body Elliptical Trainer, or equivalent.
(ii) Life Cycle LC8500R Recumbent Bike, or equivalent.
(iii) Life Strength LFS8215 Multi Press Combo, or equivalent.
(iv) Life Strength LFS8235 Leg Extension/Curl Combo, or equivalent.
(v) Parabody 830 Two Tier DB Rack, or equivalent.
(vi) Hampton Pro Hex DB Set 5-50 lbs., or equivalent.

(u) PERMITS AND CERTIFICATES: See section (b)(4)

(v) VIOLATIONS: There are no open violations on record at the New York City Department of Buildings.

(w) UNIT INFORMATION:

Cellar The cellar shall have a room for electrical meters and equipment, and area for gas meters, a area for water/fire service meters and pumps, an emergency generator room, a control room, a trash storage room, an exercise room, a tenant storage room, and a commercial unit storage room. The commercial unit storage room shall be part of the commercial space. The tenant storage room shall contain twenty two (22) individual metal mesh storage lockers, approximately 4'-0" by 6'-0", with each one assigned to a specific residential unit, see attached drawing.

(1) Wall shall be exposed brick masonry and/or furred painted gypsum board. The flooring shall be vct over concrete or exposed concrete. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board, exposed concrete, or vaulted firebrick.

Commercial Unit The first floor shall have a commercial unit and residential lobby. There will be a water closet in the residential lobby and plumbing rough in for a future water closet in the commercial unit.

(1) Wall shall be exposed brick masonry and/or furred painted gypsum board. The flooring shall be exposed concrete. The ceilings shall be exposed wood joists and/or suspended painted gypsum board.

(2) There shall be a service lavatory accessible from the residential lobby for the use of the residential tenants, doorman or concierge, or maintenance staff of the building. The floors shall be ceramic tile and/or stone with a painted wood base. Walls and ceilings shall be water resistant gypsum board, taped and painted.

(i) The service bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.

(ii) The service lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.

One Bedroom Units (2N, 3N, 4N, 5N, 6N) shall be in the north center portion of the building on floors two through six respectively.

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.

(2) There shall be master bathroom and one half bathrooms in each of these units. The master bathroom shall have one water closet, one lavatory, and one bathtub. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The half bathroom shall have one water closet and one lavatory. The half bathroom shall have tongue and groove jatoba wood strip flooring and ceramic tile and water resistant painted gypsum board walls and

ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 56 polished chrome with wenge wood fascia wall mounted unit or equivalent.
(iii) The master bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(v) The half bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(vi) The half bathroom lavatory shall be the Urbanati LSI 56 polished chrome wall mounted unit or equivalent.
(vii) The half bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(i) The gas range shall be a Viking 30" model # VGIC-3056BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti 30" model # XXXX or equivalent.
(iii) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model # VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Two Bedroom Units (2E, 3E, 4E) shall be in the east portion of the building on floors two, three, and four, respectively.

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.

(2) There shall be one master bathroom and one secondary bathroom in each of these units. The master bathroom shall have one water closet, two lavatories, one bathtub, and one stall shower. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The secondary bathroom shall have one water closet, one lavatory and one bathtub. The secondary bathroom shall have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 163 polished chrome with wenge wood fascia wall mounted unit or equivalent.

(iii) The master bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(v) The secondary bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(vi) The secondary bathroom lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.
(vii) The secondary bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(viii) The secondary bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(i) The gas range shall be a Viking 36" model # VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model # VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Two Bedroom Units (2W,3W, 4W, 7W, 8W) shall be in the west portion of the building on floors two, three, four, seven, and eight respectively.

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.
(2) There shall be one master bathroom, one secondary bathroom, and one half bathroom in each of these units. The master bathroom shall have one water closet, one lavatory, and one bathtub. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The secondary bathroom shall have one water closet, one lavatory and one bathtub. The secondary bathroom shall have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The half bathroom shall have one water closet and one lavatory. The half bathroom shall have tongue and groove jatoba wood strip flooring and ceramic tile and water resistant painted gypsum board walls and ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 56 polished chrome with wenge wood fascia wall mounted unit or equivalent.
(iii) The master bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.

(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(v) The secondary bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(vi) The secondary bathroom lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.
(vii) The secondary bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(viii) The secondary bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(ix) The half bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(x) The half bathroom lavatory shall be the Urbanati LSI 56 polished chrome wall mounted unit or equivalent.
(xi) The half bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(i) The gas range shall be a Viking 36" model # VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model # VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Two Bedroom plus Study Units (5E,6E, 5W, 6W) shall be in the east and west portion of the building on floors five and six, respectively.

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.

(2) There shall be one master bathroom and two secondary bathrooms in each of these units. The master bathroom shall have one water closet, two lavatories, one bathtub, and one stall shower. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The secondary bathrooms shall have one water closet, one lavatory and one bathtub. The secondary bathrooms shall have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 163 polished chrome with wenge wood fascia wall mounted unit or equivalent.
(iii) The master bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.

(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(v) The secondary bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(vi) The secondary bathroom lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.
(vii) The secondary bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(viii) The secondary bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(i) The gas range shall be a Viking 36" model # VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model # VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Three Bedroom Units (7E, 8E, 9E, 10E) shall be in the east portion of the building on floors seven, eight, nine, and ten, respectively.

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.

(2) There shall be one master bathroom, one secondary bathroom, and one half bathroom in each of these units. The master bathroom shall have one water closet, one lavatory, and one bathtub. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The secondary bathroom shall have one water closet, one lavatory and one bathtub. The secondary bathroom shall have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The half bathroom shall have one water closet and one lavatory. The half bathroom shall have tongue and groove jatoba wood strip flooring and ceramic tile and water resistant painted gypsum board walls and ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 56 polished chrome with wenge wood fascia wall mounted unit or equivalent.
(iii) The master bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(v) The secondary bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(vi) The secondary bathroom lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.
(vii) The secondary bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.
(viii) The secondary bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.
(ix) The half bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(x) The half bathroom lavatory shall be the Urbanati LSI 56 polished chrome wall mounted unit or equivalent.
(xi) The half bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(i) The gas range shall be a Viking 36" model # VGIC-3656BSS or equivalent.
(ii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.
(iii) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.
(iv) The dishwasher shall be a Viking model # VOD141SS or equivalent.
(v) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.
(vi) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

Four Bedroom Duplex Penthouse Unit (PH) shall be in the west portion of the building on floors nine and ten..

(1) Walls shall be painted gypsum board over steel studs or metal furring with painted wood base molding and door trim. The flooring shall be tongue and groove jatoba hardwood strip flooring on top of existing wood flooring or sleepers on concrete slab. Flooring shall be stained and given two coats satin polyurethane finish. The ceilings shall be painted gypsum board on metal furring and/or suspended painted gypsum board. All demising walls between units shall be sound attenuated with double steel stud construction. All interior finishes shall be new and be in good condition.

(2) There shall be one master bathroom, three secondary bathrooms, and one half bathroom in each of these units. The master bathroom shall have two water closets, two lavatories, one bathtub, and one stall shower. The master bathroom will have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The secondary bathrooms shall have one water closet, one lavatory and one bathtub or stall shower. The secondary bathrooms shall have stone flooring, a stone tub surround, and ceramic tile and water resistant painted gypsum board walls and ceilings. The half bathroom shall have one water closet and one lavatory. The half bathroom shall have tongue and groove jatoba wood strip flooring and ceramic tile and water resistant painted gypsum board walls and ceilings. All bathroom fixtures and bathroom finishes shall be new and be in good condition.

(i) The master bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.
(ii) The master bathroom lavatory shall be the Urbanati LSW 163 polished chrome with wenge wood fascia wall mounted unit or equivalent.

(iii) The master bathroom bathtub shall be the Ultra Thermal Emotion 6042 Spa Tub acrylic drop-in tub, or equivalent.

(iv) The master bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(v) The secondary bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.

(vi) The secondary bathroom lavatory shall be the Kohler Caxton under mount vitreous china or equivalent.

(vii) The secondary bathroom bathtub shall be the Ultra Meridian 60 acrylic under-mount tub or equivalent.

(viii) The secondary bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(ix) The half bathroom water closets shall be American Standard Hamilton #2092.017 or equivalent.

(x) The half bathroom lavatory shall be the Urbanati LSI 56 polished chrome wall mounted unit or equivalent.

(xi) The half bathroom plumbing fixtures shall be Kohler Purist Suite or equivalent.

(3) The kitchen area shall have new Ferretti high-gloss finished cabinetry and composite countertops with integral kitchen sink and hardware and integral bar sink and hardware. A new gas range, range exhaust hood, refrigerator, dishwasher, and garbage disposal appliances with rough plumbing and electric outlets shall be provided in each unit. All kitchen fixtures and cabinetry finishes shall be new and be in good condition

(vii) The gas range shall be a Viking 36" model # VGIC-3656BSS or equivalent.

(viii) The range exhaust hood shall be a Ferretti Montreal Canopy Hood or equivalent.

(ix) The refrigerator shall be a Viking 36" model # VCBB363SS or equivalent.

(x) The dishwasher shall be a Viking model # VOD141SS or equivalent.

(xi) The garbage disposal shall be a Waste-King model # PM1001 or equivalent.

(xii) The washer/dryer shall be a Maytag stacked electric model #LSE7806ACE or equivalent.

(x) FINISH SCHEDULE OF SPACES OTHER THAT UNITS:

Room	Floor	Walls	Ceiling
Residential Lobby	Wood T&G	Zinc mtl. and gyp. bd.	Pnt. gyp. bd.
Mail Room	Wood T&G	Zinc mtl. and gyp. bd.	Pnt. gyp. bd.
Bathroom	Tile	Pnt. gyp. bd.	Pnt. gyp. bd.
Cellar corridor	Exposed Concrete	Pnt. gyp. bd	Exp. Concrete
Exercise Room	VCT	Pnt. gyp. bd.	Pnt. gyp. bd.
Other Cellar Rooms	Exposed Concrete	Pnt. gyp. bd	Exp. Concrete
Exit Stairs	Exposed Concrete	Pnt. gyp. bd	Exp. Concrete
Commercial Space	Exposed Concrete	Pnt. gyp. bd	Exp. wood beams

(y) SAFETY AND WARNING DEVICES: The building shall be protected by a wet pipe sprinkler/standpipe system with water gong. Mechanical ventilation systems shall be equipped with appropriate smoke detection/shutoff devices. Smoke detectors shall be provided in each unit. The Elevator is equipped with the required alarm safety devices.

(z) ADDITIONAL INFORMATION REQUIRED:

(1) Site Plan: Not Required; the building covers the entire site.

(2) Floor Plan for Each Type of Unit; See attached drawings

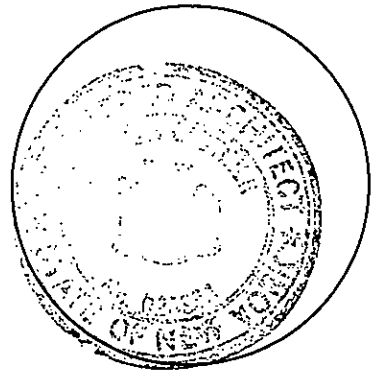
(3) Master Floor Plan; See attached drawings

(4) Gross Area, Net Area, and Ceiling Heights for each residential unit shall be as follows. All dimensions are approximate:

Floor	Use	Unit No.	Unit Type	Ceiling Ht. Range	Common Floor SF	Unit Gross SF	Unit Net SF
Cellar	Tenant Storage	n.a.	Storage units assigned to tenants			955	760
	Other	n.a.	Mechanical, Exercise, Circulation			2,827	2,737
	Retail Storage	C1	Cellar for Commercial Unit			2,988	2,803
Ground Floor	Retail	C1	Commercial Unit	9'-0"-14'-0"		3,784	3,326
		n.a.	Lobby			1,305	1,187
Second Floor	Residential	2E	2BR/2Bath Unit	8'-0"-11'-6"	481	1,779	1,567
		2W	2BR/2.5Bath Unit			1,942	1,690
		2N	1BR/1.5Bath Unit			958	898
Third Floor	Residential	3E	2BR/2Bath Unit	8'-0"-10'-6"	481	1,779	1,595
		3W	2BR/2.5Bath Unit			1,942	1,735
		3N	1BR/1.5Bath Unit			958	908
Fourth Floor	Residential	4E	2BR/2Bath Unit	8'-0"-9'-6"	481	1,779	1,595
		4W	2BR/2.5Bath Unit			1,942	1,735
		4N	1BR/1.5Bath Unit			958	908
Fifth Floor	Residential	5E	2BR + Study/3Bath Unit w/89 sf private balcony	8'-0"-9'-6"	481	2,039	1,845
		5W	2BR + Study/3Bath Unit			2,271	2,055
		5N	1BR/1.5Bath Unit			958	908
Sixth Floor	Residential	6E	2BR + Study/3Bath Unit w/89 sf private balcony	8'-0"-9'-8"	481	2,039	1,845
		6W	2BR + Study/3Bath Unit			2,271	2,055
		6N	1BR/1.5Bath Unit			958	908
Seventh Floor	Residential	7E	3BR/2.5 Bath Unit w/650 sf private terrace	8'-0"-9'-9"	481	1,836	1,656
		7W	2BR/2.5 Bath Unit w/939 sf private terrace			1,573	1,421
Eighth Floor	Residential	8E	3BR/2.5Bath Unit w/89 sf private balcony	8'-0"-9'-9"	481	1,836	1,656
		8W	2BR/2.5Bath Unit			1,573	1,421
Ninth Floor	Residential	9E	3BR/2.5Bath Unit w/89 sf private balcony	8'-0"-9'-9"	481	1,836	1,656
Tenth Floor	Residential	10E	3BR/2.5Bath Unit w/89 sf private balcony	8'-0"-9'-9"	481	1,836	1,656
		PH	4BR/4.5Bath duplex Unit w/1,010 sf private terrace			3,146	2,843
Total Project Information						**46,922**	**42,526**

CERTIFICATION:

I have examined the building records at the New York City Department of Buildings and personally inspected the premises on November 26th, 2002 and examined the building plans and specifications that were prepared by SHoP Architects, P.C., dated April 4th, 2002, and last revised on December 24th, 2002. To the best of my knowledge and belief, this report contains an accurate description of the building and its proposed renovation. Except as noted in this report, no representation is made as to the condition of legality of the various elements of the building. Many of the components of the building are concealed, obstructed, or are not available for inspection, and no representation can be made as to length of time components and systems currently in working order will remain so.



Douglas Gauthier, Architect
December 31, 2002

NYS Seal

Douglas Gauthier, Principal, SYSTEM Architects
249 West 29th Street No. 2N New York, NY 10013
voice 212.239.8001 fax 212.239.8005

ADDENDUM TO ARCHITECTS REPORT (DATED DECEMBER 31, 2002)
THE PORTER HOUSE CONDOMINIUM 62-66 NINTH AVENUE,
A.K.A. 366 WEST 15TH STREET, NEW YORK, NY 10011

March 31, 2003

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1) CERTIFICATE OF OCCUPANCY (to be inserted in Section (b)(3)of the Architect's Report dated December 31, 2002)

   The sponsor shall obtain a final Certificate of Occupancy prior to closing

2) CONDITION OF SPACES OTHER THAN UNITS (to be inserted in Section (b)(2) of the Architect's Report dated December 31, 2002)

   The project is a gut renovation of an existing building.

3) FLOOR PLANS WITH ROOM DIMENSIONS (to be inserted in the Floor Plan Section of the Architect's Report dated December 31, 2002)

   Revised floor plans for the residential floors have been attached hereto.

4) 'R' VALUES OF ROOF AND WALL INSULATION(to be inserted in Section (h)(1)(i) of the Architect's Report dated December 31, 2002)

   The exterior walls of the new addition shall be shall be constructed of 12" steel studs, Dens-Glas Gold exterior cementitious board, Ice and Water shield water-proofing membrane, and zinc metal panels. The R-Value for the walls shall be a minimum of 19. The roofing material shall be modified bitumen roofing over a steel deck and 5" concrete slab. Bat insulation shall be provided beneath the concrete roof floor slab above a gypsum board ceiling. The R-Value for the roof shall be a minimum of 30.

5) WINDOW MAKE, MODEL NUMBERS, AND WARRANTIES(to be inserted in Section (h)(1)(iii) of the Architect's Report dated December 31, 2002)

   All windows are manufactured by Crystal Windows and Door Systems, Inc. There are (qty. 50) Series 2000 windows for the existing brick building, (qty. 178) Series 8000 windows for the new building, and (qty. 9) Series 1400 doors for the terraces. The warranty for the windows is provided by Crystal Windows and Gamco Storefronts for a period of ten years against manufacturing defects.

6) HEAT PUMPS IN INDIVIDUAL UNITS(to be inserted in Section (k)(1) of the Architect's Report dated December 31, 2002)

   The heat pumps specified below are adequate to maintain the code required space temperatures.

i) Typical for apartment No.2E, 3E, 4E, 2W, 3W, 4W, 7W, 8W
Carrier model # 50RVRR060
51,500 btuh total cooling
42,600 btuh sensible cooling
69,100 btuh heating

ii) Typical for apartment No.2N, 3N, 4N, 5N, 6N, 10W (low level)
Carrier model # 50RVRR036
29,000 btuh total cooling
23,200 btuh sensible cooling
41,000 btuh heating

iii) Typical for apartment No.7E, 8E, 9E, 10E, 10W (upper level)
Carrier model # 50VQA070
56,300 btuh total cooling
47,000 btuh sensible cooling
81,200 btuh heating

iv) Typical for apartment No.5E, 6E, 5W, 6W
Carrier model #50VQA096
91,900 btuh total cooling
71,400 btuh sensible cooling
113,300 btuh heating

The commercial unit is not being offered. The commercial unit owner or its tenant shall be responsible for the installation of heat pumps and any associated duct work.

7) AIR CONDITIONING UNIT FOR PUBLIC CORRIDORS (to be inserted in Section (m)(2) of the Architect's Report dated December 31, 2002)

The AC unit is specified below is adequate to provide the corridor with the code required fresh air at tempered conditions.

i) Roof Mounted Air Handler Serving Common Corridor
Aaon model #RK062F033M
1375 CFM
86,700 btuh total cooling
57,800 btuh sensible cooling
145,805 btuh heating

8) ELECTRICAL AMPS PROVIDED FOR INDIVIDUAL UNITS(to be inserted in Section (o)(2) of the Architect's Report dated December 31, 2002)

The following amps for individual units provide adequate power per New York City Electrical Code

i) Typical for units 2E, 3E, 4E, 2W, 3W, 4W
150 Amp main breaker

ii) Typical for units 5E, 6E, 7E, 8E, 9E, 10E, 5E, 6W, 7W, 8W
175 Amp main breaker

iii) Typical for units 10W
225 Amp main breaker

iv) Typical for units 2N, 3N, 4N, 5N, 6N
125 Amp main breaker

9) COMPLIANCE WITH LOCAL LAW 58 (HANDICAPPED ACCESS LAW) (to be inserted in Section (a)(5) of the Architect's Report dated December 31, 2002)

The building shall comply with all requirements of Local Law 58

i) Building access, door opening widths, exit capacities, and corridor widths shall comply with New York City Building Code and Local Law 58
ii) The building shall be provided with an exterior route to permit entry at the primary entrance to the building from the sidewalk. The primary entrance shall be accessible.
iii) The path of travel in exterior and interior accessible routes shall provide unobstructed safe access and applicable items in such path of travel and shall comply with the requirements set forth in Reference Standard RS 4-6.

10) LIGHT FIXTURE SCHEDULE PER UNIT TYPE (to be inserted in Section (o)(5)(ii) of the Architect's Report dated December 31, 2002)

The following light fixtures shall be provided in the individual units:

Type 'A'	Lightolier 5" Pinhole Recessed Incandescent
Type 'B'	Ferretti Backlight Wall Panel w/ Fluorescent Touch and Light Switch
Type 'C'	Lightolier Flush Shower Light Incandescent
Type 'D'	Lightolier Opal Disk Incandescent
Type 'F'	Hemera Customized Focus Sconce Incandescent
Type 'G'	Porcelain Turnkey Socket

	A	B	C	D	F	G
Units 2W, 3W, & 4W	10	2	2	2	3	
Units 2N, 3N, 4N, 5N, & 6N	11	2	1	1	2	1
Units 2E, 3E, & 4E	10	2	2		2	1
Units 5W & 6W	15	2	2	2	3	1
Units 5E & 6E	16	2	2		3	1
Units 7W, 8W, 9W & 10W	16	2	2	1	3	1
Units 7E & 8E	20	2	2		3	1
Unit 9E	30	4	4	4	5	1

Please feel free to request any additional information.

Sincerely,

Douglas Gauthier, Architect
March 31st, 2003

REGISTERED ARCHITECT
DOUGLAS GAUTHIER
No. 024331
STATE OF NEW YORK

ASBESTOS REPORT

-207-

NY DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

FOR OFFICIAL USE ONLY
1. NB200774M02
NYC Buildings Dept. Application #
ACP 5 Fee $_____

ONL
TYPEWRITTEN
RMS WILL
ACCEPTED

NOT AN ASBESTOS PROJECT

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 58-69 Ninth Avenue Borough Manhattan Zip 10016

AKA Vacant Warehouse - aka - 366 W 15th ST (09) 3. Block 738 4. Lot 78

5. Building Owner 66th Ninth, LLC Tel. # 917-838-4953

6. Address 200 East 37th Street, Suite #2, Manhattan State NY Zip 10016

7. Contact Person Tom Barr 8. Tel. # 917-838-4953

9. Description of the Entire Scope of Work
Removal of Non-Friable ACM VAT, Transite, Ceiling Tile Mastic, Window Putty, Roofing, Waterproofing Mastic on Cork Material & Linoleum Throughout Building

10. Est. Start Date 2/27/02 ☐ As soon as permit approved Est. Completion Date 12/27/02 of the Entire Scope of Work.

11. I, Eduard Sherman (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 2/22/02 (Date) in accordance with Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
- ☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
- ☐ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
- ☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
- ☒ e. normally non-friable ACM shall be disturbed/removed. Specify amount: 19,500 square feet
- ☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. **RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:**

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO	ASSUMED ACM
Bsmnt	Refrigerator Rms, Elev. Rm	Mastic on Cork Mater., Transite & Wind.Putty	0			X
1st fl	Throughout	VAT, Window Putty	0			X
2nd fl	Throughout	VAT, Window Putty	0			X
3rd fl	Throughout	Linoleum & Window Putty	0			X
6th fl	Throughout	Window Putty & Ceiling Tile Mastic	0			X
Roof	Throughout	Roofing Material	0			X
	*Window Putty to be removed via revised procedures for window sash removal with putty intact.					

RECEIVED SEP 26 2002

13. Analytical Laboratory N/A

14. ELAP # N/A (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed N/A

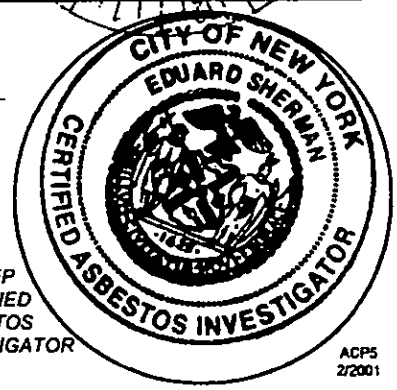
16. **I hereby declare the information provided herein is true and complete.**

Eduard Sherman 825720209 2/26/02 973-684-0202
NYC DEP Certified Asbestos Investigator's Signature | Certificate Number | Date | Daytime Telephone Number

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR



ACP5
2/2001

C DEPARTMENT OF ENVIRONMENTAL PRO TION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

TRU 0214H02
Building Dept. or TRU No
FOR OFFICIAL USE ONLY

ASBESTOS PROJECT NOTIFICATION
(ASBESTOS INSPECTION REPORT)

1. 800 (See fee schedule)

RECEIVED DEP FEB 25 2002 ENVIRONMENTAL PROTECTION ASBESTOS/LEAD PROGRAM
ADDITIONAL FORMS WILL BE ACCEPTED

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signatures are required. Submittal at the NYCDEP requires one copy of the form with original signatures. This form must be submitted to the NYC DEP not less than one week in advance of the start of abatement activities.

103123111
DEPT. OF BLDGS.

I. FACILITY

2. Address 58-69 Ninth Ave. Borough Manhattan Zip 10016

AKA 366 W. 15th St 3. Block 78 4. Lot 738

5. Type of Facility Warehouse 6. Name of Building 58-69 Ninth Ave.

II. BUILDING OWNER

7. Name 66th Ninth, LLC 8. Contact Person Tom Barr

9. Tel. # (917) 838-4953 Fax # (212) 279-9383

10. Address 200 east 37th st. City ny State NY Zip 10016

III. GENERAL CONTRACTOR

11. Name T.B.D. Tel. #

IV. ASBESTOS ABATEMENT CONTRACTOR

12. Name Niram, Inc. 13. Contact Person Roman Graure, Jr

14. Federal Employer ID. # 222678180 15. Tel. # (973) 299-4455 Fax # (973) 299-7010

16. Address 91 Fulton St. City Boonton State NJ Zip 07005

V. THIRD PARTY AIR MONITOR

17. Name Kam Consultants, Inc. 18. Contact Person Dimitrius Molohides

19. Federal Employer ID. # 113068255 20. Tel. # (718) 729-1997 Fax # (718) 729-1876

21. Address 35-40 36th St. City L.I.C. State NY Zip 11106

22. Sample Analysis Laboratory Kam Consultants 23. NYS DOH ELAP # 11273

VI. PROJECT INFORMATION

24. Starting date for this portion of work 3/4/02 Projected completion date 4/4/02

Asbestos work schedule ☑ Monday ☑ Tuesday ☑ Wednesday ☑ Thursday ☑ Friday ☑ Saturday ☐ Sunday

Shift from: 7 ☑ am ☐ pm to 4 ☐ am ☑ pm

If other, specify

Access to inspect the premises must be provided during the work schedule indicated in this item.

RECEIVED FEB 25 2002

25. Total amount of asbestos-containing material to be abated during this work

200 Square Feet, and/or 330 Linear Feet

ACP 7
2/2001

ASBESTOS INSPECTION REPORT (cont'd)

26. Asbestos Hauler Niram, Inc. NYS DEC Permit # NJ312 TEL.# (973) 299-4455

Disposal Site(s) GROWS Landfill; 1513 Bordentown Rd., Morrisville, Ny

27. This asbestos abatement is part of a (Item a through e requires filing of this form with NYC Department of Buildings)

a) ☑ Demolition b) ☐ Boiler Replacement c) ☐ Sprinkler Replacement d) ☑ Renovation/Alteration

e) ☐ Fireproofing Replacement f) ☐ Other (Describe) _____

28. TYPE OF ABATEMENT (Check all appropriate boxes)

☑ Removal ☐ Enclosure ☐ Encapsulation ☐ Repair ☐ Clean up

29. ABATEMENT PROCEDURE (Check all appropriate boxes)

☑ Full Containment ☑ Glovebag ☑ Tent ☐ DEP Variance Application

30. LOCATIONS OF ABATEMENT

TW021MN02

Floor(s)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc)	AFFECTED SURFACES CONTAINING ACM (e.g. Pipe lagging ceiling, plenum ducts, storage tanks, decking, etc.)	AMOUNT OF ACM SQUARE FEET	AMOUNT OF ACM LINEAR FEET	DESCRIPTION OF WORK BEING PERFORMED (e.g. running cable, installing fire-sprinklers, removing and replacing boilers, etc.)
Base.	boiler rm., basement	boiler ins, TSI	200	275	replacing boilers
1st Flr.	AC Rm.	TSI		25	New AC unit
2nd Flr.	North Center of Flr.	TSI		15	
5th Flr.	North Center of Flr.	TSI		15	

31. I hereby declare that the information provided herein is true and complete to the best of my knowledge. I am familiar with Federal, State and NYC laws and regulations applicable to asbestos related work.

KAM Consultants	Niram, Inc.	Niram, Inc. - R. Grauke Jr
Print Name of Air Monitor	Print Name of Asbestos Contractor	Print Name of Applicant (if other than Owner)
Signature	Signature	Signature
2/25/02	2/25/02	2/25/02
Date	Date	Date

32. I understand that as the owner of a building where asbestos abatement activity occurs, I am responsible for the performance of the asbestos abatement activities in accordance with the Asbestos Control Program Rules. I have contracted the third party air monitor who is completely independent of all parties involved in the asbestos project. I hereby declare that I have authorized the filing of this notification for the work specified herein.

66th Ninth, LLC — Print Name of Owner

Signature

2/25/02 — Date

A STAMPED COPY OF THIS FORM INCLUDING AMENDMENTS MUST BE AVAILABLE AT THE WORK SITE.

Any modification of information provided on this form must be reported immediately in writing directly to the NYC DEP ACP.

The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

ACP7
2/2001

DOB 1288.07

NIRAM, INC.
91 Fulton Street
Boonton, N.J. 07005
www.niram.com
Toll free: 800-235-NIRAM
TEL: (973) 299-4455
FAX: (973) 299-7010

January 02, 2003

Mr. Gregg A Pasquarelli
200 East 37th St.
New york, Ny 10013

Re: **62-66 Ninth Ave.**
Ny, Ny (Chelsea Apartments)
Asbestos Abatement
Letter of Completion

Dear Mr. Pasquarelli:

Please let this letter serve as confirmation that all asbestos containing materials identified in the "Asbestos Materials Inspection Survey" prepared by AKRF, Inc. and dated September 25, 2001 have been abated and disposed of in accordance to all local, state & federal regulations.

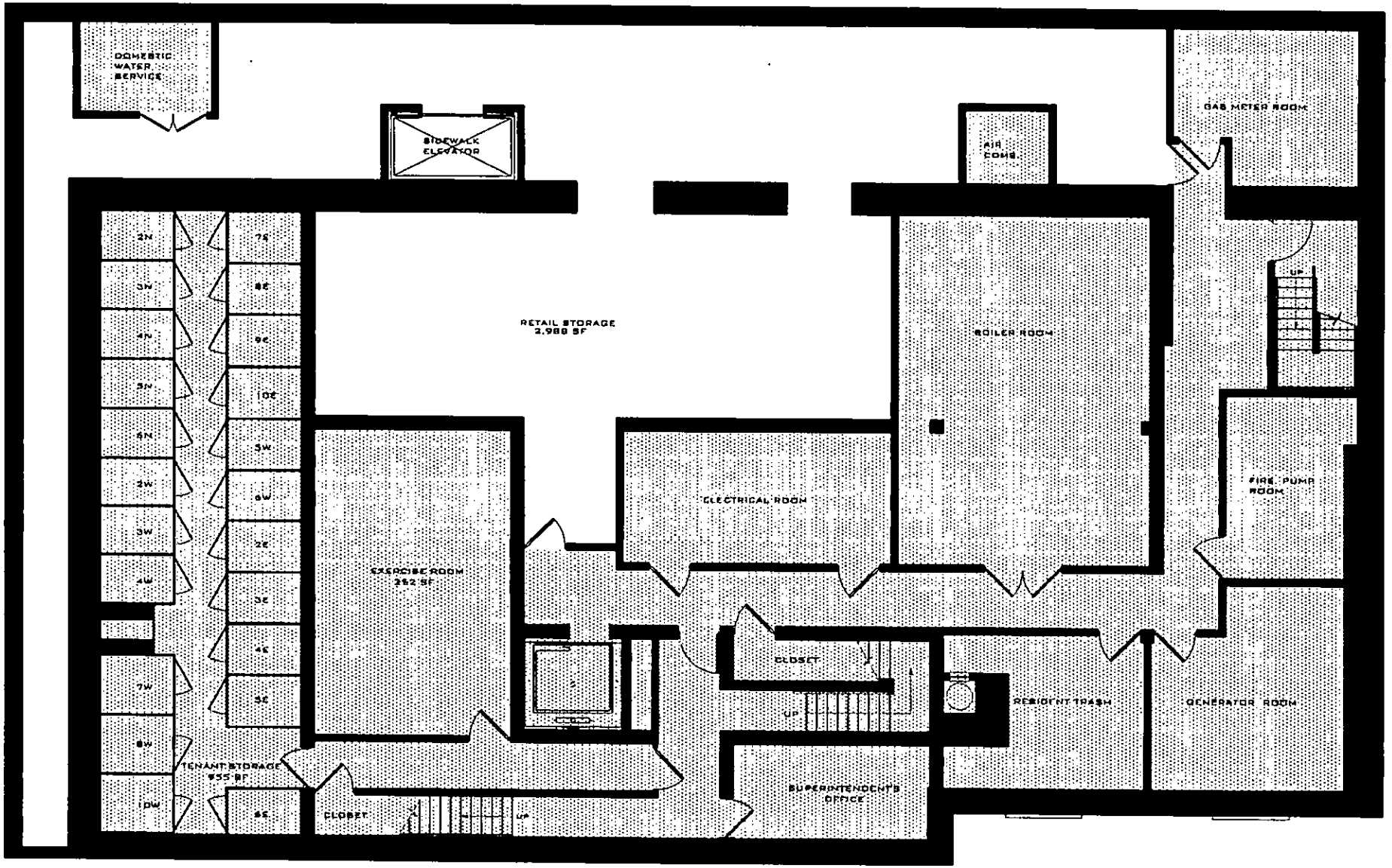
If you require any further information, please contact me at my office.

Regards,

Roman Gradre, Jr.
Proj. Mngr.

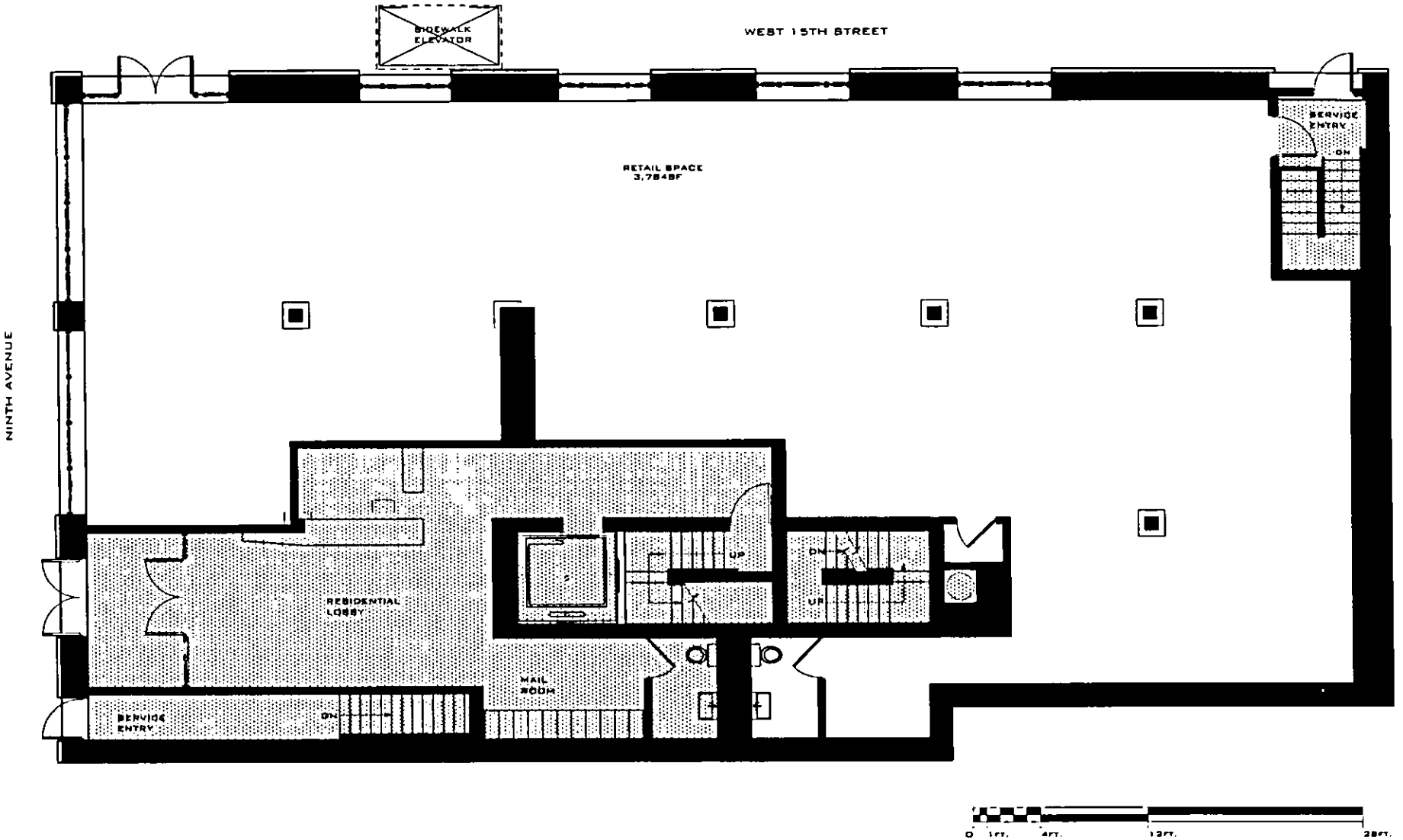
FLOOR PLANS

Please note that all dimensions are approximate.

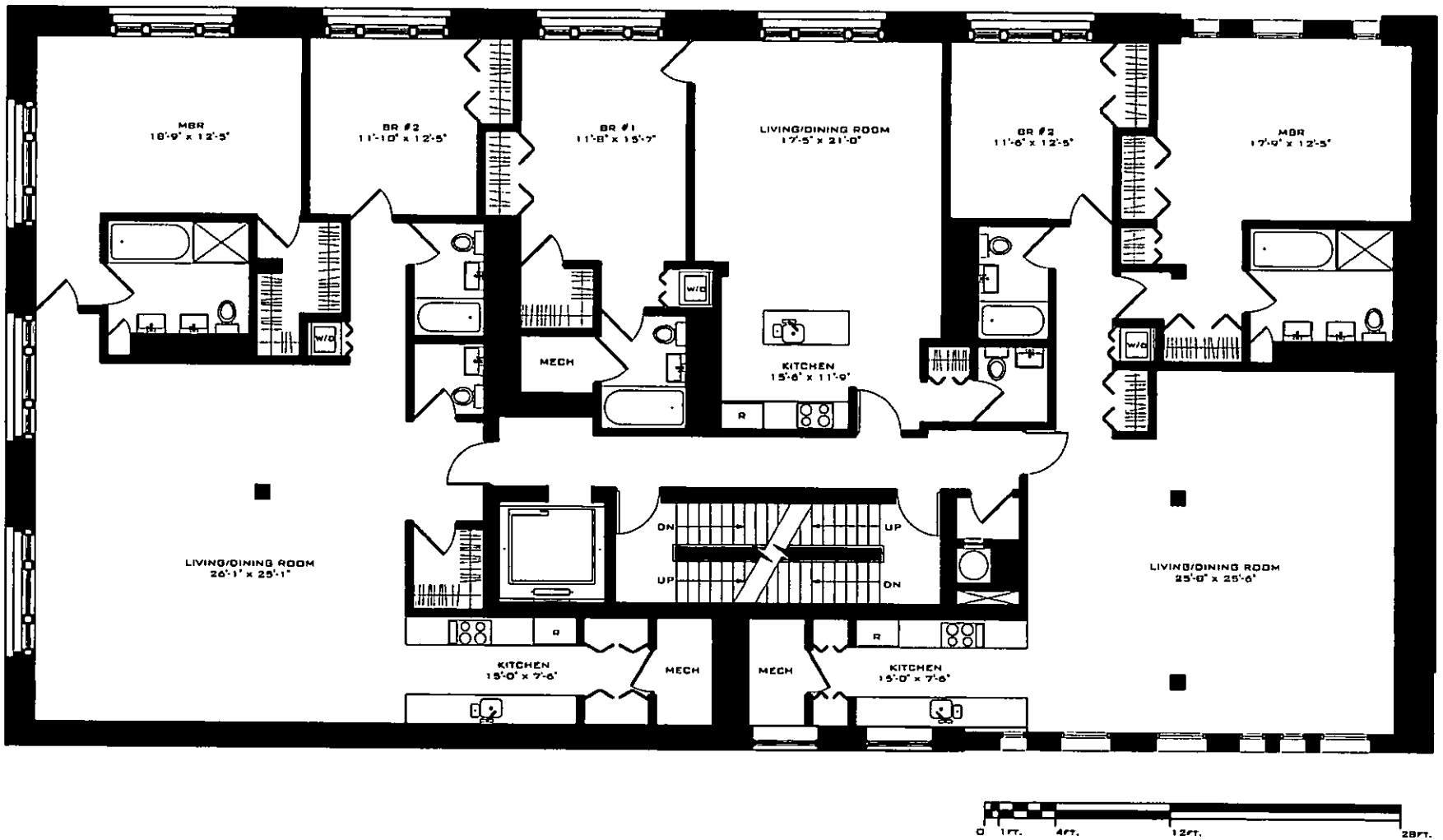


-212-

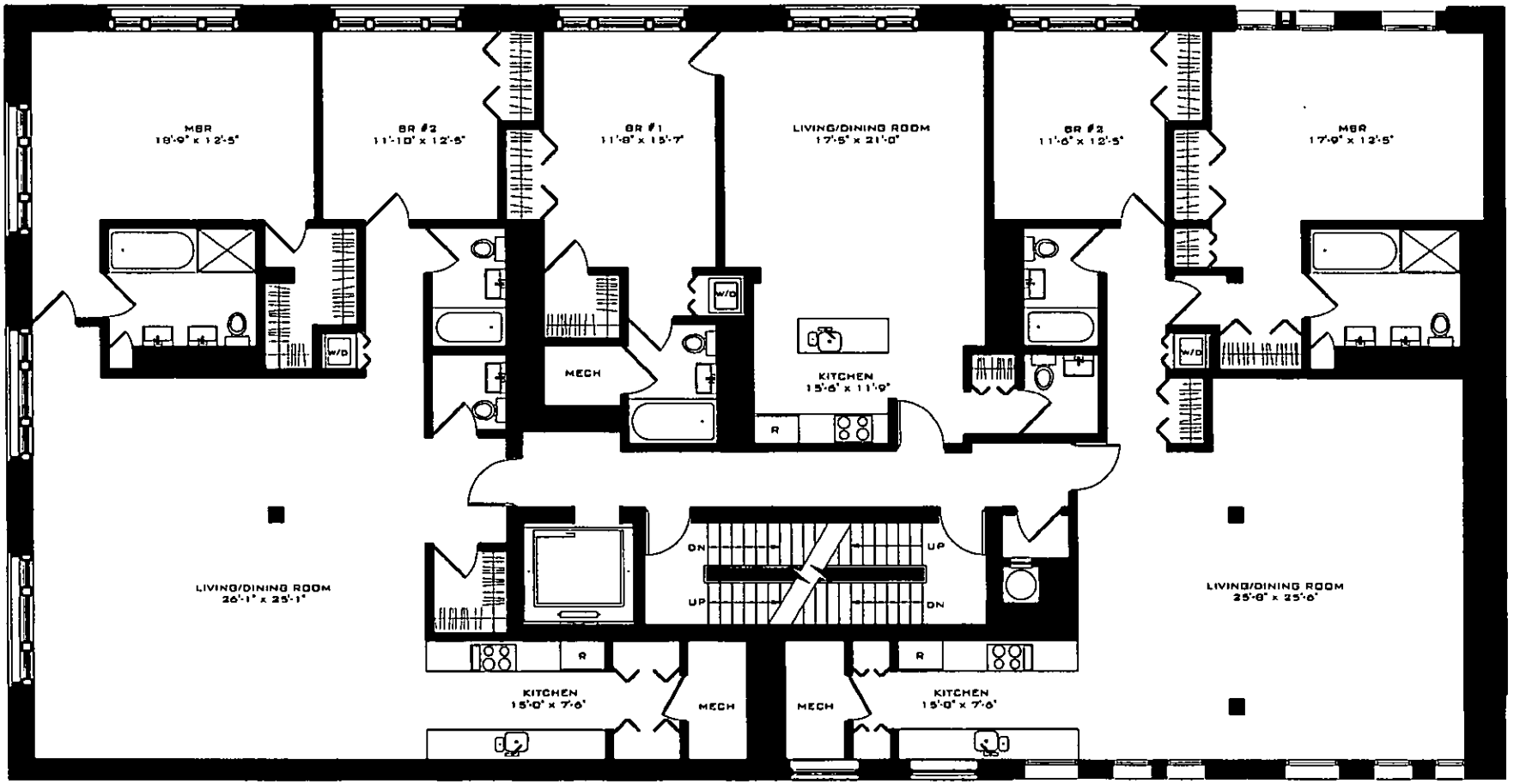
PROJECT: 62-66 NINTH AVENUE A.K.A. WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STRET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 12-24-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT CELLAR PLAN



PROJECT: 62-66 NINTH AVENUE A.K.A. WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STRET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 12.24.02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: BAP 366 WEST 15TH STREET DEVELOPMENT FIRST FLOOR PLAN

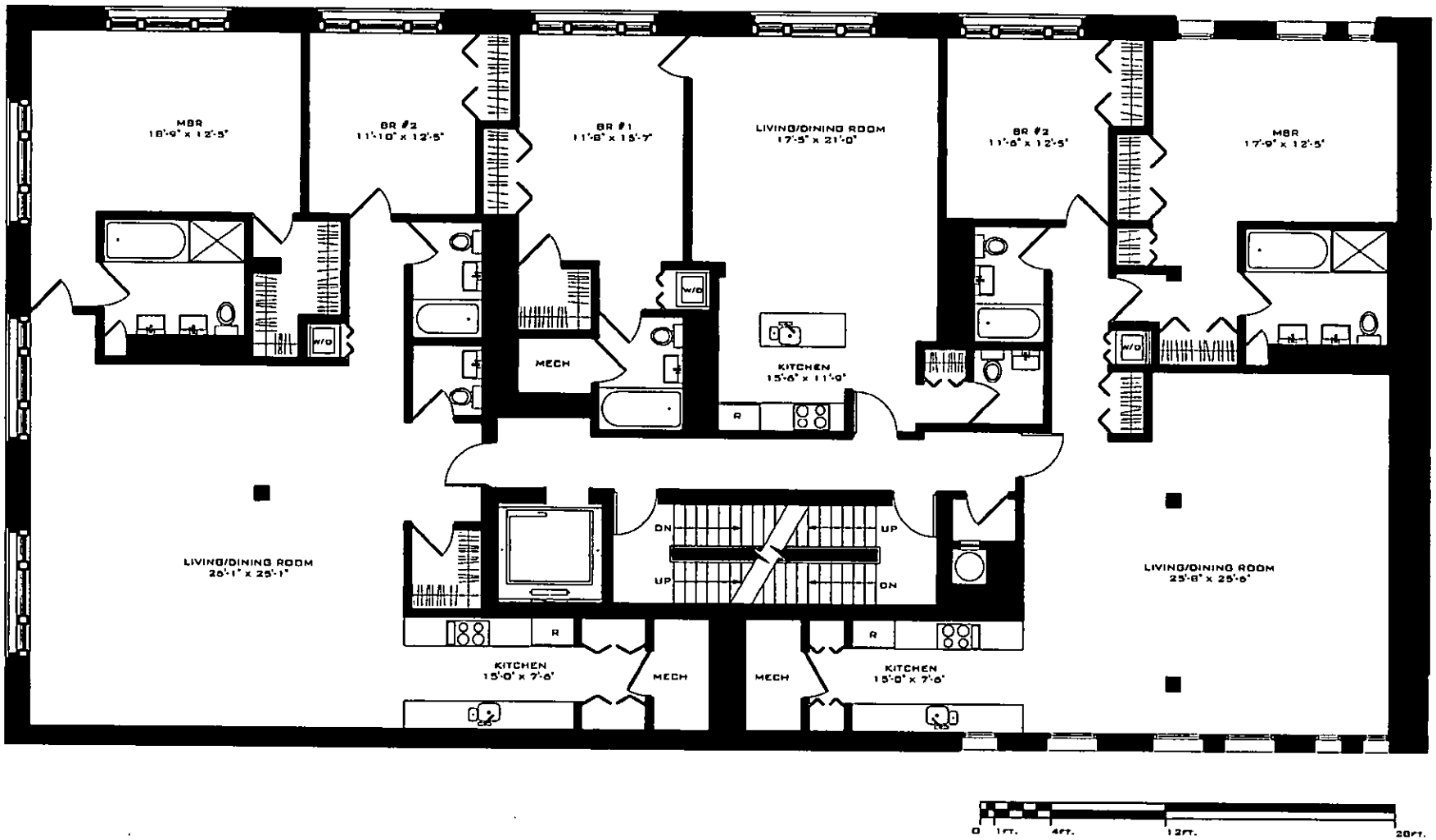


PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: DAP 366 WEST 15TH STREET DEVELOPMENT SECOND FLOOR PLAN



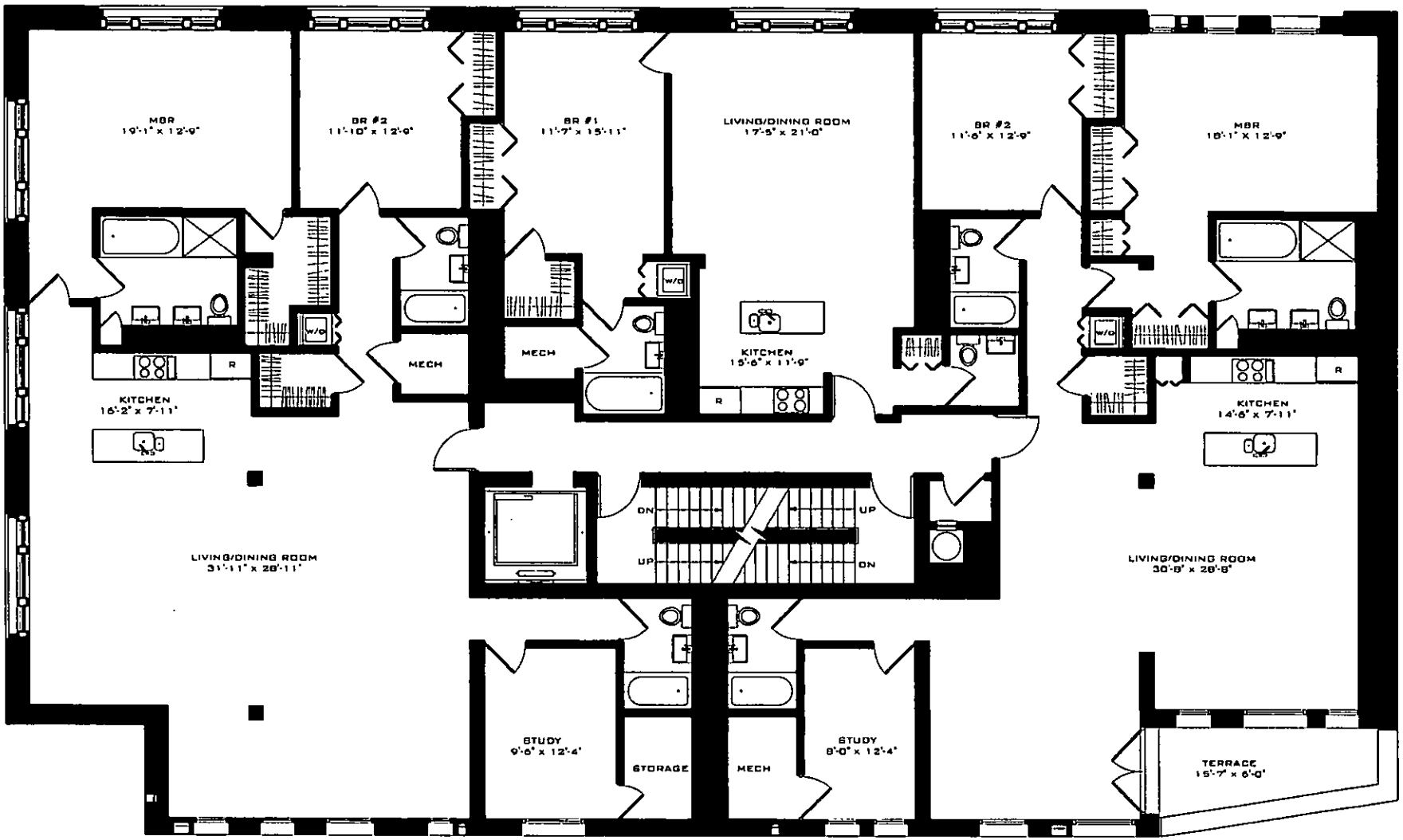
-215-

PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 SCALE: 3/32" = 1'-0" DRAWN BY: KJH CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT THIRD FLOOR PLAN	



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PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: DAP 366 WEST 15TH STREET DEVELOPMENT FOURTH FLOOR PLAN



PROJECT:
62-66 NINTH AVENUE
A.K.A. 366 WEST 15TH ST.
NEW YORK, NEW YORK

ARCHITECT:
SHOP ARCHITECTS, PC
200 EAST 37TH STREET NO. 2
NEW YORK, NEW YORK 10016
PH. 212.889.9005
FX. 212.889.3686
EMAIL. STUDIO@SHOPARC.COM

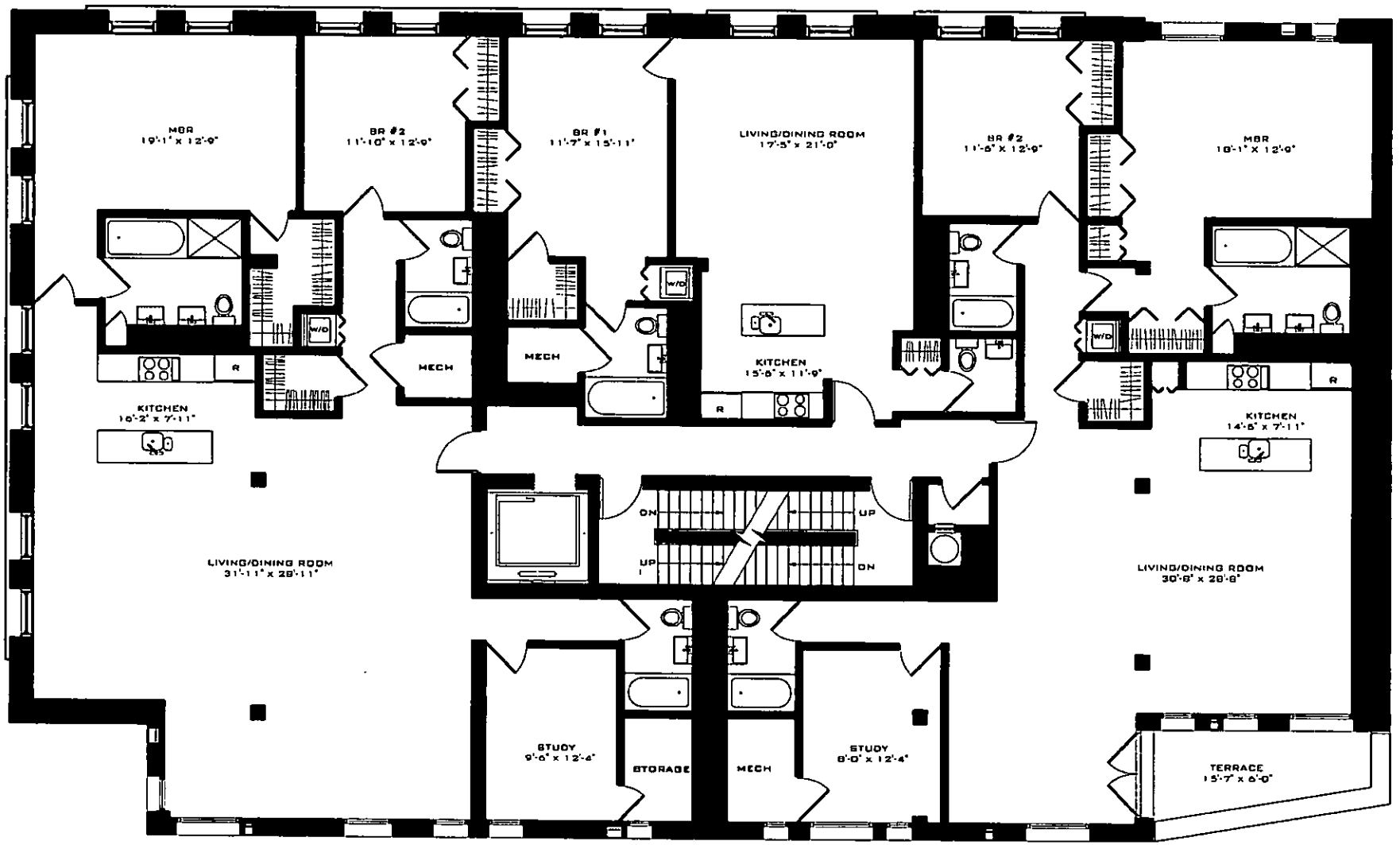
STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS:
BURO HAPPOLD CONSULTING ENGINEERS, PC
105 CHAMBERS STREET
NEW YORK, NEW YORK 10007
PH. 212.334.2025
FX. 212.334.5528

OWNER:
66 NINTH LLC

DATE:	10-10-02	DRAWN BY:	KJH
SCALE:	3/32" = 1'-0"	CHECKED BY:	DAP

366 WEST 15TH STREET DEVELOPMENT

FIFTH FLOOR PLAN



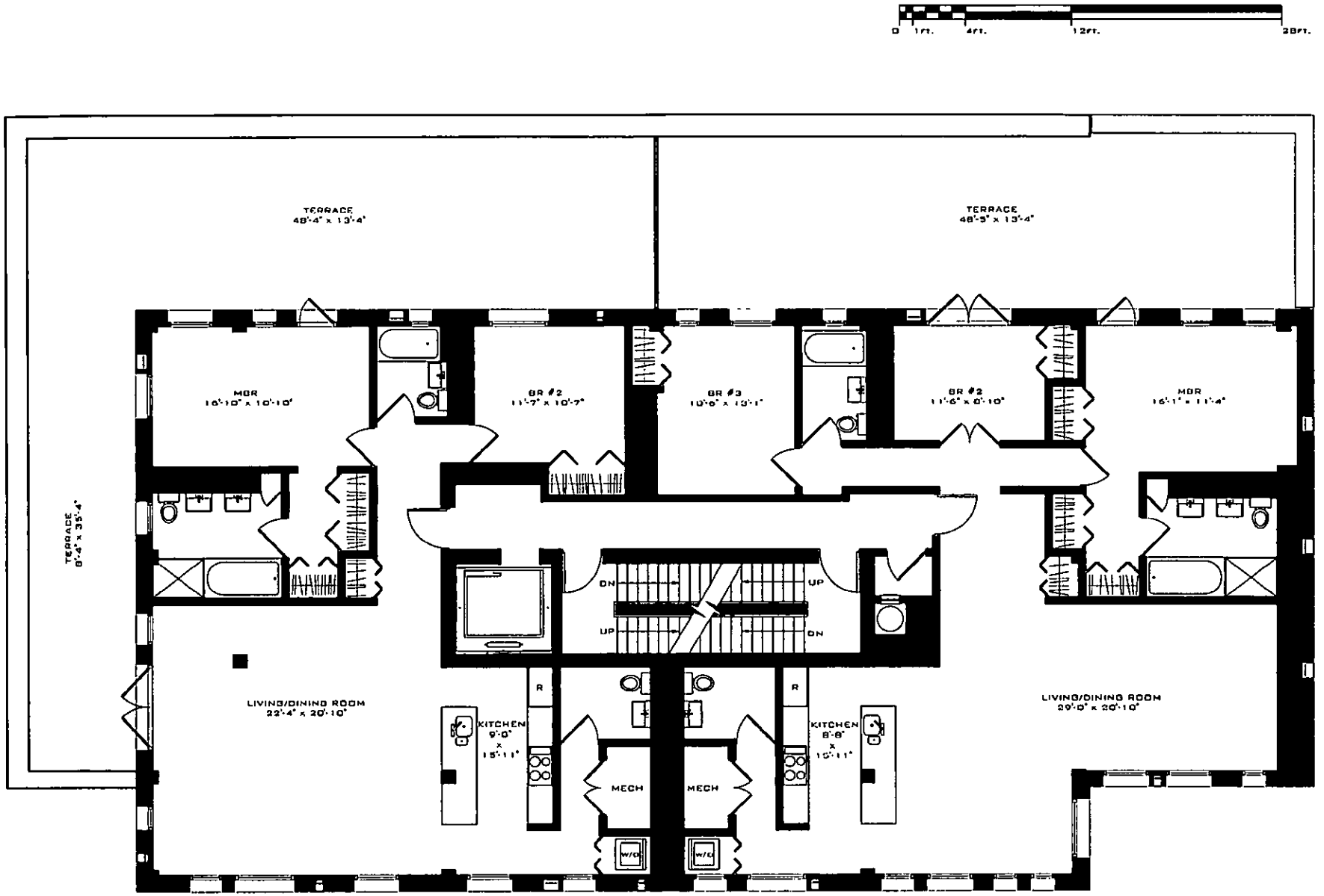
-218-

PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 109 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC

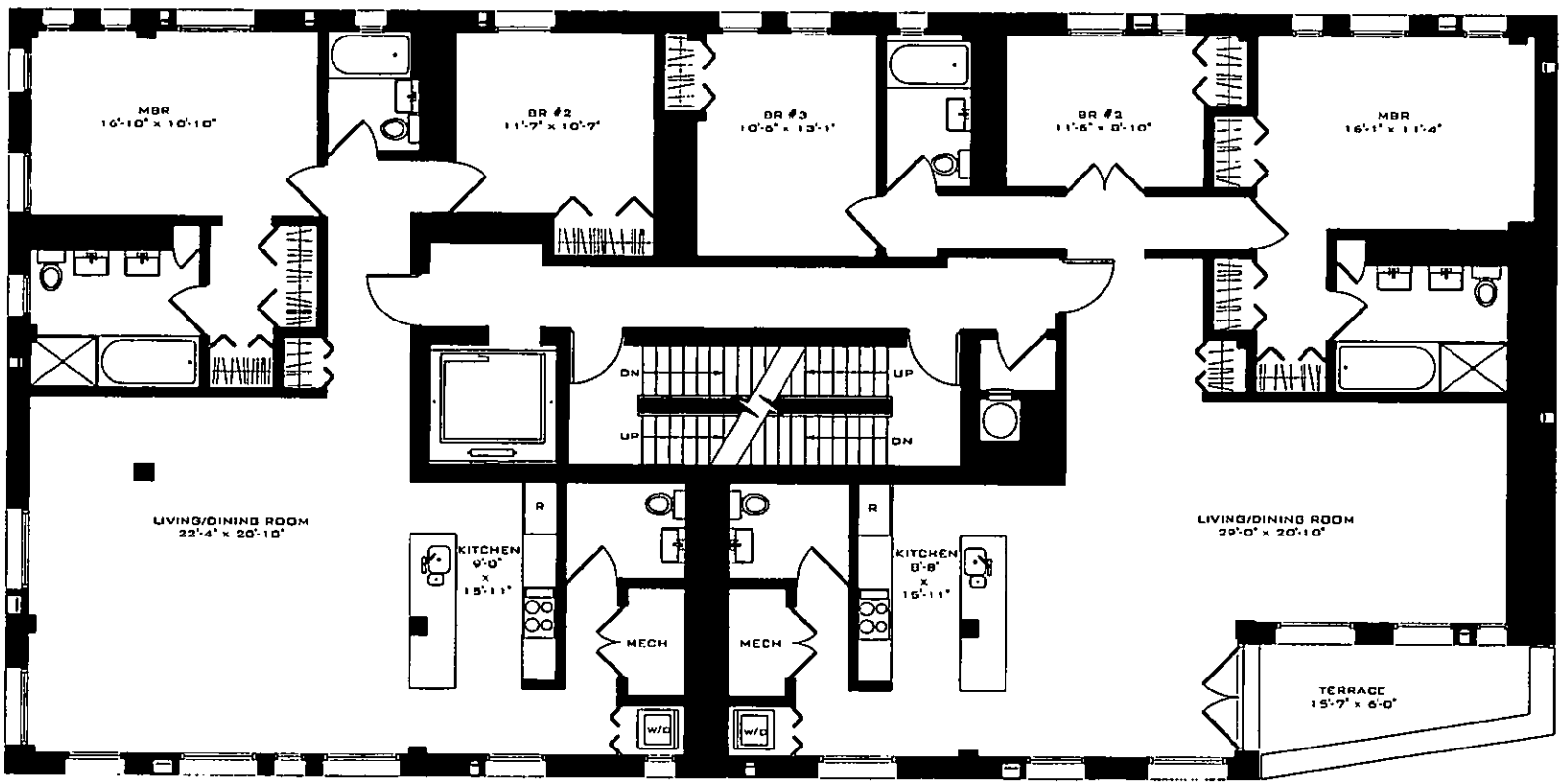
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SCALE:	3/32" = 1'-0"	CHECKED BY:	DAP

366 WEST 15TH STREET DEVELOPMENT

SIXTH FLOOR PLAN

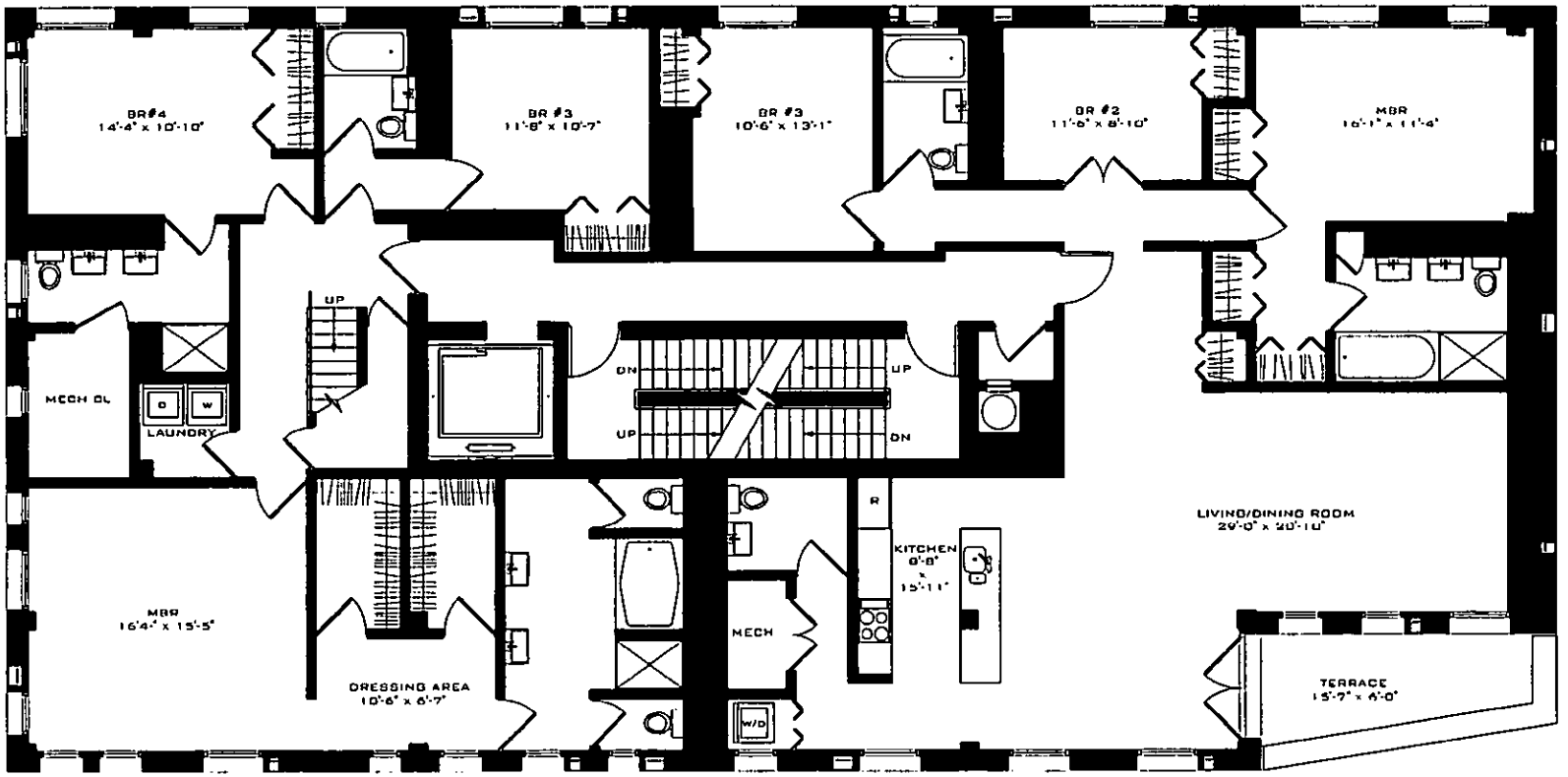


PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT SEVENTH FLOOR PLAN



0 1ft. 4ft. 12ft. 20ft.

PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-03 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT EIGHTH FLOOR PLAN

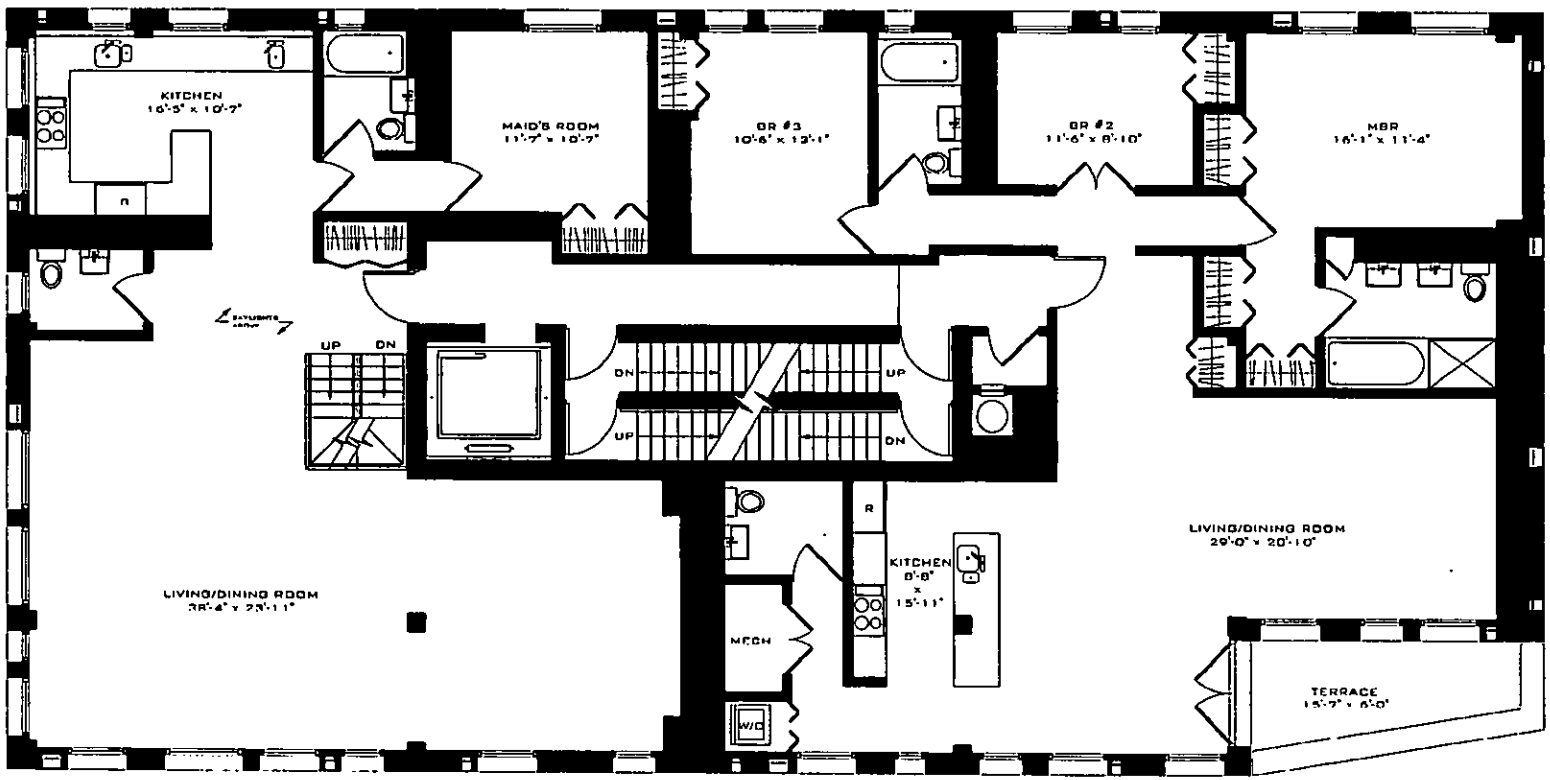


0 1FT. 4FT. 12FT. 28FT.

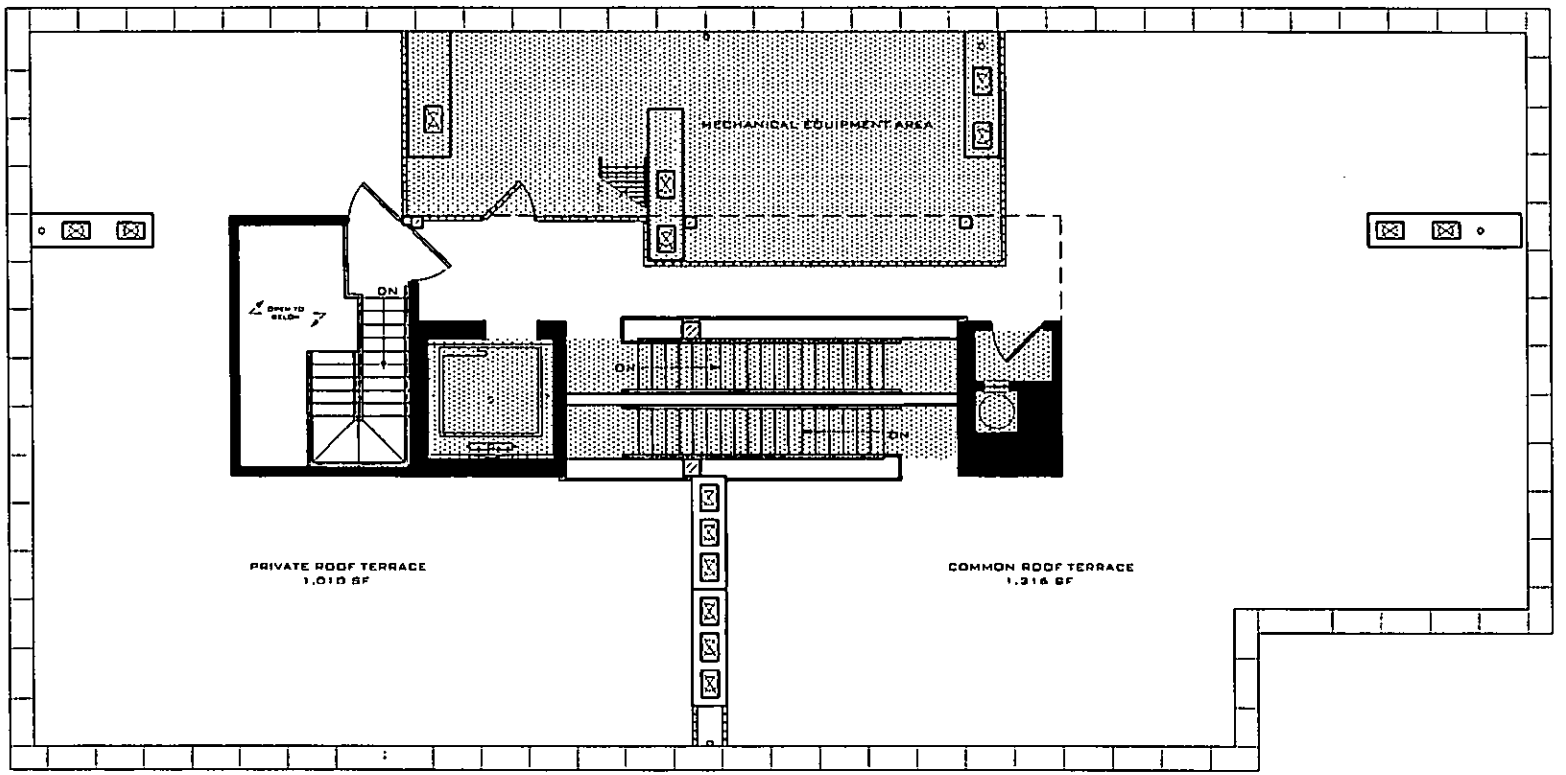
PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHoP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 SCALE: 3/32" = 1'-0"	DRAWN BY: KJH CHECKED BY: GAP

366 WEST 15TH STREET DEVELOPMENT

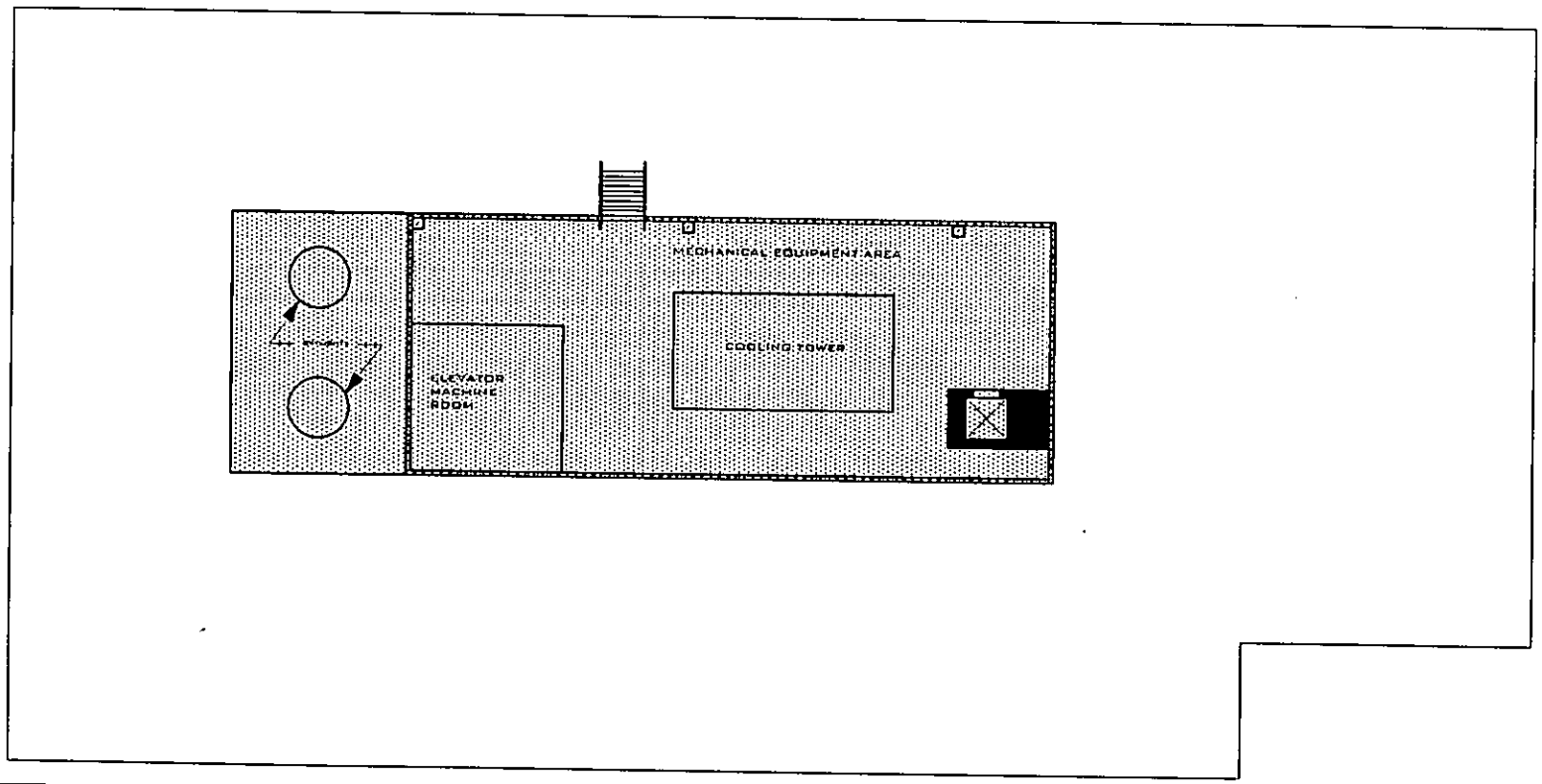
NINTH FLOOR PLAN



PROJECT: 62-66 NINTH AVENUE A.K.A. 366 WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHoP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STREET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 10-10-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT TENTH FLOOR PLAN



PROJECT: 62-66 NINTH AVENUE A.K.A. WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHoP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STRET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5928	OWNER: 66 NINTH LLC	DATE: 12-24-02 | DRAWN BY: KJH SCALE: 3/32" = 1'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT ROOF PLAN



PROJECT:
62-66 NINTH AVENUE
A.K.A. WEST 15TH ST.
NEW YORK, NEW YORK

ARCHITECT:
SHOP ARCHITECTS, PC
200 EAST 37TH STREET NO. 2
NEW YORK, NEW YORK 10016
PH. 212.889.9005
FX. 212.889.3686
EMAIL. STUDIO@SHOPARC.COM

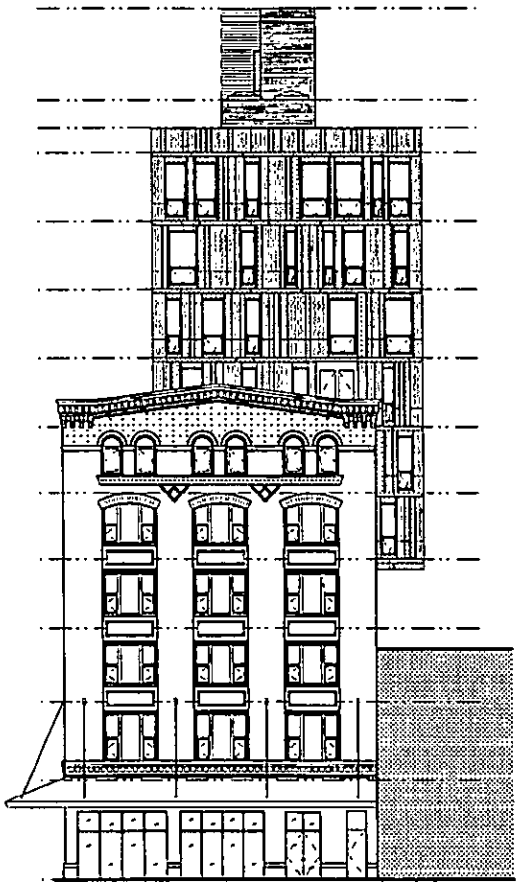
STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS:
BURO HAPPOLD CONSULTING ENGINEERS, PC
105 CHAMBERS STRET
NEW YORK, NEW YORK 10007
PH. 212.334.2025
FX. 212.334.5528

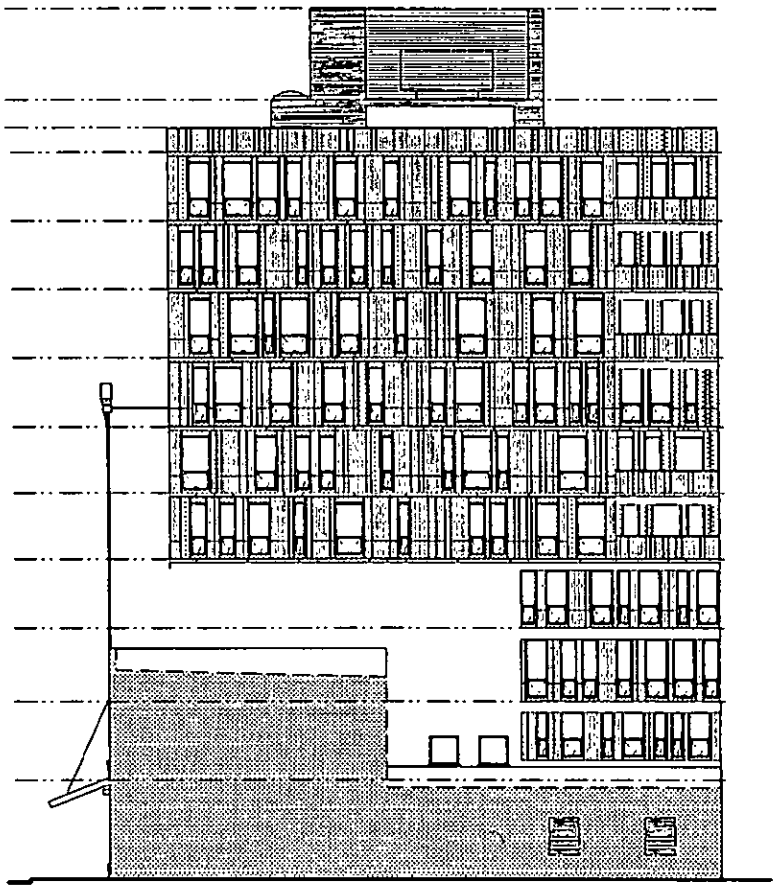
OWNER:
66 NINTH LLC

DATE:	12-24-02	DRAWN BY:	KJH
SCALE:		CHECKED BY:	GAP

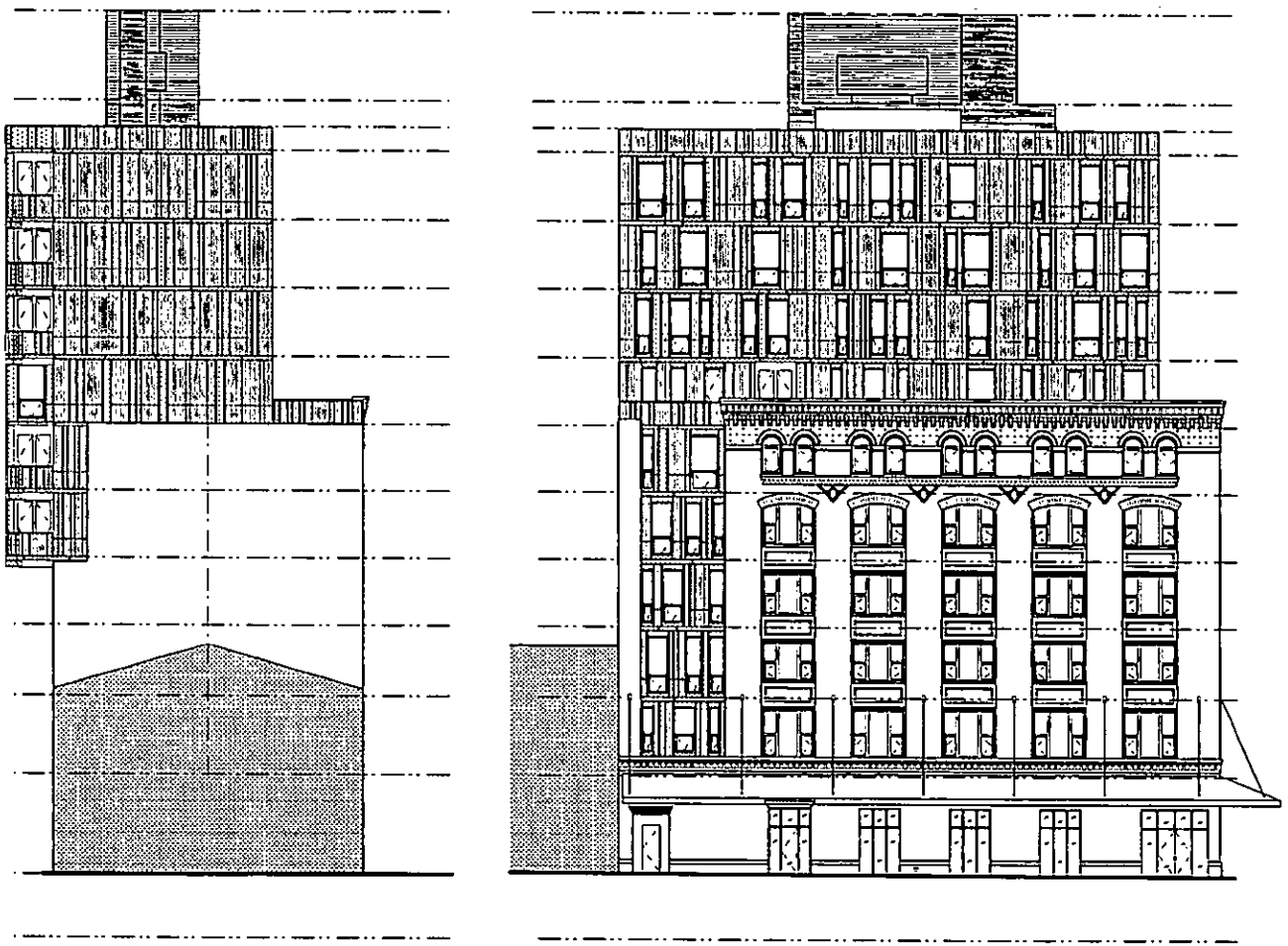
366 WEST 15TH STREET DEVELOPMENT

BULKHEAD ROOF PLAN





PROJECT: 62-66 NINTH AVENUE A.K.A. WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STRET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 12-24-02 | DRAWN BY: JLM SCALE: 1" = 30'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT WEST & SOUTH ELEVATIONS



PROJECT: 62-66 NINTH AVENUE A.K.A. WEST 15TH ST. NEW YORK, NEW YORK	ARCHITECT: SHOP ARCHITECTS, PC 200 EAST 37TH STREET NO. 2 NEW YORK, NEW YORK 10016 PH. 212.889.9005 FX. 212.889.3686 EMAIL. STUDIO@SHOPARC.COM	STRUCTURAL/MECHANICAL/ELECTRICAL ENGINEERS: BURO HAPPOLD CONSULTING ENGINEERS, PC 105 CHAMBERS STRET NEW YORK, NEW YORK 10007 PH. 212.334.2025 FX. 212.334.5528	OWNER: 66 NINTH LLC	DATE: 12-24-03 | DRAWN BY: JLM SCALE: 1" = 30'-0" | CHECKED BY: GAP 366 WEST 15TH STREET DEVELOPMENT EAST & NORTH ELEVATIONS

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 366 West 15th Street a/k/a 66 Ninth Avenue, New York County, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE PORTER HOUSE CONDOMINIUM

SPONSOR:

66 Ninth LLC
c/o Jeffrey M. Brown Associates, Inc.
330 Seventh Avenue, 18th Floor
New York, NY 10001

DATE OF DECLARATION: _____, 20__.

The land affected by the within instrument lies in Block 738 Formerly Lot 76 and Now Known As Lots _____ to ____ on the Tax Map of the Borough of Manhattan, County, City and State of New York.

Record and Return:

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as The Porter House Condominium, located at 366 West 15th Street a/k/a 66 Ninth Avenue, Borough of Manhattan, County of New York, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

66 Ninth LLC, a limited liability company organized and existing under the laws of the State of New York, with an office situated at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York 10001, hereinafter referred to as "the Sponsor" and/or "Declarant" does hereby declare:

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. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land or Building, which rights are being reserved by Sponsor for itself and any successors or assigns.

2. **Area and Location of Land**. The land ("Land") has an area of approximately 5,162 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.

3. **Name of Condominium**. The Condominium shall be known as The Porter House Condominium.

4. **Description of the Building**. The Sponsor is completely renovating the building situated at the Property. The existing building which was previously a commercial loft building, has six (6) stories plus a cellar level. As part of the construction, the Sponsor shall construct a new 7th, 8th, 9th and 10th floor.

   The renovated and newly constructed portions of the Building shall be comprised of one (1) Commercial Unit and twenty-two (22) Residential Units plus other Common Elements of the Building. The Commercial Unit will be located on a portion of the ground floor and a portion of the cellar level of the Building which are not Common Elements. Three (3) Residential Units will be located on each of floors 2 through 6, inclusive. Residential Units 5E and 6E will have a private balcony adjacent thereto. The 7th and 8th floors will contain two (2) Residential Units each. Each of the Units on the 7th floor will have a private terrace adjacent thereto. Residential Unit 8E will also have a private balcony thereto. The 9th floor will contain one (1) Unit and the lower level of PHW which is also located on a portion of the 10th floor. PHW is also known as Residential Unit 9W. The 10th floor will contain two (2) Residential Units, one of which is the upper level of PHW. The other Unit located on the 10th floor is PHE. PHE is also known as Residential Unit 10E. Residential Unit 9E and

each of the Units on the 10th floor will also have either a private balcony and/or terrace adjacent thereto. However, the private roof terrace adjacent to PHW is located at the main roof of the Building and directly accessed by means of a convenience stair located within that Unit. Sponsor shall install a traffic bearing surface for all private balconies and/or terraces adjacent to and directly accessed from a Residential Unit.

The Building being renovated and constructed is projected to be completed by the end of June, 2003. Pursuant to the New York City Building Code, the Class of Construction for the existing portions of the Building is Class 3 non-fireproof construction while the Class of Construction of the newly created portions of the Building is fireproof construction with a three hour separation between the new and existing components of the structure. A new Certificate of Occupancy will be obtained by the Sponsor upon final completion of the project.

The Building has a cellar level consisting of a part of the Commercial Unit and Common Elements. The Common Elements located at the cellar level include the gas and electric meter rooms, the domestic water service and fire pump rooms, generator room, exercise room for the Residential Unit Owners, storage closets, residential storage room containing 22 individual storage closets, sidewalk vaults, the boiler room, the residential trash room, the superintendent's office, common service corridors and fire staircases, as well as the passenger elevator, elevator shaft and pit. The existing sidewalk elevator shall be part of the Commercial Unit. Common Elements located at the ground floor level include the main vestibule to the Building located on Ninth Avenue, the residential lobby, the concierge area, elevator lobby, the mail room and mail boxes, a half bathroom, the passenger elevator, fire staircases, and two (2) service entrances to the building both of which open to a fire staircase leading to the cellar level. The elevator, elevator lobby, trash room, fire staircases and public corridors on each floor above the ground floor are also Common Elements of the Building. Other than the common roof terrace located at the main roof of the Building and the exercise room in the cellar, there are no common recreational areas or facilities at the Property. Any other roofs of the Building, including, but not limited to, the mechanical terraces located at the main roofs of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of individual Residential Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than the balconies and/or roof terraces described above.

There are two "scissor stair" fire staircases at the Building. One runs from the cellar level to the 10th floor roof of the Building while the other runs from the first floor to the roof of the Building. The Building will have one (1) passenger elevator. This elevator will service all of the floors of the Building from, and including, the cellar, to and including, the main roof of the Building. The elevator machine room and bulkhead for the passenger elevator will be located at the main roof of the Building. There are no fire escapes at the Building.

The structural system of the existing portion of the Building consists of masonry load-bearing exterior walls. The existing foundations are concrete spread footings bearing on soil. New footings required for the addition shall be friction compression and tension piles drilled and anchored to bedrock with reinforced concrete pile caps set with steel anchor bolts. The new addition to the Building shall be a steel and concrete deck structure with walls constructed of steel studs, cement board, water proofing membrane, and exterior zinc metal panels. There shall be several concrete band beams on the south facade between the existing and new portions of the Building. All new facades shall be insulated.

The roofing material shall be modified bitumen roofing with bat insulation beneath the concrete floor slab. The roof will be flashed with turned up roofing at the edges as well as ice and water-shield membrane.

The Building will have two (2) boilers which will be located in the boiler room at the cellar level of the Building. The boilers will produce low pressure steam that will generate both the domestic hot water and the heating hot water. All apartments are heated and air-conditioned by water source heat pumps. The boilers will also provide hot water to the Commercial Unit. The residential public corridors will be heated and ventilated by a roof-top, gas fired, outside air system.

Individual heat pump type air-conditioning/heating units will be located in each of the Residential Units. Each heat pump is independent from the others except for a connection to the condenser water system for the Building. Condenser water held in a cooling tower located at the roof of the Building will be piped to all heat pumps and to capped outlets in the Commercial Unit. The public corridors will be serviced by a separate independent gas-fired air-conditioning system that does not require condenser water. The Commercial Unit Owner shall be responsible for any additional equipment installations necessary to heat and/or air-condition the Commercial Unit. In the sole discretion of the Sponsor, its designee or the Commercial Unit Owner, such equipment installations may be located in the Commercial Unit and/or other Common Elements of the Building, including, but not limited to, those portions of the roofs of the Building designated for mechanical equipment.

Gas consumption for heat and hot water in the Residential Units, including supplemental heat for the public corridors, and all the hot water in the Common Elements, shall be collectively metered by one (1) meter and shall be a Shared Common Expense of all the Unit Owners. Additionally, gas consumption for cooking in the Residential Units shall be collectively metered by one (1) meter and shall be a Residential Common Expense of all the Residential Unit Owners. There will be no separate gas service to the Commercial Unit. In the event that separate gas service is required in the Commercial Unit, the Commercial Unit Owner shall have the right to install, at its sole cost and expense, separate gas service or connect to the existing gas service. However, the Commercial Unit Owner shall also be required to install a separate gas meter or submeter and the gas consumption and cost measured thereby shall be the sole responsibility of the Commercial Unit Owner.

Each of the Units shall be separately metered for the consumption and cost of electricity in the respective Unit. A common meter shall measure the consumption of electricity in the common areas or Common Elements which shall be a Shared Common Expense of all of the Unit Owners. Water and sewerage services are provided for by the City of New York. The Residential Units and Commercial Unit in the Building shall be metered for water usage by one meter. Such water and sewer charges shall be a Shared Common Expense of all Unit Owners.

Notwithstanding anything herein to the contrary, if the Commercial Unit is occupied for a restaurant use or some other use which requires a high volume of water, then, in such event, the Commercial Unit Owner, at its sole cost and expense, shall be required to install a separate meter or submeter in the Unit to measure such additional water consumption. The Commercial Unit Owner shall be solely responsible for the cost of water consumption measured thereby.

There are no public or common laundry facilities at the Property. The Residential Units will be provided with a laundry closet with individual hook-ups for one (1) electric washer and one (1) electric dryer or for a stackable unit which is a combination thereof. The washer and dryer are being supplied by the Sponsor as part of the Offering Plan.

The Building is being renovated and constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

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; percentage interest in the Common Elements; contributing share percentage; approximate square footage area of the Unit and its exclusive Limited Common Elements, if any; location; number of rooms and baths; and the portion of the Common Elements to which the Unit has immediate access. 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.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Shop/Sharples Holden Pasquarelli Architecture, Architects 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 Residential Unit consists of the area measured horizontally by either the unexposed face of the drywall when located at an exterior wall of the Building or, where there are no drywalls, the interior exposed face of the masonry,

brick or stucco exterior walls of the Building and by the center line of the dry walls or demising walls dividing the Units from corridors, stairs or other Units. Vertically, each Residential Unit consists of the space between the upper face of either the subfloor or concrete floor and the upper face of the drywall ceiling above or where there is no dry wall ceiling, the under face of the joists or floor above. Doors and windows which open from or form a border of a Residential Unit shall be deemed part of the Unit.

As shown on the aforementioned Floor Plans, the Commercial Unit located on a portion of the ground floor and a portion of the cellar level of the Building consists of the area on those levels measured horizontally from the Unit side of the glass or the face of the concealed concrete structural member or the concealed blockwork or brickwork of the exterior walls of the Building, as the case may be, to the opposite face of the concealed concrete structural member or the concealed blockwork or brickwork of the exterior walls of the Building or the centerline of interior walls dividing the Commercial Unit from other Units or Common Elements, as the case may be. Vertically, the Commercial Unit consists of the space on a portion of the ground floor and a portion of the cellar level between the upper face of either the concrete floor or subfloor and the upper face of the drywall ceiling above or where there is no drywall ceiling, the under face of the joists or floor above. Doors and windows which open from or form a border of the Commercial Unit shall be deemed a part of the Commercial Unit.

Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Notwithstanding anything herein to the contrary, the existing sidewalk elevator located at the northerly side of the Building on West 15th Street shall be a fixture which is the personal property of the Unit Owner of the Commercial Unit and therefore part of the Commercial Unit. The Commercial Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such sidewalk elevator.

Any Common Elements located within a Unit will not be considered a part of such Unit.

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 or unless otherwise specified. 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, including any rear or side yard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Yard areas or other areaways at the Property, if any, are not intended for public use except for fire egress purposes;

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and any insulation or framing 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 walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads, roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights, if any, other than those directly over Units; water towers or tanks, if any, sprinkler systems, standpipe systems, or parts thereof installed in common areas of the Building, if any, service corridors, fire corridors, halls, stairs, and stairway areas located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit which are not specifically designated as a Limited Common Element; storage and utility areas, if any, which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building, including any sidewalk hatchway located at the front of the Building, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The gas and electrical meter rooms, the domestic water service and fire pump rooms, generator room, storage closets at the cellar level, the boiler room and superintendent's office at the cellar level, the gas meters, water meters and electric meters in the cellar; any and all cellar or other areas which are not designated as part of a Unit or a Limited Common Element;

(4) The boilers, hot water heaters, if any, heating and/or air-conditioning equipment, if any, and related machinery, wherever located in the Building, which services two or more of the Units or the Common Elements;

(5) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters, if any, heating and/or air-conditioning equipment, if any, wherever located in the Building, which services two or more of the Units or the Common Elements;

(6) All installations on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water;

(7) All sewer pipes and drainage pipes;

(8) That portion of the main roofs of the Building which have been designated for the installation of mechanical equipment, including but not limited to, any air-conditioning equipment which services a particular Unit or Units or part or all of the Building;

(9) Any tanks, pumps, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations existing for common use;

(10) Except as specifically noted, 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;

B. **Limited Common Elements**. The following portions of the Common Elements will be Limited Common Elements:

1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

2) The residential vestibule and lobby together with the adjoining elevator lobby, mailboxes, concierge area and half bathroom, which

shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers but subject to an easement in favor of the Commercial Unit Owners, or tenants thereof, for fire egress purposes;

3) The passenger elevator, passenger elevator machinery, shaft and pit; the elevator bulkhead and elevator machine room located at the main roof of the Building, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

4) The trash room located at the cellar level of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

5) The elevator lobby together with the adjoining trash room located on each of floors two through and including ten, which shall be for the exclusive use of the all the Residential Unit Owners in a manner to be determined by the Board of Managers;

6) The private balconies and/or roof terraces, together with any fencing delineating such roof area, which are adjacent to or directly accessed from a particular Residential Unit, as delineated on the Floor Plans. Nonstructural, ordinary repairs and maintenance of the private balconies and/or roof terraces, together with any fencing which delineates such roof area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

7) The common roof terrace located at the main roof of the Building which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers;

8) The exercise room and residential storage room located at the cellar level which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers. Notwithstanding anything herein to the contrary, each Residential Unit Owner shall be assigned one (1) storage bin located in the residential storage room;

9) All street vaults, if any, which shall be the exclusive use of the Commercial Unit Owner. To the extent there are any charges for said vault areas, such charges shall be paid by the Commercial Unit Owner.

7. **Use of Units**. Each of the Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Residential 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 and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. 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 as models, sales and/or production offices in connection with the sale or rental of the Units.

The Commercial Unit may be used for commercial purposes, including, but not limited to, retail and restaurant uses, or for any other lawful purpose.

8. **The Commercial Unit.** The Commercial Unit shall be located on a portion of the ground and cellar levels.
The Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Condominium, Board of Managers or the Managing Agent, to sell or lease the Commercial Unit, or any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to the Commercial Unit Owner.

The Board of Managers shall be obligated to permit the Commercial Unit Owner, at such Unit Owner's sole cost and expense, to install and use additional equipment in the risers and conduits serving the Building, provided the Commercial Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

The Board of Managers does not have the right to (i) approve any change in the use of the Commercial Unit or any part thereof or (ii) to apply for or cause any amendment to the Building's Certificate of Occupancy to authorize a different use of the Commercial Unit except at the request of the Commercial Unit Owner. The Commercial Unit Owner shall have the right, without obtaining the consent of the Board of Managers or the Residential Unit Owners or mortgagees of Units other than the affected Commercial Unit, to subdivide the Commercial Unit into two or more Commercial Units and to reallocate the Common Interest of the Commercial Unit among the newly established Commercial Unit in proportion to their respective floor areas. Such subdivision must be reflected in a duly recorded amendment to the Declaration filed by the new Unit Owners. Under no circumstances will the Common Interest of any Residential Unit Owner be changed as a result of such subdivision or will the aggregate Common Interest for the new Units be greater than the Common Interest for the original Units. If the Commercial Unit is so subdivided, the Owner or Owners thereof shall have the right, without obtaining the consent of the Board of Managers, Residential Unit Owners, or mortgagees of Units other than the affected Commercial Unit, to thereafter change the size, layout, use, and/or number of the respective Commercial Units under the same terms, conditions and restrictions as those imposed on the original Commercial Unit Owner.

At the request of the Sponsor, a Sponsor-designee or the Unit Owner of the Commercial Unit, the Board of Managers will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, repair or subdivision of such Unit or operation or use of the Commercial Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

An Owner of a Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and without the consent of the Board of Managers to install, repair and maintain either within or in the immediate location of such Commercial Unit below the windows at the second floor level and on the sidewalk adjacent to such Commercial Unit's entrance a sign or signs, which may be illuminated, including neon, for advertising or identification purposes. Additionally, the Owner of a Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers to install, or erect, repair and maintain in the immediate location of such Commercial Unit below the windows at the second floor level, but not to interfere with the entrance of any other Unit, a canopy and/or awning for advertising or identification purposes. Such Unit Owner and any tenant of space in such Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. Such Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs or canopies/awnings and/or any necessary renewal fees.

The Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have the right to install a flue which will be sized for possible restaurant or commercial grade kitchen use in or on the common areas of the Building and such flue may run from the cellar or first floor level through the roof or some other point in the Building where it will terminate in accordance with the NYC Building Code. The Sponsor, Sponsor's designee and/or the Commercial Unit Owner shall have an easement, without charge or limitation, to use said flue for any lawful purpose and in conjunction with the use of the Commercial Unit.

In the event of a dispute between the Commercial Unit Owner and the Condominium as to any issue relating to the Commercial Unit, the Commercial Unit Owner or any tenant of the Commercial Unit Owner and the Condominium agree to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article XV of the By-Laws of the Condominium. The decision of the arbitrator shall be final and binding.

9. **Determination of Percentages in Common Elements**. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

10. **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.

10a. **Maintenance and Operation of Internal Drains.**

A. Pursuant to the requirements of all applicable laws, ordinances and/or building codes, each Unit Owner, together with the Condominium, shall be responsible for the maintenance and operation of the internal drains within the Property which are Common Elements ("Internal Drains"). The cost of such maintenance and operation shall be a Shared Common Expense of all the Unit Owners.

B. Any charge or assessment for said maintenance and operation of the Internal Drains shall be a charge upon the Land or Unit against which the same are made and shall be a continuing lien upon the Land or Unit so charged or assessed. In addition such charge or assessment shall be the personal obligation of the record owner of such Land or Unit against which the same is made.

C. The Sponsor and/or Condominium and each Unit Owner thereof shall keep the Internal Drains wholly within the boundary lines of the Property, and its point of exit from the Property shall not be altered.

D. The Sponsor and/or Condominium and each and every Unit Owner thereof shall maintain the Internal Drains at all times throughout the life of the Condominium and Property. They shall be responsible for the abatement of any nuisance due to the use of the Internal Drains that would have an adverse effect on the health, safety and welfare of the City and State of New York.

E. The Sponsor shall insure that the utilization of the Internal Drains for the conveyance of the sanitary flow is to be designed as to size, shape, slope and velocity to have sufficient capacity to take the estimated peak sanitary flow from the Property.

F. The Sponsor and/or Condominium and each and every Unit Owner thereof, shall utilize the Internal Drains in such a manner, that it will not in any way have an adverse effect on the City of New York's complete or pending sanitary and storm water drainage plans for the tributary drainage area or the separate sewer outlets.

11. **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 all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

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, if any, 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 the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, 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 necessary for the use of its Units, 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 and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder,

including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground, exterior wall mounted, or roof-top electric transformer, amplifier, gas, cable television, telephone, satellite, telecommunication equipment, water, storm drainage, sewer or other utility lines or services and appurtenances in, under, over 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 or equipment 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 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 the recreation facilities, if any, provided that such additional utilities or equipment or the relocation of existing utilities or equipment will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes and the Commercial Unit for the permitted uses therein. Any utility company or service 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 to not unreasonably interfere with the use of the Units.

D. A Commercial Unit Owner and any tenant or tenants of such Units pursuant to the terms of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation, to install, repair and maintain either within or in the immediate location of such Unit below the windows at the second floor level, or on the sidewalk adjacent to a Commercial Unit's entrance, a sign or signs which may be illuminated, including neon, for advertising or identification purposes and shall have an easement to use any adjacent sidewalk in conjunction with its use of the Unit to the extent permitted by law. Additionally, a Commercial Unit Owner and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation, to erect or install, repair and maintain, a canopy and/or awning in the immediate location of such Commercial Unit below the windows at the second floor, but not to interfere with the entrance of any other Unit, without prior written consent of the Board of Managers. Such Unit Owner and any tenant of space in the Unit shall comply with all of the laws, orders, rules and regulations of the governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Unit Owner or its tenants shall obtain and pay for all permits required for such signs, canopies and/or awnings and any necessary renewal fees.

E. The Sponsor, its designee and/or the Commercial Unit Owner, and any tenant or tenants of the Commercial Unit pursuant to the terms of any lease pertaining thereto, shall have the right, and an easement, without charge or limitation, to install, to use, to repair and to maintain a flue which will be sized for possible restaurant or commercial grade kitchen use in the Commercial Unit and which may be installed in or on the common areas of the Building by Sponsor or its designee or the Commercial Unit Owner; said flue shall run from the cellar or first floor level through the roof or some other point in the Building where it will terminate in accordance with the NYC Building Code.

F. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the service entrances to the Building and through the public staircase in, on, over and across the main roof or other applicable roof of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, air-conditioning equipment, located on the roofs of the Building which services one or more of the Units.

G. The Commercial Unit Owner, its servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the service entrances to the Building and through the public staircase in, on, over and across the cellar or other common areas of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, heating or boiler equipment, located in the cellar or roof level mechanical rooms or boiler rooms of the Building and which service the Commercial Unit.

H. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

I. The user of any easement granted by subparagraphs B, C, D, E, F, G and H of this Paragraph 11 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.

12. **Power of Attorney to Board of Managers**. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, 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.

13. **Acquisition of Units by Board of Managers**. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, 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 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.

14. **Person to Receive Service**. For the period during which Sponsor is in control of the Board of Managers, 66 Ninth LLC with an office at c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th Floor, New York, New York, 10001 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, at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York 10011. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

15. **Units Subject to Declaration, By-Laws and Rules and Regulations**. All present and future 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 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.

16. **Amendment to Declaration**. This Declaration may be amended, modified, added to or deleted from by the vote of at least sixty-six and two thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by sixty-six and two thirds percent (66 2/3%) 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 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, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, the Commercial Unit Owner, the Commercial Unit or any Unsold Unit until Sponsor or such designee, or the Commercial Unit Owner, as the case may be, shall consent thereto in writing.

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 sole purpose 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 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.

No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

17. **Changes in Unsold Units and the Commercial Unit**. For any Unit owned by the Sponsor or its designee(s) or the Commercial Unit Owner, if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) or the Commercial Unit Owner (with respect to the Commercial Unit) 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 Unit; (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 Unit(s) 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) or the Commercial Unit Owner shall comply with all rules, ordinances and regulations of all governmental authorities, including the Landmarks Preservation Commission, if applicable, 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, if any, who are adversely and directly affected as a result of the above changes. The provisions of this paragraph 17 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.

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.

18. **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 clause 18, 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.

19. **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 that own not less than eighty percent (80%) 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 eighty percent (80%) 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.

20. **Sponsor's Retention of Transferable Air Rights and/or Development Rights.**

(a) As against all other Unit Owners, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended, and Sponsor hereby binds itself, its successors and assigns from transferring, assigning, or surrendering in whole or in part any transferable air rights and/or development rights, if such transfer, assignment or surrender shall make illegal the erection, existing or restoration or use of the Building at the time of the recordation of this Declaration or as will allow any party, including Sponsor as the holder of Unsold Units, to build on or directly above the land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in the event, any construction shall be made only in accordance with the Condominium's Declaration and By-Laws. As

defined herein, "transferable air rights and/or development rights" shall include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution.

(b) The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) lease(s), zoning lot agreement(s), declaration(s), and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor and/or its successors and assigns in such rights and/or for the purpose of effectuating the transfer, assignment or surrender of such rights by Sponsor and/or its successors and assigns; (ii) any amendment to this Declaration which the Sponsor and/or its successors and assigns deems necessary or appropriate to effectuate the purpose of this Paragraph 20.

(c) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 20 shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

(d) If any provision that is necessary to effectuate the purposes of this Paragraph 20 is missing, then such provision shall be deemed included as part of paragraph 20, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by the use of the life of Sponsor, any principal thereof or the children of any principal thereof plus 21 years.

21. **Common Expense**. Common Expenses of the Condominium shall 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.

22. **Covenant of Further Assurances.**

(a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the

Condominium, or otherwise, shall, at the expense of any such other 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.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledgment, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then the Sponsor is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

23. **Definitions**. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Schedule C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

24. **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.

25. **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.

26. **Gender**. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed torefer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this day of , 20__.

Sponsor/Declarant:

66 Ninth LLC
By: Brown Hill II, LLC, its Managing Member
By: Brown Hill I, LLC, its Manager

By:_____
Jeffrey M. Brown, Authorized Member

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

On the ____ day of _____, in the year 20___, before me, the undersigned, a Notary Public in and for said state, personally appeared Jeffrey M. Brown, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

THE PORTER HOUSE CONDOMINIUM

366 WEST 15TH STREET
A/K/A 66 NINTH AVENUE
NEW YORK, NEW YORK

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Easterly line of Ninth Avenue with the Southerly line of 15th Street;

RUNNING THENCE Easterly along 15th Street, 100 feet;

THENCE Southerly parallel with Ninth Avenue, 51 feet, 7 1/2 inches;

THENCE Westerly parallel with 15th Street 100 feet to the Easterly line of Ninth Avenue; and

THENCE northerly along Ninth Avenue, 51 feet, 7 1/2 inches to the point or place of **BEGINNING.**

TOGETHER with the benefits provided for in a Declaration of Zoning Lot Restrictions made by 66 Ninth LLC dated as of February 12, 2002, recorded in the Office of the City Register, New York County, in Reel 3486 page 2070.

TOGETHER with the benefits and easements provided for in a Zoning Lot Development Agreement between Ninth Avenue LLC and 66 Ninth LLC dated as of February 12, 2002, recorded in the Office of the City Register, New York County, in Reel 3483 page 2033.

SCHEDULE B
TO THE DECLARATION OF
THE PORTER HOUSE CONDOMINIUM
366 WEST 15TH STREET A/K/A 66 NINTH AVENUE
NEW YORK, NEW YORK

3/28/03

Unit	Tax Lot Number	Percentage Interest In Common Elements	Contributing Share Percentage	Approximate Square Foot Area of Unit	Approximate Square Foot Area of Balcony and/or Terrace Which is Limited Common Element	Location	Number of Rooms/Baths	Common Elements To Which Unit Has Immediate Access
2E		3.12%	3.90%	1567	NA	2nd Floor East	2BR/2	Elevator, Public Hall & Stairs
2W		3.59%	4.49%	1690	NA	2nd Floor West	2BR/2.5	Elevator, Public Hall & Stairs
2N		1.69%	2.11%	898	NA	2nd Floor North	1BR/1.5	Elevator, Public Hall & Stairs
3E		3.01%	3.76%	1595	NA	3rd Floor East	2BR/2	Elevator, Public Hall & Stairs
3W		3.59%	4.49%	1735	NA	3rd Floor West	2BR/2.5	Elevator, Public Hall & Stairs
3N		1.62%	2.03%	908	NA	3rd Floor North	1BR/1.5	Elevator, Public Hall & Stairs
4E		3.19%	3.99%	1595	NA	4th Floor East	2BR/2	Elevator, Public Hall & Stairs
4W		3.78%	4.73%	1735	NA	4th Floor West	2BR/2.5	Elevator, Public Hall & Stairs
4N		1.68%	2.10%	908	NA	4th Floor North	1BR/1.5	Elevator, Public Hall & Stairs
5E		4.02%	5.02%	1845	89	5th Floor East	2BR/3/S	Elevator, Public Hall & Stairs
5W		4.66%	5.82%	2055	NA	5th Floor West	2BR/3/S	Elevator, Public Hall & Stairs
5N		1.80%	2.25%	908	NA	5th Floor North	1BR/1.5	Elevator, Public Hall & Stairs
6E		4.30%	5.37%	1845	89	6th Floor East	2BR/3/S	Elevator, Public Hall & Stairs
6W		4.85%	6.07%	2055	NA	6th Floor West	2BR/3/S	Elevator, Public Hall & Stairs
6N		1.97%	2.46%	908	NA	6th Floor North	1BR/1.5	Elevator, Public Hall & Stairs
7E		4.58%	5.72%	1656	650	7th Floor East	3BR/2.5	Elevator, Public Hall & Stairs
7W		4.02%	5.02%	1421	939	7th Floor West	2BR/2.5	Elevator, Public Hall & Stairs
8E		3.88%	4.85%	1656	89	8th Floor East	3BR/2.5	Elevator, Public Hall & Stairs
8W		3.54%	4.42%	1421	NA	8th Floor West	2BR/2.5	Elevator, Public Hall & Stairs
9E		4.02%	5.02%	1656	89	9th Floor East	3BR/2.5	Elevator, Public Hall & Stairs
PHE		4.23%	5.29%	1656	89	10th Floor East	3BR/2.5	Elevator, Public Hall & Stairs
PHW*		8.87%	11.09%	2843	1010	9th & 10th Floor West	3BR/4.5/M	Elevator, Public Hall & Stairs
Residential Totals:		80.00%	100.00%	34556	3044			
C		20.00%	100.00%	3326 Plus 2803 CS	NA	Ground Floor & Cellar	-	Public Hall & Stairs
Grand Totals:		100.00%	NA	37882 Plus 2803 CS	3044			

C denotes Commercial Unit.
CS denotes Cellar Area which is part of the Unit.
BR denotes Bedroom; D denotes Duplex Unit; S denotes Study;
M denotes Maid's Room; B denotes Balcony; T denotes Terrace.
PHE is also known as Residential Unit 10E. PHW is also known as Residential Unit 9W.
* PHW is a Duplex Unit located on the 9th and 10th floors.
NA denotes Not Applicable.

A Portion of the Main Roof of the Building shall be a Limited Common Element for the exclusive use of all the Residential Unit Owners. These roof areas are approximately 1316 square feet.

A Portion of the Cellar of the Building shall a Tenant Storage Area which shall be a Limited Common Element for the exclusive use of all the Residential Unit Owners. This storage area is approximately 955 square feet.

A Portion of the Cellar of the Building shall an Exercise Room which shall be a Limited Common Element for the exclusive use of all the Residential Unit Owners. This Exercise Room is approximately 352 square feet.

SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

THE PORTER HOUSE CONDOMINIUM
366 WEST 15TH STREET
A/K/A 66 NINTH AVENUE
NEW YORK, NEW YORK

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	-	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as The Porter House Condominium, renovated or being renovated at 366 West 15th Street a/k/a 66 Ninth Avenue, New York, New York.

"Commercial Common Expenses"	-	As set forth in the By-Laws of the Condominium, the Commercial Unit shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Unit, commercial garbage collection, vault charges, if any, repairs, maintenance and replacement of the sidewalk elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Commercial Unit only and any other expense, which is not a Shared Expense, attributable to the Commercial Unit only.
"Commercial Unit"	-	An area designated on the first floor and a portion of the cellar level of the Building, which shall be owned in fee simple absolute. According to the terms of the Offering Plan, there shall be one (1) Commercial Unit.
"Commercial Unit Owner"	-	The Person owning the Commercial Unit in fee simple absolute.
"Common Charges"	-	In the case of the Residential Units, each Unit Owner's proportionate share or Contributing Share of the Shared Common Expenses (as defined in the Condominium Documents), payable by the Residential Unit Owners together with each Residential Unit Owner's proportionate share or Contributing Share of the Residential Common Expenses (as defined in the Condominium Documents); In the case of the Commercial Units the Commercial Unit Owner's proportionate share of the Shared Common Expenses (as defined in the Condominium Documents), payable by the Commercial Unit Owner together with the payment by the Commercial Unit Owner of its proportionate share or Contributing Share of the Commercial Common Expenses (as defined in the Condominium Documents).
"Common Elements"	-	All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses"	-	(a) 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"	-	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	-	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to The Porter House Condominium.
"Condominium Act"	-	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	-	The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Contributing Share"	-	(a) In the case of the Residential Units, each Residential Unit's proportionate share of the Common Charges payable by all of the Residential Unit Owners. Each Residential Unit Owner's proportionate share or contributing share shall be determined by the proportion such individual Residential Unit Owner's percentage of Common

Interest bears to the aggregate percentage of Common Interest of all Residential Unit Owners, multiplied by the Common Charges payable by all the Residential Units.

(b) In the case of the Commercial Unit, or in the event that there is more than one Commercial Unit, the Commercial Units, the Commercial Unit's or each Commercial Unit's proportionate share of the Common Charges payable by all of the Commercial Unit Owners. The Commercial Unit Owner's or each Commercial Unit Owner's proportionate share or contributing share shall be determined by the proportion such Commercial Unit Owner's percentage of Common Interest bears to the aggregate percentage Common Interest of all the Commercial Unit Owners, multiplied by the Common Charges payable by all the Commercial Units.

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

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.

"First Unit Closing" - The first closing of title with a bona fide purchaser of a Residential Unit.

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

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, including any rear or side yard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Yard areas or other areaways at the Property, if any, are not intended for public use except for fire egress purposes;

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and any insulation or framing 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 walls; those portions of the walls and partitions dividing the Units from corridors, the elevator shafts, fire staircases and stairs located beyond the unexposed face of the drywalls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases and stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads, roof areas which are not part of a Unit or for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights, if any, other than those that are directly over Units; water towers or tanks, if any, sprinkler systems, standpipe systems or parts thereof

installed in the common area of the Building, if any, service corridors, fire corridors, corridors, halls, stairs, and stairway areas located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit which are not specifically designated as Limited Common Elements; storage and utility areas; if any, which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building, including any sidewalk hatchway located at the front of the Building, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;

(3) The gas and electric meter rooms, the domestic water service and fire pump rooms, generator room, storage closets at the cellar level, the boiler room and superintendent's office at the cellar level, the gas meters, water meters and electric meters in the cellar and all cellar or other areas which are not designated as part of a Unit or a Limited Common Element;

(4) The boilers, hot water heaters, if any, heating and/or air-conditioning equipment, if any, and related machinery, wherever located in the Building, which services two or more of the Units or the Common Elements;

(5) Any piping and/or ductwork which is necessary for the functioning of the boilers and hot water heaters, if any, heating and/or air-conditioning equipment, if any, wherever located in the Building, which service two or more of the Units or the Common Elements;

(6) All installations on the Property outside the Units for services such as gas, power, light, heat, telephone, cable television and water;

(7) All sewer pipes and drainage pipes;

(8) That portion of the main roof terrace and main roof above the tenth floor of the Building which has been designated for the installation of mechanical equipment, including but not limited to, air-conditioning equipment which services a particular Unit or Units or part or all of the Building;

(9) Any tanks, pumps, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations existing for common use;

(10) Except as specifically noted, 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" - A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

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

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

"Limited Common Elements" - 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 Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements:

1) The skylights, if any, existing or installed at some future date, that are directly above any Unit, which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units.

2) The residential vestibule and lobby together with the adjoining elevator lobby, mailboxes, concierge area and half bathroom, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers subject to an easement in favor of the Commercial Unit Owners, or tenants thereof, for fire egress purposes;

3) The passenger elevator; elevator machinery, shaft and pit; the elevator bulkhead and elevator machine room located at the main roof of the Building, which shall be for the exclusive use of all

the Residential Unit Owners in a manner to be determined by the Board of Managers;

4) The trash room located at the cellar level of the Building, as set forth on the Floor Plans, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

5) The elevator lobby together with the adjoining trash room located on each of floors two through and including ten, which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers;

6) The private balconies and/or roof terraces, together with any fencing delineating such roof area, which are adjacent to and directly accessed from a particular Residential Unit, as delineated on the Floor Plans. Non-structural, ordinary repairs and maintenance of the private balconies and/or roof terraces, together with any fencing which delineates such roof area, shall be the responsibility of the individual Unit Owner(s) who have the exclusive use thereof;

7) The common roof terrace located at the main roof of the Building which shall be for the exclusive use of all of the Residential Unit Owners in a manner to be determined by the Board of Managers;

8) The exercise room and residential storage room located at the cellar level which shall be for the exclusive use of all the Residential Unit Owners in a manner to be determined by the Board of Managers. Notwithstanding anything herein to the contrary, each Residential Unit Owner shall be assigned one (1) storage bin located in the residential storage room;

9) All street vaults, if any, which shall be for the exclusive use of the Commercial Unit Owner. To the extent there are any charges for said vault areas, such charges shall be paid by the Commercial Unit Owner.

"Majority" - 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" - A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

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

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

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

"Power of Attorney" - The document, signed by Unit Owners, which appoints:

(i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.

(ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns.

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

"Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.

"Recording officer and "Recording" or "Recorded" - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.

"Residential Common Expenses"	-	As set forth in the By-Laws of the Condominium the Residential Units shall be solely responsible for the payment of all expenses ("Residential Common Expenses") arising from the employment of a superintendent and one or more other employees of the Condominium, if any, who will service the Residential Units, residential garbage collection, gas consumption for cooking in the Residential Units, maintenance, repair and replacement of the passenger elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Residential Units only, the repair, maintenance and replacement of the roofs of the Building and any other expense, which is not a Shared Expense, attributable to the Residential Units only.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Stribling Marketing Associates, LLC is the Selling Agent pursuant to the terms of the Offering Plan.
"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 66 Ninth LLC is the Sponsor of this Offering Plan.
"Sponsor-designee"	-	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of

such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

"Unit" - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a roof bulkhead and/or a private roof terrace. Any mechanical equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, with all related ductwork and piping attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Notwithstanding anything herein to the contrary, the existing sidewalk elevator located at the northerly side of the Building on West 15th Street shall be a fixture which is the personal property of the Unit Owner of the Commercial Unit and therefore part of the Commercial Unit. The Commercial Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such elevator.

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

"Unit designation" - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

"Unit Owner" - The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units and the Commercial Unit.

"Unsold Units" - Any Unit owned by Sponsor or its designee at the time in question.

BY-LAWS

OF

THE CONDOMINIUMS OF THE PREMISES

KNOWN AS

THE PORTER HOUSE CONDOMINIUM

366 WEST 15TH STREET
A/K/A 66 NINTH AVENUE
NEW YORK, NEW YORK

Borough of Manhattan

New York County, City and State of New York

D'AGOSTINO, LEVINE & LANDESMAN L.L.P.
ATTORNEYS FOR SPONSOR
345 SEVENTH AVENUE, 23RD FLOOR
NEW YORK, NEW YORK 10001

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BY-LAWS
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NEW YORK, NEW YORK

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership**. The property, located in the borough of New York, New York County, City and State of New York at 366 West 15th Street a/k/a 66 Ninth Avenue, 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 by the Declaration recorded 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 Porter House Condominium and are sometimes referred to as the "Condominium" or "Condominiums."

Section 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), but excluding any transferable air rights and/or development rights pertaining to the land and building which rights are being reserved by Sponsor for itself and any successors or assigns, 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 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 Addendum To The By-Laws.

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 4. **Definitions**. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Schedule C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office**. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers**. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term**. The number of Managers which shall constitute the whole Board shall be not less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor or its designee, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be five (5). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers. The Managers 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 3. **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 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. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;

m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

o. Negotiation and settlement of all claims and actions relating to the Condominium.

p. 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 $10,000 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 (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion 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.

q. 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, including Assessments and Special Assessments.

r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, 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, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to any contingency fund and/or capital replacement reserve provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4.00%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan to be filed for the Property or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan to be filed for the Property, unless the annual cost of all other services being provided, is no greater than the total cost of those provided for in Schedule B. 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; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations or to remedy any notice of violation or to remedy any work order by an insurer.

Section 4. **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), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the managing agent or manager may not be a member of the Board of Managers.

Section 5. **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 Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. **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 or the Commercial Unit Owner, 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 or the Commercial Unit Owner may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units and/or the Commercial Unit Owner) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor, Sponsor-designee or the Commercial Unit Owner, 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 designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. **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 vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, 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 or the Commercial Unit Owner, shall be filled only by the Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be.

Section 8. **Organization 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 legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. **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 10. **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 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.

Section 11. **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 12. **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 or the committee.

Section 13. **Fidelity Bonds**. The Board of Managers shall, in its discretion, obtain fidelity bonds in the amount of $50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds shall constitute a Common Expense.

Section 14. **Compensation**. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers**. 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 16. **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 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 (p) of Section 3 of Article II.

Section 17. **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 (1) 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 subsections (a)-(d) of Section 16 of Article II.

ARTICLE III
UNIT OWNERS

Section 1. **Annual Meetings**.

(a) Within thirty (30) days after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest allocated to all the Residential Units or (ii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the First 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) Sponsor's Right to Elect Members of the Board of Managers. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest allocated to all the Residential Units, the Sponsor or Sponsor-designee shall have the right to elect at least three (3) of the five (5) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) at least one Unit but less than ten percent (10%) in Common Interest allocated to all the Residential Units, the Sponsor or Sponsor-designee shall have the right to elect at least two (2) of the five (5) members of the Board of Managers and in any event the right to elect a number of members of the Board which equals one (1) less than a majority of the Board. Members of the Board of Managers shall serve for a term of one year. The Unit Owners may transact such other business at such meetings as may properly come before them. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) of the Common Interest allocated to all the Residential Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Section 2. **Place of Meetings**. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings**. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 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 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. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings.** If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 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 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 or limited liability company or partnership, or in the name of a fiduciary or 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 or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 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 and who need not be an Owner, 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 (1) or more Units) shall be entitled to cast one (1) 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 (1) person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation, limited liability company, or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 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 8 of this Article III.

Section 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 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 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 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 2. **Election of Officers**. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 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.

Section 4. **President**. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint 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 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 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer**. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping 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 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 9. **Compensation of Officers.** No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers.** The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 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 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 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 percentage of Common Interest or Contributing Share as the case may be. 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 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. Subject to the individual rights and obligations of the Commercial Unit Owner with regard to shared expenses as defined hereinafter, 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, to make up any deficit in the Common Expenses for any prior year. 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. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest or Contributing Share as the case may be. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than fifteen (15) days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. 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 annual amounts to be paid by the Commercial Unit Owner to the Condominium or its designee in connection with the services and facilities shared with, or provided by, the Condominium ("Shared Expenses") shall include the following categories of expenses set forth in the "Schedule B, Projected Budget for First Year of Condominium Operation" in the Offering Plan which is to be filed for the Property; Gas consumption for Heat and Hot Water for the Units and Common Elements; Electricity for the Common Elements; Water and sewer charges for all the Units and the Common Elements; Repairs and Maintenance of the Common Elements, except for the repair, maintenance and replacement of the passenger or sidewalk elevators and the main roofs of the Building or as otherwise set forth herein; Supplies for the Building; Exterminator Service; Insurance; Repairs, maintenance and replacement of the common heating and air-conditioning equipment, standpipe system and sprinkler system in the common areas; legal and accounting fees of the Condominium; a three percent (3%) contingency for the Shared Expenses; Management Fees of the Condominium; Franchise Taxes of the Condominium, if any, or any different expenses which at some time in the future are established in lieu of the foregoing expenses or which are fairly attributable to the Commercial Unit to the extent the Commercial Unit benefits therefrom. The Shared Expenses shall be deemed a part of the Common Expenses of the Condominium to be paid by all Unit Owners.

The payment of the Shared Expenses by the Owner of the Commercial Unit shall initially be based on the projections set forth in the foregoing budget, which are based on the Common Interest of the Commercial Unit. If in the future, there are any categories of expenses other than those provided for above for services or facilities used by the Commercial Unit, then the Commercial Unit Owner will pay its fair share of such expense.

Except for those Shared Expenses set forth in the initial Budget which shall be paid for by each Residential Unit Owner and the Commercial Unit Owner based upon the Unit's percentage

Common Interest, or Contributing Share, as the case may be, if the Commercial Unit Owner uses or incurs a disproportionate portion of any subsequent Shared Expense relative to its Common Interest (whether too low or too high), then the Commercial Unit Owner shall be required to pay only its fair share of such subsequent expense.

In the event the Commercial Unit Owner and the Condominium cannot agree upon such "fair share" of a new expense or a Shared Expense, then same shall be determined by a licensed real estate broker selected by the Condominium and the Commercial Unit Owner, or in the event the Condominium and Commercial Unit Owner cannot agree upon a real estate broker, as determined by arbitration in accordance with the provisions of Article XV hereof.

If the Condominium and the Commercial Unit Owner cannot agree on any decision or determination to be made in connection with the Shared Expenses or a new expense to be paid by the Commercial Unit Owner, same shall be submitted for arbitration in accordance with the provisions of Article XV hereof.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees.

The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

Notwithstanding anything herein to the contrary, but subject to the dispute resolution procedures set forth in Article XV hereof and the payment, collection and enforcement provisions of these By-Laws in general, the Commercial Unit Owner and the Residential Unit Owners shall each be solely responsible for the payment of the following expenses. The Commercial Unit shall be solely responsible for the payment of all expenses ("Commercial Common Expenses") arising from snow removal from the front of the Commercial Unit, commercial garbage collection, vault charges, if any, repairs, maintenance and replacement of the sidewalk elevator, repairs, maintenance and replacement of those portions of the standpipe system and sprinkler system which services the Commercial Unit only, and any other expense, which is not a Shared Expense, attributable to the Commercial Unit only. The Residential Units, jointly, shall be solely responsible for the payment of all expenses ("Residential Common Expenses") arising from the employment of a superintendent and one or more other employees of the Condominium, if any, who will service the Residential Units, garbage collection for the Residential Units, gas consumption for cooking in the Residential Units, maintenance, repair and replacement of the passenger elevator, repairs, maintenance and replacement of those portions of the sprinkler system and standpipe system which service the Residential Units only, the repair, maintenance and replacement of the roofs of the Building and any other expenses, which is not a Shared Expense, attributable to the Residential Units only or as provided herein.

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. Until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

Section 2. **Insurance**. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) 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 the greater of the agreed upon replacement cost of the Building, including the above noted items but exclusive of footings and foundations and without deduction for depreciation, as approved by a fire insurance company or a qualified insurance broker, or the amount of insurance necessary to avoid the effects of co-insurance; 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; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, shall 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; (d) disability benefits insurance if the Condominium has employees; and (e) such other insurance, including, but not limited to, boiler and machinery insurance and elevator collision 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 $50,000.00), and that the total proceeds thereof, if $50,000.00 or less, shall be payable to the Board of Managers and if more than $50,000.00 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 insured to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, 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.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one (1) or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

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 $1,000,000.00 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.

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

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 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.

Section 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, if any, 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. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall levy a Special Assessment against all Unit Owners, for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the trust funds to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be.

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 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, if any, 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 the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified 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 notified 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 the date of notification by an insurance adjustor retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty days from the date of receipt of said insurance funds.

Section 4. **Payment of Common Charges**. All Unit Owners shall be obligated to pay the Common Charges, including Assessments, assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges, including Assessments, assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. 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, including Assessments, 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, including Assessments, assessed prior to the foreclosure sale.

Section 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 Charge 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 fifth day of the month in which they are due or they shall be deemed to be late.

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if a Non-Occupying Unit Owner is not current on his or her Common Charges, Assessments or late fees, hereinafter ("Charges"). In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all Charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such payment and that thereafter all future rental payments should be made to the Non-Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 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 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 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 attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339aa 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 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.

Section 8. **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, including Assessments, due from such Unit Owner.

Section 9. **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 10. **Maintenance and Repairs**.

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except the painting of the exterior side of the Unit's entrance door), windows (except the painting of the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units, together with

any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owners(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, the individual Unit Owner shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment.

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 Unit windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner.

c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Residential Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) in the event there is more than one (1) Commercial Unit, by the Board of Managers as a Commercial Common Expense, if such Limited Common Element is for the exclusive use of all the Commercial Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, repairs that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (iii) by the Unit Owner, whether a Residential Unit Owner or Commercial Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, (iv) by the Board of Managers at the sole cost and expense of the individual Unit Owner having exclusive use of such Limited Common

Element if involving structural repairs or replacements, or (v) by the Unit Owner or Owners where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect.

d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall (i) comply with all applicable law and building codes; (ii) shall not unreasonably disturb or interfere with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

e. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein (the cost of debris and snow removal from in front of the residential lobby and the common roof terrace located at the main roof of the Building shall be a Residential Common Expense and shall only be the responsibility of the Board of Managers; the Commercial Unit shall only be responsible for the cost of removing debris and snow from the sidewalks directly in front of its respective entrances and from the entire sidewalk which is adjacent to its Unit; and such Unit Owner or the Board of Managers, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. **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 for private residences only, except that a Unit Owner may use his Residential 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

Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning law, regulations or ordinance and provided further, that the prior consent of the Board of Managers to such professional use is obtained.

The Commercial Unit may be used for commercial purposes, including, but not limited to, restaurant uses, or for any other lawful purpose.

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. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways, the elevator or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls, public stairways and elevator shall be used only for normal passage through them.

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, including the Landmarks Preservation Commission, if applicable, 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. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

f. With the exception of the Commercial Unit, no portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content

determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

Section 12. **Additions, Alterations or Improvements by Board of Managers**. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $10,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing $10,000.00 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.

Section 13. **Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or a structural or non-structural addition, alteration or improvement 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 of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, 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 or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit 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 or improvement 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 insurance (certificate 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 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 or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers 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 any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee or the Commercial Unit Owner with respect to the Commercial Unit. Neither the Sponsor or its designee or the Commercial Unit Owner with respect to the Commercial Unit shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural addition, alteration or improvement to a Sponsor-owned Unit or the Commercial Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee or the Commercial Unit Owner, 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 workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee or the Commercial 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 any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee or the Commercial Unit Owner 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 or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor or a Commercial Unit Owner shall have the right, pursuant to the terms of Paragraphs 8 and 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

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.

Section 14. **Use of Common Elements and Facilities**. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas 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 11 of this Article VI.

The Owner or Owners of any two (2) or more Units, which Units are the only Units serviced or benefitted by any General or Limited Common Element adjacent or appurtenant to such Units (for example, the portion at the end of any hallway that is directly adjacent to any such Units 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 or Limited Common Elements exclusively, as if it were a part of such Units (including the right, in the 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 or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General or Limited Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Section 15. **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, 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 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. **Rules of Conduct**. Rules and regulations concerning the use of the Units and the 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 (1) or more Units, the 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 Sponsor's prior written consent. Additionally, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Commercial Unit without the prior written consent of the Commercial Unit Owner.

Section 17. **Water Charges and Sewer Rents.** Water shall be supplied to all of the Units and the Common Elements on the basis of one (1) or more meters for the Building or pursuant to a frontage charge. The Board of Managers shall pay, as a Shared Common Expense, all charges for water consumed in the Residential Units, the Commercial Unit and in the Common Elements, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Any water and sewer bills received by a Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Unit, interest or penalties, due to a delay in paying such bills resulting from a Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a 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 Unit as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Notwithstanding anything herein to the contrary, if a Commercial Unit is occupied for a restaurant use or some other use which requires a high volume of water, then, in such event, the Commercial Unit Owner, at its sole cost and expense, shall be required to install a separate meter or submeter in the Unit to measure such additional water consumption. The Commercial Unit Owner shall be solely responsible for the cost of water consumption measured thereby.

Section 18. **Electricity and Gas**. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit to the public utility.

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 which shall also be a Shared Expense.

Gas consumption for heat and hot water in all the Units, including any supplemental heat for the public corridors, and gas consumed in the Common Elements shall be metered separately and the Board of Managers shall pay, as a Shared Common Expense, the bills for such consumption. Additionally, gas consumption for cooking in the Residential Units shall be collectively metered by one (1) or more meters and shall be a Residential Common Expense of all the Residential Unit Owners. There will be no separate gas service to the Commercial Unit. In the event that separate gas service is required in the Commercial Unit, the Commercial Unit Owner shall have the right to install, at its sole cost and expense, separate gas service or connect to the existing gas service. However, the Commercial Unit Owner shall also be required to install a separate gas meter or submeter and at the time of such installation, the cost of consumption measured thereby shall be a Commercial Common Expense of the Commercial Unit Owner only. Also, at the time of the installation of a meter or submeter, the Commercial Unit Owner will no longer be required to contribute its percentage share of the cost of gas for heat and hot water which initially is a Shared Expense.

Section 19. **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 attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Section 20. **Vault Charges.** All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Commercial Unit Owner as a Commercial Common Expense.

ARTICLE VII

MORTGAGES

Section 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 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 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 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, on reasonable notice to the manager, managing agent or Board of Managers on business days.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. **Sales and Leases**. No Unit Owner other than the Sponsor or a 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 a Sponsor-designee or the Commercial Unit Owner need not comply with such provisions. Sponsor or a Sponsor-designee or the Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s), or, in the case of the Commercial Unit, lease any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee or the Commercial Unit Owner, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee or the Commercial Unit Owner with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

Except as provided immediately above, any Unit Owner who receives a bona fide offer 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, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (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 a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, 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 twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, 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, 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 fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not 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 thirty (30) days after the expiration of the twenty (20) 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 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 thirty (30) 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 thirty (30) 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 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 2. **Consent of Unit Owners to Purchase or Lease of Units by Board of Managers**. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. **No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one (1) or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. **Release by Board of Managers of Right of First Refusal**. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. **Certificate of Termination of Right of First Refusal**. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers 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 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. **Financing of Purchase of Units by Board of Managers**. Acquisition or lease of Units by the Board of Managers, or its designee, 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 a Special 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 and 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 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. **Exceptions**. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first refusal pertaining 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 (1) or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee or the Commercial Unit Owner, 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. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. **Gifts and Devises, etc.** Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. **Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common.** In the event that a Unit shall be acquired by the Board of Managers, or its designee, 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 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 11. **Mortgage of Units.** No Residential 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 or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. 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 encumbering a Residential Unit 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. The Commercial Unit Owner may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned restrictions.

Section 12. **Fees and Charges.** The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor 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 Residential 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, or the Commercial Unit Owner. Any other fees in connection with the sale or lease of a Residential 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, or the Commercial Unit Owner.

ARTICLE IX

CERTAIN REMEDIES

Section 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 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 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 (1) 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 4. **Costs and Expenses**. All sums of money expended, and all costs and expenses incurred, including, but not limited to, reasonable attorneys fees, 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 1 or paragraph (a) of Section 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 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 rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. **Condemnation**. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $50,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, if any, 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, if any, 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 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits**. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against 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 statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;

(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 1. **Invalidity**. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. **Gender**. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Waiver**. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 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 each of the holders of seven (7) or more Unit first mortgages). 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 five (5) 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 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 construction loan mortgage which shall be a lien on a unit.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws**. These By-Laws may be modified or amended by the vote of sixty-six and two thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee. Additionally, the By-Laws, including the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Commercial Unit or the Commercial Unit Owner without the prior written consent of the Commercial Unit Owner.

ARTICLE XIV

CONFLICTS

Section 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.

ARTICLE XV

ARBITRATION

Section 1. **Procedure.** Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a preceding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization,

any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement.** The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect.** The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses.** The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUMS OF THE PREMISES KNOWN AS THE PORTER HOUSE CONDOMINIUM 366 WEST 15TH STREET A/K/A 66 NINTH AVENUE NEW YORK, NEW YORK

RULES AND REGULATIONS

1. The Residential Units may be used only for private residential use, except that a Residential 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 Residential 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. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, nonilluminated, not larger than the size permitted by the Board of Managers.

The Commercial Unit may be used for commercial purposes, including, but not limited to, retail and restaurant uses, or for any other lawful purpose. The Owner of a Commercial Unit and any tenants of such Unit pursuant to the terms of any leasing pertaining thereto, shall have the right, without charge or limitation, to install, repair and maintain either within or in the immediate location of such Unit below the windows at the second floor level and on the sidewalk adjacent to such Commercial Unit's entrance a sign or signs, which may be illuminated, including neon, for advertising or identification purposes. Additionally, the Owner of a Commercial Unit, and any tenant or tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and without the consent of the Board of Managers, to install, or erect, repair and maintain in the immediate location of such particular Unit below the windows at the second floor level but not to interfere with the entrance of any other unit, a canopy and/or awning for advertising or identification purposes. Such Unit Owner and any tenants of space in the Unit shall comply with all of the laws, orders and rules and regulations of the governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such signs, canopy and/or awning and any necessary renewal fees. The Commercial Unit Owner or its tenant shall obtain and pay for all permits required for such equipment and any necessary renewal fees. The Commercial Owners shall also have the right without consent of the Board of Managers, charge or limitation, to install, repair and maintain window protection devices. The Commercial Unit Owner and any tenant of space in the Commercial Unit shall comply with all the laws, orders, rules and regulations of the governmental authorities, including the Landmarks Preservation Commission, if applicable, having

jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. Such Unit Owner or their tenants shall obtain and pay for all permits required for such installation and any necessary renewal fees.

2. Except as set forth above and herein, 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 Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one (1) or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). 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 any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

4. Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

5. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property, excluding the glass surfaces of any windows in the Commercial Unit, be colored or painted.

6. No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, unless such installation is required by law, nor shall anything be projected out of any window of any Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards in the Unit.

7. No exterior of any Residential Unit, including the roof terraces, balconies or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

8. Plantings on any terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the terrace surface, and, if adjoining a wall, at least three (3") inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a wall, plantings may be contained in masonry or hollow tile walls which shall be at least three (3") inches from the wall, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any terrace by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

9. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

10. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, stereo, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

11. Each Unit Owner shall keep his 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, or any terrace or balcony, any dirt or other substances. No clothes, sheets, blankets, or other

articles of any kind shall be hung or shaken from any doors, windows, or open terraces, or placed upon the window sills of the Building.

12. 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.

13. 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. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

14. 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.

15. No bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent or the Sponsor and/or Sponsor's designee. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit 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 their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

16. Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial shall be attached to or hung from the exterior of the Building without 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 Units.

17. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

18. 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.

19. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area 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 lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit, except that the Owner of the Commercial Unit may install and use extra equipment in the risers and conduits servicing the Building so long as such Unit Owner reimburses the Board of Managers for the actual costs attributable to such installation and use.

22. No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

23. Except as provided above, the Unit Owner shall not be allowed to put his name 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, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

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 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; 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, except if a use of the Commercial Unit shall increase the rate of hazard and liability insurance for such area and improvements situated thereon, the Owner of the Commercial Unit shall pay the increase.

28. Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

29. 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.

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

31. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

32. 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 Board of Managers. 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.

33. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner

so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

34. The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential 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 Residential Unit Owner's property).

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

36. No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

37. The use of (i) the common roof terrace located at the main roof of the Building, and (ii) the residential storage bins or residential storage room located at the cellar level of the Building by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion.

38. The use of the exercise room, including any and all exercise and/or gym equipment located therein, shall also be at the sole discretion of the Board of Managers and shall also be subject to all and any restrictions, regulations and/or guidelines established by the Board of Managers relating thereto. Such restrictions, regulations and/or guidelines may include, but are not limited to, any medical waiver or consent that a Unit Owner must execute prior to the use of any exercise and/or gym equipment.

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

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

PUNCHLIST INSPECTION STATEMENT

Date: _____

66 Ninth LLC
c/o Jeffrey M. Brown Associates, Inc.
330 Seventh Avenue, 18th Floor
New York, New York 10001

RE: The Porter House Condominium
Unit #____ Building Address: 366 West 15th Street
a/k/a 66 Ninth Avenue
New York, NY

Gentlemen:

As a result of my/our final inspection, please be advised that the following items need either completion, adjustment or repair:

ITEM

1. _____
2. _____
3. _____
4. _____
5. _____

I/we understand that certain items, as set forth in the Offering Plan, are not the responsibility of Sponsor. I/we also understand that to prevent pilferage certain items such as medicine cabinet doors, shower heads, toilet seats and bifold door knobs,

_____
_____
_____
_____

will be installed just prior to my/our date of moving.

_____Purchaser's signature

_____Purchaser's signature

_____
Seller's Representative

ETF-3

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this 23rd day of January, 2003, between 66 Ninth LLC ("SPONSOR") as sponsor of the offering plan and D'Agostino, Levine & Landesman, LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, 66 Ninth LLC is the sponsor of an offering plan to convert to cooperative/condominium ownership the premises located at 366 West 15th Street a/k/a 66 Ninth Avenue which premises are known as The Porter House Condominium; and

WHEREAS, D'Agostino, Levine & Landesman, LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers 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 or subscribers. The escrow account has been opened with Chase Bank at its branch located at 305 Seventh Avenue, New York, NY 10001. The account number is _____.

1.2 The name of the account is D'Agostino, Levine & Landesman, LLP i/e/f The Porter House Condominium Escrow Account.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law § 497.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of D'Agostino, Levine & Landesman, LLP as escrow agent for The Porter House Condominium offering plan. 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 or subscriber 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 subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. **RELEASE OF FUNDS**

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR 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 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. RECORDKEEPING

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.

6. **RESPONSIBILITIES OF SPONSOR**

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. **TERMINATION OF AGREEMENT**

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. **SUCCESSOR 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 an governed by the laws of the State of New York.

10. **ESCROW AGENT'S COMPENSATION**

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under the circumstance.

11. **SEVERABILITY**

11.1 If any provision of this Agreement or the application thereof to any person or circumstances is determined to be invalid or unenforceable, the remaining provisions

of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. **ENTIRE AGREEMENT**

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as to the day and year first written above.

ESCROW AGENT:

D'Agostino, Levine & Landesman, LLP

By:_____
John D'Agostino, Partner

SPONSOR:

66 Ninth LLC

By: Brown Hill II, LLC, its Managing Member
By: Brown Hill I, LLC, its Manager

By:_____
Jeffrey M. Brown, Authorized Member

ESTIMATE OF POST-CONSTRUCTION ASSESSMENT

LEITNER GROUP INC.
50 EAST 42ND STREET, SUITE 900
NEW YORK, NY 10017
PHONE: (212) 682-0400
FAX: (212) 682-2233

January 15, 2003

66 Ninth LLC
200 East 37th Street #2
New York, NY 10016

Re: Post Rehabilitation Real Estate Tax Projection
366 West 15th Street
Block 738, Lot 76
Borough of Manhattan
City and State of New York

Gentlemen:

You have requested that we project the real estate tax liability of the proposed residential space in the above referenced premises (herein referred to as the subject property) for the first year of condominium operation commencing July 1, 2003, after the condominium declaration has been filed, and without regard to any exemptions or abatements for which the parcel may qualify. It should be noted that the subject property's real estate tax burden for the first year of operation will not be based on a fully renovated or complete building but instead on a partially completed building. We have also provided an opinion of the subject property's tax burden for the year 2004/2005, based on its future assessment as a completely renovated property.

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly constructed or rehabilitated buildings. While there is a formula which has been utilized by the Real Property Assessment department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department.

All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated on the following pages.

The tentative target (actual), and transitional assessed valuations for Block 738, Lot 76 for the tax year 2003/2004 are set forth as follows:

2002/2003	Land	Building	Total
Actual	$274,500	$297,000	$571,500
Transitional	$270,900	$219,600	$490,500

Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation. Therefore, the total taxable assessed valuation for the tax year 2003/2004 is $490,500, assuming that there is no "Change By Notice" to the 2003/2004 a6ssessment by the City prior to its issuance of final 2003/2004 assessments.

You have advised us of the following facts regarding this project:

1. 66 Ninth LLC is renovating an existing six-story structure and constructing an additional four stories for a total of ten stories. In addition, the structure will contain commercial/retail use at grade. There are a total of 22 residential apartment units and one commercial/retail unit.

2. The proposed total gross square footage, as reported by 66 Ninth, LLC, of the residential portion, above grade, of the subject property including residential lobby area, common area hallways, elevator shafts, etc., is approximately 43,580± square feet; the commercial unit will reportedly contain a gross square foot area of approximately 4,000± square feet above grade.

3. 66 Ninth LLC is the owner of the site. The site contains approximately 5,158± square feet of total land area.

4. It has been reported to us that a Temporary Certificate of Occupancy for the entire structure is projected for July 1, 2003.

5. The residential apartments and commercial portions of the subject property will be separate condominium units.

There are three recognized appraisal methods which are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period taxes ("soft") costs.

The capitalization of income method is based upon the proposition that the annual net income

generated by a property, when divided by the rate of return an investor at a given time would accept for his money in a competing investment, yields a close estimate of the market value of the property.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value as been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, Real Property Tax Law Section 1805(3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a five-year period in equal installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entity. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. The apportionment will be based in part upon the proportion the projected selling price presented in the Offering Plan for each unit bears to the gross sellout price for all units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular units.

Assuming that a Temporary Certificate of Occupancy for the structure is issued on July 1, 2003, the subject property will not be fully assessed for the Tax Year 2003/2004. As of the taxable status day of January 5, 2003, the subject building's conversion and renovation have not been fully completed, and its assessments have been based on its status as a commercial property undergoing renovation. For the first year of operation (Tax Year 2003/2004), the tax burden for the entire premises would be apportioned with the following approximations set forth by the sponsor:

Residential Units: 90.97%

Commercial Unit: 9.03%

Again, it should be noted that a full assessment will be placed on the subject property for the tax year 2004/2005, assuming that there is no "Change By Notice" to the 2003/2004 assessment by the City prior to its issuance of final 2003/2004 assessments.

However, Leitner Group, Inc. makes no representations or warranties that in so apportioning the assessed valuation, the Real Property Assessment Department will utilize the undivided interest in the common elements as set forth by the sponsor and instead derive an apportionment to each condominium unit for the 2004/2005 tax year based on the income producing characteristics of each component; gross square foot area of each component; or the market value of each component of the subject building.

Reconciliation of the three approaches to valuation discussed above, including review of target 2002/2003 valuations of comparable, recently renovated, rehabilitated or newly constructed residential/commercial buildings in the vicinity of the subject, justifies an overall assessed valuation for the entire residential portion of $75.00 per square foot of gross residential area above grade, excluding any terraces/patios or roof space (43,580±) for the tax year 2004/2005. Prospective purchasers are advised that these valuation estimates assume that the taxing authority is assessing a post-construction, completed, occupied building and is not intended to reflect any "progress" or interim valuation. In the event completion of rehabilitation is delayed for any reason, it is possible that the 2004/2005 assessed valuation may be lower than as estimated herein.

The subject property is currently classified as a Tax Class IV property for the tax year 2003/2004. It is our projection that the subject property will be classified as a Tax Class II property for the tax year 2004/2005 and will be subject to the corresponding tax rate for that year.

The average Class IV tax rate for the current tax year 2002/2003 is $10.678 per hundred of assessed value, while the average Class II tax rate for the current tax year 2002/2003 is $11.541 per hundred of assessed value. The tax rates for 2003/2004 and 2004/2005 have not yet been announced. As evidenced by the charts on the following page, the average 2002/2003 rates reflect increases of 9.95% for the Class IV rate and 6.94% for the Class II rate over the 2001/2002 rates.

REAL ESTATE TAX RATES - CLASS IV , NYC

Year	Tax Rate	% Change
1996/1997	$10.252/$100 A.V.	-1.44%
1997/1998	$10.164/$100 A.V.	-0.86%
1998/1999	$10.236/$100 A.V.	0.71%
1999/2000	$9.989/$100 A.V.	-2.41%
2000/2001	$9.768/$100 A.V.	-2.21%
2001/2002	$9.712/$100 A.V.	-0.57%
2002/2003 (1st Half)	$9.712/$100.A.V.	
2002/2003 (2nd Half)	$11.580/$100 A.V.	
2002/2003 (Average)	$10.678/$100 A.V.	9.95%
2003/2004 (Projected)	$11.580/$100 A.V.	8.45%

Source:New York City Department of Finance

REAL ESTATE TAX RATES - CLASS II , NYC

Year	Tax Rate	% Change
1996/1997	$11.056/$100 A.V.	2.30%
1997/1998	$11.046/$100 A.V.	-0.09%
1998/1999	$10.739/$100 AV.	-2.78%
1999/2000	$10.851/$100 A.V.	1.04%
2000/2001	$10.847/$100 A.V.	-0.04%
2001/2002	$10.792/$100 A.V.	-0.51%
2002/2003 (1st Half)	$10.792/$100 A.V.	
2002/2003 (2nd Half)	$12.517/$100 A.V.	
2002/2003 (Average)	$11.541/$100 A.V.	6.94%
2003/2004 (Projected)	$12.517/$100 A.V.	8.46%
2004/2005 (Projected)	$12.642/$100 A.V.	1.00%

Source: New York City Department of Finance

The 2002/2003 tax rates reflect the across-the-board property tax increases put in place by the Bloomberg administration to deal with the City's recent severe budget crisis. The New York City Council passed a bill increasing the real estate tax rates for the City of New York by 18.49%, which is reflected in the 2nd Half 2002/2003 tax rates for each tax class. The average tax rates for the entire year reflect an increase of 9.95% for the Class IV rate from the previous year and an increase of 6.94% for the Class II tax rate from the previous year.

It is our belief that this tax increase is a one-time measure enacted to close the budget gap, and that future increases will be more in line with historical trends. However, Leitner Group, Inc. makes no representations or warranties that the projected tax rates for the 2003/2004 and 2004/2005 tax years will be adopted by the New York City Council.

We have assumed, for the purpose of this tax projection, that the Class IV tax rate will remain

stable at its 2002/2003 2nd Half level for the tax year 2003/2004. This 2nd Half rate of $11.580 per hundred of assessed value reflects an additional 8.45% increase over the average 2002/2003 rate.

We have assumed, for the purpose of this tax projection, that the residential Class II tax rate will also remain stable at its 2002/2003 2nd Half level for the tax year 2003/2004. This 2nd Half rate of $12.517 per hundred of assessed value reflects an additional 8.46% increase over the average 2002/2003 rate. We have assumed that the Class II rate will increase an additional 1% for the tax year 2004/2005 to $12.642 per hundred dollars of assessed value.

Taxes payable during tax year 2003/2004 by the Residential Units only, without regard to the valuation of any non-residential space in the building, are projected as follows (assuming the site does not qualify for any partial tax exemption or abatement):

Taxable Assessed Valuation (land & building):	$490,500
Taxes Payable @ est. 11.580% rate	$56,800
Residential Apportionment (90.97%)	$51,671

Taxes payable during tax year 2004/2005 by the Residential Units only, without regard to the valuation of any non-residential space in the building, are projected as follows (assuming the site does not qualify for any partial tax exemption or abatement):

Est. Actual Assessed Valuation (land & building):	$3,268,500 ($75.00 x 43,580)
Taxes Payable @ est. 12.642% rate	$413,204

Real property taxes are payable semi-annually, on July 1, and January 1 (the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during the first year of condominium operation will be comprised of the tax due for the 2003/2004 tax year.

The tax liability of a particular residential unit, assuming (a) the overall actual assessment as estimated above; (b) the Proportionate Valuation calculated in accordance with the guidelines set forth above; and (c) tax rate as estimated above, may be estimated as follows for the tax years 2003/2004 and 2004/2005.

Tax Year 2003/2004:	$51,671 x Proportionate Valuation
Tax Year 2004/2005:	$413,204 x Proportionate Valuation
First Year of Operation:	$51,671 x Proportionate Valuation

This letter was prepared at the request of 66 Ninth LLC. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. We have not passed upon the accuracy of any figures or estimates contained within the Offering Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretation of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended,

and should not be construed as representations or warranties. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in the Offering Plan.

Sincerely,

Joel Leitner, MAI
Principal
State Certified General Appraiser #46-3011

ZONING LOT CERTIFICATION; DECLARATION OF ZONING LOT RESTRICTIONS; ZONING LOT DEVELOPMENT AGREEMENT; WAIVER OF DECLARATION OF ZONING RESTRICTIONS AND SUBORDINATION TO ZONING LOT DEVELOPMENT AGREEMENT

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(#3)

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ▶ New York

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TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶ 7

Block ▼	Lots - ONLY IF ENTIRE LOT ▼	Partial Lots ▼
738	76, 78 & 79	P/O

Premises ▼ 62-66 Ninth Ave; 58 Ninth Ave; 60 Ninth Ave

Title/Agent Company Name ▼ TSNY Agency of NYC Inc

Title Company Number ▼ TS-4000740

RECORD & RETURN TO:

NAME ▼ Eric Goldberg, Esq. Olshan Grundman Frome & Rosenzweig LLP

ADDRESS ▼ 505 Park Ave

CITY ▼ New York, STATE ▼ N.Y. ZIP ▼ 10022

NAME & ADDRESS

PARTY 1 ▶ Fidelity National Title Insurance Company of New York, by its agent

ADDITIONAL PARTY 1 ▶ TSNY Agency of New York City Inc 2 Park Ave NY NY

PARTY 2 ▶

ADDITIONAL PARTY 2 ▶

FOLD

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (✓): JFL

016501

City Register Serial Number ▶

Indexed By (✓): JL

Verified By (✓):

Block(s) and Lot(s) verified by (✓): JFL

Address ☑ Tax Map ☐

Extra Block(s) Lot(s)

Mtge Tax Serial No.

Mtge Amount $

Taxable Amount $

Exemption (✓) YES ☐ NO ☐

Type: [333EE] [253] [OTHER]

Dwelling Type: [1 to 2] [3] [4 to 6] [OVER 6]

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Add'l)	$
Spec Add'l	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

Recording Fee B	$ 52
Affidavit Fee (C)	$
RPTT Fee (R)	$
HPD-A ☐	HPD-C ☐

New York State Real Estate Transfer Tax ▼

$

Serial Number ▶

New York City Real Property Transfer Tax Serial Number ▶

OTHER CONVEY 0697 $2.00

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RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

John J. Laverty

N.B.#_____
or
ALT.#_____

EXHIBIT "II"

CERTIFICATION PURSUANT TO ZONING LOT
SUBDIVISION D OF SECTION 12-10
OF THE ZONING RESOLUTION OF DECEMBER 15, 1961
OF THE CITY OF NEW YORK - AS AMENDED
EFFECTIVE AUGUST 18, 1977

FIDELITY NATIONAL TITLE INSURANCE COMPANY OF NEW YORK, a title insurance company licensed to do business in the State of New York, by its agent TSNY AGENCY OF NEW YORK CITY, INC., and having its principal office at 2 Park Avenue, Suite 1420, New York, New York 10016, hereby certifies that as to the land hereafter described being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block, in the Borough of that all the parties in interest constituting a "party in interest" as defined in Section 12-10, subdivision (d) of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended, are the following:

NAME	ADDRESS	NATURE OF INTEREST
159 Holding Corp.	62 Ninth Avenue New York, NY	Fee Owner of Lot 76 in Block 738
Ninth Avenue, LLC	c/o Smith, Buss & Jacobs, LLP 733 Yonkers Avenue Yonkers, NY	Fee Owner of Lots 78 and 79 in Block 738

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is known as Tax Lot Number(s) 76, 78 and 79 in Block 738 on the Tax Map of the City of New York and more particularly described as follows:

Tax Lot 76

ALL that certain plot. piece or parcel of land, situate and lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Easterly line of Ninth Avenue with the Southerly line of 15th street;

RUNNING THENCE Easterly along 15th Street, 100 feet;

THENCE Southerly parallel with Ninth Avenue 51 feet 7 1/2 inches;

THENCE Westerly parallel with 15th Street 100 feet to the Easterly line of Ninth Avenue; and

THENCE Northerly along Ninth Avenue, 51 feet 7 1/2 inches to the point or place of BEGINNING.

Tax Lot 78

ALL that certain plot. piece or parcel of land, situate and lying and being in the Borough of Manhattan, City; County and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of 9th Avenue, distant 51 feet 7 1/2 inches southerly from the corner formed by the intersection of the easterly side of 9th Avenue and the southerly side of West 15th Street

THENCE southerly along the easterly side of 9th Avenue, 17 feet 2 1/2 inches;

THENCE easterly parallel with West 15th Street and part of the distance through a party wall, 100 feet;

THENCE northerly parallel with 9th Avenue, 17 feet 2 1/2 inches;

THENCE westerly again parallel with West 15th Street, 100 feet to the easterly side of 9th Avenue at the point or place of BEGINNING.

Tax Lot 79

ALL that certain plot. piece or parcel of land, situate and lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of 9th Avenue, distant 68 feet 10 inches southerly from the corner formed by the intersection of the easterly side of 9th Avenue and the southerly side of West

RECORDED 02029

15th Street;

THENCE easterly parallel with said 15th Street and part of the distance through a party wall, 100 feet;

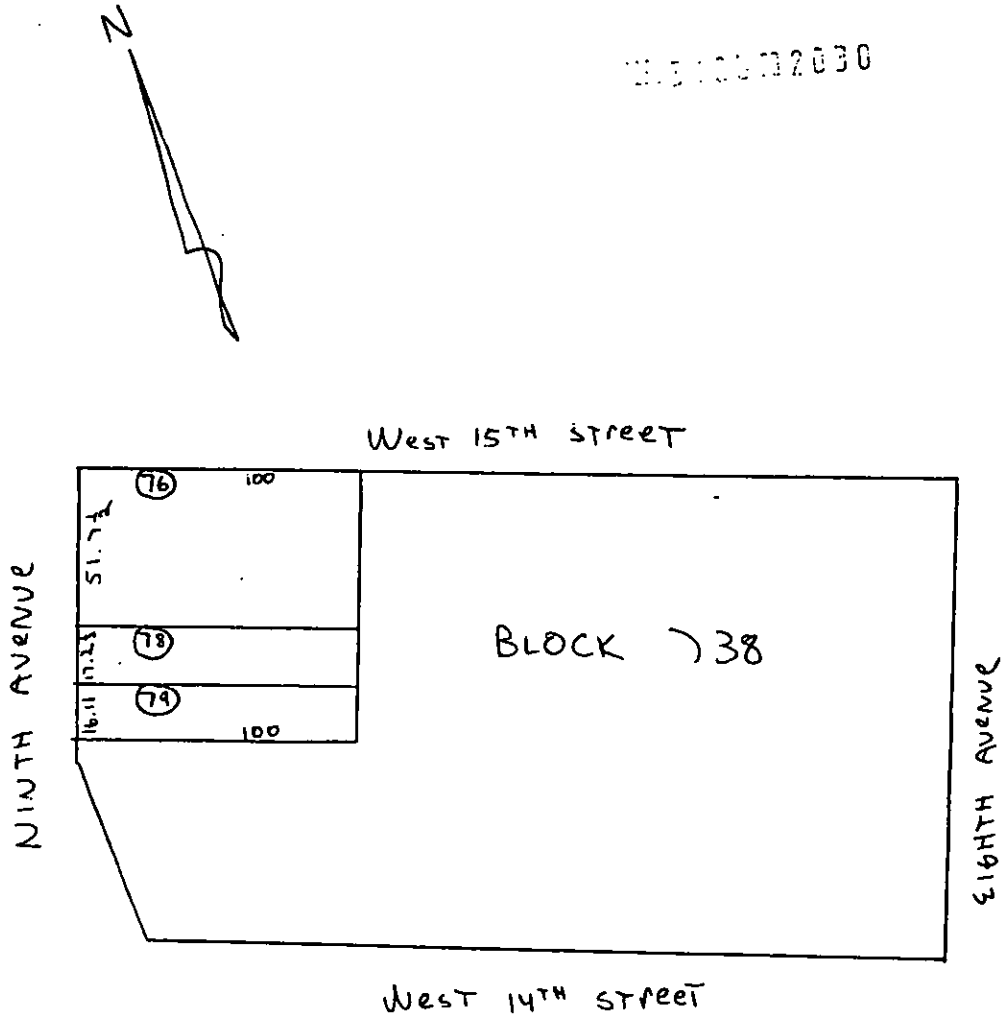
THENCE southerly parallel with 9th Avenue, 16 feet 11 inches;

THENCE westerly part of the distance through a party wall and parallel with West 15th Street, 100 feet to the easterly side of 9th Avenue;

THENCE northerly along the easterly side of 9th Avenue, 16 feet 11 inches to the point or place of BEGINNING.

That the said premises are known as and by street addresses 62-66 Ninth Avenue, New York, New York, 58 Ninth Avenue, New York, New York and 60 North Avenue, New York, N.Y., and as shown on the following DIAGRAM:

-SEE ATTACHED DIAGRAM-


N
West 15TH Street
76
100
51.7
78
17.25
79
16.11
100
BLOCK 38
NINTH AVENUE
EIGHTH AVENUE
West 14TH Street

[illegible]2031

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more zoning lots provided all the resulting zoning lots and all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

THIS CERTIFICATE IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND ($ 1,000.00) DOLLARS.

FIDELITY NATIONAL TITLE INSURANCE COMPANY OF NEW YORK, by its agent TSNY OF NEW YORK CITY, INC.,

Effective as of January 18, 2002

By: Paul P. Reisman
Paul P. Reisman

T-S1-S1-02032

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

On the 7th day of February in the year 2002, before me, the undersigned, a Notary Public in and for the State, personally appeared Paul P. Reisman, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the person, or entity upon behalf of which the person acted, executed this instrument.

Notary Public
LAWRENCE M. HOLMES
NOTARY PUBLIC, State of New York
No. 4954220
Qualified in Suffolk County
Commission Expires Aug. 1, 10/5/05

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#5

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ► New York

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TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ► 9

Block ▼	Lots - ONLY IF ENTIRE LOT ▼	Partial Lots ▼
738	76, 78 & 79	P/O

Premises ▼ 62-66 Ninth Ave; 58 Ninth Ave; 60 Ninth Ave

Title/Agent Company Name ▼ TSNY Agency of NYC Inc

Title Company Number ▼ TS-4000740

RECORD & RETURN TO:

NAME ▼ Eric Goldberg, Esq.
Olshan Grundman Frome & Rosenzweig LLP
ADDRESS ▼ 505 Park Ave
CITY ▼ New York STATE ▼ N.Y. ZIP ▼ 10022

NAME & ADDRESS

PARTY 1 ► Ninth Avenue LLC 65 East 55th St. NY NY 10022

ADDITIONAL PARTY 1 ►

PARTY 2 ► 66 Ninth LLC 330 Seventh Ave NY, NY 10001

ADDITIONAL PARTY 2 ►

FOLD

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (✓): JTC

Mtge Tax Serial No.	
Mtge Amount	$
Taxable Amount	$
Exemption (✓) YES ☐ NO ☐	
Type: [339EE] [ ] [OTHER]	
Dwelling Type: [1 to 2] [3] [4 to 6] [OVER 6]	

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addtl)	$
Spec Addtl	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

City Register Serial Number ► 365[illegible]3

Indexed By (✓): DP

Verified By (✓):

Block(s) and Lot(s) verified by (✓): JTC

Address ☑ Tax Map ☐

Extra Block(s) Lot(s)

Recording Fee B	$ 60
Affidavit Fee (C)	$
RPTT Fee (R)	$ 25
HPD-A ☐	HPD-C ☐

New York State Real Estate Transfer Tax ▼

$ C

Serial Number ► [illegible]4

New York City Real Property Transfer Tax Serial Number ► 2[illegible]4

OTHER CONVEY 0102 62.00

LD/TL	CSHR RECPT	DATE	TIME
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CRCFMAIN.BPG 04/00

[illegible]

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SST
$0

NINTH AVENUE LLC

and

66 NINTH LLC

DECLARATION
OF
ZONING LOT RESTRICTIONS

Date: February 12, 2002

Premises: 58-60 Ninth Avenue
New York, New York

62-66 Ninth Avenue
New York, New York

Block: 738	Block: 738
Lot: 76	Lots: 78 and 79
Borough: Manhattan	Borough: Manhattan
County: New York	County: New York

Record and Return to:
Olshan Grundman Frome Rosenzweig & Wolosky LLP
505 Park Avenue
New York, New York 10022
Attention: Hyman Kindler, Esq.

333411.3

P-3486 P2072

DECLARATION OF ZONING LOT RESTRICTIONS

1. NINTH AVENUE LLC ("NA LLC"), a New York limited liability company having an office c/o Vectra Management Group, 65 East 55th Street, 31st floor, New York, New York 10022, and 66 NINTH LLC ("66 LLC") , having offices c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th floor, New York, New York 10001 (NA LLC and 66 LLC being sometimes hereinafter collectively called the "Declarants") constituting the "parties in interest" (excepting those parties waiving their respective rights to join herein) as defined in Section 12-10(d) of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended from time to time (the "Zoning Resolution"), with respect to Tax Lots 76, 78 and 79 in Block 738 on the Tax Map of the City of New York, County of New York (collectively, the "Property"), as more particularly described in the attached Exhibit A, do hereby declare that the following tracts of land are to be treated as one zoning lot for the purposes of and in accordance with the provisions of the aforementioned Zoning Resolution:

(a) 58-60 Ninth Avenue, New York, New York (Tax Lots 78 and 79); and

(b) 62-66 Ninth Avenue, New York, New York (Tax Lot 76).

2. The aforementioned parcels are contiguous for more than ten (10) linear feet. The said parcels are located within a single block.

3. This Declaration shall run with the land affected hereby and shall be binding upon every party having any right, title or interest therein or any part thereof.

4. Reference is hereby made to the Zoning Lot and Development Agreement between the Declarants dated the date hereof and intended to be recorded in the Office of the City Register, New York County, which sets forth certain rights and obligations of the parties with respect to the land affected hereby.

5. No breach by any party to this Declaration, or any agreement ancillary hereto, shall have any effect on the treatment of the Property as one zoning lot for purposes of the Zoning Resolution, and the Property shall be treated as one zoning lot unless such zoning lot is subdivided in accordance with the provisions of the Zoning Resolution.

6. This Declaration shall be recorded in the Conveyances Section of the Office of the City Register for New York County in accordance with the provisions of Section 12-10 of the Zoning Resolution.

7. This Declaration may be executed in counterparts, but all counterparts shall constitute but one and the same document.

P:3486 P:2073

IN WITNESS WHEREOF, each of the declarants has caused its respective duly authorized representative to execute and deliver this instrument this 12 day of February, 2002.

Ninth Avenue LLC

By: _____
Name (printed): _____
Title: _____

66 Ninth LLC
By Brown Hill II, LLC, its managing member
By: Brown Hill I, LLC, its manager
By: _____
Name (printed): Jeffrey M. Brown
Title: authorized member

#: 3486 P 2074

State of UTAH)
County of SUMMIT) ss.:
)

On the 11TH day of FEB in the year 2002 before me, the undersigned, personally appeared W. JAMES TOZER personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), 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, and that such individual made such appearance before the undersigned in the PARK CITY (Insert the city or other political subdivision and the state or country or other place the acknowledgment was taken).

Michael Sloan

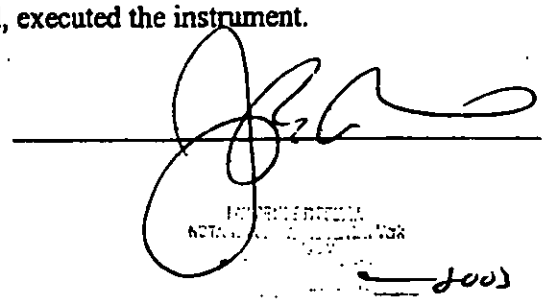
Signature of notary
Notary Stamp/Seal:

NOTARY PUBLIC
MICHAEL SLOAN
P.O. Box 2948
Park City, Utah 84060
My Commission Expires
February 12, 2003
STATE OF UTAH

RECORDED 3486 02075

State of New York)
) ss.:
County of New York)

On the 12 day of February in the year 2002 before me, the undersigned, personally appeared Jeffrey M. Brown personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



R: 3488 P: 2076

EXHIBIT A
LEGAL DESCRIPTION

[redacted]

FEE 3486 2071

LOT 76

ALL that certain plot piece or parcel of land, situate and lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Easterly line of Ninth Avenue with the Southerly line of 15th street;

RUNNING THENCE Easterly along 15th Street, 100 feet;

THENCE Southerly parallel with Ninth Avenue 51 feet 7 1/2 inches;

THENCE Westerly parallel with 15th Street 100 feet to the Easterly line of Ninth Avenue; and

THENCE Northerly along Ninth Avenue, 51 feet 7 1/2 inches to the point or place of BEGINNING.

#3486#2078

Tax Lot 78

ALL that certain plot, piece or parcel of land, situate and lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of 9th Avenue, distant 51 feet 7 1/2 inches southerly from the corner formed by the intersection of the easterly side of 9th Avenue and the southerly side of West 15th Street

THENCE southerly along the easterly side of 9th Avenue, 17 feet 2 1/2 inches;

THENCE easterly parallel with West 15th Street and part of the distance through a party wall, 100 feet;

THENCE northerly parallel with 9th Avenue, 17 feet 2 1/2 inches;

THENCE westerly again parallel with West 15th Street, 100 feet to the easterly side of 9th Avenue at the point or place of BEGINNING.

Tax Lot 79

ALL that certain plot, piece or parcel of land, situate and lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of 9th Avenue, distant 68 feet 10 inches southerly from the corner formed by the intersection of the easterly side of 9th Avenue and the southerly side of West 15th Street;

THENCE easterly parallel with said 15th Street and part of the distance through a party wall, 100 feet;

THENCE southerly parallel with 9th Avenue, 16 feet 11 inches;

THENCE westerly part of the distance through a party wall and parallel with West 15th Street, 100 feet to the easterly side of 9th Avenue;

THENCE northerly along the easterly side of 9th Avenue, 16 feet 11 inches to the point or place of BEGINNING.

That the said premises are known as and by street addresses 62-66 Ninth Avenue, New York, New York, 58 Ninth Avenue, New York, New York and 60 North Avenue, New York, N.Y. and as shown on the following Diagram:

ADD IN ORIGINAL

3486-2033 (#4)

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ▶ New York

THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶ 37

Block ▼	Lots - ONLY IF ENTIRE LOT ▼	Partial Lots ▼
738	(a) 76, (b) 78 & (c) 79	P/O

Premises ▼ (a) 62-66 Ninth Ave; (b) 58 Ninth Ave, (c) 60 Ninth Ave

Title/Agent Company Name ▼: TSNY Agency of NYC Inc

Title Company Number ▼: TS-4000240

RECORD & RETURN TO: NAME ▼ Eric Goldberg, esq. Olshan Grundman Frome & Rosenzweig LLP; ADDRESS ▼ 505 Park Ave; CITY ▼ New York; STATE ▼ N.Y.; ZIP ▼ 10022

NAME & ADDRESS

PARTY 1 ▶ Ninth Avenue LLC 65 East 55th St. NY, NY 10022

ADDITIONAL PARTY 1 ▶

PARTY 2 ▶ GG Ninth LLC 330 Seventh Ave NY NY 10001

FOLD

ADDITIONAL PARTY 2 ▶

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (✓): JPC

City Register Serial Number ▶ 01[illegible]

Indexed By (✓): DP

Verified By (✓):

Block(s) and Lot(s) verified by (✓): JPC

Address ☑ Tax Map ☐

Extra Block(s) _____ Lot(s) _____

Mtge Tax Serial No.

Mtge Amount $

Taxable Amount $

Exemption (✓) YES ☐ NO ☐

Type: [339EE] [255] [OTHER]

Dwelling Type: [1 to 2] [3] [4 to 6] [OVER 6]

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addt'l)	$
Spec Addt'l	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

Recording Fee B	$ 208.
Affidavit Fee (C)	$
RPTT Fee (R)	$ [illegible]
HPD-A ☐	HPD-C ☐

New York State Real Estate Transfer Tax ▼

$ 3720 —

Serial Number ▶ [illegible]

New York City Real Property Transfer Tax Serial Number ▶ R 2013

OTHER CONVEY 0098 208.00

LO/TL	CSHN RECPT	DATE	TIME
1-1	9 165355	Apr 9-02	10:03

FOLD

RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

APR - 9 2002

CRGFMSBN.EPG 04/00

SST
$ 5,720.00

NINTH AVENUE LLC, Transferor

and

66 NINTH LLC, Transferee

ZONING LOT DEVELOPMENT AGREEMENT

Date: February 12, 2002

Premises: 58-60 Ninth Avenue,
New York, New York

62-66 Ninth Avenue
New York, New York

Block: 738	Block: 738
Lot: 76	Lots: 78 and 79
Borough: New York	Borough: New York
County: New York	County: New York

Record and Return to:

OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP
505 Park Avenue
New York, NY 10022
Attention: Hyman Kindler, Esq.

334617.6

[redacted]35

ZONING LOT DEVELOPMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AGREEMENT ("Agreement") dated as of February 13, 2002, between NINTH AVENUE LLC, having offices c/o Vectra Management Group, 65 East 55th Street, 31st floor, New York, New York 10022 ("Transferor") and 66 NINTH LLC, having offices c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th floor, New York, New York 10001 ("Transferee"; Transferor and Transferee are sometimes hereinafter each referred to singly as a "party" and collectively as the "parties.)"

WITNESSETH THAT:

WHEREAS, Transferor is the owner of certain land ("Transferor's Land") in the City of New York, and the buildings and improvements thereon located ("Transferor's Building"), located at 58-60 9th Avenue, New York, New York, 10011 and known as Block 738, Lots 78 and 79 on the Tax Map (the "Tax Map") of the City of New York (the "City"), New York County and more particularly described in Schedule "A" annexed hereto and made a part hereof (said land, together with Transferor's Buildings being herein called "Transferor's Premises,"); and

WHEREAS, Transferee is the owner of certain land adjacent to Transferor's Premises ("Transferee's Land") in the City of New York, and the buildings and improvements thereon located ("Transferee's Existing Building"), located at 62-66 9th Avenue, New York, New York 10011 and known as Block 738, Lot 76 on the Tax Map, and as more particularly described in Schedule "B" annexed hereto and made a part hereof (said land, together with Transferee's Existing Building being herein collectively called "Transferee's Premises"; Transferor's Premisses and Transferee's Premises are hereinafter sometimes referred to collectively as the "Premises"; and

WHEREAS, Transferee proposes to demolish, reconstruct and/or alter and construct a new building, or additions to the buildings and improvements currently on Transferee's Land (said new building and improvements and any related improvements, additions, renovations, expansions, alterations, restorations, repairs, replacements, reconstructions, and repairs thereto and thereof being herein collectively called "Transferee's New Building"); and

WHEREAS, it is anticipated that Transferee's New Building will contain more floor area ("Floor Area"), as that term is defined in the Zoning Resolution (the "Zoning Resolution") of the City of New York, effective as of December 15, 1961, as amended from time to time, than is now available for use in respect of Transferee's Premises under the "floor area ratio" limitation contained in the present Zoning Resolution, with the result that Transferee desires to utilize the procedure available under the Zoning Resolution for combining Transferee's Premises and Transferor's Premises into a single "zoning lot" for the purpose of determining compliance by Transferee's New Building with such limitation, which procedure will make available to Transferee for such purpose fourteen thousand three hundred (14,300) square feet of the unused Floor Area attributable to the Transferor's Premises as of the date hereof, and the development rights associated with such unused

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RECORDED 02035

ZONING LOT DEVELOPMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AGREEMENT ("Agreement") dated as of February 13, 2002, between NINTH AVENUE LLC, having offices c/o Vectra Management Group, 65 East 55th Street, 31st floor, New York, New York 10022 ("Transferor") and 66 NINTH LLC, having offices c/o Jeffrey M. Brown Associates, Inc., 330 Seventh Avenue, 18th floor, New York, New York 10001 ("Transferee"; Transferor and Transferee are sometimes hereinafter each referred to singly as a "party" and collectively as the "parties.)"

WITNESSETH THAT:

WHEREAS, Transferor is the owner of certain land ("Transferor's Land") in the City of New York, and the buildings and improvements thereon located ("Transferor's Building"), located at 58-60 9th Avenue, New York, New York, 10011 and known as Block 738, Lots 78 and 79 on the Tax Map (the "Tax Map") of the City of New York (the "City"), New York County and more particularly described in Schedule "A" annexed hereto and made a part hereof (said land, together with Transferor's Buildings being herein called "Transferor's Premises."); and

WHEREAS, Transferee is the owner of certain land adjacent to Transferor's Premises ("Transferee's Land") in the City of New York, and the buildings and improvements thereon located ("Transferee's Existing Building"), located at 62-66 9th Avenue, New York, New York 10011 and known as Block 738, Lot 76 on the Tax Map, and as more particularly described in Schedule "B" annexed hereto and made a part hereof (said land, together with Transferee's Existing Building being herein collectively called "Transferee's Premises"; Transferor's Premisses and Transferee's Premises are hereinafter sometimes referred to collectively as the "Premises"; and

WHEREAS, Transferee proposes to demolish, reconstruct and/or alter and construct a new building, or additions to the buildings and improvements currently on Transferee's Land (said new building and improvements and any related improvements, additions, renovations, expansions, alterations, restorations, repairs, replacements, reconstructions, and repairs thereto and thereof being herein collectively called "Transferee's New Building"); and

WHEREAS, it is anticipated that Transferee's New Building will contain more floor area ("Floor Area"), as that term is defined in the Zoning Resolution (the "Zoning Resolution") of the City of New York, effective as of December 15, 1961, as amended from time to time, than is now available for use in respect of Transferee's Premises under the "floor area ratio" limitation contained in the present Zoning Resolution, with the result that Transferee desires to utilize the procedure available under the Zoning Resolution for combining Transferee's Premises and Transferor's Premises into a single "zoning lot" for the purpose of determining compliance by Transferee's New Building with such limitation, which procedure will make available to Transferee for such purpose fourteen thousand three hundred (14,300) square feet of the unused Floor Area attributable to the Transferor's Premises as of the date hereof, and the development rights associated with such unused

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Floor Area, such unused Floor Area being made available to Transferee and associated development rights being hereinafter collectively referred to as the "Excess Zoning Rights"; and

WHEREAS, Transferee and Transferor are simultaneously herewith executing and delivering a Declaration of Restrictions as referred to in Section 12-10 of the Zoning Resolution (definition of "zoning lot", paragraph (d))) (the "Declaration"), which makes such procedure available to Transferee for such purpose by creating a single zoning lot (the "Combined Zoning Lot") out of Transferee's Premises, and Transferor's Premises;

NOW, THEREFORE, in consideration of the foregoing, Transferor and Transferee hereby agree as follows:

(1) Certain Definitions. As used herein:

(a) "Floor Area Development Rights" shall mean the rights, as determined in accordance with the Zoning Resolution, which are appurtenant to a zoning lot, to develop the zoning lot by erecting thereon a structure or structures with a total floor area determined (i) by multiplying the area of the zoning lot by the maximum allowable floor area ratio for structures in the zoning district or districts in which such zoning lot is located, and (ii) by the inclusion of any available bonus floor area and any use, bulk, density and other development rights permitted under the Zoning Resolution including non-complying floor area, bulk or density rights or floor area, bulk or density rights which may be authorized to be developed by the appropriate agency of the City from time to time.

(b) "Floor area", "floor area ratio", "zoning lot", "part(ies) in interest", "lot area" "use", "bulk" and "non-complying" shall have the meanings set forth in Section 12-10 of the Zoning Resolution.

(c) "Bonus Rights" shall mean available bonus Floor Area approved by the Approving Agency (hereinafter defined) from time to time to the extent arising out of or in connection with the Combined Zoning Lot;

(d) "Upzoning Rights" shall mean collectively, Floor Area resulting from any (i) upward revision by the Approving Agency of the allowable Floor Area Ratio applicable to the Combined Zoning Lot, or (ii) any amendment of the Zoning Resolution by the Approving Agency, in either case granting or permitting the creation of additional Floor Area with respect to the Combined Zoning Lot.

(e) "Approving Agency" shall mean an agency of the City of New York which approves the grant of Bonus Rights and/or takes an action which creates Upzoning Rights.

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(2) Transfer of Excess Zoning Rights. Transferor hereby sells, conveys, assigns and transfers to Transferee all right, title and interest of Transferor in and to the Excess Zoning Rights and agrees that Transferee may utilize the Excess Zoning Rights in the construction of Transferee's New Building; provided that any Excess Zoning Rights not actually used in Transferee's Building or necessary for Transferee's New Building to conform to the Zoning Resolution or to any other applicable law will be reserved to Transferor if Transferor has not defaulted under this Agreement. The amount of such unused Excess Zoning Rights shall be calculated as follows: (a) the Floor Area Development Rights utilized in Transferee's New Building shall be based on the permanent Certificate of Occupancy (or a Temporary Certificate of Occupancy if no permanent Certificate of Occupancy exists) for Transferee's New Building plus any Floor Area Development Rights necessary for Transferee's New Building to conform to the Zoning Resolution or to any other applicable law; and (b) the Floor Area Development Rights generated by Transferee's Land shall be assumed to have been utilized in Transferee's New Building prior to the utilization of any of the Excess Zoning Rights unless such assumed utilization is not in conformance with the Zoning Resolution or any other applicable law or would otherwise hinder, delay or interfere with construction or maintenance of Transferee's New Building. Notwithstanding anything to the contrary, Transferor shall pay transfer taxes and Transferee's reasonable legal fees and disbursements in connection with said reservation. Transferee makes no representation, warranty or covenant as to the amount, if any, of such utilized Excess Zoning Rights and shall not be obligated to ensure or guarantee that any such utilized Excess Zoning Rights will be available.

(3) Easement; Development Limitations.

(A) Transferor and Transferee each acknowledge that (i) the location and design of any structure now or hereafter constructed or located on Transferor's Premises may adversely affect the right of Transferee to build or maintain Transferee's New Building and (ii) Transferor intends to enlarge Transferor's Building, but only subject to the terms and conditions of this Agreement, including, without limitation, the terms and conditions of this Section 3(A). Accordingly, Transferor hereby grants to Transferee a good and sufficient perpetual easement on Transferor's Land for light and air over and above a horizontal plane drawn at an elevation of sixty (60) feet and four (4) inches (measured above Borough of Manhattan Topographical Bureau Datum which is 2.75 feet above mean sea level at Sandy Hook, N J as established by the U.S. Coast and Geodetic Survey in 1929), said elevation of sixty (60) feet and four (4) inches being hereinafter called the "Transferor's Maximum Height", subject to no mortgages or other liens in respect of borrowed money, mechanics' liens, judgment liens or tax liens (other than in respect of taxes which are not yet due and payable), the air space beneath said horizontal plane being hereinafter called the "First Transferor Envelope"; provided, however, Transferor shall be allowed to encroach beyond the First Transferor Envelope solely for the purpose of allowing (i) the opening of the lid (said lid to be no more than three feet by three feet) to the roof access hatch, which roof access hatch lies at or below the Transferor's Maximum Height and (ii) the existence of a parapet measuring no more than one foot by one foot. Transferor further hereby grants to Transferee a good and sufficient perpetual easement on that portion of Transferor's Land described in Schedule C, annexed hereto and made a part hereof, for light and air over and above a horizontal plane drawn at an elevation of thirty one

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(31) feet and four (4) inches, (measured above Borough of Manhattan Topographical Bureau Datum which is 2.75 feet above mean sea level at Sandy Hook, N J as established by the U.S. Coast and Geodetic Survey in 1929), subject to no mortgages or other liens in respect of borrowed money, mechanics' liens, judgment liens or tax liens (other than in respect of taxes which are not yet due and payable), the air space beneath said horizontal place being hereinafter called the "Second Transferor Envelope" (the First Transferor Envelope and the Second Transferor Envelope are hereinafter sometimes referred to collectively as the "Transfer Envelope." Transferor further covenants and agrees that (a) no new buildings, improvements, alterations or additions shall be constructed or allowed to exist on Transferor's Land, and no reconstruction, replacement, alteration, restoration, expansion, renovation, repair or rebuilding (each a "Rebuilding") of any structure or improvement on Transferor's Land, (b) no change in the use (as defined in the Zoning Resolution) as of the date hereof of any structure or improvement on Transferor's Land, and (c) no change in, or application to change, the Certificate of Occupancy which exists as of the date hereof for Transferor's Premises, whether following a casualty or otherwise and regardless of whether unused Excess Zoning Rights may accrue to Transferor pursuant to Section 2 herein or whether Upzoning Rights or Bonus Rights may accrue to Transferor pursuant to Section 3(c) herein, shall be made (i) so as to encroach beyond the Transferor Envelope into the area of the easements granted herein, (ii) so as to have a total floor area in excess of the total floor area of Transferor's Building as it exists on the date hereof, unless the creation and existence of such excess can be accomplished in a manner that does not violate the requirements of (iii) of this sentence following, (iii) so as to create a non-compliance by Transferor's Building with any requirement of the Zoning Resolution at the time of such Rebuilding when the effect of such Rebuilding is considered together with (a) the Floor Area Development Rights utilized by Transferor's Building and the other buildings on the Combined Zoning Lot, (b) the effect of any pending Rebuilding of the other buildings on the Combined Zoning Lot, (c) the effect of Transferee's New Building upon its completion, if not yet completed, and (d) the transfer of the Excess Zoning Rights which have been transferred to Transferee's Premises, (iv) so as to utilize any Floor Area Development Rights allowed to Transferor's Premises pursuant to the Zoning Resolution other than those utilized by Transferor's Building on the date hereof, unless such utilization of additional Floor Area Development Rights can be accomplished in a manner that does not violate the requirements of (iii) of this sentence preceding, (v) so as to increase in any manner the bulk, height or lot coverage of Transferor's Premises, unless the creation and existence of such excess can be accomplished in a manner that does not violate the requirements of (iii) of this sentence preceding, or (vi) which would adversely affect the rights of Transferee to utilize and obtain the benefit of the Excess Zoning Rights in the construction and maintenance of Transferee's New Building.

(B) Notwithstanding anything to the contrary contained in this Agreement, Transferor covenants and agrees that, in the event any applicable law, rule, regulation or ordinance hereafter limits or restricts the Rebuilding of Transferor's Building, whether following a casualty or otherwise, in a manner more restrictive than that provided in this Agreement, any such Rebuilding shall be accomplished in compliance with such limitation or restriction. Without limiting the generality of the foregoing statement, if, following a validly enacted amendment of the Zoning Resolution reducing the Floor Area Development Rights ascribable to Transferor's Premises, Transferor's Building suffers a casualty, then, except to the extent that a greater amount of Rebuilding is permitted by law on Transferor's Premises without adversely affecting any of (1)

Transferee's New Building then existing (if Transferee's New Building did not suffer a casualty simultaneously with the casualty to Transferor's Building), or (2) any Rebuilding of Transferee's New Building undertaken by Transferee (if Transferee's New Building was damaged as a result of such casualty or otherwise), the total amount of Rebuilding on Transferor's Premises shall be limited by such downzoning to an amount which would allow Transferee's Premises the full benefit of the Excess Zoning Rights.

(C) (i) All Bonus Rights and Upzoning Rights pertaining to the Combined Zoning Lot shall accrue and shall be allocated pro rata based on the Lot Area of the portion of the Premises owned by each party; provided, however, that Transferor and Transferee shall in no event use any Bonus Rights or Upzoning Rights allocable to it in any manner that would violate any provisions of this Agreement. To the extent that any Bonus Rights or Upzoning Rights are generated by the portion of the Premises of one party hereunder only (i.e. the increase in Floor Area is calculated utilizing only the Lot Area of one party hereto), such Bonus Rights or Upzoning Rights shall be allocated only to such party's portion of the Premises hereunder.

(ii) No party hereto shall utilize in its portion of the Premises any Bonus Rights or Upzoning Rights allocated to the other party hereto, unless and until a price for such rights shall have been agreed upon between the parties hereto and payment of such price shall have been made.

(D) Transferor hereby covenants not to construct, maintain, or install any window within the volume of space located below the Cantilever (hereinafter defined) and above grade, including, without limitation, the improvements located in such space, if said windows, or any portion thereof, are required to enable the rooms having said windows to constitute "habitable rooms", regardless of whether unused Excess Zoning Rights may accrue to Transferor pursuant to Section 2 herein or whether Upzoning Rights or Bonus Rights may accrue to Transferor pursuant to Section 3(c) herein.

(E) (i) Transferor and Transferee covenant and agree not to create or permit to exist a violation of the Zoning Resolution or any building code, fire code or other law ordinance or regulation in effect with respect to their respective portions of the Premises which would delay, hinder or prevent the issuance of a building permit or other work permit or an initial or amended Certificate of Occupancy for any building on the other party's portion of the Premises or any other permits or approvals required by law to alter, repair, maintain, build or rebuild any building on the other party's portion of the Premises , or which would create a new, or increase any existing, non-conforming use or non-compliance with the Zoning Resolution with respect to the Premises ("Violation").

(ii) If at any time hereafter there exists a Violation on the Premises, the Owner (the "Responsible Owner") of that portion of the Premises against which the Violation exists shall commence a cure within thirty (30) days after receiving notice of the same from the owner (the

[illegible]

"Harmed Owner") of the other portion of the Premises, and shall proceed diligently and continuously to cure, remove and discharge of record the same as rapidly as possible (or if the cure, removal and discharge cannot with due diligence be completed in such thirty (30) day period, the Responsible Owner shall commence the cure, removal and discharge within such thirty (30) day period and diligently prosecute to completion the cure, removal and discharge of any Violation). In the event that the Responsible Owner does not commence such cure and proceed diligently and continuously with such cure as required by the immediately preceding sentence, the Harmed Owner shall have the right to cure such Violation at the expense and for the account of the Responsible Owner (and if necessary, in the name of the Responsible Owner), and the Responsible Owner will execute and deliver such documents within ten business days after request therefor as may be required in connection therewith, it being agreed that the Harmed Owner shall have a license to have access to the portion of the Premises necessary for the purpose of effecting such cure; provided however the Harmed Owner covenants and agrees that such access and cure (a) shall only occur after notice to the Responsible Owner, (b) except in the event of an emergency as reasonably determined by the Harmed Owner, shall only occur at reasonable times, and (c) shall not unreasonably interfere with the Responsible Owner's use and occupancy of its building on the Premises; and provided, further, that during the period of such access and cure, the Harmed Owner shall procure and maintain liability insurance, naming the Responsible Owner (and any mortgagee of the portion of the Premises owned by the Responsible Owner of which the Harmed Owner has notice) as an additional insured, in the form and in the amount customarily carried in connection with the access and cure of such Violation. In addition, the Harmed Owner may, at its option, maintain any action permitted at law or in equity or by statute against the Responsible Owner with respect to such Violation, including an action for injunctive relief to compel the Responsible Owner to cure such Violation.

(iii) If the Harmed Owner is compelled or elects to expend any sum of money or do any acts which require the payment of money by reason of complying with, remedying or curing a Violation on the portion of the Premises owned by the Responsible Owner, the Responsible Owner shall, upon demand, promptly reimburse the Harmed Owner all such sums together with interest thereon at the prime rate of Citibank, compounded monthly, from the date of such expenditure. Such expenses shall be limited to reasonable and customary third-party expenses which are necessary to cure such Violations. The Responsible Owner reserves the right to contest such Violations and reserves the right to contest any expenditures made by the Harmed Owner to cure such Violations.

(4) **Utilization of Excess Zoning Rights; Cooperation.**

(a) Pursuant to the Declaration, Transferor and Transferee have consented to the creation of the Combined Zoning Lot. Transferor and Transferee agree that Transferee may incorporate into Transferee's New Building all of the Excess Zoning Rights and otherwise utilize the Excess Zoning Rights at any time hereafter to develop Transferee's Premises in accordance with this Agreement (subject to the return to Transferor of any unused Excess Zoning Rights pursuant to Section 2 of this Agreement). Except to the extent otherwise provided herein, Transferor, and each

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of Transferor's successors in interest, shall retain all rights in perpetuity in and to the existing floor area of Transferor's Building within the Transferor Envelope.

(b) Each of the parties hereto covenant and agree to promptly cooperate with each other so that each may fully utilize the Floor Area allocated to them under this Agreement in accordance with the terms of this Agreement, said cooperation to include, without limitation, the filing or delivery of such applications, statements, certifications, documents, or instruments necessary to obtain permits, approvals and certificates from the Department of Buildings of the City of New York (the "Department of Buildings") and such other governmental agencies (the Department of Buildings and such other governmental agencies being hereinafter sometimes referred to collectively as the "Agencies", and individuals as an "Agency"), as may be required to develop or redevelop the Premises on an as-of-right basis (i.e., without discretionary land use approvals). In furtherance thereof, the party hereto (the "Other Party") being requested to so cooperate shall, within ten (10) business days of request therefor, or such other length of time as the parties hereto agree to in writing, execute, acknowledge, deliver and furnish to the party herein (the "Requesting Party") requesting cooperation any documents in the Other Party's possession which are required for the processing and approval of such applications, statements, certifications, documents, or instruments relating to the development or redevelopment of the portion of the Premises owned by the Requesting Party and the transfer and the utilization of Floor Area Development Rights in accordance with this Agreement. The Requesting Party shall pay the Other Party's costs and expenses (including, without limitation, reasonable attorneys and professional fees) in connection with such cooperation.

(c) The parties hereto agree that they shall not at any time voluntarily appear, or authorize anyone to appear on its behalf, in opposition to one another in connection with any action or hearing brought, sought or defended by another party hereto before any of the Agencies, which arise out of, are in connection with or which relate to the ability of each of the parties hereto to use the Floor Area Rights hereunder or any proceeding that in the reasonable judgment of a party hereto affects or may affect said party's improvements on the portion of the Premises owned by said party.

(5) Representations

a. Transferor Representations. Transferor represents and warrants to, and covenants with, Transferee that (i) it is seized of Transferor's Premises in fee simple and has the right to enter into the Declaration and this Agreement and is the only party in interest with respect to Transferor's Premises that has not waived or subordinated its right to execute the Declaration and this Agreement, (ii) except for those parties who have executed the Declaration or waived their respective rights to do so, it has not previously sold, leased, transferred, conveyed, or encumbered (without causing the release of said encumbrance) Excess Zoning Rights in any manner whatsoever, (iii) it will execute or procure any further assurances reasonably required by Transferee of its right to enter into the Declaration or this Agreement, (iv) any consideration received by it will be received subject to the provisions of Section 13 of the Lien Law of the State of New York, and (v) Transferor is not a "foreign person" as defined in Section 1445(b)(3) of the Internal Revenue Code and the regulations issued thereunder.

b. Transferee Representations. Transferee represents and warrants to, and covenants with, Transferor that (i) it is seized of Transferee's Premises in fee simple and has the right to enter into the Declaration and this Agreement and is the only party in interest with respect to Transferee's Premises that has not waived or subordinated its right to execute the Declaration and this Agreement, and (ii) it will execute or procure any further assurances reasonably required by Transferor of its right to enter into the Declaration or this Agreement.

(6) Floor Area Notice. Notice is hereby given that this Agreement restricts Transferor's Premises and benefits Transferee's Premises by reducing the Floor Area Development Rights appurtenant to Transferor's Premises by the square feet of Floor Area which comprise the Excess Zoning Rights utilizable by Transferee pursuant to this Agreement.

(7) No Previous Transfers. Transferor represents and warrants that it has not previously sold, leased, transferred, assigned or encumbered the Excess Zoning Rights in any manner whatsoever.

(8) Additional Parcels.

a. Additional Parcels. The parties hereto agree that either party (the "Requesting Party") may request the consent of the other party (the "Other Party") hereto to enlarge the Combined Zoning Lot. The Combined Zoning Lot shall not be enlarged without prior written consent of the Other Party, which consent shall not be unreasonably withheld or delayed. If such consent is granted, the Other Party shall within ten (10) business days (or such other time as the parties agree to in writing) execute, acknowledge and deliver one or more amendments to the Declaration and this Agreement, and shall within ten (10) business days (or such other time as the parties agree to in writing) execute, acknowledge and deliver such other instruments as may reasonably be required for the purposes of enlarging the Combined Zoning Lot to include one or more additional parcels, subject to all the other terms and conditions of this Agreement, at no additional cost or obligation to such party. Provided that the parties hereto have signed any such amendment or replacement Declaration, all present and future "parties in interest" are deemed to have consented to and waived their respective rights to execute each amended or replacement Declaration, and to have subordinated their respective interests to such amended or replacement Declaration and any amendment hereto, whether or not such parties in interest sign such amended or replacement Declaration. If the parties hereto execute such amended or replacement Declaration, the rights and obligations of the parties hereto regarding the enlarged Combined Zoning Lot shall be as if such additional parcel or parcels are part of Transferor's Premises if Transferor is the Requesting Party, and part of Transferee's Premises if Transferee is the Requesting Party. The Requesting Party shall furnish to the Other Party documentation that the enlargement of the Combined Zoning Lot does not adversely affect the rights of the Other Party pursuant to this Agreement. The Requesting Party shall pay the Other Party's reasonable attorneys' (and other professionals') fees and expenses in reviewing the Requesting Party's request to enlarge the Combined Zoning Lot.

b. 52-56 Ninth Avenue. Notwithstanding the provisions of subsection (a) of this section, the parties hereto agree that Transferor shall have the right to enlarge the Combined Zoning

Lot to include 52 and/or 54 and/or 56 9th Avenue without the consent of Transferee and Transferor shall have the right to unilaterally execute and record an amended or replacement declaration for this purpose, provided the declaration is substantially in the form attached hereto as Exhibit A. All present and future parties in interest are deemed to have consented to and waived their respective rights to execute such amended or replacement Declaration, and to have subordinated their respective interests to such amended or replacement Declaration, whether or not such parties in interest sign such amended or replacement Declaration. If the Transferor executes such amended or replacement Declaration, the rights and obligations of the parties hereto regarding the enlarged Combined Zoning Lot shall be as if such additional parcel is part of Transferor's Premises. At Transferor's request, Transferee shall execute an amended or replacement declaration substantially in the form of Exhibit A, or a waiver of its right to execute such declaration substantially in the form of Exhibit B, in order to facilitate the enlargement of the Zoning Lot to include 52, 54 and 56 9th Avenue.

c. Subdivision. The parties hereto agree that either party (the "Requesting Party") may request the consent of the other party (the "Other Party") to the subdivision of the Combined Zoning Lot. The Combined Zoning Lot shall not be subdivided without the prior written consent of the Other Party, which consent shall not be unreasonably withheld or delayed. If such consent is granted, the Other Party shall within ten (10) business days (or such other time as the parties agree to in writing) execute, acknowledge and deliver one or more amendments to the Declaration and this Agreement, and shall within ten (10) business days (or such other time as the parties agree to in writing) execute, acknowledge and deliver such other instruments as may reasonably be required for the purposes of subdividing the Combined Zoning Lot , subject to all the other terms and conditions of this Agreement, at no additional cost or obligation to the Other Party. Provided that the parties hereto have signed any such amendment or replacement Declaration, all present and future "parties in interest" are deemed to have consented to and waived their rights to execute to each amended or replacement Declaration, and to have subordinated their respective interests to such amended or replacement Declaration and any amendment hereto whether or not such parties in interest sign an amended or replacement Declaration. The Requesting Party shall furnish to the Other Party documentation that the subdivision of the Combined Zoning Lot does not adversely affect the rights of the Other Party pursuant to this Agreement. The Requesting Party shall pay the Other Party's attorneys' (and other professionals') fees and expenses in reviewing the Requesting Party's request to subdivide the Combined Zoning Lot.

(9) **Separate Buildings**. Transferor and Transferee agree that construction plans and specifications for, and applications for, any building, alteration, demolition or other permits, and for Certificates of Occupancy of, any building on Transferee's Premises shall be separate and independent from those for any building on Transferor's Premises, and vice versa, and shall be so filed with the Department of Buildings of the City of New York so as to obtain separate "new building" and/or "alteration" numbers, as appropriate.

(10) **Remedies.**

[redacted]

[illegible]

(a) Transferor and Transferee agree that in the event of any breach or threatened breach of this Agreement by the other party, each of the parties shall have the right to any remedy available at law or in equity, including, but not limited to, injunctive relief.

(b) No breach of this Agreement or of any agreement ancillary hereto by any party shall have any effect on the treatment of the Combined Zoning Lot as one zoning lot for purposes of the Zoning Resolution, and the Combined Zoning Lot shall be treated as one zoning lot unless and until such zoning lot is hereafter subdivided in accordance with the provisions of the Zoning Resolution.

(11) Easements

(a) Easements for Construction by Transferee. For construction of Transferee's New Building, and any further construction, alteration, expansion, restoration, repair, rebuilding or reconstruction of Transferee's New Building, or any demolition or improvement of existing buildings and improvements on Transferee's Premises (collectively, "Construction by Transferee"), Transferor hereby creates, grants and conveys, good and sufficient easements to enter upon and encroach, in, on and over, Transferor's Premises, for the benefit of Transferee's Premises, for the purpose of engaging in the Construction by Transferee, including, without limitation, (i) attachment of protective covering over the roof of Transferor's Premises, and (ii) construction and maintenance of non-permanent scaffolding over and encroaching upon Transferor's Premises and on or adjacent to Transferor's Building, and (iii) operation of a crane or like equipment from Transferee's Premises over Transferor's Premises, for the non exclusive use and enjoyment of Transferee and its agents, employees, licenses, invitees and/or contractors. Transferor agrees that Transferee may apply for permission to close the sidewalk adjoining Transferor's Premises, provided that reasonable means of ingress and egress to and from Transferor's Premises is maintained during such closing.

(b) Easements for Construction by Transferor. For construction, alteration, expansion, restoration, repair, rebuilding or reconstruction of Transferor's Building, or any demolition or improvement of existing buildings and improvements on Zoning to Transferor's Premises (collectively, "Construction by Transferor"), Transferee hereby creates, grants and conveys, good and sufficient easements to enter upon and encroach, in, on and over, Transferee's Premises, for the benefit of Transferee's Premises, for the purpose of engaging in the Construction by Transferee, including, without limitation, (i) attachment of protective covering over the roof of Transferee's Premises, (ii) construction and maintenance of non-permanent scaffolding over and encroaching upon Transferee's Premises on or adjacent to Transferee's Building, and (iii) operation of a crane or like equipment from Transferor's Premises over Transferee's Premises, for the non exclusive use and enjoyment of Transferor and its agents, employees, licenses, invitees and/or contractors. Transferee agrees that Transferor may apply for permission to close the sidewalk adjoining Transferee's Premises, provided that reasonable means of ingress and egress to and from Transferee's Premises is maintained during such closing.

(c) Cantilever. Transferee intends to construct Transferee's New Building in such a manner that a cantilever (the "Cantilever") not projecting more than eight (8) feet onto

Transferor's Premises and located not less than sixty-five (65) feet and four (4) inches above the Borough of Manhattan Topographical Bureau Datum which is 2.75 feet above mean sea level at Sandy Hook, N J as established by the U.S. Coast and Geodetic Survey in 1929, shall encroach over Transferor's Premises. Transferor hereby irrevocably consents to such encroachment. Transferor further agrees that, during construction of the Cantilever, and, thereafter, as reasonably necessary to maintain, repair, and/or replace the Cantilever, Transferee and its agents, employees and contractors, upon reasonable advance notice (except in the event of an emergency in which event notice shall be given as soon as practicable) shall have the right to enter upon Transferor's Premises from time to time as reasonably necessary in connection with such construction, maintenance, repair and/or replacement.

(d)(i) Lot Line Windows. Transferor hereby creates, grants and conveys such perpetual easements over Transferor's Premises as are sufficient to render legal the use of the windows in the south wall of Transferee's New Building above Transferor's Maximum Height to provide light and air which is legally required to be provided to create "habitable rooms" of the rooms having such windows , and (ii) with 10 business days after request therefor, Transferor shall execute or deliver such documents, consents and subordinations reasonably required by Transferee in furtherance thereof, provided Transferee shall pay the Transferor's reasonable attorney (and other professional fees) and expenses in reviewing such documents, consents and subordinations.

(12) Use of Easements. All of the easements set forth in Section 11 shall be exercised in a safe and efficient manner and so as not to unreasonably interfere with the use, occupancy or structural integrity of the servient estate or the buildings or other improvements thereon (provided that the presence of dirt, debris and construction materials and the occurrence of ordinary noise present on a construction site shall not be deemed unreasonable interference with the use, occupancy or structural integrity of the servient estate or the buildings and other improvements thereon); and Transferee and Transferor shall take such precautions as may be necessary or appropriate to prevent damage to the servient estate or injury to persons.

(13) Building Line. Transferee may build Transferee's New Building to the nearest building line of Transferor's Building as that line exists on the date hereof and maintain Transferee's New Building at said line.

(14) Indemnity and Insurance.

(a) Transferee shall indemnify and hold harmless the Transferor from and against all loss, cost, expense and damage arising out of a breach by Transferee of any covenants contained in Section 12. Transferee shall obtain or cause to be obtained and maintained appropriate insurance with respect to Construction by Transferee from time to time, which insurance in each case shall name the Transferor, all mortgagees holding a mortgage on Transferor's Premises and all commercial tenants leasing space on Transferor's Premises, as additional insureds and shall be non-cancelable without prior written notice to said insureds. If the Transferee fails to obtain and maintain such insurance, Transferor may do so at the expense of Transferor.

(b) Transferor shall indemnify and hold harmless the Transferee from and against all loss, cost, expense and damage arising out of a breach by Transferor of any covenants contained in Section 12. Transferor shall obtain or cause to be obtained and maintained appropriate insurance with respect to Construction by Transferor from time to time, which insurance in each case shall name the Transferee, all mortgagees holding a mortgage on Transferor's Premises, and all commercial tenants leasing space on Transferee's Premises, as additional insureds and shall be non-cancelable without prior written notice to said insureds. If the Transferor fails to obtain and maintain such insurance, Transferee may do so at the expense of Transferee.

(15) Separate Tax Lots. The separate interests of the parties hereto require that tax assessments and tax liens concerning each of Transferor's Premises and Transferee's Premises shall continue to be separate and independent of each other. Each party agrees hereafter to execute such documents as may be reasonably required in support of the separateness of each of Transferor's Premises and Transferee's Premises as tax lots. Each of Transferor and Transferee also agree, each for itself, that it will not hereafter do anything to oppose the separateness of said tax lots.

(16) Merger of Agreements. Except as set forth in the Declaration the parties hereto have not made, and no party hereto shall be deemed to have made, any representations, warranties or promises, express or implied, concerning the subject matter of this Agreement.

(17) Written Amendment Requirement. This Agreement cannot be changed or terminated orally, but only by written agreement signed by the party against whom such change or termination is asserted.

(18) **Waiver of Joinder Requirement**. If an interest attaches to Transferor's Premises or Transferee's Premises subsequent to the date hereof which would otherwise confer upon the holder of such interest the status of a "party in interest" (as said term is defined in the Section 12-10 of the Zoning Resolution, definition of "zoning lot"), the holder of such interest shall not be considered a "party in interest" and any other agreements ("Other Agreement(s)") and any modification, amendment or termination of this Agreement and/or the Declaration, that is entered into for the purpose of enlarging or subdividing the Combined Zoning Lot or for the purpose of modifying or terminating the provisions of this Agreement and/or any Other Agreement(s) and/or the Declaration as they affect the Combined Zoning Lot or any enlarged or diminished Combined Zoning Lot may be executed without the joinder, waiver, consent or other action of the holder of such interest.

(19) **Binding Effect of Agreement**. All of the grants, interests, covenants, agreements and conditions contained in this Agreement:

a. shall run with the lands and buildings affected;

b. shall inure to the benefit of and be binding upon each party to this Agreement and such party's successors and assigns so long as they respectively have any interest in any of Transferor's Premises or Transferee's Premises, as the case may be;

c. shall, except for liabilities accruing during each respective period of interest, terminate as to such party upon the termination or expiration date of such party's interest in Transferor's Premises or Transferee's Premises, as the case may be;

d. shall, to the extent rights hereunder are assigned to the holder of any mortgage encumbering Transferee's Premises, or Transferor's Premises, or any interest in any of such Premises, be enforceable by any such assignee after default under such mortgage; and

e. shall inure to the benefit of and be binding upon any additional party to this Agreement as the result of execution of any Other Agreement(s) or any amendment to the Declaration and/or this Agreement and/or any Other Agreement(s) entered into for the purpose of enlarging or diminishing the Combined Zoning Lot as provided herein.

(20) **Lien Law Covenant**. Transferor hereby agrees that any consideration received by it with respect to the transactions embodied by this Agreement shall be received subject to the provisions of Section 13 of the Lien Law.

(21) **Estoppel Certificates**. Each of Transferor and Transferee, respectively, agrees to execute, acknowledge and deliver to the other party requesting same, within five (5) Business Days following written request by the other, from time to time, a statement certifying (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the Agreement is in full force and effect as modified, and identifying the modifications), (b) whether or not any party is in default under any provisions of this Agreement, and if such a default exists, the nature of the default, and (c) that the statement may be relied upon by the other party hereto and its lenders.

(22) **Notices**. Any notice, consent or other communication required or desired to be given under the provisions of this Agreement shall be in writing, shall be given by facsimile, by receipted hand delivery, by registered mail, return receipt requested, or by Federal Express, Express Mail or similar overnight courier service, shall be deemed given as of the date of receipt or refusal, and shall be directed as follows:

To Transferee: to the address set forth above, with a copy to:

Eric Goldberg, Esq.
Cozhan Grundman Frome Rosenzweig & Wolosky LLP
505 Park Avenue
New York, New York 10022
Phone: (212) 753-7200
Fax: (212) 755-1467

To Transferor: to the address set forth above, with a copy to:

Kenneth R. Jacobs, Esq.
Smith, Buss & Jacobs LLP
733 Yonkers Avenue
Yonkers, New York 10704
Phone: (914) 476-0600
Fax: (914) 476-0614

Either party may change the address to which notices or copies thereof shall be given by notice to the other party. Notices may be given and accepted by the parties' respective attorneys. Notwithstanding anything herein to the contrary, notices delivered after 6:00 p.m. shall be deemed received on the next Business Day. Notice to any condominium unit owners may be given to the Board of Managers of the condominium association and such notice shall be deemed to be have been given to such owners.

(23) Severability of Invalid Provisions. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein.

(24) Recording. This Agreement shall be recorded in the appropriate public records for New York County in accordance with the provisions of Section 12-10 of the Zoning Resolution (definition of "zoning lot").

(25) Waiver and Consent. No failure or delay of either party in the exercise of any right given to such party hereunder or the waiver by any party of any condition hereunder for its benefit (unless the time specified herein for exercise of such right, or satisfaction of such condition, has expired) shall constitute a waiver of any other or further right nor shall any single or partial exercise of any right preclude other or further exercise thereof or any other right. The waiver of any breach hereunder shall not be deemed to be a waiver of any other or any subsequent breach hereof.

(26) Singular and Plural Terms. Any defined term used in the plural in this Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any number of the members of the relevant class.

(27) Recitals, Exhibits and Schedules Incorporated. All recitals, exhibits and schedules to this Agreement, as now existing and as the same may from time to time be supplemented, modified or amended, are incorporated herein by this reference and constitute part of this Agreement for all purposes.

(28) References. Any reference to any other document shall include such other document both as originally executed and as it may from time to time be supplemented, modified or amended. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be

construed as references to the same section in which the reference appears unless a different section is named.

(29) **Other Terms**. The term "document" is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material of every kind. The terms "including" and "include" mean "including (include) without limitation". The term "or" is not exclusive. The requirement that any party "deliver" any item to another party shall be construed to require that the first party "deliver or cause to be delivered" such item to the second party. The term "any," as a modifier to any noun, shall be construed to mean "any or all" preceding the same noun in the plural. The terms "law" and "laws", unless otherwise modified, mean, collectively, all federal, state and local laws, rules, ordinances, regulations, codes and administrative and judicial precedents. The terms "herein", "hereunder" and other similar compounds of the word "here" refer to the entire document in which the term appears and not to any particular provision or section of the document. The use of the pronoun "its" shall be deemed to also refer to "his", "hers", "its", or "theirs". Words of any gender in this Agreement shall be held to include any other gender. Also, with respect to any easement created, or other rights granted with respect to property, by this Agreement, the words "in," "upon," "to," "on," "over," "through" and/or "under" shall be interpreted to include all of such terms to the extent that the context shall so require such interpretation, and the term "use" shall be interpreted to include "use, construction, operation, maintenance, repair, cleaning, installation, alteration, restoration, rebuilding, reconstruction and replacement" to the extent that the context shall so require such interpretation.

(30) **Headings**. Section, section headings, captions, page numbers, document identification numbers, underlining and bold print are included in this Agreement for convenience of reference only and are not part of this Agreement for any other purpose and do not define or limit any terms or provisions herein.

(31) **No Third Parties Benefited**. This Agreement is made and entered into for the sole protection and benefit of the parties hereto and their permitted successors and permitted assigns. No other persons or entities shall have any right of action under this Agreement.

(32) **Applicable Law**. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of New York, without regard to principles of conflicts of laws and rules of another state.

(33) **Severability**. The invalidity or unenforceability of any one or more provisions of this Agreement shall in no way affect any other provisions.

(34) **Counterparts**. This Agreement and any attached consent or exhibit requiring signatures may be executed in counterparts, but all counterparts shall constitute but one and the same document.

(35) **Calculation of Time Periods**. Unless otherwise specified herein, in computing any period of time described herein, the day of the act or event after which the designated

period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, a Sunday, a legal holiday, or not a business bay, in which event the period will run until the end of the next day which is neither a Saturday, a Sunday, a legal holiday or not a business day. Unless otherwise expressly stated herein, the last day of any period of time described herein will be deemed to end at 6:00 p.m. Eastern Standard Time.

(36) **Further Assurances**. Each party, at its own expense, agrees to execute such confirmatory and supplementary documents and take such further action consistent with the transaction contemplated by this Agreement as may reasonably be required to effectuate the purposes of this Agreement.

(37) **Legal Fees**. Notwithstanding anything to the contrary, should either party employ attorneys to enforce any of the provisions hereof, the party against whom any final judgment is entered agrees to pay the prevailing party all reasonable attorneys fees and expenses incurred by said prevailing party, provided however, said non prevailing party shall have no obligation to make payment under this section until the aggregate of all payments due to said prevailing party under this section shall exceed $20,000, at which point said non prevailing party shall pay said prevailing party all of the foregoing described legal expenses incurred which exceed $20,000.

(38) **Limitation of Liability**. No liability under this Agreement shall be enforced by any action or proceeding wherein damages or any money judgment or any deficiency judgment establishing any personal obligation or liability shall be sought, collected or otherwise obtained against any Party to this Agreement, or any past, present or future partner, member, officer, director or shareholder of such Party, but shall rather be limited to and enforceable solely against, and each other Party hereto agrees to look solely to, such other Party's interest in the portion of the Premises owned by such parties and no other assets of such Party.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized representative to execute and deliver this Zoning Lot Development Agreement.

NINTH AVENUE LLC

By: _____
Name: W. Edward Tower, Jr.
Title: Authorized Member.

66 NINTH LLC:
By: Brown Hill II, LLC, its managing member
By: Brown Hill II LLC, its manager

By: _____
Name: Jeffrey M. Brown
Title: authorized member

State of UTAH)
County of SUMMIT) ss.:
)

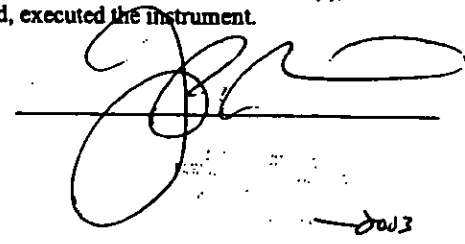
On the 11TH day of FEB in the year 2002 before me, the undersigned, personally appeared JIM TOZER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), 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, and that such individual made such appearance before the undersigned in the PARK CITY (Insert the city or other political subdivision and the state or country or other place the acknowledgment was taken), Utah.

Signature of notary Notary
Stamp/Seal:

NOTARY PUBLIC
MICHAEL SLOAN
P.O. Box 2948
Park City, Utah 84060
My Commission Expires
February 12, 2003
STATE OF UTAH

State of New York)
County of New York) ss.:

On the 12 day of February in the year 2002 before me, the undersigned, personally appeared Jeffrey M. Brown personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.



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(#9)

CITY REGISTER RECORDING AND ENDORSEMENT PAGE

COUNTY OF ▶ New York

THIS PAGE FORMS PART OF THE INSTRUMENT

TOTAL NUMBER OF PAGES IN DOCUMENT INCLUDING THIS PAGE ▶ 4

Block ▼ 738

Lots - ONLY IF ENTIRE LOT ▼ (a) 76, (b) 78 & (c) 79

Partial Lots ▼ P/O

Premises (a) 62-66 Ninth Ave; (c) 58 Ninth Ave; (b) 60 Ninth Ave

Title/Agent Company Name ▼ TSNY Agency of NYC Inc

Title Company Number ▼ TS-4000740

RECORD & RETURN TO:

NAME ▼ Eric Goldberg, Esq.

Olshan Grundman Frome & Rosenzweig LLP

ADDRESS ▼ 505 Park Ave

CITY ▼ New York STATE ▼ N.Y. ZIP ▼ 10022

NAME & ADDRESS

PARTY 1 ▶ Builders Bank 77 West Wacker Drive

ADDITIONAL PARTY 1 ▶ Chicago, Illinois 60601

PARTY 2 ▶

ADDITIONAL PARTY 2 ▶

FOLD

CHECK THIS BOX IF THERE ARE MORE THAN 2 OF EITHER PARTY ☐

CITY REGISTER'S USE ONLY - DO NOT WRITE BELOW THIS LINE

Examined by (a): JT

Mtge Tax Serial No.

Mtge Amount $

Taxable Amount $

Exemption (✓) YES ☐ NO ☐

Type: (339EE) (255) (OTHER)

Dwelling Type: (1 to 2) (3) (4 to 6) (over 6)

TAX RECEIVED ON ABOVE MORTGAGE ▼

County (basic)	$
City (Addt'l)	$
Spec Addt'l	$
TASF	$
MTA	$
NYCTA	$
TOTAL TAX	$

Apportionment Mortgage (✓) YES ☐ NO ☐

City Register Serial Number ▶ 2165317

Indexed By (a): JL

Block(s) and Lot(s) (a) (b) (c)

Address Map ☐

Extra Block(s) Lot(s) 2

Recording Fee	$ 43
Affidavit Fee (C)	$
RPTT Fee (R)	$

HPD-A ☐ HPD-C ☐

New York State Real Estate Transfer Tax ▼

$

Serial Number ▶

New York City Real Property Transfer Tax Serial Number ▶

OTHER CONVEY 0110 43.00

LO/TL CSHR RECPT DATE TIME
1-1 S 165355 4ar 9-02 10:06

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RECORDED IN THE OFFICE OF THE CITY REGISTER OF THE CITY OF NEW YORK

2002 APR -1 A

CRGFMSPN.BPG 04/00

25 X

[redacted]2204

WAIVER

Suite 3100 Chicago, Illinois 60601

Waiver of Declaration of Zoning Restrictions and
Subordination to Zoning Lot Development Agreement

I. Builders' Bank, ("Bank"), an Illinois banking corporation having its ~~principal~~ offices at 77 West Wacker Drive, being a "party in interest" as defined in Section 12-10 of the Zoning Resolution of the City of New York effective December 15, 1961, as amended with respect to the land known as Tax Lot(s) 76, in Block 738 ("Block") of the Tax Map (the "Tax Map") of the City of New York, County of New York, hereby waives its right to execute: (A) the declaration (the "Declaration") that the above described land, which is known by the street address 62-66 Ninth Avenue, and the following lands, all being sometimes collectively referred to as the "Properties" and located on the Tax Map in Block 738 and in the lots indicated herein, are to be treated as one zoning lot for the purpose of and in accordance with the provisions of the aforementioned Zoning Resolution and shall have the effect therein set forth:

58 Ninth Avenue (Lot 78)

60 Ninth Avenue (Lot 79)

(B) any amendments to the Declaration; (C) the ZLDA (as hereinafter defined) and amendments thereto; (D) any declaration(s) (the "Additional Declarations") merging the Properties with one or more additional lots in Block 738 of the Tax Map; (E) any Zoning Lot Development Agreements (the "Additional ZLDA(s)") relating to the Additional Declaration(s); (F) any amendments to the Additional Declarations or Additional ZLDAs; and (G) any applications or filings relating to the Properties:

II. Bank hereby: (A) consents to the making of (i) the Zoning Lot and Development Agreement (the "ZLDA") dated as of the date hereof between Ninth Avenue LLC and 60 Ninth LLC and to be recorded ~~subsequent~~ to the recording of this Waiver and Subordination, and (ii) the Additional ZLDA(s), (B) subordinates and subjects all of its right, title and interest as ~~mortgagee~~ or otherwise, with respect to the properties affected by the Declaration, the ZLDA, the Additional Declaration(s), and the Additional ZLDA(s); and (C) shall hereinafter execute any necessary consents in connection with the amendments, applications and filings described in I above.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

337466.1

25 x 10

[redacted]

[redacted]2205

WAIVER

IN WITNESS WHEREOF, the undersigned has executed this waiver this 12 day of February 1992.

Bankers Bank

By: Charlene J. Madura
Name (printed): Charlene J. Madura
Title: E.V.P.

25x10

[redacted]

0020220b

WAIVER

County of Cook)
State of Illinois) ss.:
)

On the 14th day of January in the year 2000 before me, the undersigned, personally appeared Charles S. Medes personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their/ capacity(ies), 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, and that such individual made such appearance before the undersigned in Chicago, Illinois.

Name: Robert Glantz
Office: 1144 W. Fulton, Chicago IL 60607

OFFICIAL SEAL
ROBERT GLANTZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 3-9-2002

CERTIFICATION OF SPONSOR
PURSUANT TO SEC. 20.4(b)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271

Att: Real Estate Financing Bureau

Re: The Porter House Condominium
366 West 15th Street
a/k/a 66 Ninth Avenue
New York, New York

The undersigned certify as follows:

We are the Sponsor and the principals of Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary 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 statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

66 Ninth LLC

By: Brown Hill II, LLC, its Managing Member
By: Brown Hill I, LLC, its Manager

By: _____
Jeffrey M. Brown, Managing Member

Sworn to before me this
21st day of January, 2003
_____
Notary Public

_____
Jeffrey M. Brown

Sworn to before me this
21st day of January, 2003
_____
Notary Public

_____
Gregory B. Hill

Sworn to before me this
21st day of January, 2003
_____
Notary Public

CHRISTINE KELLY
Notary Public, State of New York
No. 01KE6053427
Qualified in Queens County
Commission Expires January 8, 2006

Shop/Sharples Holding Pasquerelli, P.C., Member

By: _____
Gregg A. Pasquarelli

Sworn to before me this
21st day of January, 2003

_____
Notary Public

_____
Gregg A. Pasquarelli

Sworn to before me this
21st day of January, 2003

_____
Notary Public

CHRISTINE KELLY
Notary Public, State of New York
No. 01KE6053427
Qualified in Queens County
Commission Expires January 8, 20__

SYSTEMarchitects
site: 499 West 29th Street 6a.5B
New York NY 10001
voice: 212.239.6200
fax: 212.239.6005
net: douglas@systemarchitects.net
web: www.systemarchitects.net

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

New York State Department of Law
120 Broadway, 23rd floor
New York, New York 10271

Att.: Real Estate Financing Bureau

Re: The Porter House Condominium
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm, System Architects, to prepare a report describing the construction and/or renovation of the Property (the "Report"). On November 26, 2002, we visually inspected the existing portions of the property to be renovated, and we subsequently examined the building plans and specifications that were prepared by SHoP Architects, P.C. dated April 4th, 2002, and last revised on December 24th, 2002, and prepared the Report dated December 31st, 2002, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. We are registered architects in the State of New York.

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.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This Certification is made for the benefit of all persons to whom this offer is made. We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction and/or renovation, provided that construction and/or renovation is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of construction and/or renovation in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

SYSTEMarchitects

By: _____
Douglas Gauthier

Sworn to before me this

31 day of December, 2002

_____
Notary Public

Seal

PAUL LIEBERMAN
Notary Public, State of New York
Qualified in Suffolk County
No. 01L17547875 Certificate Filed in New York County
Commission Expires September 30, 2006

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

April 9, 2003

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

Re: The Porter House Condominium
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York

The Sponsor of the condominium offering plan for the captioned property retained our firm, Andrews Building Corporation to review Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation.

Our firm is in the real estate management business for a period in excess of fourteen (14) years. We currently manage and in the past have managed residential brownstone and conventional elevator and non-elevator apartment buildings which are operated in the cooperative or condominium form of ownership, many of which contain commercial property. Some of the properties that we manage or have managed are as follows:

420 West Broadway, New York, NY
51-53 Leonard Street, New York, NY
79-101 Laight Street, New York, NY
359 West 11th Street, New York, NY
41 Warren Street, New York, NY
206 West 17th Street, New York, NY
19 Beach Street, New York, NY
132 Perry Street, New York, NY

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 Schedules B and B-1.

We have reviewed Schedules B and B-1 and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Andrews Building Corporation

By: _____
Eugene Andrews, President

Sworn to before me this
2nd day of April, 2003.

_____
Notary Public

KEVIN K. CHANG
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01CH6026041
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES JUNE 7, 2003

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

**CERTIFICATION BY EXPERT
ON ADEQUACY OF COMMON CHARGES
PAYABLE BY COMMERCIAL UNIT OWNER
PURSUANT TO SECTION 20.4(e) OF
THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23A, AS AMENDED**

April 9, 2003

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Porter House Condominium
366 West 15th Street a/k/a 66 Ninth Avenue
New York, New York

The undersigned certifies as follows:

The Sponsor of the condominium Offering Plan for the captioned property retained our firm, Andrews Building Corporation, to review Schedule B, which includes projections of common charges payable by the owner of the commercial unit, hereinafter the "Commercial Unit."

Our firm is in the real estate management business for a period in excess of fourteen (14) years. We currently manage and in the past have managed residential brownstone and conventional elevator or non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership, many of which contain manage commercial property. Some of the properties that we manage or have managed are as follows:

420 West Broadway, New York, NY
51-53 Leonard Street, New York, NY
79-101 Laight Street, New York, NY
359 West 11th Street, New York, NY
41 Warren Street, New York, NY
206 West 17th Street, New York, NY
19 Beach Street, New York, NY
132 Perry Street, New York, NY

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Commercial Unit listed in Schedule A.

We have reviewed the Schedule as they impact upon the Commercial Unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential and commercial buildings, including residential buildings which contain commercial and professional space.

We certify that the projections in Schedule B 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 the 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 as set forth in the Offering Plan.

We certify that the estimates in Schedule B for the common charges payable by the owner of the Commercial Unit:

(i) set forth in detail the projected common charges for the Commercial Unit for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the Commercial Unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the Commercial Unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Andrews Building Corporation

By: _____
Eugene Andrews, President

Sworn to before me this
9 day of April, 2003

_____
Notary Public

KEVIN K. CHANG
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01CH6026041
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES JUNE 7, 2003