

CONDOMINIUM OFFERING PLAN

BROWNSTONE LANE CONDOMINIUM

309 West 118th Street
New York, New York

Total Residential Unit Offering:	48 Residential Units	\$27,840,000.00
TOTAL AMOUNT OF OFFERING:		\$27,840,000.00

The Condominium also includes twenty-four (24) parking spaces which are not being offered for sale pursuant to this Offering Plan.

NAME AND ADDRESS OF SPONSOR

Manhattan Townhouse Equities LLC
37 West 65th Street
New York, New York 10023

NAME AND ADDRESS OF SELLING AGENT

CORCORAN GROUP MARKETING

490 Broadway
New York, New York 10012

Date of filing of this Offering Plan: ^{August 10}~~July~~ __, 2004

THIS OFFERING PLAN MAY NOT BE USED MORE THAN TWELVE (12) MONTHS
AFTER THE DATE IT IS FILED WITH THE NEW YORK STATE DEPARTMENT
OF LAW UNLESS EXTENDED BY DULY FILED AMENDMENT.

SEE PAGE (i) OF THIS OFFERING PLAN FOR SPECIAL RISKS TO PURCHASERS.

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

BROWNSTONE LANE CONDOMINIUM

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SPECIAL RISKS

The provisions of this Offering Plan (the "**Plan**") are subject to a number of special risk factors which should be carefully considered by every prospective Purchaser. Prospective Purchasers are further urged to visit the site of the Brownstone Lane Condominium (the "**Condominium**") and to consult with their attorneys and financial advisors before executing a Purchase Agreement. Certain terms used in this Plan are defined elsewhere in the text hereof. The special risks include the following:

1. Sponsor Control.

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board, be able to control the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners. Sponsor will control the Board until the sooner to occur of (a) the fifth anniversary of the First Closing or (b) the closing of title to 75% of the Units in number and in aggregate Common Interests.

In addition, until the date upon which title to 75% of the Units in number and in aggregate Common Interests have closed (but in no event after the fifth anniversary of the First Closing), the Board of Managers may not, without Sponsor's or Sponsor's designee's prior written consent:

- (a) make capital additions or improvements (unless required by law);
- (b) increase or decrease the level of services (without regard to the cost of said services) over those provided in the prior year's operating budget;
- (c) establish additional reserve funds; or
- (d) borrow money, unless the cost of such borrowing, when added to all other budgeted expenses, shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent above the previous year's Common Charges. (See "Control by the Sponsor" and "Rights and Obligations of Sponsor" for further details.)

2. Default by Purchaser - Time of the Essence.

In the event of a Purchaser's default, Sponsor's sole right shall be to cancel the Purchase Agreement by sending the Purchaser thirty (30) days' prior written notice of its intention so to do. If Sponsor elects to cancel, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which the Purchaser must cure the specified default. Time is of the essence to cure such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment plus the costs incurred by Sponsor for any special work in the Unit ordered by the Purchaser, together with any interest earned thereon and any excess sums (together with any interest earned thereon) shall be returned to the Purchaser. (See the section of the Plan entitled "Procedure to Purchase" for further details.)

3. Purchaser's Closing Costs.

Purchasers will be required to pay the New York State and New York City real estate transfer taxes at closing. The New York State real estate transfer tax rate is currently four tenths (4/10) of one (1.0%) percent of the purchase price with respect to the Residential Units being offered for sale pursuant to this Plan. The New York City real property transfer tax rate is currently one (1.0%) percent of the purchase price with respect to the Residential Units being offered for sale pursuant to this Plan having a purchase price of less than Five Hundred Thousand (\$500,000.00) Dollars and one and 425/1000 (1.425%) percent of the purchase price with respect to the Residential Units being offered for sale pursuant to this Plan having a purchase price of Five Hundred Thousand (\$500,000.00) Dollars or more. While these transfer taxes are customarily paid for by the Seller in single family home transactions, the burden of paying those taxes may be modified by contract. The Purchase Agreement provides that the Purchaser of a Unit will be required to pay these transfer taxes at the closing. The New York State Department of Taxation and Finance and The New York City Department of Finance have determined that the payment of these taxes by a purchaser constitutes additional consideration subject to tax. As a result, the transfer taxes to be paid by Purchasers are based on the Purchase Price plus the amount of transfer taxes applicable to that Purchase Price. In addition to the New York State and New York City real estate transfer taxes and in accordance with applicable statutes, the Purchase Agreement provides that the Purchaser, if applicable, will pay the Additional New York State Real Estate Transfer Tax ("Mansion Tax") which is applicable to all Residential Units with a Purchase Price in excess of One Million (\$1,000,000.00) Dollars and is equal to one (1.0%) of the entire Purchase Price. (See the section of the Plan entitled "Closing Costs and Adjustments" for further details.)

In addition, each Purchaser of a Unit will be required to pay Sponsor's counsel, Todtman, Nachamie, Spizz & Johns, P.C., at or prior to the closing of his Unit, a fee of \$850 for services in connection with preparing various closing documents and for coordinating and attending the closing. If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of \$250 will be charged for attending the closing. If the closing takes longer than two (2) hours through no fault of the Sponsor, an additional fee of \$200 will be charged for each hour or part thereof that the closing is not concluded. If the closing is adjourned at Purchaser's request, an additional fee of \$250 will be charged for each adjournment. If Purchaser elects to use a title company other than Chicago Title Insurance Company, an additional fee of \$500 will be payable to Sponsor's counsel for the additional time involved in clearing title. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, the Purchaser shall pay Sponsor an assignment fee of \$1,000 and an additional \$500 to Sponsor's counsel for preparation and processing of the assignment. (See the section of the Plan entitled "Closing Costs and Adjustments" for further details.)

4. Working Capital Fund; Replacement Reserve Fund.

The Sponsor has elected to establish a replacement reserve fund ("Replacement Reserve Fund") for expenditures which may be incurred by the Condominium in the future as and for the repair, maintenance and replacement of various capital equipment and systems located in or at the Condominium (including, without limitation, elevators, boilers, trash compactor, hot water heaters and intercom system). At the closing of title, Purchasers will be required to make a contribution to the Replacement Reserve Fund in such amount as shall be equivalent to one (1) month of the Common Charges in effect for such Unit.

In addition to the contribution to the Replacement Reserve Fund set forth in the preceding paragraph, at the closing of title, Purchasers will be required to make a contribution to the Working Capital Fund of the Condominium. Such amount shall be equivalent to one (1) month of the Common Charges in effect for such Unit. (See the section of the Plan entitled "Working Capital Fund and Replacement Reserve Fund" for further details.)

5. Closing Adjustments in Case of Adjournment.

In the event that the closing date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative): (i) all adjustments shall be made as of the original closing date and (ii) Purchaser shall pay interest on the unpaid balance of the total Purchase Price to Sponsor from the originally scheduled closing date until the actual date of closing at the rate of 15% per annum. (For further details, see "Closing Costs and Adjustments" in Part I of the Plan.)

6. No Financing Contingency.

Although a Purchaser may obtain financing from a lending institution or any other source, his obligation to purchase a Unit pursuant to his Purchase Agreement shall not be contingent on obtaining financing for such purchase. The Sponsor makes no representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and it could expire before the closing date. (See the section of the Plan entitled "Procedure to Purchase" for further details.)

7. Power of Attorney to the Board.

Each prospective Purchaser must sign a Power of Attorney to the Board of Managers of the Condominium either before or at closing of title. If the Purchaser does not sign a Power of Attorney to the Board of Managers before or at closing, it will be a material breach of the Purchase Agreement and the closing will not take place. The Power of Attorney shall give the Board of Managers, on behalf of the Unit Owners, the power to to acquire or lease any Unit, together with its Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; to acquire any Unit, together with its Common Interest, that becomes the subject of a foreclosure or other similar sale, on such terms and at such price or at such rental, as the case may be, as said attorneys-in fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit 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 said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and to execute, acknowledge and deliver (a) any Declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate. (See the section of the Plan entitled "Closing of Title to Units" for further details.)

8. Sponsor's Obligations.

Sponsor will in no event be liable for minor imperfections to the Unit (as defined in the section of the Plan entitled "Rights and Obligations of the Sponsor"). The Sponsor shall not be liable for, or obligated to defend, any suit with respect to the building or any Unit arising out of any occurrence taking place after the First Closing, except claims stemming from the gross negligence of Sponsor or its agents, employees, or contractors. All obligations of the Sponsor shall be enforceable only by the Board of Managers and not by the individual Unit Owners, unless an alleged construction defect relates to one Unit only and is not a common defect affecting two or more Units. During the period that the Sponsor controls the Board, however, any decision to enforce such obligations shall be made by majority vote of the non-Sponsor controlled members of the Board of Managers. (For further details see "Rights and Obligations of the Sponsor" in Part I of the Plan.)

9. Liability of the Board of Managers.

The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties, except acts of willful misconduct or acts made in bad faith. However, the several liability of a Unit Owner shall be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the members of the Board of Managers. (See "Rights and Obligations of the Board of Managers" in Part I of the Plan.)

10. Effectiveness of Plan.

Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Units in the building. The Sponsor has obtained construction financing in connection with the construction of the condominium from The Community Preservation Corporation ("CPC"). The terms of the construction loan documents provide, among other things, that CPC will determine the minimum number of Units which must be under contract in order to declare the Plan effective. Notwithstanding the foregoing, pursuant to applicable law, the Plan cannot be declared effective with less than fifteen (15%) percent of the Units under contract and must be declared effective when eighty (80%) percent of the Units are under contract. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the building with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 35 % or 50%) of the units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. (For further details, see the section of the Plan entitled "Effective Date".)

11. Upgrades or Extras.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from said escrow account by the escrow agent as long as they are used for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. (See "Procedure to Purchase" in Part I of the Plan.)

12. Use of Units.

The Residential Units may be used only for residential purposes. Unsold Residential Units may be used for any purpose. (See the section of the Plan entitled " Rights and Obligations of Unit Owners" for further details.)

13. Temporary Certificate of Occupancy.

Prospective Purchasers are advised that if by the date of the First Closing only a temporary certificate of occupancy for the building shall have been issued, a permanent certificate of occupancy is required for permanent residential use of the building and that a temporary certificate of occupancy may be used only for a total of two (2) years from the date of issuance. If the temporary certificate of occupancy shall have expired prior to the date of the issuance of a permanent certificate of occupancy, residential occupancy of the Units will be in violation of the Multiple Dwelling Law, subjecting the occupants to penalties under the Multiple Dwelling Law including possible eviction of residential occupants. The Sponsor is obligated to obtain the permanent certificate of occupancy. (See the section of the Plan entitled "Rights and Obligations of the Sponsor".)

14. Real Estate Tax Benefits.

Application has been made by the Sponsor for partial exemption and/or abatement from real estate taxes on Residential Units. There can be no assurances of the amount of the abatement and/or exemption, when such abatement and/or exemption will become effective, or that such application will be granted, although Sponsor knows of no reason why such application would not be granted. If such application is not granted, there will be no partial exemption or abatement from real estate taxes on the Residential Units and Purchasers will have no right to rescind their Purchase Agreements as a result. Additionally, to the extent that the Residential Units qualify for 421-a tax exemption benefits, Residential Units will not qualify for a cooperative/condominium tax abatement or a STAR exemption. In the event that 421-a tax exemption benefits with respect to the Residential Units are denied, then in such event, the cooperative/condominium tax abatement and STAR exemption would be available. (See "Notes" to Schedule "A" and "Opinion of Counsel" for additional information regarding the real estate tax exemption.)

15. Parking Spaces.

There will be twenty-four (24) underground parking spaces located at the Property (hereinafter defined), each of which shall constitute a separate and distinct condominium unit [**"Parking Unit(s)"**]. The Sponsor intends to retain ownership of the Parking Units at this time and, accordingly, the Parking Units are not being offered for sale pursuant to this Plan. The terms and conditions of the Plan do not restrict the use and/or ownership of the Parking Units to residents of the Condominium. Furthermore, in the

event that the Sponsor determines at any time in the future to sell or lease any or all of the Parking Units, Unit Owners will not necessarily have any right or entitlement in and to the use and/or ownership of any Parking Unit at the Property. Notwithstanding the foregoing, the Parking Units have been allocated a proportionate share of the Common Interest in the Condominium and, until such time as the Parking Unit(s) are conveyed by the Sponsor to any third party, the Sponsor shall be responsible for the Common Charges (hereinafter defined) allocated to the Parking Unit(s). (See sections of the Plan entitled "Introduction" and "Description of Property and Improvements".)

16. No Bond or Security for Sponsor's Obligations.

No bond or other security has been furnished to secure the performance of the Sponsor's obligations set forth herein. The ability of Sponsor to perform its obligations will depend upon its financial condition, when and if it is called upon to perform. No warranty is made that Sponsor will be financially able to perform any or all of such obligations. (See the section of the Plan entitled "Rights and Obligations of the Sponsor".)

17. Below Grade Recreation Rooms

The City of New York prohibits the use of below grade recreation rooms as bedrooms. Accordingly, all Unit Owners [and specifically the Purchasers of Units located on the first (1st) floor and cellar of the Condominium] are advised that the use of any below grade recreation room as a bedroom may result in a violation being issued by the City of New York. (See the section of the Plan entitled "Rights and Obligations of Unit Owners" for further details)

INTRODUCTION

The purpose of this Offering Plan is to set forth all of the material terms of the offer to sell Condominium Units in the premises known as the Brownstone Lane Condominium located at 309 West 118th Street, New York, New York ("**Property**"). This Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. Any and all such amendments shall be served upon Purchasers and Unit Owners. The Condominium is subject to and complies with the New York Condominium Act (Article 9-B of the Real Property Law).

The Sponsor is Manhattan Townhouse Equities LLC, who acquired the Property on June 24, 2002.

Forty-eight (48) Residential Units are being offered for sale. There will also be twenty-four (24) Parking Units at the Property. The Sponsor intends to retain ownership of the Parking Units at this time and, accordingly, the Parking Units are not being offered for sale pursuant to this Plan. See Schedule "A".

The prices for the Units in the building are set forth at Schedule "A" which may be found at page 4. THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Plan, including all Schedules and Parts A, B and C of the Exhibits, constitutes the entire offer of the Sponsor. Parts A, B and C of the Exhibits delivered to the Department of Law contain all of the documents referred to in this Plan. Copies of this Plan and Parts A, B and C of the Exhibits will be available for inspection without charge to prospective Purchasers and their attorneys at the site whenever the site sales office is open and at the office of the Selling Agent. Copies of such documents may be made at Purchaser's expense.

As in the ownership of real estate, the purchaser of a Unit (the "**Unit Owner**") owns his Unit in fee simple absolute and is entitled to exclusive possession of that Unit, together with an interest in and right to use the Common Elements. (For a description of the term "Unit", see the definitions annexed to the Declaration of Condominium contained in Part II of this Plan.) All Unit Owners will own in common all exterior walls and roofs of the building and all land and improvements located outside the Units.

A Board of Managers, who are elected by the Unit Owners, will conduct the business of the Condominium. 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. The Units may be purchased for all cash or may be purchased partly for cash and partly by mortgage. A prospective Purchaser who wishes to obtain mortgage financing must make his own arrangements for same. In no event will the Purchase Agreement be contingent upon the Purchaser obtaining financing.

Each Unit will be assessed and taxed separately for real estate tax purposes and, therefore, no Unit Owner will be liable for the payment of real estate taxes on any other Unit after the Units have been separately assessed. Each Unit Owner can sell his Unit without restriction to whomever he desires, subject to the Condominium's right of first refusal. A Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium. Fire and liability insurance and water charges are included with other items as part of the Common Charges, but fire, personal injury liability and liability insurance for the Purchaser's personal effects and the interior of a Unit should be carried by the individual Purchaser. Each Unit will be individually metered for electricity and gas. Each Unit Owner will be responsible for the cost of repairs and

decoration to the interior of his Unit. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Unit, in accordance with the New York Condominium Act, Real Property Law Sections 339-i and 339-m. Each Purchaser is obligated for the cost of his own interior decoration and repairs after the closing of title to his Unit.

There is no limitation on who may purchase Units.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The building will be comprised of two (2) towers, each consisting of five (5) floors and a cellar. The towers will be connected by the cellar which will contain, among other things, a laundry room for the exclusive use of Unit Owners and a gymnasium/workout room for the exclusive use of Unit Owners. The first (1st) floor of the building will contain the building entrance. A portion of the cellar, the first (1st) floor and the second (2nd) floor of the building will contain sixteen (16) triplex Residential Units. The aforesaid triplex Residential Units will each have a private entrance and, additionally, may be accessed through the common entrance to the building. Additionally, the triplex Residential Units shall have access to a private rear yard located directly behind their respective Unit for their exclusive use. The third (3rd) floor of the building will contain sixteen (16) single story Residential Units. The fourth (4th) and fifth (5th) floors of the building will contain eight (8) single story Residential Units and eight (8) duplex Residential Units. All Unit Owners will have access to a common area rear yard located in between the two towers comprising the building and a playroom/recreation room in the basement of the building. Additionally, there will be twenty-four (24) Parking Units at the Property. There will be no lot line windows at the Property.

The Property is currently vacant land.

Construction of the building is expected to be completed by February, 2005. At such time, the Sponsor expects to close title to the first Unit. This date may be later or earlier than expected depending on many factors of the construction. It is anticipated that all Units will be completed by February, 2005.

Parking is permitted on the street on a limited basis. The Sponsor intends to retain ownership of the Parking Units at this time and, accordingly, the Parking Units will not be allocated to Unit Owners and Unit Owners will not necessarily have any right or entitlement to the use of any Parking Unit at the Property. There is no requirement of law that the parking spaces be reserved for the residents of the building. Furthermore, in the event that the Sponsor determines at any time in the future to sell or lease any or all of the Parking Units, Unit Owners will not necessarily have any right or entitlement in and to the use and/or ownership of any Parking Unit at the Property. Notwithstanding the foregoing, the Parking Units have been allocated a proportionate share of the Common Interest in the Condominium and, until such time as the Parking Unit(s) are conveyed by the Sponsor to any third party, the Sponsor shall be responsible for the Common Charges (hereinafter defined) allocated to the Parking Unit(s).

Any special work which a Purchaser desires for his Unit prior to closing shall be performed only with Sponsor's prior written consent and designation or approval of all contractors and suppliers in connection therewith, which consent and approval shall be solely within the discretion of the Sponsor.

Each Unit and all of the fixtures and personal property contained therein is sold "as is" as of the time of transfer of title to the Unit, unless the Sponsor and Purchaser agree otherwise in writing.

LOCATION AND AREA INFORMATION

The Condominium is located at 309 West 118th Street, New York, New York.

Located in the middle of the block bounded by 119th Street to the North, 118th Street to the South, 8th Avenue to the West and Manhattan Avenue to the East, the neighborhood is accessible by public transportation (subways and buses) and includes many schools, religious institutions, restaurants and shops. Six (6) blocks to the South is Central Park. Seven (7) blocks to the north is 125th Street, the main shopping thoroughfare of Harlem. Police, fire, water, sanitation, snow removal and road maintenance services are all provided by the City of New York. Saint Lukes – Roosevelt Hospital, the nearest hospital to the Condominium, is located at Amsterdam Avenue and 114th Street, less than one-half (1/2) mile from the Condominium. The police precinct serving the neighborhood in which the Condominium is located is the 28th precinct, located at 2271 Fredrick Douglas Boulevard, New York, New York, less than one and one-half (1.5) miles from the Condominium. The closest fire house to the Condominium is Engine 47, located at 125 Amsterdam Avenue, New York, New York, approximately two and one-quarter (2.25) miles from the Condominium.

OFFERING PRICES AND RELATED INFORMATION
WITH RESPECT TO CONDOMINIUM UNITS
AND PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

FEBRUARY 1, 2005 - JANUARY 31, 2006

SCHEDULE A

Unit Number	Approximate Area (sq ft)	Number of Baths	Number of Bedrooms	% of Common Interest	Offering Price	Proportionate Valuation	Estimated Monthly Common Charge	Estimated Monthly Real Estate Taxes With 421-a Benefits	Estimated Monthly Real Estate Taxes Without 421-a Benefits	Estimated Carrying Charges With 421-a Tax Benefits	Estimated Carrying Charges Without 421-a Tax Benefits	2005/2006 Estimated Post Construction Monthly Real Estate Taxes Without 421-a Tax Benefits
4A	2,250	2.5	3 BDR PH	3.27%	\$945,000	3.39%	\$1,294.38	\$24.09	\$1,687.27	\$1,318.46	\$2,981.65	\$3,139.90
4B	2,250	2.5	3 BDR PH	3.18%	\$825,000	2.96%	\$1,258.75	\$21.03	\$1,473.02	\$1,279.78	\$2,731.77	\$2,741.18
4C	1,050	2	2 BDR	1.54%	\$430,000	1.54%	\$609.58	\$10.96	\$767.75	\$620.54	\$1,377.34	\$1,428.74
4D	1,050	2	2 BDR	1.33%	\$390,000	1.40%	\$526.46	\$9.94	\$696.33	\$536.40	\$1,222.79	\$1,295.83
4E	1,050	2	2 BDR	1.33%	\$390,000	1.40%	\$526.46	\$9.94	\$696.33	\$536.40	\$1,222.79	\$1,295.83
4F	1,050	2	2 BDR	1.54%	\$430,000	1.54%	\$609.58	\$10.96	\$767.75	\$620.54	\$1,377.34	\$1,428.74
4G	2,250	2.5	3 BDR PH	3.18%	\$825,000	2.96%	\$1,258.75	\$21.03	\$1,473.02	\$1,279.78	\$2,731.77	\$2,741.18
4H	2,250	2.5	3 BDR PH	3.26%	\$975,000	3.50%	\$1,290.42	\$24.85	\$1,740.84	\$1,315.27	\$3,031.25	\$3,239.58
4I	2,250	2.5	3 BDR PH	3.14%	\$900,000	3.23%	\$1,242.92	\$22.94	\$1,606.93	\$1,265.86	\$2,849.84	\$2,990.38
4J	2,250	2.5	3 BDR PH	3.18%	\$790,000	2.84%	\$1,258.75	\$20.14	\$1,410.52	\$1,278.89	\$2,669.27	\$2,624.89
4K	1,050	2	2 BDR	1.52%	\$420,000	1.51%	\$601.67	\$10.71	\$749.90	\$612.37	\$1,351.57	\$1,395.51
4L	1,050	2	2 BDR	1.33%	\$380,000	1.36%	\$526.46	\$9.69	\$678.48	\$536.14	\$1,204.94	\$1,262.60
4M	1,050	2	2 BDR	1.33%	\$380,000	1.36%	\$526.46	\$9.69	\$678.48	\$536.14	\$1,204.94	\$1,262.60
4N	1,050	2	2 BDR	1.54%	\$420,000	1.51%	\$609.58	\$10.71	\$749.90	\$620.29	\$1,359.48	\$1,395.51
4O	2,250	2.5	3 BDR PH	3.18%	\$790,000	2.84%	\$1,258.75	\$20.14	\$1,410.52	\$1,278.89	\$2,669.27	\$2,624.89
4P	2,250	2.5	3 BDR PH	3.27%	\$925,000	3.32%	\$1,294.38	\$23.58	\$1,651.56	\$1,317.95	\$2,945.94	\$3,073.45
3A	1,050	2	2 BDR	1.12%	\$295,000	1.06%	\$443.33	\$7.52	\$526.71	\$450.85	\$970.05	\$980.18
3B	1,050	2	2 BDR	1.30%	\$425,000	1.53%	\$514.58	\$10.83	\$758.83	\$525.42	\$1,273.41	\$1,412.12
3C	1,050	2	2 BDR	1.08%	\$410,000	1.47%	\$427.50	\$10.45	\$732.04	\$437.95	\$1,159.54	\$1,362.28
3D	1,050	2	2 BDR	1.00%	\$370,000	1.33%	\$395.83	\$9.43	\$660.63	\$405.26	\$1,056.46	\$1,229.38
3E	1,050	2	2 BDR	1.00%	\$370,000	1.33%	\$395.83	\$9.43	\$660.63	\$405.26	\$1,056.46	\$1,229.38
3F	1050	2	2 BDR	1.08%	\$410,000	1.47%	\$427.50	\$10.45	\$732.04	\$437.95	\$1,159.54	\$1,362.28
3G	1,050	2	2 BDR	1.30%	\$425,000	1.53%	\$514.58	\$10.83	\$758.83	\$525.42	\$1,273.41	\$1,412.12
3H	1,050	2	2 BDR	1.08%	\$350,000	1.26%	\$427.50	\$8.92	\$624.92	\$436.42	\$1,052.42	\$1,162.93
3I	1,050	2	2 BDR	1.08%	\$295,000	1.06%	\$427.50	\$7.52	\$526.71	\$435.02	\$954.21	\$980.18
3J	1,050	2	2 BDR	1.30%	\$435,000	1.56%	\$514.58	\$11.09	\$776.68	\$525.67	\$1,291.26	\$1,445.35
3K	1,050	2	2 BDR	1.08%	\$400,000	1.44%	\$427.50	\$10.20	\$714.19	\$437.70	\$1,141.69	\$1,329.06
3L	1,050	2	2 BDR	1.00%	\$360,000	1.29%	\$395.83	\$9.18	\$642.77	\$405.01	\$1,038.60	\$1,196.15

OFFERING PRICES AND RELATED INFORMATION
WITH RESPECT TO CONDOMINIUM UNITS
AND PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

FEBRUARY 1, 2005 - JANUARY 31, 2006

SCHEDULE A

Unit Number	Approximate Area (sq ft)	Number of Baths	Number of Bedrooms	% of Common Interest	Offering Price	Proportionate Valuation	Estimated Monthly Common Charge	Estimated Monthly Real Estate Taxes With 421-a Benefits	Estimated Monthly Real Estate Taxes Without 421-a Benefits	Estimated Carrying Charges With 421-a Tax Benefits	Estimated Carrying Charges Without 421-a Tax Benefits	2005/2006 Estimated Post Construction Monthly Real Estate Taxes Without 421-a Tax Benefits
3M	1,050	2	2 BDR	0.95%	\$360,000	1.29%	\$376.04	\$9.18	\$642.77	\$385.22	\$1,018.81	\$1,196.15
3N	1,050	2	2 BDR	1.08%	\$400,000	1.44%	\$427.50	\$10.20	\$714.19	\$437.70	\$1,141.69	\$1,329.06
3O	1,050	2	2 BDR	1.30%	\$435,000	1.56%	\$514.58	\$11.09	\$776.68	\$525.67	\$1,291.26	\$1,445.35
3P	1,050	2	2 BDR	1.12%	\$355,000	1.28%	\$443.33	\$9.05	\$633.84	\$452.38	\$1,077.18	\$1,179.54
1A	2,350	2.5	3 BDR	3.26%	\$795,000	2.86%	\$1,290.42	\$20.27	\$1,419.45	\$1,310.68	\$2,709.87	\$2,641.50
1B	2,350	2.5	3 BDR TRPLX	2.47%	\$760,000	2.73%	\$977.71	\$19.37	\$1,356.96	\$997.08	\$2,334.67	\$2,525.21
1C	2,350	2.5	3 BDR TRPLX	2.91%	\$765,000	2.75%	\$1,151.88	\$19.50	\$1,365.89	\$1,171.38	\$2,517.76	\$2,541.82
1D	2,350	2.5	3 BDR TRPLX	2.81%	\$673,000	2.42%	\$1,112.29	\$17.16	\$1,201.62	\$1,129.45	\$2,313.92	\$2,236.14
1E	2,350	2.5	3 BDR TRPLX	2.81%	\$677,000	2.43%	\$1,112.29	\$17.26	\$1,208.77	\$1,129.55	\$2,321.06	\$2,249.43
1F	2,350	2.5	3 BDR TRPLX	2.35%	\$770,000	2.77%	\$930.21	\$19.63	\$1,374.81	\$949.84	\$2,305.02	\$2,558.44
1G	2,350	2.5	3 BDR TRPLX	2.47%	\$735,000	2.64%	\$977.71	\$18.74	\$1,312.32	\$996.44	\$2,290.03	\$2,442.14
1H	2,350	2.5	3 BDR TRPLX	3.26%	\$790,000	2.84%	\$1,290.42	\$20.14	\$1,410.52	\$1,310.55	\$2,700.94	\$2,624.89
1I	2,350	2.5	3 BDR TRPLX	2.25%	\$785,000	2.82%	\$890.63	\$20.01	\$1,401.60	\$910.64	\$2,292.22	\$2,608.28
1J	2,350	2	3 BDR TRPLX	2.18%	\$735,000	2.64%	\$862.92	\$18.74	\$1,312.32	\$881.65	\$2,175.24	\$2,442.14
1K	2,350	2.5	3 BDR TRPLX	2.47%	\$730,000	2.62%	\$977.71	\$18.61	\$1,303.40	\$996.32	\$2,281.10	\$2,425.53
1L	2,350	2.5	3 BDR TRPLX	2.40%	\$670,000	2.41%	\$950.00	\$17.08	\$1,196.27	\$967.08	\$2,146.27	\$2,226.17
1M	2,350	2.5	3 BDR TRPLX	2.81%	\$680,000	2.44%	\$1,112.29	\$17.33	\$1,214.12	\$1,129.63	\$2,326.41	\$2,259.40
1N	2,350	2.5	3 BDR TRPLX	2.91%	\$740,000	2.66%	\$1,151.88	\$18.86	\$1,321.25	\$1,170.74	\$2,473.13	\$2,458.76

OFFERING PRICES AND RELATED INFORMATION
WITH RESPECT TO CONDOMINIUM UNITS
AND PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

FEBRUARY 1, 2005 - JANUARY 31, 2006

SCHEDULE A

Unit Number	Approximate Area (sq ft)	Number of Baths	Number of Bedrooms	% of Common Interest	Offering Price	Proportionate Valuation	Estimated Monthly Common Charge	Estimated Monthly Real Estate Taxes With 421-a Benefits	Estimated Monthly Real Estate Taxes Without 421-a Benefits	Estimated Carrying Charges With 421-a Tax Benefits	Estimated Carrying Charges Without 421-a Tax Benefits	2005/2006 Estimated Post Construction Monthly Real Estate Taxes Without 421-a Tax Benefits
10	2,350	2.5	2 BDR TRPLX	2.47%	\$600,000	2.16%	\$977.71	\$15.29	\$1,071.28	\$993.00	\$2,048.99	\$1,993.59
1P	2,350	2.5	3 BDR TRPLX	3.26%	\$625,000	2.24%	\$1,290.42	\$15.93	\$1,115.92	\$1,306.35	\$2,406.34	\$2,076.65
1			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
2			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
3			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
4			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
5			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
6			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
7			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
8			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
9			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
10			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
11			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
12			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
13			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
14			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
15			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
16			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
17			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
18			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
19			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
20			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
21			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
22			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
23			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
24			PARK *	0.08%			\$31.67	\$0.85	\$58.14	\$32.51	\$89.81	\$110.40
	80,800			100.00%	\$27,840,000	100.00%	\$39,583.33	\$730.00	\$51,103.00	\$40,313.33	\$90,686.33	\$95,151.92

*Initially, the parking spaces will not be offered for sale.

FOOTNOTES TO SCHEDULE A

1. The building will be comprised of two (2) towers, each consisting of five (5) floors and a cellar. The towers will be connected by the cellar which will contain, among other things, a laundry room for the exclusive use of Unit Owners and a gymnasium/workout room for the exclusive use of Unit Owners. The first (1st) floor of the building will contain the building entrance. A portion of the cellar, the first (1st) floor and the second (2nd) floor of the building will contain sixteen (16) triplex Residential Units. The aforesaid triplex Residential Units will each have a private entrance and, additionally, may be accessed through the common entrance to the building. Additionally, the triplex Residential Units shall have the access to a private rear yard located directly behind their respective Unit for their exclusive use. The third (3rd) floor of the building will contain sixteen (16) single story Residential Units. The fourth (4th) and fifth (5th) floors of the building will contain eight (8) single story Residential Units and eight (8) duplex Residential Units. All Unit Owners will have access to a common area rear yard located in between the two towers comprising the building. Additionally, there will be twenty-four (24) Parking Units at the Property for the use of all Unit Owners. There will be no lot line windows at the Property. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition.

2. Pursuant to the New York Condominium Act, Real Property Law Section 339-i.1(iv), the percentage interest of each Unit is based upon floor space, subject to the location of such space and 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 Unit approximate proportion that the floor space of the particular Unit bears to the aggregate floor area of all of the Units, subject to the location of such space and additional factors relative to the uniqueness of such Unit.

3. Sponsor has reserved the right to change the Purchase Price for any Unit from time to time. The Offering Price for an individual Unit may be decreased without a amendment to the Plan; however, the Plan must be amended before (i) the price for one (1) or more Units is increased, (ii) a change in price with respect to one (1) or more Units is to be advertised or (iii) any price change which affects "across-the-board" one or more lines of Units or Unit models.

Prices set forth in Schedule "A" are negotiable. All price changes will be made by amendment, except individually negotiated price decreases, which may be made without amendment. (See "Changes in Prices and Units" for further discussion.)

Prospective Purchasers are advised that in addition to the Purchase Prices, they will incur closing costs, including a fee of \$850 to Todtman, Nachamie, Spizz & Johns, P.C., counsel to Sponsor, for its services in connection with preparing the Unit Deed and the Unit Owner's Power of Attorney and for coordinating and attending the closing. If the closing takes longer than two (2) hours through no fault of the Sponsor, an additional fee of \$200 will be charged for each hour or part thereof that the closing is not concluded. If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of \$250 will be charged for attending the closing. If the closing is adjourned at Purchaser's request, an additional fee of \$250 will be charged for each adjournment. Purchasers will also incur certain closing adjustments. Additionally, in the event that the Sponsor, in its sole and

absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, Purchaser shall pay Sponsor an assignment fee of \$1,000 and an additional \$500 to Sponsor's counsel for preparation and processing of the assignment. Purchasers are also responsible for the payment of the State and City transfer taxes, a contribution to the Working Capital Fund and a contribution to the Replacement Reserve Fund. (See "Closing Costs and Adjustments" for further discussion.)

4. Each Unit will be taxed as a separate tax lot for real estate tax purposes. In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entirety. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Office of the City Register. The apportionment will be based in part upon the proportion the projected selling price presented in the 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. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

Until the Units are separately assessed, each Unit Owner will pay to the Condominium his Unit's pro rata share of the Property's real estate taxes for the period in question. This pro-rata will be made by first allocating the Property's taxes among the Community Facility Units, the Residential Units and the Parking Units based upon the approximated percentages set forth on page 4 of the Real Estate Tax Opinion Letter. The share of the Property's taxes so allocated to the Residential Units will then be pro-rated to each individual Unit on the basis of the ratio that the initial offering price for the Unit set forth in Schedule A above bears to the total initial offering prices of all Units set forth in Schedule A (as it may be amended from time to time). The Condominium will pay such real estate taxes to the Department of Finance of the City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common charges. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the pro-rata of real estate taxes described in the paragraphs above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above. Sponsor will amend the Plan to disclose the actual amount of real estate taxes assessed against the Units promptly after the same are assessed.

The estimated monthly real estate taxes set forth in this Plan reflect a real estate tax increase in the amount of eighteen and 50/100 (18.50%) percent effective as of January 1, 2003.

5. These estimates were based upon "Schedule B - Budget for First Year of Condominium Operation", which was prepared by the Sponsor on the assumption that the first year of Condominium operation will be from February 1, 2005 to January 31, 2006. The actual first year of operation may be earlier or later than that year.

In addition to these estimated monthly charges, each Unit Owner will incur additional expenses for: (a) mortgage payments under a loan or loans (if any) obtained to finance the purchase of his Unit; (b) the cost of electricity supplied to his Unit, which will be separately metered and will be payable directly to the utility company as and when billed; (c) 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 (d) the cost of any insurance that he may obtain covering (i) the furniture, belongings, equipment and other personal property in the Unit and (ii) his liability to others for personal injury or property damage as a result of occurrences in the Unit.

6. Those eligible projects which meet the requirements of the statute and receive partial 421-a benefits, are exempt from taxation on the increase in assessed valuation resulting from construction of the improvements. HPD Regs. §6-02(d)(5)(C), provides for a 25 year exemption for those buildings located in Manhattan, north of 110th Street, in areas which were eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation (REMIC), as of May 1, 1992. One-hundred per cent (100%) of such increase is exempt during construction, and for twenty-one years subsequent to completion thereof. Beginning in the twenty-second year following completion of construction, the percentage of exemption decreases by 20% each year for a period of four years. Full taxes are payable in the twenty-sixth year following completion of construction.

Throughout the exemption period, real estate taxes will be based upon the tax rate fixed annually by the City Council on or about June 15, multiplied by the addition of (a) that portion of the assessed valuation of the property attributable to the Residential Units as of the tax year prior to the tax year during which construction commenced (2002/2003, or \$67,200, the "Mini-Tax Assessed Valuation"), and (b) the current assessed valuation less the applicable exempt percentage.

Assuming that the property will qualify for 421-a benefits, the post-construction assessment will be 100% exempt for a period of twenty-one years. Taxes payable during tax year 2004/2005¹ by all residential units combined will be as follows:

Mini-tax assessed valuation:	\$ 65,124 ²
Taxes Payable @ 13.00% Tax Rate:	<u>\$ 8,466</u>

Taxes payable during tax year 2004/2005 by the garage units will be as follows:

Mini-tax assessed valuation:	\$ 2,076
Taxes Payable @ 11.673% Tax Rate:	<u>\$ 242</u>

Taxes payable during tax year 2005/2006 by all residential units combined will be as follows:

Mini-tax assessed valuation:	\$65,124
Taxes Payable @ 13.130% Tax Rate:	<u>\$ 8,551</u>

¹ The mini-tax for the entire property should be apportioned in accordance with the percentages set forth on page five of the real estate tax opinion letter prepared by Lawrence J. Berger, P.C.

² 2002/2003 Actual Assessed Valuation for all lots combined or \$67,200 x .9691% = \$65,124

Taxes payable during tax year 2005/2006 by the garage units will be as follows:

Mini-tax assessed valuation:	\$2,076
Taxes Payable @ 11.79% Tax Rate:	<u>\$ 245</u>

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; (c) tax rates as estimated above; and (d) timely implementation of 421-a benefits, may be estimated as follows for the fiscal period February 1, 2005-January 31, 2006:

Estimated tax liability for individual residential unit = $\$8,516^3$ x Proportionate Valuation

Estimated tax liability for individual garage unit = $\$244^4$ x Proportionate Valuation

The sponsor will apply for a Preliminary Certificate of Eligibility for partial tax exemption from the New York City Department of Housing Preservation and Development. It is expected that a permanent Certificate of Occupancy for the Building or a temporary Certificate of Occupancy for all residential units in the Building will be obtained prior to February 1, 2005, and that the 25 year exemption period will begin with fiscal year 2006/2007. The estimated tax is based on the assumption that the partial exemption will be in effect for the First year of Condominium Operation.

No warranty or guarantee is made as to the amount of any tax exemption that will actually be received. In addition, no warranty or guarantee is made that the actual assessed valuation or the assessed valuation for the Property if Section 421-a benefits are granted will be as projected above, that the projected tax rate will be in effect for all or any portion of the Property during the First year of Condominium Operation or that the real estate taxes will be allocated among the Residential Units, Community Facility Units, and Parking Units as set forth above. In no event will Sponsor, Sponsor's Counsel, Sponsor's Real Estate Tax counsel, the Selling Agent or any offeror hereunder be liable to any Purchaser, nor will any Purchaser have the right to rescind his Purchase Agreement, in the event Section 421-a benefits are not granted or, if granted, in the event the amount of such exemption and the resulting taxes differ from those projected.

Upon closing, Sponsor will make all tax benefit documents available to the board of managers for inspection and copying for the life of the benefits. In addition, Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

7. 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 buildings. The real estate tax for the Residential Units combined, during the first year of Condominium operation (2/1/2005- 1/31/2006), is expected to be approximately \$596,491.⁵ For tax year 2004/2005, thirteen lots are classified as Tax

³ $[5/12 \times \$8,466 = \$3,528] + [7/12 \times \$8,551 = \$4,988] = \$8,516$

⁴ $[5/12 \times \$242 = \$101] + [7/12 \times \$245 = \$143] = \$244$

⁵ $[5/12 \times \$37,707 = \$15,711] + [7/12 \times \$995,622 = \$580,780] = \$596,491$

Class 1B. Lot 25 is classified as Tax Class 2. The real estate tax applicable to the Garage Units during the first year of Condominium operation (2/1/2005- 1/31/2006) is expected to be approximately \$16,745.⁶

8. These figures represent the aggregate of the estimated Common Charges and the estimated real estate taxes for the first year of Condominium operation with the projected estimated tax exemption. Moreover, any tax deduction may vary from year to year due to (i) changes in the interest rate on the Unit Owner's mortgage (if any), (ii) changes in the allocation of constant debt service payments to interest and principal, (iii) changes in real property taxes resulting from the expiration of tax benefits, changes in assessed value, changes in the tax rate or changes in the method of assessing real property.

9. These figures represent the aggregate of the estimated Common Charges and the estimated real estate taxes for the first year of Condominium operation without exemption.

10. The estimated real estate taxes payable for fiscal period February 1, 2005 – January 31, 2006, do not reflect a fully completed structure. Therefore, assuming construction is complete by January 5, 2006, the first fully assessed tax year will be 2006/2007. For the purposes of the following projections, it is estimated that the tax rate for tax year 2006/2007, for residential real property (tax class 2), will be approximately 13.261%, and for commercial real property (tax class 4), will be approximately 11.908%.

Taxes payable during tax year 2006/2007 by all residential units combined, assuming no 421-a exemption benefits, are projected as follows:

Est. Actual Assessed Valuation:	\$8,370,630
Taxes Payable @ est. 13.261% Tax Rate:	<u>\$1,110,029</u>

Estimated tax liability for individual residential unit = \$1,110,029 x Proportionate Valuation

Taxes payable during tax year 2006/2007 by the community facility units, assuming no 421-a exemption benefits, are projected as follows:

Est. Actual Assessed Valuation:	\$ 266,994
Est. Taxes Payable @ 11.908% Tax Rate:	<u>\$ 31,794</u>

Estimated tax liability for individual garage unit = \$31,794 x Proportionate Valuation

⁶ $[5/12 \times \$1,202 = \$501] + [7/12 \times \$27,846 = \$16,244] = \$16,745$

SCHEDULE B

PROJECTED BUDGET FOR
CONDOMINIUM OPERATION OF
MANHATTAN TOWNHOUSE EQUITIES LLC
(February 1, 2005 to January 31, 2006)

INCOME

Residential Common Charges (Note 1)	\$465,880.00	
Parking Unit Common Charges	<u>\$ 9,120.00</u>	
Total Common Charges		\$475,000.00

EXPENSES

Salaries and Wages (Note 2)	\$210,000.00	
Heating (Note 3)	\$ 55,000.00	
Electricity (Note 4)	\$ 25,000.00	
Water and Sewer (Note 5)	\$ 35,000.00	
Repairs and Maintenance (Note 6)	\$ 25,000.00	
Supplies (Note 6)	\$ 8,000.00	
Insurance (Note 7)	\$ 30,000.00	
Management Fees (Note 8)	\$ 35,000.00	
Legal and Auditing (Note 9)	\$ 7,000.00	
Replacement Reserve Fund (Note 10)	\$ 45,000.00	
TOTAL (Note 11)		\$475,000.00

FOOTNOTES TO SCHEDULE B

1. Residential Common Charges (Budget - \$465,880.00)

The amount of the Residential Common Charges is the estimated income needed to pay the Common Expenses attributable to the Common Elements of the Residential Units. The Residential Common Charges are derived by multiplying the Common Expenses attributable to the Residential Units by their respective total Common Interest.

2. Salaries and Wages (Budget - \$210,000.00)

There will be one (1) superintendent who will be available during normal business hours seven (7) days per week. Additionally, there will be two (2) part-time doormen, seven (7) days per week, each working one (1) eight (8) hour shift. The superintendent will be in charge of regular maintenance, repairs, garbage disposal and other services usually performed by a superintendent. The cost attributed to these services includes all withholding taxes, vacation and sick benefits, required payroll taxes and deductions.

to these services includes all withholding taxes, vacation and sick benefits, required payroll taxes and deductions.

The proposed level of staffing complies with applicable laws.

3. Heating and Air Conditioning (Budget - \$55,000.00)

The Residential and the Common Areas will be provided heat and air conditioning by a central gas fired hydraulic system.

The budgeted figure represents the projected consumption cost of gas at the current rate of \$0.89 per therm.

4. Electricity (Budget - \$25,000.00)

This item includes the cost of electricity supplied to the General Common Elements for the Units. All Units are separately metered for electricity. Each Unit Owner will pay the charges for all electricity furnished to his Unit, as measured by each separate meter, directly to the provider, as and when billed. Unit costs will be based on current tariffs.

Utility rate increases will increase the cost of utilities. The utility rates are largely affected by increases in the price of fuel paid by the utility company, among other factors. The cost of fuel is largely influenced by the charges for foreign fuel oil, which is the principal source of oil used in this section of the United States. Currently, the cost per kilowatt of electricity consumption is \$0.07693.1.

5. Water and Sewer (Budget - \$35,000.00)

Water for individual Unit use is supplied by the City of New York. Water supply will be master metered for all Units.

Charges for sewer use are proportional to the metered water consumption and will be allocated by the City of New York accordingly.

The budgeted figure is based upon the estimated residential use multiplied by the current rate of \$3.73 per 100 cubic feet of usage charged by the City of New York.

6. Repairs, Maintenance and Supplies (Budget - \$33,000.00)

The budgeted figure for these items includes the cost of normal maintenance and repairs to the General Common Elements. The figure is based on the cost of maintenance in comparable rehabilitated residential buildings. Each Unit Owner will be responsible for the cost of interior maintenance, repairs, decoration and painting of his respective Unit, including the appliances.

The budgeted figure represents the estimated annual cost of maintaining and repairing roofing, interior walls, exterior repairs, heating systems, plumbing, electrical work, exterminating, ground maintenance, janitor supplies, painting of common areas.

Units. If engaged by the Board, the Managing Agent may receive additional commissions in accordance with its rates then in effect for leasing or selling Units owned by the Board or its designees.

9. Auditing (Budget - \$7,000.00)

Auditing fees in connection with the preparation of the financial statements and federal, state and city income tax returns for the Condominium's first year of operation will be \$5,000.00. No allowance is provided for legal services. This estimate is based on comparable services for similar condominiums of similar size and operation.

10. Replacement Reserve Fund (Budget - \$45,000.00)

This item will provide a fund for expenditures which may be incurred by the Condominium in the future as and for the maintenance, repair and replacement of various capital equipment and systems located in or at the Condominium (including, without limitation, elevators, boilers, trash compactor, hot water heaters and intercom system).

11. Total Estimated Expenses (Budget - \$475,000.00)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from February 1, 2005 through January 31, 2006.

NOTE:

IN THE OPINION OF SPONSOR, THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING FEBRUARY 1, 2005. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

IN THE EVENT THAT THE ACTUAL OR ANTICIPATED DATE THAT CONDOMINIUM OPERATIONS WILL COMMENCE IS DELAYED BEYOND AUGUST 1, 2005, THEN IN SUCH EVENT, THIS PLAN WILL BE AMENDED TO REFLECT A REVISED BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. ADDITIONALLY, IN THE EVENT THAT THE REVISED BUDGET EXCEEDS THE ORIGINAL BUDGET BY MORE THAN TWENTY-FIVE (25%) PERCENT OR IN THE EVENT THAT THE COMMENCEMENT OF THE FIRST YEAR OF CONDOMINIUM OPERATION IS DELAYED BEYOND FEBRUARY 1, 2006, THEN IN SUCH EVENT, PURCHASERS SHALL HAVE THE RIGHT TO RESCIND THEIR RESPECTIVE PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS FROM AND AFTER DELIVERY OF A COPY OF THE REVISED BUDGET TO SAID PURCHASERS. IN THE EVENT THAT ANY PURCHASERS ELECT TO RESCIND THEIR RESPECTIVE PURCHASE AGREEMENTS PURSUANT TO THE FOREGOING PROVISIONS OF THIS PARAGRAPH, THEN IN SUCH

EVENT, THE SPONSOR WILL REFUND THE DOWNPAYMENTS UNDER SAID RESCINDED CONTRACTS, TOGETHER WITH ALL INTEREST ACCRUED THEREON, TO THE PURCHASERS UNDER SAID RESCINDED CONTRACTS.

SPONSOR HAS RESERVED THE RIGHT TO ENTER INTO SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS THAT WILL BE BINDING ON THE BOARD OF MANAGERS UPON COMMENCEMENT OF CONDOMINIUM OPERATION. HOWEVER, SPONSOR MAY NOT ENTER INTO ANY BINDING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS THAT WILL MATERIALLY INCREASE THE FIRST YEAR'S PROJECTED COMMON CHARGES OR THAT WILL BE BINDING ON THE BOARD FOR A PERIOD OF MORE THAN TWO (2) YEARS FROM THE COMMENCEMENT OF CONDOMINIUM OPERATION, UNLESS DISCLOSED IN AN AMENDMENT.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

corcoran group

January 27, 2004

Mr. Robert Ezrapour
Manhattan Townhouse Equities, LLC
37 West 65th Street
New York, NY 10023

Re: The Brownstone Lane Condominium
Compliance with Real Property Law, Section 339(i)
309 West 118th Street, New York, New York

Dear Mr. Ezrapour:

Corcoran Group Marketing, a licensed real estate broker in the State of New York, of which I hold the position of Executive Vice President, has been retained by the Sponsor, Manhattan Townhouse Equities LLC, to prepare this opinion concerning compliance of the referenced plan with Section 339(i) of the New York Real Property Law.

Corcoran Group Marketing is a division of The Corcoran Group, which has been active in the Residential Real Estate industry in Manhattan since 1972. At this time, Corcoran Group Marketing is a premier marketing firm for condominiums, cooperatives, townhouses and rentals in New York. I have extensive experience with all aspects of residential real estate and property development. We do not have any beneficial interest in the Sponsor of the Plan or in the profitability of the project.

The allocation of the percentage of Common Interest for the Condominium Units in the referenced Plan is made pursuant to Section 339(i) (1) (iv) of the Real Property Law. The allocations took into consideration the following factors: floor space, the location of such space, additional factors of relative value to the other space in the condominium, the uniqueness of the units, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit.

We agree that this letter may be included in the Offering Plan.

Sincerely,



Patricia Hayes Cole
Executive Vice President
Corcoran Group Marketing

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule "A" may be increased only by duly filed amendment(s) to the Plan. The Offering Price for an individual Unit may be decreased without amendment to the Plan; however, the Plan must be amended before (i) the price for one (1) or more Units is increased, (ii) a change in price with respect to one (1) or more Units is to be advertised or (iii) any price change which affects "across-the-board" one or more lines of Units or Unit models. Prices set forth in Schedule "A" are negotiable. All price changes will be made by amendment, except individually negotiated price decreases, which may be made without amendment.

Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions of the Purchase Agreement: Purchase Price, the amount of the Down Payment, payment of Purchaser's closing fees and costs, extensions of time periods within which to perform obligations under the Purchase Agreement, the availability of interim leases and the amount of rent and the application of all or a portion of such rent to the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the foregoing list by amendment to this Plan. No Purchaser shall receive any benefit from any terms or conditions negotiated with any other Purchaser. The fact that a particular Purchaser did not receive the same negotiated benefit as another Purchaser will not give rise to any right of rescission under the Purchase Agreement.

No change will be made by Sponsor in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements except by duly filed amendment to the Plan (and to the Declaration, with the consent of all Unit Owners directly affected, if the Declaration was filed prior to such change). However, the Units may be subdivided, and the Declaration may be amended to reflect such subdivision, without the consent of the Board of Managers, the Managing Agent or the Unit Owners, provided that there is no change in the outside dimensions of the existing Units and in the total Common Interests allocated to the Units. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing the Unit if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. Nevertheless, Sponsor reserves the right before or after the First Closing to change: (a) the layout of, or number of rooms in, Unsold Units, (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units (Limited Common Elements) to the extent that such portion(s) are not used for ingress or egress by other Unit Owners and such use will not interfere with any systems (such as electric, heating, plumbing, air conditioning or ventilation) servicing any other Unit and/or (c) the use of any Unit. Such right may be exercised by Sponsor from time to time, both before and after the First Closing, without the consent or approval of the Selling Agent, the Managing Agent, the Board of Managers, any Unit Owner, or any mortgagee; however, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law.

In the event that Sponsor shall change the size and/or number of Unsold Units, Sponsor shall increase or decrease the Common Interest appurtenant thereto accordingly; however, the aggregate amount of the Common Interests of all of the Unsold Units affected by such changes will not be changed. Such changes shall only be made by duly filed amendment to this Plan. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes (if any) 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 (if any) and assessments payable by the owners of all other Units will not be changed.

ELIGIBILITY AND PROCEDURE TO PURCHASE

Eligibility

The sale of a Residential Unit is expressly conditioned on a Purchaser being deemed eligible pursuant to a marketing plan established by the New York City Department of Housing Preservation and Development ("Marketing Plan") until such time as the requirements of the marketing plan are no longer applicable. A copy of the Marketing Plan is available for review by any prospective Purchaser of a Residential Unit at the office of the Sponsor. Each Purchaser of a Residential Unit shall be required to occupy the Residential Unit as the Purchaser's primary residence for at least twenty-five (25) years. At closing of title, to each Residential Unit, each Purchaser of a Residential Unit shall execute a subordinate note ("Secured Enforcement Note") and an enforcement mortgage (the "Secured Enforcement Mortgage") in favor of the City of New York ("City") to evidence and secure payment of a subsidy from the City in the amount of Fifteen Thousand Ninety-Two and 33/100 (\$15,092.33) Dollars ("Subsidy") on the terms and conditions described below or on such other terms and on such forms as the City shall require. The obligation to repay the Subsidy reflected by the Secured Enforcement Note and the Secured Enforcement Mortgage ("Debt") is a standing loan which bears no interest and does not require the payment of installments of principal except as described therein and summarized below:

(i) The Debt, except as otherwise provided in the Secured Enforcement Note and the Secured Enforcement Mortgage (collectively, the "Subsidy Documents"), shall be reduced by one-twenty fifth (1/25) of the original amount of the Debt for each full year during which a Residential Unit Owner, his or her successors or assigns, owns and occupies the Residential Unit as his or her primary residence.

(ii) Except as otherwise provided in the Subsidy Documents, the Debt shall be payable solely from the Appreciation of the Residential Unit gained by a Residential Unit Owner or any subsequent owner of the Residential Unit upon transfer for consideration of the Residential Unit. The term "Appreciation" shall mean the amount by which the total consideration which a Residential Unit Owner or a subsequent Residential Unit Owner receives on the transfer of the Residential Unit exceeds the Purchase Price minus any reasonable attorneys' fees, reasonable brokerage fees, title policy fees, recording fees or transfer taxes incurred by the Residential Unit Owner or a subsequent Residential Unit Owner in both the purchase of the Residential Unit and the subsequent sale of the Residential Unit to a resale purchaser. The term "Purchase Price" shall mean the amount paid by the Residential Unit Owner or a subsequent Residential Unit Owner in purchasing the Residential Unit, excluding the amount of the Debt. The term "Total Consideration" shall mean the cash and non-cash consideration which a Residential Unit Owner or a subsequent Residential Unit Owner receives for the Residential Unit including cash, real property, personal property, the unamortized principal of any purchase money mortgage encumbering the Residential Unit which is assumed by the resale purchaser and the principal of any purchase money mortgage which the resale purchaser gives the Residential Unit Owner or a subsequent Residential Unit Owner, as the case may be, to secure any portion of the Purchase Price.

(iii) If a Residential Unit Owner wishes to refinance the debt secured by the lien of an institutional lender and wishes the City to subordinate the lien of its Secured Enforcement Mortgage to the lien securing such refinanced debt, the amount due and payable at such time under the Secured Enforcement Note shall be 50% of the amount by which such increased debt exceeds the Purchase Price.

(iv) The Debt shall be a standing loan which shall be without interest and shall not require the payment of installments of principal except as provided in the Secured Enforcement Note. During the term of the Secured Enforcement Note, or twenty-five (25) years, whichever is longer, a Residential Unit Owner shall occupy the Residential Unit as his or her primary residence. Upon any transfer of the Residential Unit, the Debt must be satisfied in full or assigned to and assumed by the transferee pursuant to the terms and conditions set forth in the Subsidy Documents. In the event of such assignment and assumption, the transferee must occupy the Residential Unit as his or her primary residence during the remaining term of the Subsidy Note.

(v) If the Residential Unit is resold within three years of its initial purchase, (A) the outstanding balance of the Debt shall be due and payable upon each transfer to the extent of one hundred (100%) percent of the Appreciation and (B) any outstanding balance of the Debt shall be assumed by the resale purchaser. The payment of the Secured Enforcement Note and Secured Enforcement Mortgage shall remain the obligation of the Residential Unit Owner and each subsequent seller regardless of whether the consideration for the transfer shall be cash, purchase money mortgage or such other non-cash consideration.

(vi) If the Residential Unit is resold after three (3) years of its initial purchase, the Secured Enforcement Note shall be due and payable upon each transfer for consideration of the Residential Unit by each seller to the extent of fifty (50%) percent of the Appreciation upon each such transfer up to the outstanding balance of the Debt. The payment of the Secured Enforcement Note shall remain the obligation of the Residential Unit Owner and each seller regardless of whether the consideration for the transfer shall be cash, purchase money mortgage or such other non-cash consideration.

(vii) At the option of the City, the Debt shall become due on the happening of any default, including but not limited to, any failure to comply with paragraph (iv) hereinabove or an event by which, under the terms of either of the Subsidy Documents, the Debt may or shall become due and payable.

(viii) All terms and provisions of the Secured Enforcement Mortgage shall be subject and subordinate to the lien of any permanent mortgage for the purchase of the Residential Unit given to an institutional lender.

The terms and conditions described above and those contained in the Subsidy Documents may be modified by the City after the date hereof. Such modification shall not be an objection to a closing and a Purchaser shall be obligated to close title notwithstanding any such modification.

The security instruments for the Debt and the lien they represent shall not be junior to any lien on the Residential Unit other than a "conventional" first mortgage given to an institutional lender for the partial financing of the purchase of the Residential Unit.

The amount of the Subsidy allowable to Purchaser is subject to final confirmation by the City, acting by and through its Department of Housing Preservation and Development. This confirmation will not be received until after the execution of the Purchase Agreement.

In the event that Sponsor, in its absolute discretion, determines that Purchaser is not eligible for the Subsidy, then Sponsor, on written notice to Purchaser, may elect to terminate the Purchase Agreement, in which case the Purchase Agreement shall be deemed cancelled and the Down Payment shall be refunded to Purchaser, and upon such repayment, the parties hereto shall be released from any and all liability.

Procedure

A person desiring to purchase a Unit is required to execute in quadruplicate a Purchase Agreement in the form contained in Part II and return it to the Selling Agent together with a check equal to ten (10%) percent of the Purchase Price (the "**Down Payment**").

No Purchaser may submit a Purchase Agreement unless three (3) full business days have transpired from receipt by him of the Plan and any filed amendments thereto; however, in the alternative, a Purchaser may be given seven (7) days after execution and delivery of a Purchase Agreement in which to rescind the Purchase Agreement and receive a full refund of his Down Payment.

Within twenty (20) days after receipt of the Purchase Agreement from a prospective Purchaser, the Sponsor will either accept the Purchase Agreement or reject it, in which latter case, the Down Payment will be refunded to Purchaser without interest. The failure of the Sponsor to act within the twenty (20) day period shall be deemed a rejection of the Purchase Agreement. If the Purchase Agreement is accepted, a counterpart thereof, signed by the Sponsor or the Selling Agent on behalf of the Sponsor, will be returned to the prospective Purchaser. The Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, disability, marital status or any other ground prohibited by law. Until so executed by the Sponsor or Selling Agent and returned to the prospective Purchaser, the Sponsor will not be bound by any Purchase Agreement submitted to them or to the Selling Agent. The Purchase Agreement is not assignable by the Purchaser without the prior written consent of the Sponsor, which consent may be arbitrarily refused.

In the event of any inconsistency or conflict between the provisions of the Purchase Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

The Sponsor will hold all Down Payment monies received from a Purchaser, directly or through its agents or employees, in an interest-bearing escrow account until title to the Unit(s) is transferred. The funds will be held as set forth in the section entitled "Escrow and Trust Fund Requirements" below.

In the event of a default by the Purchaser under the Purchase Agreement which continues for thirty (30) days after notice of the default from the Sponsor to the Purchaser, the Down Payment, including interest, if any, earned thereon, together with the cost incurred by the Sponsor for any special work in the Unit will be released to and retained by the Sponsor from such account as liquidated damages and thereafter neither party shall have any rights or obligations against the other. Time is of the essence for the Purchaser to cure the default within said 30-day period and no extensions will be granted. If the Sponsor cannot convey title to the Unit by reason other than the default of the Purchaser, all monies

advanced by the Purchaser shall be returned to the Purchaser, together with all interest, if any, earned thereon.

After the Declaration of Condominium is filed in the Office of the New York City Register, and either a temporary or permanent certificate of occupancy is obtained for the building, and on not less than thirty (30) days' written notice to the Purchaser from the Sponsor which will also state the date when Common Charges will be due and payable, closing of title shall take place as soon as practicable.

No Purchaser shall have the right to occupy a Unit purchased by him prior to the closing of title unless Sponsor agrees to permit such occupancy under an interim lease or other written agreement individually negotiated with the Purchaser and a certificate of occupancy has been obtained (either temporary or permanent). Any Purchaser who takes occupancy of a Unit, including storage of personal property in the Unit, without executing an interim lease, will be in default of the Purchase Agreement.

Except as set forth in the preceding paragraph, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair any damage. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair any damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid by him to Sponsor with any interest earned thereon.

The Purchase Agreement may not be assigned by the Purchaser, without obtaining the express prior written consent of the Sponsor to such assignment. Sponsor may arbitrarily refuse to give such consent. No Purchaser may list and/or advertise, directly or indirectly, a Unit for sale until the closing with respect to such Unit has occurred.

No provision of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein to so survive or to be performed subsequent to the closing. Acceptance by the Purchaser of the deed will constitute said Purchaser's acceptance and acknowledgment of the full performance by Sponsor of, and the discharge of Sponsor from, all obligations under the Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed. This Plan survives the closing. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan or Part 23 of the Regulations issued by the Department of Law and the obligations of the Sponsor pursuant to the Article 23-A of the General Business Law shall survive the delivery of the deed. Additionally, the Sponsor, shall defend any suits or proceedings arising solely and directly out of Sponsor's acts or omissions and will indemnify the board of managers and the Unit Owners with respect to any such suits and/or proceedings.

Escrow and Trust Fund Requirements

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

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this Offering Plan or in a Purchase Agreement. Purchasers shall

not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, in a segregated special escrow account of Todtman, Nachamie, Spizz & Johns, P.C. (the "**Escrow Agent**"), whose address is 425 Park Avenue, New York, New York 10022, telephone number (212) 754-9400, pursuant to an Escrow Agreement by and between the Sponsor and the Escrow Agent.

The signatures on this account authorized to withdraw funds is Martin Todtman, Barton Nachamie or Alex Spizz.

The name of the account is "Todtman, Nachamie, Spizz & Johns, P.C. Attorney Escrow Account," located in Gotham Bank of New York, 1412 Broadway, New York, New York 10018. This bank is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit.

The 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 for these accounts which currently is approximately 0.25%. Interest will begin to accrue within five (5) business days of acceptance of the Purchase Agreement. Together with the signed Purchase Agreement, Down Payment and Transferee Questionnaire, each Purchaser shall be required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number). If a Purchaser shall fail to submit the Form W-9, the Down Payment will be held in a non-interest bearing segregated escrow checking account linked to the account stated above until such time as the Form W-9 is submitted to Sponsor and, within five (5) business days thereafter, will be transferred into the interest-bearing account.

All instruments shall be made payable to the order of "Todtman, Nachamie, Spizz & Johns, P.C., as Escrow Agent." Endorsed checks or other instruments will not be accepted.

Within ten (10) business days after acceptance of the Purchase Agreement, the Escrow Agent will notify the Purchaser that the Down Payment has 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 within fifteen (15) business days after acceptance of the Purchase Agreement, the Purchaser may request said notice. If not furnished within five (5) days of the request, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Down Payment. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

The Escrow Agent will hold funds in escrow until otherwise directed by:

- (i) a writing signed by both Sponsor and Purchaser; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

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

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

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

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

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.

A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations has been submitted to the Department of Law.

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

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been fully executed by serving notice on each Purchaser, no less than thirty (30) days before the date set for such closing, by stating the date of the First Closing and setting such Purchaser's closing date. All prospective Purchasers may waive this right to such notice.

The Sponsor expects the First Closing of a Unit to occur on or about February 1, 2005.

Each prospective Purchaser must sign a Power of Attorney to the Board of Managers of the Condominium either before or at closing of title. If the Purchaser does not sign a Power of Attorney to the Board of Managers before or at closing, it will be a material breach of the Purchase Agreement and the closing will not take place. The Power of Attorney shall give the Board of Managers, on behalf of the Unit Owners, the power to to acquire or lease any Unit, together with its Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; to acquire any Unit, together with its Common Interest, that becomes the subject of a foreclosure or other similar sale, on such terms and at such price or at such rental, as the case may be, as said attorneys-in fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit 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 said attorneys-in-fact the power to do all things in said

premises that the undersigned could do if the undersigned were personally present; and to execute, acknowledge and deliver (a) any Declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate.

At the Sponsor's option, Purchasers will be afforded:

- i) the right to rescind the Purchase Agreement within seven (7) days after a fully executed Purchase Agreement has been delivered to the Sponsor together with the Down Payment. The right to rescind must be exercised by personal delivery of a notice of rescission to Sponsor or Sponsor's Selling Agent within such seven (7) day period or by having mailed the right of rescission with a post-mark within such seven (7) day period; or
- ii) not fewer than three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement.

The Sponsor must make a written demand for payment after a prospective Purchaser defaults under the Purchase Agreement thirty (30) days before any forfeiture of escrowed funds can be declared.

A complete copy of the Purchase Agreement is located herein in Part II. Any conflict between the terms of this Plan and the Purchase Agreement will be resolved according to the terms of this Plan.

EFFECTIVE DATE

The offer to sell contained in this Plan is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described herein.

The Plan may be declared effective by serving a notice, by personal delivery or certified mail, upon each Purchaser who has executed a Purchase Agreement and is not in default thereunder, that the Plan is declared effective and, within five (5) days thereafter, submitting an amendment to the Department of Law confirming that the Plan was declared effective on the date specified in the notice.

This Plan may not be declared effective until Purchase Agreements have been executed and accepted for at least fifteen (15%) percent of all of the Residential Units offered under this Plan, i.e., 8 Units.

The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty (80%) percent or more of the Residential Units offered under the Plan, i.e., 39 Units.

The Sponsor has obtained construction financing in connection with the construction of the condominium from The Community Preservation Corporation ("**CPC**"). The terms of the construction loan documents provide, among other things, that CPC will determine the minimum number of Units which must be under contract in order to declare the Plan effective, subject to applicable law.

The Plan will not be declared effective based on Purchase Agreements:

- i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- ii) if the Purchaser was not afforded the protections required by the right to rescind pursuant to the section of this Plan entitled "Procedure to Purchase"; or
- iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent or the Managing Agent or to any principal of the Sponsor, the Managing Agent, or the Selling Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner, except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

At its option, the Sponsor may abandon the Plan for any reason whatsoever before it becomes effective, or before eighty (80%) percent of the Units offered under this Plan have been purchased.

Sponsor may not abandon the Plan after it is declared effective or after eighty (80%) percent of the Units have been purchased for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than 1/2 of 1 % of the total amount of this offering, or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than 1/2 of 1% of the total amount of this offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain.

If this Plan is abandoned, all Purchasers will be so notified in writing. Within ten (10) days thereafter, all Down Payments paid pursuant to Purchase Agreements then in effect together with the interest earned thereon, if any, will be returned to Purchasers in good standing. Upon the return or retention of the Down Payments, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under this Plan or under such Purchase Agreements.

CLOSING OF TITLE TO UNITS

After the Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing of title to Units for which Purchase Agreements are in effect. At the closing of title, a fully executed and acknowledged bargain and sale deed with covenant against grantor's acts, conveying title to the Unit being purchased and its Common Interest, will be delivered to the Purchaser (a form of the Unit Deed is contained in Part II of the Plan).

The closing of title to each Unit will be held at the offices of Todtman, Nachamie, Spizz & Johns, P.C., 425 Park Avenue, New York, New York 10022, on such day and at such hour as Sponsor shall designate to the Purchaser of such Unit on not less than thirty (30) days' prior written notice. Sponsor has the right to postpone the closing date and to fix a new closing date. In such event, Sponsor shall

give the Purchaser not less than fifteen (15) days' notice of the new date and time of closing. The closing shall take place only after or concurrently with the occurrence of the following events:

- (i) the filing of an amendment to this Plan to reflect that it has been declared effective and to confirm that any Units to be closed have been constructed in accordance with applicable plans and compliance with the prerequisites of this section;
- (ii) the recording or filing, as required by law, of the Declaration, of the By-Laws and the Floor Plans and such other documents as may be required by law;
- (iii) (a) the release of such Unit and its appurtenant Common Interest from the lien of all mortgages; or
(b) the consent to the formation of a Condominium and acknowledgement that its lien will be limited to unsold Condominium Units; or
(c) the subordination of the lien of any mortgage to the Declaration of Condominium;
- (iv) if the Purchaser of such Unit so requests, the issuance of a title insurance policy to Purchaser by Chicago Title Insurance Company, insuring fee title to such Unit in the Purchaser, at Purchaser's expense, subject only to the encumbrances set forth in such Purchaser's Purchase Agreement, the Declaration and By-Laws and the standard general exceptions typically contained in such company's standard form of title policy. If the Purchaser elects to obtain insurance from any other title insurance company (which in any event must be a member of the New York Board of Title Underwriters), no exception to title raised by such other title company shall excuse performance by such Purchaser if Chicago Title Insurance Company would issue a policy insuring title without such exception;
- (v) Purchaser being given the opportunity to inspect such Unit and other common or public portions of the property subject to the Declaration;
- (vi) the assignment by Sponsor of any manufacturers' warranties with respect to equipment and appliances in the Unit to the Unit Owner and with respect to the equipment and appliances in the Common Elements to the Board of Managers; and
- (vii) the issuance of a temporary or permanent certificate of occupancy for the entire project or issuance of a partial certificate of occupancy for the Unit closed.

CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs and expenses to be borne by each Purchaser are as follows:

- (a) Fee title insurance, if ordered, in accordance with the schedule of rates set by Chicago Title Insurance Company in accordance with the rate manual approved by the New York Insurance Department. Purchaser will pay the premium therefore, which will vary depending upon the amount

requested. The premium will be discounted at a rate of 70% of the standard fee policy rates in accordance with the following discounted rate schedule:

AMOUNT OF INSURANCE		PREMIUM	
From	To	Fee (per thousand)	Mortgage (per thousand)
35,001	50,000	\$4.67	\$3.89
50,001	100,000	\$3.80	\$3.18
100,001	500,000	\$3.05	\$2.55
500,001	1,000,000	\$2.79	\$2.32
1,000,001	5,000,000	\$2.56	\$2.14

Where fee and mortgage title insurance policies are simultaneously issued, the title company would set a reduced mortgage policy rate, provided the premium for the mortgage title insurance does not exceed the fee policy, in accordance with the above rate schedule. These rates are subject to change without notice. Title insurance charges to be paid at closing will be set in accordance with the schedule of rates in effect at that time.

(b) Fee for recording the deed covering the Unit and the power of attorney in favor of the Board of Managers, approximately \$150, the New York State Real Estate Transfer Tax of \$2 per \$500 (or fractional portion thereof) of the Purchase Price and the New York City Real Property Transfer Tax of 1% of the Purchase Price (1.425% if the Purchase Price exceeds \$500,000). WHILE THE NEW YORK STATE AND NEW YORK CITY TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING THOSE TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE SPONSOR'S PURCHASE AGREEMENT PROVIDES THAT THE PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSFER TAXES AT THE CLOSING.

The New York State Department of Taxation and Finance and The New York City Department of Finance have determined that payment of these taxes by a Purchaser constitutes additional consideration subject to tax. As a result, the tax is computed as follows:

- (i) $\text{Purchase Price} \times 1.4000\%$ (City tax rate plus State tax rate; if consideration exceeds \$500,000, change to 1.825%) = tentative total transfer taxes.
- (ii) $\text{Purchase Price} + \text{tentative transfer taxes} \times \text{City tax rate} = \text{City tax payable.}$
- (iii) $\text{Purchase Price (rounded up to nearest multiple of \$500)} + \text{tentative transfer taxes} \times \text{State tax rate} = \text{State tax payable.}$

In addition to the New York State and New York City real estate transfer taxes and in accordance with applicable statutes, the Purchase Agreement provides that the Purchaser, if applicable, will pay the Additional New York State Real Estate Transfer Tax ("Mansion Tax") which is applicable to all Residential Units with a Purchase Price in excess of One Million (\$1,000,000.00) Dollars and is equal to one (1.0%) percent of the entire Purchase Price.

THESE CHARGES MUST BE PAID BY CERTIFIED OR BANK CHECK AT CLOSING.

(c) If the Purchaser obtains a purchase money first mortgage from a lending institution, he will customarily pay to the lending institution at the closing of title the following costs (on the basis of a \$100,000 mortgage): (i) mortgage recording tax in the amount of 1.75% of the mortgage if the mortgage amount is less than \$500,000 less the sum of \$25 in the event that the Unit being closed is a Residential Unit; (ii) the premium for the mortgage title insurance policy, if any; (iii) mortgage recording fees of approximately \$150, and (iv) the lending institution's attorney's fees pertaining to the mortgage. In addition, the Purchaser may have to pay "points" or other fees and charges to the lending institution. The Sponsor makes no representation as to what additional closing costs may be charged by a particular lender.

(d) If applicable, the Purchaser will also be required to pay to the Sponsor a sum equal to any partial mortgage tax credit to which Purchaser is entitled under the New York Condominium Act, Real Property Law Section 339-ee.2, by reason of mortgage taxes previously paid (such sum is generally based upon the Common Interest of the Unit being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the building).

There will be no mortgage closing costs pursuant to this subsection (d) on Units that are not covered by mortgages.

(e) A fee of \$850 to Todtman, Nachamie, Spizz & Johns, P.C., Sponsor's counsel, for services in connection with preparing the Unit Deed and the Unit Owner's Power of Attorney, and for coordinating and attending the closing. If the closing takes place anywhere other than at the office of Sponsor's counsel, an additional fee of \$250 will be charged for attending the closing. If the closing takes longer than two (2) hours through no fault of the Sponsor, an additional fee of \$200 will be charged for each hour or part thereof that the closing is not concluded. If the closing is adjourned at Purchaser's request, an additional fee of \$250 will be charged for each adjournment. If Purchaser elects to use a title company other than All New York Title Agency, Inc., as agent for First American Title Insurance Company, an additional fee of \$500 will be payable to Sponsor's counsel for the additional time involved in clearing title. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign a Purchase Agreement, the Purchaser shall pay Sponsor an assignment fee of \$1,000 and an additional \$500 to Sponsor's counsel for preparation and processing of the assignment. Such fees shall be payable at or prior to closing by Purchaser's unendorsed personal certified check or official bank check made payable directly to Sponsor's counsel.

(f) An amount equal to one (1) month of Common Charges then in effect with respect to the Unit to be contributed to the Working Capital Fund.

(g) An amount equal to one (1) month of Common Charges then in effect with respect to the Unit to be contributed to the Replacement Reserve Fund.

All real estate taxes and any Common Charges assessed during the month in which title closes or established as a reserve shall be adjusted as of the closing date based upon the last bill rendered for such taxes or charges. In the event that the closing date shall be adjourned at the Purchaser's request (or at the request of the Purchaser's attorney, lender or representative), all adjustments shall be made as of the original closing date. If a Unit has not been separately assessed on the closing date for the then current fiscal tax year, the apportionment of taxes shall be based upon the assessment of the Condominium and the percentage interest in the Common Elements appurtenant to the Unit. If Units have not been

separately assessed prior to the First Closing, Sponsor shall place in escrow an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six (6) month period following the First Closing or until the Units are separately assessed, whichever date shall first occur. Sponsor shall pay the real estate taxes from the escrow account when such taxes are due and payable and shall be reimbursed for such payments from the Unit Owners at the closing of their respective Units.

If the Unit is being purchased subject to an existing lease, the rent collected during the month of the scheduled closing will be apportioned and the security being held by the Sponsor (Seller), if any, will be transferred to the Purchaser.

In addition, should the Purchaser obtain a mortgage, he may be required by the lending institution to deposit monthly with the lending institution a reserve for the payment of real estate taxes commencing with the closing date. The amount of the deposit will be a multiple of the estimated monthly real estate taxes and will vary in accordance with the date of closing of title to a particular Unit.

Each Purchaser shall be responsible for the payment of fees of his own attorney and the cost of any increase in the real property transfer tax or any other tax imposed with respect to the delivery of the deed. The mortgage and fee title policy premiums, the recording charges and the transfer tax rates set forth above are those in effect as of the date of this Offering Plan. Each Purchaser shall be required to pay the title policy premiums, recording charges and transfer taxes in effect as of the date of the closing of title to his Unit. ALL RECORDING CHARGES, MORTGAGE TAXES AND TRANSFER TAXES CITED IN THIS SECTION ARE FOR ILLUSTRATION PURPOSES ONLY, ARE BASED UPON CURRENT RATES AND ARE SUBJECT TO CHANGE. THE PURCHASER WILL BE OBLIGATED TO PAY SUCH CHARGES AND TAXES AT THE RATE THEN IN EFFECT AT THE TIME OF CLOSING. SPONSOR SHALL NOT BE RESPONSIBLE FOR ANY VARIATIONS BETWEEN THE AMOUNTS REFERENCED ABOVE AND THE ACTUAL AMOUNTS CHARGED AT CLOSING.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Units will be real estate taxes and Condominium common charge assessments, if either has been declared due and payable by the Board of Managers of the Condominium. If any other items are to be apportioned at closing, the Sponsor will advise the Purchaser in writing of those items at least ten (10) days before the closing. The Sponsor will advise the Purchaser of the closing date by giving him written notice at least fifteen (15) days prior to the closing date.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor has undertaken the following obligations under this Plan:

A. Each Unit is being sold and delivered according to the Sponsor's description of property herein. The fixtures and personal property therein are being sold and delivered "as is" on the date of closing of the Unit, unless Sponsor and Purchaser agree otherwise in writing. Sponsor may continue to construct and will maintain each Unit and the fixtures and personally contained therein up to the time of the transfer of title to the Unit.

B. The Sponsor has the obligation to build and complete the Condominium in accordance with the building plans and specifications identified in the Plan. The Sponsor has obtained construction financing in connection with the construction of the condominium from The Community Preservation

Corporation ("CPC"). The terms of the construction loan documents provide, among other things, that CPC will determine the minimum number of units which must be under contract in order to declare the Plan effective, as well as the minimum sale price and minimum payment which must be made by the Sponsor to CPC with respect to each sale of a Unit. Sponsor reserves the right to substitute equipment or materials and make modifications of layout design, provided however, that Sponsor may not: (i) substitute equipment or materials of lesser quality or design or (ii) change the size or location of the building, Units, other improvements or Common Elements if such change adversely affects the value of any Unit to which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. Notwithstanding the foregoing, pursuant to applicable law, the Plan cannot be declared effective with less than fifteen (15%) percent of the Units under contract and must be declared effective when eighty (80%) percent of the Units are under contract.

C. Prior to the closing of the first Unit, Sponsor must obtain a certificate of occupancy (either temporary or permanent) for the entire building, or in the alternative, Sponsor must obtain a temporary certificate of occupancy for the Unit to be closed. The Sponsor must obtain a permanent certificate of occupancy within a projected timetable after the First Closing. Sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires. If the closing of title to one or more Units occurs, Sponsor is required to maintain all funds and deposits in the special escrow account required by General Business Law Section 352-e (2-b) unless the Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy. Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

D. Sponsor is not obligated to repair or improve a Unit or the fixtures or personal property attached to or used in connection with the operation of a Unit, except as otherwise expressly provided in this Plan. Sponsor is not required to reduce noises that may emanate from mechanical devices located within a Unit. Sponsor does not warrant the materials or workmanship of any Unit or the materials or workmanship of the Common Elements. Sponsor shall assign to the Purchaser of each Unit any warranties in Sponsor's possession at the closing for the Unit. Any warranties in Sponsor's possession as of the First Closing that relate to Common Elements will be assigned to the Board of Managers at the First Closing. ALL PROSPECTIVE PURCHASERS ARE ADVISED THAT WARRANTIES VARY IN LENGTH DEPENDING, IN PART, UPON WHEN APPLIANCES, EQUIPMENT, FINISHES, MATERIALS AND FIXTURES COVERED BY SUCH WARRANTIES ARE FIRST INSTALLED. SPONSOR MAKES NO REPRESENTATION AS TO WHICH, IF ANY, OF THE WARRANTIES WILL CONTINUE TO REMAIN IN FORCE UPON THE CLOSING DATE OF ANY PARTICULAR UNIT. After a Unit Owner is given possession or the closing of title to his Unit takes place, whichever occurs first, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or formica, chips and scratches in tubs, vanities or kitchen counter tops or scratches in any wood floors, adjustments to sliding windows or any other "Minor Imperfections" (as that term is defined below) in the Unit, except as may be set forth on any punch list executed by the Unit Owner at or prior to closing. Sponsor is providing the Housing Merchant Implied Warranty under Article 36-B of the General Business Law of the State of New York ("Warranty"). The Warranty provides for warranty periods of one (1) year for defects due to the failure of the Unit to be constructed in a skillful manner, two (2) years for defects in the plumbing, electrical, heating, cooling and ventilation systems servicing the Unit due to the failure by the Sponsor to install said systems in a skillful manner and six (6) years with respect to material defects. A copy of the Warranty is set forth in Section M of Part II of this Plan.

Sponsor will in no event be liable to have corrected or repaired the following (collectively referred to as "Minor Imperfections"):

- (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the building, including without limitation, concrete cracks which do not impair the structural soundness of the building;
- (ii) defects of an insubstantial nature, such as partial or total death of any trees, shrubs, bushes or other landscape improvements; protruding dry wall fastenings; nail pops; ridging on gypsum board or variations in gypsum board taping visible only under certain lighting conditions; lumber shrinkage; door or window sticking due to weather; door warpage, including without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight; slight scratches or dents in plastic laminate, appliances, vitreous china, natural stone, wood, stainless steel or porcelain surfaces, bathroom finish grouting; adjustment of bi-fold doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base floors;
- (iii) normal settlement and deflection or any consequential damage resulting therefrom, including without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the property;
- (iv) deviations in the level of ceiling and imperfections in ceiling finishes of less than six (6") inches;
- (v) imperfections (including dirt or smudges) in painting finishes beyond the single base coat of primer paint that Sponsor shall provide (Purchaser is responsible for applying any finish coat(s) of paint);
- (vi) deviations in the level of a floor of less than six (6") inches;
- (vii) alignment of bathroom finishes and variation in grouting thickness;
- (viii) air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Association Standard A-Z;
- (ix) noise from normal plumbing, heating, ventilating and air conditioning operation;
- (x) normal floor noises and creaking;
- (xi) carpet or floor discoloring or stretching;
- (xii) variations in width, length, thickness, finish, or color range of wood flooring, including but not limited to, stains caused by foot traffic prior to closing;
- (xiii) repair of chips, scratches, marks, breaks, dents, cracks, signs of normal wear or other defects in exterior stone; windows; window glass, frames and hardware; elevator cabs,

elevator cab doors and elevator cab panels; insulation attached to the masonry wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets, kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors, paint touch-ups, and after the Unit closing, repair of dented appliances, or replacement of light bulbs;

- (xiv) variations in tone or color of natural stone or variations in tone or color of vanity tops or other natural stone surfaces;
- (xv) leaching or color variation of color mortar and colored brick, dimensional variations in brick joints and mortar droppings on bricks;
- (xvi) ponding and/or controlled drainage on the roof surface;
- (xvii) cracks or discoloration in pressure treated lumber used or intended for use outside the property;
- (xviii) cracks or discoloration in concrete used in cellar walls and paving;
- (xix) discoloration of hardware and plumbing finishes;
- (xx) stains, runs, lumps, shags or imperfections in weave in fabric panels;
- (xxi) scratched, dirty or cracked lenses in light fixtures;
- (xxii) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles; or
- (xxiii) any other inconsequential imperfection normally found in building. Sponsor shall have discharged its obligation to repair abnormal scratches in plastic laminate by refinishing and Sponsor shall not be obligated to replace such surfaces or items. These Minor Imperfections are not defects and may be found in any building. Purchasers who purchase a Unit in the Condominium or in any other building may experience some or all of these items and conditions in their Units, the Common Elements or elsewhere in the building. Sponsor has no obligation to correct or repair any of these items and conditions and shall not be liable to any Purchaser or the Board therefor. If a Purchaser or the Board desires to correct or repair any of these items or conditions, to the extent they can be corrected or repaired, they will have to proceed at their sole cost and expense by themselves and/or under any warranties or undertakings assigned to them by Sponsor.

Except as set forth herein, Sponsor does not warrant the materials or workmanship, and shall not be obligated to have corrected or repaired any other defects or conditions in the building, including (without limitation) the Units, the Common Elements, the building systems, appliances and all other installations, equipment, fixtures and appurtenances.

Nothing contained herein or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligation hereunder shall be to cause to be repaired or replaced (at Sponsor's option) any defective item or construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the plans), subject to the terms and conditions (and within the time limits) set forth in this paragraph and elsewhere herein. The foregoing shall not relieve Sponsor of any liability for consequential damages provided by law.

Notwithstanding any provisions herein to the contrary, 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 this Offering Plan or (ii) variations from the plans and specifications or description of the building or a Unit set forth in this Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality.

Subsequent to the First Closing and after receipt of an assignable manufacturer's or subcontractor's heating, electrical, plumbing or roofing warranty or bond (if and to the extent made by such manufacturer or subcontractor), Sponsor will, with reasonable promptness, deliver to the Board of Managers an assignment of such warranty or bond. Sponsor will also deliver to each Unit Owner, with reasonable promptness after the issuance of the deed to him, an assignment of all assignable manufacturer's warranties and bonds relating to appliances in the Owner's Unit.

The Sponsor shall not be liable for, or obligated to defend, any suit with respect to the building or any Unit arising out of any occurrence taking place after the First Closing, except claims arising from the gross negligence of Sponsor or its agents, employees or contractors. All obligations of the Sponsor shall be enforceable only by the Board of Managers and not by the individual Unit Owners, unless the alleged construction defect relates to one Unit only and is not a common defect affecting two or more Units. During the period that the Sponsor controls the Board, however, any decision to enforce such obligations shall be made by majority vote of the non-Sponsor controlled managers. Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor or its designee will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor or its designee. Moreover, in the event that there are title encumbrances (other than mortgages and permitted encumbrances) affecting the property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, except that Sponsor shall have no obligation to cure, remedy or remove any such encumbrances if the same cannot be accomplished at an aggregate cost and expense (as reasonably estimated by Sponsor) of 1/2 of 1% of the total amount of this offering or less (including attorneys' fees and disbursements). The existence of any such liens or encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under the Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such lien or encumbrance has been cured or remedied or deposits with its counsel, Todtman, Nachamie, Spizz & Johns, P.C., a reasonable sum to secure Sponsor's obligation to cure and remedy such lien or encumbrance subsequent to the First Closing. At Sponsor's request, the Board of Managers shall apply the sums so deposited towards payment of the cost of curing or remedying the title defect, except that the Board of Managers shall retain a sufficient portion of such security deposit to pay for the reasonable costs of curing or remedying the remaining title defects. Notwithstanding the foregoing, Sponsor is obligated to cure all violations of record as of the First Closing within a reasonable time thereafter. If the aggregate cost and expense of

curing and remedying and removing all such encumbrances exceeds 1/2 of 1% of the total amount of this offering (as reasonably estimated by Sponsor) and Sponsor elects not to accomplish the same, Sponsor shall withdraw this Plan in accordance with the terms of the section above entitled "Effective Date".

E. Immediately following the First Closing, Sponsor will assign any assignable service and maintenance contracts and agreements relating to the property to the Board of Managers, who will, on behalf of all Unit Owners, assume the same and indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Closing occurs.

F. Sponsor agrees to deliver to, and at the expense of, the Board of Managers, upon commencement of its operation, policies or binders for fire and casualty insurance providing coverage in accordance with footnote 8 to the First Year's Budget. Such coverage will provide for sufficient coverage to avoid co-insurance or contain an agreed amount replacement value and to comply with the By-Laws. The cost of such insurance will be apportioned between the Sponsor and the Board of Managers.

G. Sponsor agrees that copies of this Plan and all exhibits and documents referred to herein shall be on file and available for inspection by prospective Purchasers and by any person who shall have purchased a Unit under this Plan or participated in the offering of such Units, at the office of the Sponsor's counsel, Todtman, Nachamie, Spizz & Johns, P.C., 425 Park Avenue, New York, New York, and shall remain available for such inspection for a period of six (6) years from and after the date of the First Closing.

H. Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and to all of the Common Elements for purposes of completing construction of the building or performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the Owner of the Unit to which access is required.

I. Sponsor or its designee reserves the right, freely and without restriction, to rent or lease Units to Purchasers and non-purchasers at any time, both before and after the First Closing; however, once a Purchase Agreement is signed for a Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be leased to the Purchaser thereof. The lease will provide for rent (but not to exceed the maximum rent legally collectible, if any) and upon such other terms as may be mutually agreed upon. Such lease will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to terminate such lease. No portion of the rental paid under such lease will be credited toward the Unit's Purchase Price. The risk of loss from fire or other casualty will pass to the Purchaser upon such Purchaser taking possession of a Unit under a lease.

No Purchaser shall have the right to occupy the Unit purchased by him prior to the closing unless Sponsor agrees to permit such occupancy under an interim lease or other written occupancy agreement which has been individually negotiated with such Purchaser. Sponsor has no obligation to enter into an interim lease with any Purchaser, regardless of whether interim leases have been offered to other Purchasers.

Sponsor's or 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 Board of Managers. Such lease must be for a term of not less than six (6) months; however, an interim lease or occupancy agreement between Sponsor and the Purchaser of a Unit may be for a lesser term.

J. Except for Sponsor's or its designee's obligations to pay Common Charges and special assessments (as and when declared by the Board of Managers to be due), real estate taxes and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the Plan sets forth the entire extent of the obligations of Sponsor and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units but only for the time periods specified above. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts or omissions of Sponsor or the representations made by Sponsor in this Plan.

The obligations of Sponsor under this section with respect to the Condominium or the Common Elements shall be enforceable only by the Board of Managers on behalf of all Unit Owners. All obligations pursuant to this Plan or the General Obligations Law, which are to be performed subsequent to the closing date, will survive the delivery of the deed.

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE THE PERFORMANCE OF THE SPONSOR'S OBLIGATIONS SET FORTH HEREIN. THE ABILITY OF SPONSOR TO PERFORM ITS OBLIGATIONS WILL DEPEND UPON ITS FINANCIAL CONDITION, WHEN AND IF IT IS CALLED UPON TO PERFORM. NO WARRANTY IS MADE THAT SPONSOR WILL BE FINANCIALLY ABLE TO PERFORM ANY OR ALL OF SUCH OBLIGATIONS. .

CONTROL BY THE SPONSOR

Sponsor or its designee shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor, except that Sponsor shall in no event cast its votes in favor of more than a bare majority of the Board members to be elected. The right of the Sponsor to elect a majority of the Board will end on the sooner to occur of (a) the fifth anniversary of the First Closing or (b) the closing of title under this Plan to seventy-five (75%) percent of the Units in number and in aggregate Common Interests appurtenant to all Units. T hereafter, for so long as the Sponsor owns one or more Unsold Units, Sponsor or its designee shall have the right to elect one (1) member of the Board.

All members of the Board of Managers shall serve without compensation. Members of the Board are subject to removal, without cause, by vote of Unit Owners owning a majority of the Common Interests attending a meeting at which a quorum is present. However, members elected by Sponsor or its designee may only be removed without cause by Sponsor or said designee, who will have the sole and exclusive right to designate a replacement.

UNTIL SPONSOR NO LONGER ELECTS A MAJORITY OF THE MEMBERS OF THE BOARD OF MANAGERS, SPONSOR WILL, THROUGH ITS CONTROL OF THE BOARD, BE ABLE TO CONTROL THE MAINTENANCE AND OPERATION OF, AND THE SERVICES TO BE PROVIDED BY, THE CONDOMINIUM AND WILL DETERMINE THE COMMON CHARGES TO BE PAID BY ALL UNIT OWNERS.

Notwithstanding anything to the contrary contained herein, until title to seventy-five (75%) percent of Units in number and in aggregate Common Interests have closed (but in no event after the fifth anniversary of the First Closing), the Board may not, without Sponsor's or such designee's prior written consent:

- (a) make capital additions or improvements (unless required by law);
- (b) increase or decrease the level of services (without regard to the cost of said services) over those provided in the prior year's operating budget;
- (c) establish additional reserve funds; or
- (d) borrow money.

Notwithstanding the foregoing, the Board of Managers may take any of the actions enumerated in clauses (a) through (d) above without such prior written consent, if the cost of such actions, when added to all other budgeted operating expenses, shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent above the previous year's Common Charges.

All painting, decorating, maintenance, repairs and replacements to the Common Elements, whether located inside or outside of the Units, shall be made by the Board of Managers, which need not obtain the approval of Unit Owners or of mortgagees of Units (regardless of the cost thereof but subject to the restrictions on borrowing described herein), and the cost of the same shall be a common expense unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof.

All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Units

Except as set forth in that certain Land Disposition Agreement dated as of June 24, 2002 by and between the Sponsor and The City of New York ("*LDA*"), there is no restriction upon ownership of a Unit. Subject to the provisions of the *LDA*, Units can be sold or leased by a Unit Owner, provided that he is not in arrears in the payment of Common Charges (except where the payment of the unpaid Common Charges is paid by the buyer or provided for out of the proceeds of the sale), and provided further that the sale or lease is first offered to the Condominium under the same terms and conditions as the prospective buyer or lessee has offered to purchase or lease the Unit.

Subject to the provisions of the LDA, each owner of a Unit (with certain exceptions stated below) may sell or lease his Unit provided, however, that such owner first gives the Board of Managers written notice of his intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee. The Board, on behalf of all Unit Owners, shall have the exclusive right to purchase or lease the Unit within twenty (20) days after receipt of such notice of sale or lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article VIII of the By-Laws. If the Board does not notify the Unit Owner during such twenty (20) day period of its election to purchase or lease the Unit, such Unit Owner will have thirty (30) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to first offer the same to the Board as provided above.

Section 339-kk

In the event that a Unit Owner elects to lease his or her Unit pursuant to the provisions of this Section, then in such event, the terms and conditions of Section 339-kk of the Real Property Law of the State of New York shall be applicable to any lease of a Unit hereunder. Section 339-kk provides, in part, that in the event that a Unit Owner defaults with respect to the payment of common charges, assessments and/or late fees, then in such event, the Board of Managers may demand that the tenant of the Unit pay rent directly to the Board of Managers.

The Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning eighty (80%) percent or more of the aggregate Common Interests of all Units vote in favor thereof, in person or by proxy, at a meeting of Unit Owners held within fifteen (15) days of receipt of the notice, at which a quorum of Unit Owners is present. If approval is given, the Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his Common Interest, an amount necessary to effectuate the purchase or lease. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

A Purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by will or to have it pass by intestacy without any restriction, provided that the new Unit Owner shall be bound by and his Unit shall be subject to the foregoing restrictions. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the Common Elements.

The Sponsor, its designee, or any mortgagee acquiring title to a Unit in a foreclosure can sell or lease a Unit free of any of the foregoing restrictions. Further, the Sponsor, its designee or any mortgagee acquiring title to a Unit in foreclosure may rent a Unit to the Purchaser of the Unit if the Purchaser so desires prior to the conveyance of title to that Unit.

No lease for any Unit (other than an Unsold Unit for which a Purchase Agreement is in effect and which is leased to the Purchaser thereof) shall be for a term of less than six (6) months. Each lease must be in the form of lease then approved by the Board of Managers.

Restrictions On Occupancy and Use

Each Residential Unit may be used solely for residential use.

A Unit may be owned by an individual, corporation, partnership, fiduciary or any other entity. Each and every owner and occupant of a Unit and their guests must comply with the Rules and Regulations, as they may be amended from time to time. The Units may not be leased for transient residency (i.e., less than six months) or for any illegal purpose.

No portion of a Unit (other than the entire Unit) may be sold, conveyed, leased or subleased.

The Sponsor may, without the permission of the Board, use any unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

Mortgage of Units by Unit Owners

The Unit Owner may mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from federal or state savings and loan associations, savings or commercial banks, life insurance companies, pension funds, trust companies, agencies of the United States government or of the City or State of New York, or other similar institutional lenders, except that, upon the resale of his Unit, any Unit Owner may grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all liens for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges - Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees annually. Based upon that budget and any modification approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage interest in the Common Elements. The charges assessed by the Board of Managers ("**Common Charges**") include the cost of repairing and maintaining the Common Elements, management charges, charges for water and electricity consumed in the Common Elements and other normal operational costs. In the discretion of the Board of Managers, the Common Charges may also include a reserve fund, working capital fund and other sums necessary to carry on the affairs of the Condominium.

The estimates of real estate taxes in Schedule "A" and the estimates of Condominium expenditures in Schedule "B" were made by the Sponsor. Although the Sponsor is of the opinion that the estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be less or greater than as set forth in the schedules.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Units and the Common Elements, public liability and property damage, maintenance of the Common Elements, a reserve for future contingencies, and operation of the Condominium. The Common Charges do not include maintenance, repairs or decoration of any of the Units or portions thereof, Limited Common Elements, payments required pursuant to the liens of Unit Owners' mortgages and real estate taxes covering the individual Units.

The Common Charges which will be collected monthly by the Board of Managers and other costs of maintenance of the Units are set forth on Schedule "A". However, additional services that the Unit Owners may desire or other factors can increase these charges. The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or at any subsequent date as in its sole discretion it may determine.

The Board's collection of Common Charges will be in an amount no greater than as set forth herein and only in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in the Plan. All such Common Charges shall be paid by the Unit Owners and the Sponsor, as the owner of the Unsold Units, in accordance with their respective percentages of Common Interest as set forth in this Plan. The Common Charges will be placed in an account in the name of the Board of Managers in a financial institution that the Board may designate from time to time.

Where a Unit is damaged in casualty and the proceeds of insurance are not sufficient to cover the cost of repairing the damage, the amount necessary to restore the Unit over and above the proceeds from any insurance on the Units will be a Common Charge to all Unit Owners. In order to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers will determine the amount of blanket casualty insurance covering all Units (the cost of which is part of the Common Charges) and review the amount of that coverage annually.

Until Common Charges are declared due and payable, Sponsor shall maintain the property and pay all expenses in connection therewith. When Common Charges are declared due and payable, the Sponsor shall be liable for the monthly Common Charges of all Units that have not been transferred to a bona fide purchaser.

Under the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Unit for its unpaid Common Charges (plus legal interest) prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force until six (6) years after the filing of a verified statement of the lien in the Register's Office or until all sums due have been paid. The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in so doing shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of the Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and the By-Laws. In such case, said Unit Owner shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage, if any. A Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit. Upon a resale, the buyer of a Unit shall be liable for the payment of unpaid Common Charges assessed against the Unit prior to the acquisition of the Unit by the buyer, except that a mortgagee who acquires title to a Unit or a buyer at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to the Unit by the mortgagee or buyer at a foreclosure sale. In that case and in the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a common expense.

Repairs, Alterations and Improvements to Units

Any Unit Owner may make any non-structural interior alterations or improvements to the Unit without obtaining the consent of the Condominium so long as the alterations or improvements do not affect the building or any other Common Element. All maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units (except for painting and cleaning of the exterior surface of doors and windows, which open from a Unit, which painting and cleaning are performed by the Board of Managers), repairs and replacements to Units including windows and doors (including all glass breakage) and repairs to pipes, wires and conduits located in and servicing the same Unit other than as set forth in the following paragraph shall be made by the respective Unit Owners at their expense (See "Rights and Obligations of the Board of Managers/Summary of By-Laws").

No Unit Owner shall have any right of any nature whatsoever to make any alteration, improvement and/or construction of any nature whatsoever and/or perform any construction with respect to the roof and/or the yard of the building ("**Roof/Yard Construction**") without the prior written consent of the Board of Managers, which consent may be granted or withheld in the sole and absolute discretion of the Board of Managers. In the event that any Unit Owner desires to perform any Roof/Yard Construction, then in such event, the Board of Managers shall have the specific unlimited authority to regulate any and all such Roof/Yard Construction including, without limitation, the power to regulate (i) the time periods during which any such Roof/Yard Construction will be permitted, (ii) the manner in which construction debris from any such Roof/Yard Construction will be handled and disposed of, (iii) what measures must be taken to prevent compromising the security of the building during any such Roof/Yard Construction, (iv) the interruption of any building services during any such Roof/Yard Construction and (v) the liability insurance requirements for all contractors and subcontractors performing any such Roof/Yard Construction.

If a Unit Owner creates any condition which affects the building, the Common Elements or any other Unit, the Board of Managers may make any repair or correct the condition upon notice given in accordance with the By-Laws and charge the Unit Owner for the costs of the service. If it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make a repair or correct a condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with any such suit or proceeding.

Insurance

Upon commencement of Condominium operation, the property will be provided with the insurance coverage described in footnotes to the First Year's Budget and in the section of the Plan entitled "Rights and Obligations of the Board of Managers/Summary of By-Laws". The policy will be placed and paid for by Sponsor prior to the First Closing and the premium will be reimbursed to Sponsor within one (1) year from and after the First Closing without interest; however, if, at Sponsor's option, the premium is financed, then only the prepaid portion of the premium will be reimbursed to Sponsor and the Board of Managers will assume responsibility for making the remaining payments.

Unit Owners may obtain supplemental or additional insurance for their own benefit, provided that such policies contain waivers of subrogation and provided further, that the liability of the companies issuing

insurance procured by the Board shall not be affected or diminished by any Unit Owner's supplemental or additional insurance.

Each Unit Owner should consider the desirability of obtaining additional insurance at his own cost covering: (i) fire or casualty losses to the contents of his Unit and any replacements, additions, upgraded fixtures and improvements therein and (ii) liability for personal injury or property damage as a result of occurrences in his Unit and any Limited Common Elements appurtenant thereto.

Right of Access

As more fully set forth in the By-Laws, the Board of Managers, the Managing Agent, the superintendent and all other persons authorized by the Board, will have an unlimited right of access to any Unit and any Limited Common Elements appurtenant thereto (including, without limitation the roof and cellar of the building) for the purposes, among others, of making inspections of, or removing violations of governmental laws or regulations against, any part of the property, curing defaults committed by the Owner of such Unit under any Condominium documents, or correcting any conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have an unlimited right of access to each Unit and to all of the Common Elements thereto (including, without limitation the roof and cellar of the building) for purposes of completing construction of the building or performing certain alterations and repairs in or about Unsold Units in fulfilling Sponsor's obligations under the Plan. The Unit Owner shall have an easement over and through the Limited Common Elements for ingress and egress to and from the building in the event of an emergency, equipment failure or other contingency.

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

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws, as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations are set forth in the By-Laws and Declaration and can be found in Part II of this Plan. The failure of a Unit Owner to strictly comply with these documents will be grounds for an action for injunctive relief, damages or both.

RIGHTS AND OBLIGATIONS OF THE BOARD OF MANAGERS

Board of Managers

Primary responsibility for operating the Condominium rests with the Board of Managers. The Board will initially be comprised of five (5) Managers designated by the Sponsor. Within six (6) months after the First Closing, the Sponsor shall call the first Annual Meeting of Unit Owners, at which the five (5) member Board will resign and a new Board consisting of five (5) Residential Managers. See the section entitled "Control by Sponsor" for information regarding the Sponsor's right to control the Board of Managers.

At the first Annual Meeting, the term of office of two Managers will be fixed for two (2) years and three for one (1) year, so that each year the term of approximately 1/2 of the Board of Managers will expire. After the initial term, the members of the Board of Managers will be elected for a term of two (2) years.

All members of the Board of Managers, other than those designated by the Sponsor, must be Unit Owners. The members of the Board of Managers will be elected at the Annual Meeting of the Unit Owners.

Managers, other than Managers appointed by Sponsor or its designee, may be removed from office for cause by a vote of a majority of the Unit Owners. A Manager, other than one appointed by the Sponsor, must resign if he ceases to be a Unit Owner.

Powers and Duties of the Board of Managers

The Board of Managers may do everything necessary to carry out the business and objectives of the Condominium, including but not limited to, the following:

1. to determine and levy monthly assessments ("***Common Charges***") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners, pro rata, according to the formula provided for herein;
2. to collect, use and expend the assessments collected to maintain, care for and preserve the Units, the building and other Common Interests;
3. to make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
4. to enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the property;
5. to open bank accounts on behalf of the Condominium, to designate the signatories to such bank accounts;
6. to insure and keep insured the Common Elements and Units in accordance with Article VII of the By-Laws;
7. to collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules and regulations herein referred to;
8. to purchase any Unit at a foreclosure sale on behalf of all the Unit Owners;
9. to make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and regulations and all amendments thereto shall be delivered to each Unit Owner;
10. to employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts and generally to have the power of management in connection with the matters herein set forth;

11. to bring and defend actions by or against a Unit Owner(s) and/or pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of Common Charge assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and the By-Laws and may fund the cost of any such litigation out of the Common Charge assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the Common Elements;

12. to acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

13. to grant utility or other easements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee;

14. to borrow 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 at least 66-2/3% in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of the By-Laws, shall be required for the borrowing of any sum of excess of \$15,000.00 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 Owner of said Unit; and

15. to act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the New York Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of the By-Laws.

Officers of the Condominium

The officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers at its annual meeting. The Board may also appoint additional officers. All officers shall serve without compensation from the Condominium.

All officers must be Unit Owners or members of the Board of Managers. The President must be a member of the Board.

The President shall be the chief executive officer of the Condominium, preside at meetings of the Unit Owners and of the Board, appoint committee members and generally have the powers and duties of the president of a corporation organized under the Business Corporation Law of New York.

The Vice-President shall take the place and perform the duties of the President when the President is absent or unable to act.

The Secretary shall keep the minutes of meeting, be in charge of the Board's books and papers and generally have the powers and duties of a secretary of a corporation organized under the Business Corporation Law of New York.

The Treasurer shall care for and have custody of the funds and securities of the Condominium, keep accurate records and books of account thereof and generally have the powers and duties of a treasurer of a corporation under the Business Corporation Law of New York.

Repairs, Alterations and Improvements to the General Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

a) in or to any Unit (other than the General Common Elements, or Limited Common Elements, or Limited Common Elements to the extent provided below), including any additions, alterations and improvements made by the Unit Owner, shall be performed by the Unit Owner at his sole cost and expense;

b) in or to the General Common Elements shall be made by the Board of Managers, which need not obtain the approval of Unit Owners or of mortgagees of Units (regardless of the cost thereof), and the cost of the same shall be a Common Expense to all Unit Owners (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof); and

c) in or to the Limited Common Elements shall be performed by the Board as a Common Expense if involving structural or capital expenditures or as an expense to the Unit Owner having direct and exclusive access to such Limited Common Element if involving painting or ordinary repair or maintenance.

The cost of snow removal and sidewalk maintenance of the sidewalks, courtyards and public walks shall be a Common Expense. All maintenance and repairs to the General Common Elements shall be performed by employees of the Condominium or by independent contractors.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the building including all of the Units (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein, covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interest may appear, in an amount equal to not less than eighty (80%) percent of the replacement value of the building. Each of such policies shall contain 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 the mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth.

In addition to the insurance set forth herein, the Purchaser may desire to insure his personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly. The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to \$100,000 or less, and to the Insurance Trustee, if the loss shall amount to more than \$100,000. The proceeds shall be applied for the purpose of repairing, restoring or rebuilding the building unless otherwise determined by the Unit Owners, as hereinafter set forth.

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 the 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 then current policies. The amount of fire insurance to be maintained on the building upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of at least \$1,000,000. The Board of Managers shall review the amount of fire insurance annually.

The Insurance Trustee, if one is appointed, shall be a bank or trust company in the State of New York designated by the Board of Managers. If the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254 (4) of the Real Property Law.

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) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) workmen's compensation insurance and (3) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and each Unit Owner in such amounts as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year. See Footnote 7 to Schedule B for the initial insurance provided.

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

The Board will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units after fire or casualty and condemnation, see Articles VII and XIV of the By-Laws. These Articles provide, among other things, for Unit Owners' approval to reconstruct in the event seventy-five (75%) percent or more of the Units are destroyed or substantially damaged. In the event of a casualty loss, the Unit Owner will continue to pay the Common Charges on his Unit.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals may be required prior to renewal of any fire policy.

Liability of the Board of Managers, Officers and Unit Owners

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under the commitment. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties, except acts of willful misconduct or acts made in bad faith. However, the several liability of a Unit Owner shall be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the members of the Board of Managers.

Reports to Unit Owners

All Unit Owners will receive annually, within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting.

Amendments to Condominium Documents

The Declaration, By-Laws and rules and regulations may be altered, amended or added to at any duly called Unit Owners meeting provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty six and two-thirds (66 2/3%) percent of the Unit Owners in number and Common Interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units.

Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least eighty (80%) percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of those same Units agree to the withdrawal of this property from the provisions of the article. The Sponsor or its nominee will not cast any of its votes for withdrawal unless eighty (80%) or more of the Unit Owners other than the Sponsor so vote. In that event, the Sponsor will be free to cast its votes either for or against withdrawal.

Units Acquired by the Board of Managers

All Units, which are acquired by the Board of Managers or its designee, pursuant to its right of first refusal or otherwise, shall be held by it on behalf of all Unit Owners. The Unit Owners shall hold their respective interests in the Unit in proportion to their percentage of Common Interest and the votes appurtenant to such Units shall be cast by the Board of Managers or its designee at all meetings of the Unit Owners, except that the Board will not vote in any election of members of the Board.

Procedure to Review Real Estate Tax Assessment

In the event that any Unit Owner seeks to have the assessed valuation of his Unit reduced by bringing a tax certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including without limitation, reasonable attorneys' fees resulting from such proceedings).

Under the By-Laws, the Board of Managers is authorized to act as agent for the Unit Owners to bring proceedings for the reduction of real estate tax assessments (commonly known as "tax certiorari" proceedings).

Covenant Against Partition of Property

The Condominium shall continue until terminated in accordance with the By-Laws and Declaration. In the event that withdrawal from the provisions of the New York Condominium Act is authorized as aforesaid, but only in such event, the property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

Summary of Certain Provisions of the By-Laws

The Board of Managers shall be comprised of five (5) members, all of whom, with the exception of the Sponsor or its representative(s) must be Unit Owners. The Sponsor shall have the right to elect a majority of the Board of Managers until the earlier of (i) five (5) years from the conveyance of title to the first Unit or (ii) the conveyance of title to seventy-five (75%) percent (both in number and aggregate common interest) of the Units. Pursuant to the By-Laws, the first annual meeting of the Board of Managers will be held within six (6) months of the date of the first Unit closing and subsequent annual meetings will be held on each anniversary of the first annual meeting. Special meetings of the Board of Managers may be called upon two (2) days notice by the President of the Board of Managers to each other member of the Board of Managers. Additionally, pursuant to the By-Laws, the President is compelled to call a special meeting of the Board of Managers upon the written request of at least three (3) managers.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan.

TAXES AND DEDUCTIONS TO UNIT OWNERS

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. 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.

Based upon the opinion of Sponsor's counsel included as Section K of Part II of this Plan, the Condominium will be eligible to elect to obtain tax exempt status pursuant to Section 528 of the Internal Revenue Code of 1986, as amended. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge or assessment. No warranty is or can be made by the Sponsor or any other person that the United States Treasury Department, the New York State Department of Taxation and Finance, or the New York City Finance Administration will allow the aforementioned deductions and neither the Sponsor nor its counsel shall be liable if it shall be held that Unit Owners are not entitled to such deductions or veterans or other exemptions by reason of any change in fact or decisional law that could not be foreseen or expected to be foreseen.

[REAL ESTATE TAX OPINION OF COUNSEL TO BE INSERTED AS PAGES 49 TO 59]

LAW OFFICES
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LAWRENCE J. BERGER
STEVEN E. RESNICK
HARVEY I. SHIFF
LESLIE R. PERLMAN

February 6, 2004

Manhattan Townhouse Equities, LLC
c/o Artimus Construction Co.
37 West 65th Street, 2nd Floor
New York, New York 10023

Re: Manhattan Townhouse Equities, LLC
Block: 1945, Lots: 22-28 & 37-43
Borough: Manhattan

Dear Sirs:

You have requested a projection of the real estate tax liability of the above referenced premises for the fiscal period February 1, 2005 through January 31, 2006, after the condominium declaration has been filed. You have also advised that you intend to make application to appropriate agencies of the City of New York for partial real estate tax exemption pursuant to Section 421-a of the Real Property Tax Law of the State of New York (hereinafter, "421-a" and/or "RPTL").

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 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 below.

The tentative actual (target), and transitional assessed valuations for the subject property for tax year 2004/2005 are set forth as follows:

Lot 22

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 23

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 24

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 25

	<u>Land</u>	<u>Total</u>
Actual	\$27,000	\$81,000
Transitional	\$9,240	\$63,240

Lot 26

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 27

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 28

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$14,400

Lot 37

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 38

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 39

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 40

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 41

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 42

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

Lot 43

	<u>Land</u>	<u>Total</u>
Actual	\$4,800	\$12,800

You have advised us of the following facts regarding this project:

1. Sponsor is constructing a new multiple dwelling which will be comprised of two (2) towers, each consisting of five (5) floors and a cellar. The towers will contain forty-eight (48) residential units, and a twenty-four (24) car garage. The towers will be connected by the cellar which will contain, among other things, a laundry room and gymnasium/workout room for the exclusive use of the residential unit owners;
2. The building will comprise 108,747 gross square feet, of which 98,478 sf. will be attributable to the residential units, and 10,269 will be attributable to the garage; Construction of the project will be completed no later than February, 2005. Construction of initial footings and foundations commenced on or about July 17, 2003 pursuant to new building permit No. 103328016-01-NB;
4. All residential units and parking spaces will be condominium units. The residential units will be offered for sale, and the garage units will not initially be offered for sale. The laundry room and gymnasium/workout rooms will not be offered for sale and will be part of the common elements;
5. The land on which the building will be built is not mapped as a public park nor was it utilized for ten or more years prior to October 1, 1971 as a private park as that term is defined in 421-a rules and regulations (hereinafter, "HPD Regs");
6. The project will not be used as a hotel or for single room occupancy;
7. An application will be timely filed for a 421-a Certificate of Eligibility with the Department of Housing Preservation and Development of the City of New York (hereinafter, "HPD").

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 has 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 sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation (see RPTL §581, and Real Property Law § 339-y).

Since tax year 1982/83, Real Property Tax Law section 1805 (3) has mandated that increases in assessed valuation must be phased in over a five year period, resulting in a "transitional assessment". 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. Taxes are payable based upon the lower of the two values.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entirety. 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 Register. 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.

TAX LIABILITY WITHOUT 421-A BENEFITS

For tax year **2005/2006**, since construction will not be fully completed as of the tax status date¹, it is estimated that an interim valuation will be applied to the residential and parking units by the Department of Finance. We have projected that for tax year 2005/2006, the combined **pre-completion** Total Assessed Valuation for the residential and garage units will approximate \$ 7,818,993, or approximately \$ 71.90 per square foot of gross building area (108,747 sf.). It is anticipated that the combined Total Assessed Valuation for the residential units will be \$ 7,582,806, or approximately \$ 77.00 per square foot of gross residential area (98,478 sf.). It is estimated that the combined Total Assessed Valuation for the garage units will be \$ 236,187, or approximately \$ 23.00 per square foot of gross garage area (10,269 sf.).

For tax year **2006/2007**, it is projected that construction will have been completed on or before the tax status date (January 5, 2006). Reconciliation of the three approaches to valuation discussed above, including review of final 2003/2004 valuations of comparable newly constructed residential buildings in the vicinity of the subject premises, justifies a combined **post-construction** Total Assessed Valuation for the residential and garage units estimated at \$ 8,637,624, or approximately \$ 79.43 per square foot of gross building area (108,747 sf.). It is anticipated that the combined Total Assessed Valuation for the residential units will be \$ 8,370,630, or approximately \$ 85.00 per square foot of gross residential area (98,478 sf.). It is estimated that the combined Total Assessed Valuation for the garage units will be \$ 266,994, or approximately \$ 26.00 per square foot (10,269 sf) per square foot of gross garage area. Prospective purchasers are advised that this valuation estimate assumes that the taxing authority is assessing a post-construction, completed, occupied building and is not intended to reflect any "progress" or interim valuation. **Since completion of construction is not projected until February, 2005, the first tax year reflecting the full valuation of the entire project will be 2006/2007.** In the event completion of construction is delayed for any reason, it is possible that the 2006/2007 assessed valuation may be somewhat lower than as estimated herein.

Based upon the projections set forth, supra, it is estimated that for tax year 2004/2005, the assessed valuation for the entire property should be apportioned in accordance with the following approximate percentages:

Residential Units:	96.91%
Garage Units:	3.09%

As of this writing, final tax rates for tax year 2003/2004 have been set by the City Council at 12.620% for residential property with more than three units, 11.431% for commercial property, and 14.979% for residential property with three units or less. For purposes of the following projections, the following *estimated* tax rates have been utilized:

¹The tax status date (January 5 of each calendar year) is the date as at which the Department of Finance evaluates the site to determine the assessed valuation of the property for the upcoming fiscal year (July 1- June 30) (New York City Charter §1507). For tax year 2005/2006, the tax status date would be January 5, 2005.

	Tax Year	Class 1	Residential (Class 2)	Commercial (Class 4)
<i>Actual</i>	2003/2004	14.979%	12.620%	11.431%
<i>Estimated</i>	2004/2005	15.428%	13.000%	11.673%
<i>Estimated</i>	2005/2006		13.130%	11.790%
<i>Estimated</i>	2006/2007		13.261%	11.908%

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 on June 30). Taxes payable during the fiscal period commencing February 1, 2005 and ending January 31, 2006, comprising five months of the tax due for tax year 2004/2005, and seven months of the tax due for tax year 2005/2006, are projected as follows:

2004/2005 Tax Year

(interim valuation **before** completion of construction)

Est. Actual Assessed Valuation (<i>residential units</i>):	\$ 244,407 ²
Est. Taxes Payable @ 15.428% ³ Tax Rate:	\$ <u>37,707</u>

Est. Actual Assessed Valuation (<i>garage units</i>):	\$ 7,793 ⁴
Est. Taxes Payable @ 15.428% Tax Rate:	\$ <u>1,202</u>

2005/2006 Tax Year

(interim valuation **before** completion of construction)

Est. Actual Assessed Valuation (<i>residential units</i>):	\$ 7,582,806
Est. Taxes Payable @ 13.130% Tax Rate:	\$ <u>995,622</u>

Est. Actual Assessed Valuation (<i>garage units</i>):	\$ 236,187
Est. Taxes Payable @ 11.790% Tax Rate:	\$ <u>27,846</u>

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; (c) tax rates as estimated above; and (d) no §421-a partial tax exemption benefits, may be estimated as follows for the fiscal period February 1, 2005 – January 31, 2006:

Estimated tax liability for individual residential units = \$ 596,491⁵ x Proportionate Valuation

²The 2004/2005 Assessed Valuation for the entire premises is \$252,200. The amount allocated to the residential portion of the premises, in accordance with the percentages set forth on the previous page, is \$244,407 (\$252,200 x .9691).

³For tax year 2004/2005, thirteen lots are classified as Tax Class 1B. Lot 25 is classified as Tax Class 2. For ease of calculation, we applied the Class 1 tax rate to all lots.

⁴\$252,200 x .0309 = \$7,793

⁵[5/12 x \$37,707 = \$15,711] + [7/12 x \$995,622 = \$580,780] = \$596,491

Estimated tax liability for individual garage unit = \$ 16,745⁶ x Proportionate Valuation

NOTE: The fiscal period contained the Plan includes five months of tax year 2004/2005, which partially reflects the new construction, and seven months of tax year 2005/2006 which also partially reflects the new construction. The full assessed valuation will not be reflected until tax year 2006/2007 (assuming construction is substantially completed by January 5, 2006), which commences July 1, 2006.

PROJECTED POST CONSTRUCTION REAL ESTATE TAXES

Assuming construction is complete by January 5, 2006, the first fully assessed tax year will be 2006/2007. Taxes payable during tax year 2006/2007 by all residential units combined, assuming no 421-a partial tax exemption benefits, are projected as follows:

Est. Actual Assessed Valuation (<i>residential units</i>):	\$ 8,370,630
Est. Taxes Payable @ 13.261% Tax Rate:	<u>\$ 1,110,029</u>
Est. Actual Assessed Valuation (<i>garage units</i>):	\$ 266,994
Est. Taxes Payable @ 11.908% Tax Rate:	<u>\$ 31,794</u>

Estimated tax liability for individual residential units = \$ 1,110,029 x Proportionate Valuation

Estimated tax liability for individual garage units = \$ 31,794 x Proportionate Valuation

421-a PARTIAL TAX EXEMPTION BENEFITS

Those eligible projects which meet the requirements of the statute and receive partial 421-a benefits, are exempt from taxation on the increase in assessed valuation resulting from construction of the improvements. HPD Regs., §6-02(d)(5)(C), provides for a 25 year exemption for those buildings located in Manhattan, north of 110th Street, in areas which were eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation (REMIC), as of May 1, 1992. One-hundred per cent (100%) of such increase is exempt during construction, and for twenty-one years subsequent to completion thereof. Beginning in the twenty-second year following completion of construction, the percentage of exemption decreases by 20% each year for a period of four years. Full taxes are payable in the twenty-sixth year following completion of construction.

Throughout the exemption period, real estate taxes will be based upon the tax rate fixed annually by the City Council on or about June 15, multiplied by the addition of (a) the assessed valuation of the property as of the tax year prior to commencement of construction (2002/2003, or \$67,200, known as the "mini-tax assessed valuation"), and (b) the current assessed valuation less the applicable exempt percentage. The mini-tax assessed valuation will be apportioned among all units

⁶ [5/12 x \$1,202 = \$501] + [7/12 x \$ 27,846 = \$ 16,244] = \$ 16,745

in the building once the tax lot apportionment has been concluded. The mini-tax apportionment will be based upon the relative post-construction assessed valuation each unit bears to the total for the building.

Based upon the projections stated in this letter, the mini-tax for the entire property should be apportioned in accordance with the percentages set forth on page 5, supra.

Where the aggregate amount of commercial, community facility and accessory-use space exceeds 12 % of aggregate floor area, the amount of tax exemption shall be reduced by an amount equal to the percentage by which such space exceeds 12 % of aggregate floor area.

SITE ELIGIBILITY

To qualify for Section 421-a benefits, HPD Regs. § 6-02(f) requires that a site must have been vacant, predominantly vacant, underutilized, or improved with a non-conforming use as of 36 months prior to commencement of construction⁷, (hereinafter, the "Operative Date"). The Operative Date is July 17, 2000.

Lots 22-28 & 37-43

As of the Operative Date, these sites were vacant and unimproved (see copies of applicable portion of assessed valuation history obtained from the City of New York Real Property Assessment Department, annexed hereto). These lots were therefore vacant pursuant to 28 NYCRR § 6-02(f)(3)(1), and each is eligible for 421-a partial exemption, provided other eligibility criteria are met.

Assuming (1) the construction and eligibility specifications contained in the RPTL and HPD Regs. are met, as enumerated in paragraphs 1 - 7 on page 2 above; and (2) properly completed preliminary and final applications for Section 421-a exemption benefits are timely filed, the City of New York will be required to grant partial 421-a exemption benefits to the project.

IMPACT OF 421-A BENEFITS

Assuming that the property will qualify for 421-a benefits, the post-construction assessment will be 100% exempt for a period of twenty-one years.

Taxes payable during tax year **2004/2005**⁸ by all residential units combined, will be as follows:

Mini-tax assessed valuation⁹:

\$ 65,124

⁷ Sponsor has represented that construction commenced on or about July 17, 2003.

⁸ Based upon the projections stated in this letter, the mini-tax for the entire property should be apportioned in accordance with the percentages set forth on page 5, supra.

⁹ 2002/2003 Actual Assessed Valuation for all lots combined, or $\$67,200 \times .9691\% = \$65,124$

Taxes Payable @ 13.000% Tax Rate: \$ 8,466

Taxes payable during tax year **2004/2005** by the garage units, will be as follows:

Mini-tax assessed valuation¹⁰: \$ 2,076
Taxes Payable @ 11.673% Tax Rate: \$ 242

Taxes payable during tax year **2005/2006** by all residential units combined, will be as follows:

Mini-tax assessed valuation: \$ 65,124
Taxes Payable @ 13.130% Tax Rate: \$ 8,551

Taxes payable during tax year **2005/2006** by the garage units, will be as follows:

Mini-tax assessed valuation: \$ 2,076
Taxes Payable @ 11.790% Tax Rate: \$ 245

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; (c) tax rates as estimated above; and (d) timely implementation of 421-a benefits, may be estimated as follows for the fiscal period February 1, 2005 – January 31, 2006:

Estimated tax liability for individual residential unit = \$ 8,516¹¹ x Proportionate Valuation

Estimated tax liability for garage units = \$ 244¹² x Proportionate Valuation

OTHER EXEMPTION BENEFITS AVAILABLE TO ELIGIBLE UNIT OWNERS

The following abatement and exemption benefits are presently available to qualified unit owners who meet the eligibility requirements of sections 425 and 467-a of the Real Property Tax Law of the State of New York ("RPTL").

NOTE: To the extent that the project qualifies for 421-a Exemption benefits, discussed above, unit owners will not qualify for the Coop/Condo Abatement nor STAR Exemption. In the event that 421-a exemption benefits are denied for any reason, the Coop/Condo Abatement and STAR Exemption would be available.

¹⁰ \$67,200 x .0309 = \$ 2,076

¹¹ [5/12 x \$8,466 = \$ 3,528] + [7/12 x \$ 8,551 = \$ 4,988] = \$ 8,516

¹² [5/12 x \$242 = \$ 101] + [7/12 x \$ 245 = \$ 143] = \$ 244

Since its enactment in 1996, RPTL section 467-a (Coop Condo Abatement) has provided partial tax abatement to owners of residential units held in cooperative or condominium ownership, to the extent of 17 1/2 percent of the net property taxes due on eligible dwelling units with an average assessed valuation greater than \$15,000, after deduction of any abatement received pursuant to RPTL section 489 ("J-51" benefits). In order to have qualified for these benefits for tax year 2003/2004, the following requirements must have been met: (1) eligible units must be used primarily for residential purposes, and may not be owned by sponsor or any unit owner who owns more than three dwelling units in the Condominium as of January 5, 2003; (2) the Board of Managers must have filed a complete application, for the entire premises, with the Commissioner of Finance by February 15, 2003. The burden of proof is on the applicant to show that the requirements for granting an abatement have been met. This statute contains a "sunset provision" which presently provides benefits through June 30, 2004. The New York State Legislature would have to extend the legislation after that date.

NOTE: **The foregoing is for informational purposes only, as this statute contains a "sunset provision" which presently provides benefits through only June 30, 2004. The New York State Legislature would have to extend the legislation after that date in order for purchasers of Residential Units to obtain the tax benefits of this statute. We do not represent, assure or guarantee that the statute will be extended or (if it is) whether the tax benefits will be the same. Prospective purchasers are advised not to rely upon obtaining these tax benefits.**

Section 425 of the RPTL (school tax relief (STAR) exemption) provides a partial exemption from real estate tax assessment which presently amounts to \$1,790 for an eligible Condominium unit located within the City of New York, assuming the unit owner is less than 65 years of age. The benefit is enhanced for senior citizens, and is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified unit owner must file an application with the local assessor on or before the applicable tax status date (January 5, 2004).

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of tax exemption contained herein. I have not passed upon the accuracy of any figures or estimates contained in the plan, and offer no warranties of the amount of any 421-a real estate tax exemption, STAR, or Coop/Condo Abatement benefits for any period.

NOTE: **Due to the indictment (on or about February 25, 2002) of eighteen assessors in the Manhattan office of the Real Property Assessment Department, the Department of Finance is re-evaluating assessment policies and procedures. All prospective purchasers should be aware that until such time as any such new procedures are fully implemented, there can be no assurance that the calculations and guidelines utilized heretofore will continue to be employed by**

the Department of Finance.

The above projections do not take into account any future increases in the assessed valuation of the property or of any real estate tax rate. The opinions expressed above are based on an interpretation of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable rules and regulations of the Departments of Finance and HPD in effect as of the date hereof. While the opinions expressed above 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 and/or HPD 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.

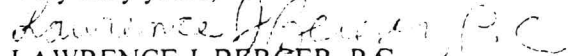
The foregoing analysis is based upon experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding newly renovated properties held in condominium ownership. Application of a particular approach to valuation by an individual 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. $\leq$

The above opinion is based upon an interpretation of Section 11-245 of the Administrative Code of the City of New York and is not intended to be a guarantee that tax exemption will be granted. The opinion is further subject to the owner's compliance with the rules and regulations concerning the 421-a tax exemption program. No representation is made that the provisions of law will apply at the time the construction of the buildings is completed, and if they do apply, that HPD will hold that the property is entitled to the benefits conferred by Section 11-245 of the Administrative Code of the City of New York.

No warranty is or can be made that HPD or the New York City Real Property Assessment Department, or any other agency with jurisdiction, will approve sponsor's application for 421-a tax benefits. The writer of this letter shall not be liable if, because of change of laws and/or regulations, or if the facts as represented by sponsor prove incorrect, the property fails to obtain in whole or part 421-a benefits. Should tax exemption be denied, in whole, or in part, then the condominium association will be responsible for all taxes due and owing from the closing date.

I hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,


LAWRENCE J. BERGER, P.C.

WORKING CAPITAL FUND AND REPLACEMENT RESERVE FUND

Each Purchaser of a Unit, at the time of closing, will be required to contribute to the Working Capital Fund a sum equal to one (1) months' Common Charges. The total amount of the Purchasers' contributions to the Working Capital Fund will be approximately \$39,583.33.

The Working Capital Fund may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board, in its sole discretion. While the Sponsor is in control of the Board, the Working Capital Fund will not be used to defray increases in Common Charges.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operation, including without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the Common Charges.

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

In addition to the Working Capital Fund, the Sponsor has elected to establish a replacement reserve fund ("Replacement Reserve Fund") for expenditures which may be incurred by the Condominium in the future as and for the maintenance, repair and replacement of various capital equipment and systems located in or at the Condominium (including, without limitation, elevators, boilers, trash compactor, hot water heaters and intercom system). At the closing of title, Purchasers will be required to make a contribution to the Replacement Reserve Fund in such amount as shall be equivalent to one (1) month of the Common Charges in effect for such Unit. Immediately prior to the First Closing, Sponsor shall apportion the cost of the premium for insurance with the Board of Managers as of the day immediately preceding such closing.

Rent prepaid by an interim lessee of any Unit (if any) will be adjusted with the Sponsor at the time of closing.

IDENTITY OF PARTIES

Sponsor

The Sponsor is Manhattan Townhouse Equities LLC, a New York limited liability company, whose principal office is at 37 West 65th Street, New York, New York 10023. The Sponsor was formed on September 6, 2001. The sole principal and manager of the Sponsor is 16 Equities Manager LLC, a New York limited liability company, whose principal office is at 37 West 65th Street, New York, New York 10023. 16 Equities Manager LLC was formed on January 24, 2003. The principals of 16 Equities Manager LLC are Robert Ezrapour, Ken Haron, Eytan Benyamin and Yoav Haron. Robert Ezrapour and Ken Haron were also principals of the sponsor of the condominium offering plans for the Lenox Court Condominium located at 205 East 76th Street, New York, New York, the Academy House Condominium located at 24 West 45th Street, New York, New York, the Eliza Court Condominium located at 2073 Eighth Avenue, New York, New York and the Rosa Parks Condominium located at 163 Saint Nicholas Avenue, New York, New York. Yoav Haron and Eytan Benyamin were also principals of the sponsor of the condominium offering plan for the Eliza Court Condominium located at 2073

Eighth Avenue, New York, New York and the Rosa Parks Condominium located at 163 Saint Nicholas Avenue, New York, New York.

The sponsors with respect to the Prior Plans are current in their respective obligations pursuant to the Prior Plans. Copies of the Prior Plans are available for inspection at the Office of the New York State Department of Law, 120 Broadway, New York, New York 10271.

In the event of the dissolution or liquidation of the Sponsor, or in the event that the Sponsor transfers ten (10) or more Units in the Condominium in a single transaction, then in such event, the principals of the Sponsor shall provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor with respect to any Unsold Units and transferred Units, as the case may be, under the Plan and/or any applicable statute, law, rule, regulation or ordinance.

Selling Agent

The Selling Agent is Insignia Corcoran Group Marketing, 490 Broadway, New York, New York 100122. The Selling Agent has extensive experience in the sale of residential condominium units.

Attorney

The Sponsor has retained Todtman, Nachamie, Spizz & Johns, P.C., 425 Park Avenue, New York, New York 10022, to represent it in connection with the preparation of this Plan and the sale of the Units. Perry L. Cohen, Esq. and Andrew L. Rosenberg, Esq. were the attorneys at Todtman, Nachamie, Spizz & Johns, P.C. who were involved with the preparation of the Plan. The Sponsor has also retained Larwence J. Berger, P.C., 200 Madison Avenue, Suite 1902, New York, New York 10016, to represent it as special tax counsel in connection with the Plan.

Architect

GF55 Architects., whose office is located at 19 West 21st Street, New York New York 10010, is the architect who prepared the building description contained in Part II of this Plan.

Managing Agent

The Managing Agent for the Condominium is K & R Realty Management, Inc. whose office is at 37 West 65th Street, New York, New York 10023. Robert Ezrapour and Ken Haron, principals of the Sponsor, are also the principals of K&R Realty Management, Inc. The Managing Agent is also the managing agent for, among other properties, (i) the Lenox Court Condominium located at 205 East 76th Street, New York, New York, (ii) the Academy House Condominium located at 24 West 45th Street, New York, New York, (iii) the rental apartment building located at 30-32 Bradhurst Avenue, New York, New York and (iv) the rental apartment building located at 246 Manhattan Avenue, New York, New York.

REPORT TO UNIT OWNERS

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

1. a financial statement of the Condominium prepared by a Certified Public Accountant, which shall be certified during the time Sponsor is in control of the Board, within four (4) months from the end of each fiscal year;
2. prior notice of the annual owners' meeting; and
3. a copy of the proposed annual budget of the Condominium within four (4) months from the end of each fiscal year. While the Sponsor is in control of the Board of Managers, such budget shall be certified.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, against the Sponsor, or any person or persons that might become a lien against the property or that might materially affect this offering, the Purchasers of Units, the property, the Condominium, or the operation thereof.

The Sponsor represents that the "Description of Property and Building Condition", hereinafter set forth in Part II of this Plan (which Sponsor adopts), accurately states the description and condition of the property and that Sponsor does not know of any material defect or need for material repairs except as indicated in such Description.

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

The Property has not been the subject of any prior public offerings and as of the Presentation Date, neither Sponsor nor any representative or agent thereof has, in violation of law, raised funds from, or made any preliminary offering to, or binding a agreement with, prospective Purchasers for the sale of Units in the building.

Pursuant to the provisions of Section 352-e(9) of the New York General Business Law, copies of this Plan, Parts A, B and C of the Exhibits submitted to the Department of Law pursuant to Part 20 of its Regulations, and all other exhibits and documents referred to herein, shall be available for inspection by prospective Purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of the Sponsor's attorney during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from and after the date of the First Closing. In addition, a set of the floor plans showing the layout,

locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Board of Managers.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing. All deeds conveying and all mortgages covering individual Units will also be recorded in such office.

Sponsor is not obligated to offer or sell any of the Units and may, if it chooses and amends this Plan to so indicate, withhold one or more Units for future sale or offer one or more of the reserved Units. No binding obligation to sell a Unit shall arise unless and until a Purchase Agreement executed by both the Purchaser thereof and Sponsor has been exchanged.

Sponsor reserves the right to substantially revise, from time to time, the terms and conditions upon which Units are to be sold, including the nature of the use of each Unit, and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default or abandonment of the Plan), 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 the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with any interest earned thereon) within thirty (30) days after the presentation of the amendment. However, such rescission, as to a Purchaser who becomes a tenant or occupant of the building, will be conditioned on the cancellation of any interim lease or occupancy agreement and surrender of possession of his Unit within ninety (90) days thereafter.

Schedule "A" – "Prices of Units" and Schedule "B" – "Projected Budget for First Year of Condominium Operation", both prepared by Sponsor, and the Description of Property and the Floor Plans prepared by GF55 Architects, have been included in this Plan, and all statements and representations made in this Plan with respect thereto have been made in reliance upon the respective firms or individuals preparing same and their authority as experts.

No person has been authorized to make any statement or representation that is not expressly contained herein. Information, data or representations not contained herein or in the exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

Dated: July 29, 2004
New York, New York

SPONSOR:

MANHATTAN TOWNHOUSE EQUITIES LLC

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Building Condition set forth in Part II of this Plan. The Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Building Condition.

PART II

**DESCRIPTION OF PROPERTY
AND
SPECIFICATION
For
Brownstone Lane Condominium
309 West 118th Street, New York, NY**

a) Location and Use of Property

The subject property is located on the middle of the block, bounded by West 118th street to the South and West 119th Street to the North and between Manhattan Avenue to the West and Frederick Douglass Boulevard to the East. The property is a through lot, rectangular in shape (See property survey) and measures 175'-0" along West 118th Street and West 119th Street and 201'-10" deep. Previously, it was made up of lot number 22, 23, 24, 25, 26, 27, 28, 37, 38, 39, 40, 41, 42 & 43. It is now been combined under one Tax Lot number 25.

- 1) Address: 309 West 118th Street, in the borough of Manhattan, New York.
- 2) Block 1945, Tax Lot 25
- 3) Zoning: R7-2
- 4) Permissible Uses: Residential

b) Status of Construction

- 1) Year Built: Project is in the Construction Administration phase.
New Construction expected to be completed in 2004.
- 2) Construction: It is proposed to construct 2 rows of residential buildings, each contain 5-stories. The buildings are connected through an underground parking garage and common spaces at the center of the block. Plans for the project were approved by the NYC Department of Buildings with a Building Permit issued on July 17, 2003.
- 3) Classification: Class ID – Non-Combustible.
Fire-Resistive – NYC Building Code.
- 4) Certificate of Occupancy: A Certificate of Occupancy will be obtained at completion of construction for occupancy as a Class "A" Multiple Dwelling.
Sponsor to obtain C.O. prior to closing.
- 5) New Building: Permit for Application # 103328016 was issued prior to commencement of work.

- 6) A.D.A. - The building will comply with Local Law 58 (Handicapped Access Law).
- 7) The conditions noted in this report are based upon observations made prior to and at the start of the construction. Building description is based upon the architectural plans prepared by GF55 Architects, LLP, dated August 4th, 2003; Structural drawings prepared by Goldreich Engineering, P.C., dated September 4th, 2003; and mechanical, plumbing and electrical drawings prepared by Katz Associates Consulting Engineers, dated May 19th, 2003.

c) Site

The buildings are to be located within the boundaries of New York City in the Borough of Manhattan on the center of the block bounded by West 118th Street and West 119th Street and between Manhattan Avenue and Frederick Douglass Boulevard.

- 1) The site area is 35,320.83 Square Feet.
- 2) The site will be occupied by (2) two 5-story residential buildings. The buildings will be connected together at the cellar level with an underground parking garage and common mechanical, utility and recreation spaces.
- 3) There are no streets owned or maintained by the project.
 - i. The streets exist, paved with asphalt blacktop concrete and maintained by New York City Department of Highways. The streets and sidewalks are in bad condition.
 - ii. The curbing will be steel or concrete.
 - iii. Sewer catch basins for storm water run-off exist and are located at the curb and are also maintained by New York City Dept. of Highways and Sewers.
 - iv. The street lightings exist and maintained by New York City Dept. of Highways, Traffic & Lighting Section.
 - v. Additional lighting will be provided for the tenants at each of the entry points to the building on the premises.
- 4) There is a vehicular driveway ramp proposed, leading to the underground parking garage. A curb cut to the ramp to be located on West 119th Street, about 103'-0" East of Manhattan Ave. A pedestrian sidewalk is proposed on the west side of the driveway ramp. It is proposed to replace the entire sidewalk fronting the site on both West 118th and West 119th streets due to its poor condition.
 - i. All sidewalk paving will be concrete, and will be placed in accordance with New York City Highway Department standards.

- ii. The curbing is steel or concrete.
- iii. There are no catch basins on the sidewalks.
- iv. Trench drain will be provided at the entry to the parking garage at the top and bottom of the ramp. Additional floor drains will be provided in the underground parking garage, in each of the front yards, in the public courtyard and in the private back yards.
- v. The street lighting is the same as discussed in the previous paragraph.
- vi. All above items are or will be in conformity with applicable local Codes.

d) Utilities

- 1) Electricity is provided by Con Edison and will be separately metered for each apartment and common area spaces.
- 2) Gas is provided by Con Edison and will be master-metered for the heating, cooking and hot water.
- 3) Water is supplied by the New York City Environmental Protection Water Department and will be master-metered for the building. Separate meters are provided for the sprinkler and standpipe systems.
- 4) The house sewer is connected to the New York City Sewer System.
- 5) Telephone Service will be provided, using CAT-5 wiring, by Verizon and billed to each individual unit or occupant as ordered.
- 6) Apartments will be pre-wired for cable television.

e) Sub-Soil Conditions

- 1) The building's foundation will be concrete. The foundation walls will rest on undisturbed soil. There will be a full cellar under the building. There is no ground water found at the site.

f) Landscaping and Enclosures

- 1) The individual rear yards and the common courtyard of the building will be paved with tiles.
- 2) The common courtyard will be provided with no less than 5 built in planters planted with trees and shrubberies, no less than 5 benches and an exterior playground for children, paved with a protective surface.
- 3) There will be street trees on the sidewalks 25' apart. Planted Trees to be based on NYC Park Department requirement.
- 4) There will be poles with fence / dividers at the rear properties of the Triplex apartments.
- 5) There will be brick walls at the side lot lines.
- 6) There will be no display pools or fountains.

g) Building Size

- 1) The height of the buildings will be 54'-3" to the top of the highest structural roof slab.
- 2) There will be no sub-sub or sub cellar in the buildings.
- 3) There will be a full cellar with a minimum height of 8'-0" from cellar floor to underside of structural slab above.
- 4) Floor-to-ceiling heights:
First Floor: 8'-0"
Second Floor: 8'-0"
Third Floor: 8'-0"
Fourth Floor: 8'-0"
Fifth Floor: 9'-0"
- 5) The maximum number of floors is 5.
- 6) There will be stair bulkheads 10' above the roof of the 4th floor.
- 7) There are two (2) elevator machine rooms located at the cellar level of each of the buildings. There will be kitchen and toilet exhaust fans on the roof. There will also be a make up air unit for ventilation on the roof.
- 8) The parapets of the building will be a minimum of 3'-6" above the roof.

h) Occupancy

- 1) Total number of apartments permitted by ZR23-22 is 179. The number proposed is 48 apartments.
- 2) Compliance with Local Law 58 (Handicap Access Law) was met as reflected on the approved Department of Buildings plans. Aspects of compliance are: Elevator cab size; interior access ramp from parking garage to public hallway; apartment hallway size and arrangement; bathroom size for adaptability; kitchen size and arrangement for adaptability; switch and outlet mounting heights.
- 3) Fire egress requirements for the apartments have been satisfied as reflected on the Department of Buildings approved plans. Each building will have two egress stairs. From level 3-5 with path limits within code requirements. The building is fully sprinkler protected.
- 4) The Quality Housing option in the Zoning Resolution is used. This permits a higher residential floor area providing certain criteria are met. The amenities provided are:
 - Tenant laundry.
 - Tenant recreation space in the common courtyard.
 - Children play room.
 - Exercise room.
 - Recycling room.

i) Structural Systems

The buildings will be supported on reinforced concrete foundations. The foundation walls are of reinforced concrete supported on wall spread footings. The cellar slab is of 4" reinforced concrete on grade. The parking garage is of 6" concrete slab on grade. The elevator pit is of reinforced concrete. Floors and roof will be light weight concrete poured over metal deck.

The building's structural support system consists of: Steel columns; steel beams and girders; steel cross bracings; metal floor decks with reinforced concrete.

The building is designed for the following floor loads:

First Floor Residential:	Live Load - 40psf	Dead Load: 42psf	Total Load: 82psf
First Floor Courtyard:	Live Load - 260psf	Dead Load: 131psf	Total Load: 391psf
Typical Floor:	Live Load - 40psf	Dead Load: 42psf	Total Load: 82psf
Roof:	Live Load - 30psf	Dead Load: 31psf	Total Load: 61psf
Terrace:	Live Load - 60psf	Dead Load: 71psf	Total Load: 131psf

The buildings are designed for wind and earthquake forces.
The Structural Engineer is Goldreich Engineering, P.C.

1) Exterior of Buildings

- i. Walls: Various types of material are used on the exterior walls of the buildings. Side and rear walls will be brick. The front walls of the buildings will be cast stone. Their general location and construction described from the inside to the outside are as follows:

Typical Street Façade:

- 5/8" Gyp. Bd.
- 6" Metal Stud.
- Batt Insulation.
- 1/2" Gypsum Sheathing.
- 1 1/2" Rigid Insulation.
- 1 1/2" Air Space.
- 3" Cast Stone.

Typical Side Walls:

- 3 layers of 5/8" Gyp. Bd.
- 6" Metal Stud.
- Batt Insulation.
- 1/2" Gypsum Sheathing.
- 1 1/2" Rigid Insulation.
- 1 1/2" Air Space.
- 4" Brick.

Typical Rear Walls:

- 5/8" Gyp. Bd.
- 6" Metal Stud.
- Batt Insulation.
- 1/2" Gypsum Sheathing.
- 1 1/2" Rigid Insulation.
- 1 1/2" Air Space.
- 4" Brick.

Insulation will be 3 1/2" R-11 glass fiber batts at masonry exterior walls. The roof will be insulated with an average R-value of 30.

- ii. Windows: All windows will be aluminum double hung windows with a baked on painted finish, double-glazing and are caulked with acrylic caulking throughout. Windows have cast-stone heads and sills. Manufacturer's air infiltration and water resistant rating are sufficient to withstand ambient weather condition.

Roof terraces, back yards and door openings on the first and second floors to the individual back yards are provided with in-swing door panels. The construction will have aluminum frames with double-glazing.

* There are no lot line windows.

2) Parapet and Copings

The front parapets will be solid masonry with steel bar reinforcement, brick veneer and cast coping stones. The rear parapets will be solid masonry with steel bar reinforcement brick veneer and aluminum coping. A fiberglass cornice will be installed on the front parapet of the 4th floor. The front parapet of the roof will be solid masonry with steel bar reinforcement brick veneer, cast stone coping and cast stone façade.

3) Chimney and Caps

A boiler chimney is provided from the boiler room in the cellar to above the upper roof and extends 3'-0" above the top of the rear parapet. It consists of 24" diameter chimney, enclosed and supported by concrete masonry units and brick veneer. The top of the chimney will be provided with a metal rain cap.

4) Balconies and Terraces

Apartments with roof terraces are specified in the listing below Item (u) Unit Information. Balconies and terraces for the apartments are provided as referenced in (h) occupancy. All balconies and terraces are structurally supported by structural steel. Roof terraces are built with reinforced concrete on metal deck and a roof membrane will be provided on top of a leveling

board placed over insulation. The roof terraces will be paved with tiles. Rear stairs leading and stairs down to the back yards will have a metal structure. The individual back yards and the common courtyard will have a roof membrane system placed on the structural slab.

Hard surface paving will be placed over the roof membrane.

5) Exterior Entrances

Exterior residence entrances are provided off West 118th Street and 119th Street.

Front of buildings:

- i. Each building has one Main Residential Lobby Entrance for the upper floor units on the 3rd – 5th floor. These entrances are accessible through a front yard at the center of each of the buildings.
- ii. The Triplex units are provided with individual entrances through stoops at the second floor and an additional entrance under the stoops, through the front yards at the ground floor.
- iii. Vehicular access is provided from West 119th Street through a ramp to the underground parking garage. The parking garage has a direct entrance to the building at the cellar level. A ramp for H.C. accessibility is provided as well at this entry point, as required by the code.

Rear of buildings:

- iv. There are two (2) entries to the cellar level of the buildings through exterior stairs from the common public courtyard at the rear of the buildings.
- v. Each of the triplex units has an entry door at the first floor at the rear of the buildings from their private rear yards.
- vi. The triplex units have entry doors at the second floor at the rear of the buildings from their private rear yards through exterior stairs. These units have a direct access to the common public courtyard through gates at their back yards.
- vii. One of the triplex units on the northwest of the site has an exterior door at the rear of the building from the second floor to an individual roof terrace. (This unit does not have the entry doors mentioned in paragraph iii and iv of this section).
- viii. There are no exterior fire stairs.
- ix. There are no railings in the lobbies.
- x. Mailboxes for each of the buildings are located at the lobbies, are vertical front-loading, front locking, made of extruded aluminum and satisfy U.S. Post Office regulations.
- xi. Lighting at the exterior entrances, vestibules and lobbies will be of a decorative type.

Door Types:

- Main Residential Entries: Glass doors in extruded aluminum frame. Vestibule doors and frames are similar to the lobby entrances
- Individual Triplex Entries: Under stoops - Hollow Metal doors. Above stoops - Wood doors, double swing with transom.
- Vehicular access to parking garage: Metal roll-up garage door for vehicle access and a metal door for pedestrian access.
- Rear doors at the second floor: Glass doors in extruded aluminum frame with transom.
- Rear doors at first floor: Glass doors in extruded aluminum frame.
- Rear doors from courtyard at the cellar floor: Metal door with clear wire glass opening.
- Parking garage doors to the cellar: Metal doors, double swing with clear wire glass openings.

6) Service Entrances

No separate service entrances will be provided. All service related access will be through the parking garage ramp into the cellar space.

7) Roof and Roof Structures

The following roof levels are proposed:

- The 5th floor level (above the 4th floor) consist of:
Duplex apartment terraces; Two (2) stair bulkheads on each building with limited space for public egress.
- The 6th floor level (above the 5th floor) consist of:
Roof area.
- Above upper main roof: Elevator bulkheads, boiler chimney and compactor chute vents.

i. Type of roofs:

1. The material used on the roof will be modified bitumen membrane system Firestone 160 or equal.
2. All roof areas will be insulated with fiberglass batt insulation with an R-30 factor.
3. Roof areas will be drained via slopes to drain.
4. The normal expected life of the roof is 10 years.
5. The roof manufacturer will provide a 15 year-guarantee.
6. Flashing materials used will be aluminum sheet as per manufacturer's recommendations and fiberglass-reinforced base sheeting.

- ii. Drains: The roof will be pitched for water run-off of storm water.
 - 1. Each building will have 4 scuppers with gutters on the roof and 6 drains on the 5th floor roof terraces. There will be floor drains in boiler room, refuse rooms and water meter room as well as in the parking garage, the back yards, courtyard and the front yards. All roofs and floor drains will have cast iron bodies.
 - 2. There will be continuous aluminum gutters at one side of the bulkheads leading to a splash block on the roof terraces.
- iii. Skylights: No skylight will be provided. Ventilation will be provided by louvers at the walls of the stair bulkheads, as required by NYC code for ventilation.
- iv. Bulkheads: There will be brick bulkheads with steel frames for stairs at the 5th floor roof terraces. Gypsum board will be used on the interior surface.
An elevator bulkhead will be constructed of brick on a steel frame at the roof of each of the 5th floors.
- v. Metal work at roof levels:
 - 1. There are two (2) vertical ladders from each building's roof terraces to the roof of each of the building's 5th floor.
 - 2. There are no other stairs on the roof.
 - 3. There are no roof railings. The parapets will be 4'-0" high.
- vi. Rooftop Facilities: Roof access and paved surface will be provided on the roof terraces at the 5th floor for the tenants of the 4th & 5th floor duplex units only.

8) Fire Escapes

There will be no fire escapes.

- 9) Yards and Courts: The rear yard is divided into two separate uses. There is an open common courtyard space which is 40'-4" x 175'-0" (7,058.33 SF) that is accessible to all tenants. The courtyard will be accessible from the cellar tenant facilities area. There are 15'-9" deep private back yards, which are accessible only to the triplex units at the ground floor level.
 - i. There will be 11 new drains in the Courtyard. There will be a drain for every private back yard.
 - ii. The south building has 3 steps down to the common courtyard and a H.C. lift from the Cellar for the handicapped.
 - iii. There is a 7'-0" high brick wall at the side property lines.

- iv. There are 5'-4" high wood fences, separating the back yards of the triplex units from the courtyard and from each other.

10) Interior Stairs:

There will be 4 interior egress fire stairs in the buildings meeting all required means of egress as required by NYC code. Two (2) in each building as follows:

- i. In each building there will be 2 interior stairs serving as means of egress from Cellar, 3rd, 4th and 5th floor, leading outside to the front yards at the ground level and to the street.
- ii. Each egress stair will be built of steel within a stair shaft constructed of 2 hours construction rating.
- iii. Stair treads will be concrete filled.
- iv. Stair guardrails will be steel.

Each of the Triplex units will be accessed directly from the street level on the ground floor and will be connected through interior stairs between the cellar, 1st and 2nd floor. The stairs inside the units are wood construction and finishes.

The second floors are accessible from the front yards through exterior stoops constructed of masonry and cast stone.

The Duplex apartments on the 4th and the 5th floors will have interior wood stairs connecting the two floors.

There will be 2 concrete stairs connecting between the cellar level and the exterior common courtyard.

11) Interior Doors and Frames

- i. Apartment entry doors will be 1 ½ hour rated hollow metal doors and frames with self-closing hinges, as per code requirements.
- ii. Interior apartment doors will be wood.
- iii. Doors to stairs, mechanical and utility rooms to be 1 ½ hour rated metal doors and frame.
- iv. Roof doors from bulkheads will have 1½ hour fire-rated metal doors and frames.
- v. Apartment terrace doors will be aluminum & glass doors in aluminum frames.
- vi. Laundry and Recreation room doors will be hollow metal doors with glass panels, as allowed by the code.

12) Elevators and elevator Cabs

- i. There will be 2 passenger elevators. One in each building.
- ii. Elevators will be by NOBLE Elevator Company, 30 HP with maximum capacity of 2000Lbs. a maximum of 13 people.
- iii. Elevators will be automatic hydraulic elevator.
- iv. Floors served are Cellar, 1st, 3rd, 4th and 5th Floors. (5 stops).
- v. Doors will be automatic sliding.
- vi. Machine rooms are located at the Cellar level.
- vii. Inside Cab Dimensions are: W 52 3/4" clear x L 68" x H 102" to underside of ceiling.
- viii. Elevator Cab Finishes will be Plastic Laminate and Stainless Steel. Floor will be vinyl composition tile. Lighting will be incandescent.

j) Auxiliary Facilities

1. Laundry Room – Central laundry facilities are provided. The facility will be in accordance with the Quality Housing requirements of the Zoning Resolution. The laundry room will be located in the cellar level. There will be 5 washing machines and 3 dryer machines working on gas. (Model: GE WCCD205OY or equal and Dryer - GE-DCB330GY or equal). The room will be exhausted at the rate of 150 CFM per room. The fan systems will be on time clocks. Makeup air to the Laundry room will be from the corridor supply system and rooms will be kept negative with respect to the surrounds.
2. Refuse Disposal - There will be two (2) refuse disposal rooms, one for each building. In each of the refuse rooms there will be:
 - i. There will be no incinerator.
 - ii. There will be garbage compactor. (Model: Royal Krusher by Royal Pak Systems or equal). The unit will be hydraulic ram operation.
 - iii. Approvals: The compactors selected will be NYC approved.
 - iv. The compactor rooms in the cellar will also store recycled material.
 - v. Floors 3, 4 & 5 will have a trash chute room.
 - vi. There will be access to the street through stairs.
 - vii. Garbage pickup is by The City of New York on a scheduled basis.

(k) Plumbing and Drainage

(1) 4 inch Domestic water service will be extended from city water main in West 119th Street and fitted with a 4 inch water meter and backflow preventer. All water distribution piping will be type 'L' copper with wrought copper fittings and lead-free solder joints. All water piping will be insulated. Hot water will be generated by a coil in the boiler. The hot water will be delivered to the fixtures at a temperature of 120°F. The temperature will be maintained by the use of duplex (one stand-by) circulating pumps, Bell & Gosset Model PR or equal.

(2) Fire Protection

- (i) The entire building will be sprinkled using wet pipe sprinkler system. Unheated garage will be protected by a dry-pipe system.
- (ii) The building will be provided with a 6-inch fire service, which extends to a sprinkler booster pump. Fire department sprinkler Siamese connections will be provided as a second mean of water supply
- (iii) Sprinkler floor control valves will be located in the staircase.
- (iv) Sprinkler alarms and tamper switches will be connected to the fire alarm system of the building.
- (v) All sprinkler heads and piping within finished areas will be concealed.
- (vi) Materials: Piping: Schedule 40 steel pipe with malleable iron threaded fittings, or grooved fittings and couplings with roll grooved end pipe. Dry-pipe system-galvanize. All fire suppression system equipment and materials shall be UL listed and Factory Mutual approved. Tamper switches will be provided on all control valves. Sprinkler Heads will be recessed automatic sprinklers. Mechanical rooms and other exposed areas will be provided with standard response upright 1/2" discharge orifice.

(3) Water Storage Tanks and Enclosures: None.

(4) Water Pressure and How Maintained: A pressure of 30 psi will be maintained at the highest plumbing fixture through the use of a constant pressure booster pump system located on the cellar level. A triplex booster pump system by Federal pump Co. or equal will be located in the basement. Two pumps will have 100 gpm capacity each with 60 feet of head, 7.5 HP motors. One pump will have 80 gpm capacity with same head, 5 HP motor.

Sanitary Sewage System: The sanitary waste system is conventional in function relying on gravity flow to the city mains in West 118th and 119th Streets for all floors above cellar. It is separate from storms the storm system up to the house trap. Bathroom groups will be connected to vertical sanitary and vent stacks.

- (i) Piping: Underground Storm Water and Sanitary Drainage Piping: Standard weight cast iron pipe and fittings, hub and spigot with neoprene gasket joints.
 - (ii) Above Ground Sanitary Drainage and Vent Piping: Hubless cast iron pipe and fittings with wideband coupling and neoprene gasket.
 - (iii) A sewage ejector will be provided in the water meter room to serve the cellar plumbing fixtures. The pumps will be Federal Pump Co. VSA-4A-3-4, or equal, 100 gpm each with 42 feet of head, 3 HP, 208 volt, single phase.
- (5) Storm Drainage System: Terraces will be provided with roof drains and will be drained by gravity through interior leaders. Roof will be sloped to exterior gutters and drained through exterior downspouts. The garage area will be provided with drains connected to a sand interceptor and discharging to the storm system.

(I) Heating

- (1) Space heating will be provided by circulating hot water system. The boilers are located in the cellar. There are two modular boilers generating hot water, which is circulated throughout the building.

Within the apartments heating will be provided by local Packaged Terminal Air Conditioning units (PTAC's) located below windows in the wall sleeves. Units sizes vary from 7,000 BTU to 16,000 BTU depending on cooling loads.

(2) Boilers

The system consists of Slant/Fin Caravan Gas Modular Boilers used in conjunction with a TurboMax Indirect Hot Water Heater or equal. Modular boilers located in cellar boiler room will provide hot water via hot water circulating pumps (one stand-by) to PTAC units, unit heaters and baseboard radiators. Boilers use natural gas. Each module is equipped with burners with special reverse slot design to prevent flame flashback upon ignition.

(3) Controls:

The operating control is flexible multi-stage-micro-processor based control system designed to sequence heating modules based on outdoor air temperature and includes automatic lead-lag, night set-back and heat starter. This operating control is a Tekmar 268, or equal.

Sequence of operation will be: When outdoor temperature drops below starting temperature, the Tekmar pump sequencer will activate circulating pumps, a signal is sent to boiler staging controller which will start boiler 1 or 2 depending on lead lag schedule; the controller will raise water temperature based on the outdoor temperature reset schedule.

(4) Air handling Units:

Air Conditioning System for Gymnasium: Cooling is provided by a split type air-cooled Air Conditioning unit. The indoor evaporator unit is located in the Gym ceiling. Evaporator unit will consist of intake plenum with 100% airside economizer, 60% filters, hot water preheat coil, supply fan, DX cooling coil and discharge air plenum. Outdoor air-cooled condenser with a compressor and low ambient temperature control is located outside.

One air-cooled split system is provided for the lobby and one for each elevator machine room.

- (5) Piping: typically of copper
- (6) Insulation: Fiberglas
- (7) Valves: Brass or cast iron.
- (8) Fuel: all boilers use natural gas; electric resistance heaters are used in selected bathrooms and top floor of stairwells; all air conditioning is electric.

(m) Gas Supply

- (1) Schedule #40, PVC will be used.
- (2) Gas usage will be master metered. Usage includes heat, hot water and cooking.
- (3) New gas service to the building will be provided by Con Edison.

(n) Air Conditioning

- (1) Apartments Air conditioning will be provided by local Packaged Terminal Air Conditioning units (PTAC's) located below windows in the wall sleeves. Units sizes vary from 7,000 BTU to 16,000 BTU depending on cooling loads.

- (2) Exercise Room: Cooling is provided by 7.5-ton split type air-cooled Air Conditioning unit. The indoor evaporator unit is located in the Gym ceiling. The unit is manufactured by Trane, or equal, MEA # 250-89-E. Evaporator unit will consist of intake plenum with 100% airside economizer, 60% filters, hot water preheat coil, supply fan, DX cooling coil and discharge air plenum.

Outdoor air-cooled condenser with a compressor and low ambient temperature control is located outside.

- (3) Play Room: Cooling is provided by a 2-ton split type air-cooled Air Conditioning unit. The indoor evaporator unit is located in the Boiler Room. The unit is manufactured by Trane, or equal, MEA # 250-89-E. Evaporator unit will consist of intake plenum with 100% airside economizer, 60% filters, hot water preheat coil, supply fan, DX cooling coil and discharge air plenum. Outdoor air-cooled condenser with a compressor and low ambient temperature control is located outside.

- (4) Main Lobby: air conditioning is via split type air-cooled system.

- (5) Elevator Machine Room will have exhaust fans.

- (o) Ventilation: Mechanical ventilation is to be provided in occupied and habitable areas without windows in accordance with the New City Building Code requirements.

- (1) Bathrooms and toilets exhaust air via vent registers to vertical risers up to the roof, which has an exhaust fan. The minimum volume of air is 50 cfm per register.
- (2) Kitchen exhaust consists of vent registers to vertical risers up to the roof which has an exhaust fan
- (3) The public halls on the 3rd and 4th floors only are provided with a make-up air system, which provides positive pressure. The roof-mounted units are equipped with gas heating. Each unit has 75,000 BTU/hr capacity, Manufactured by Reznor, or equal, MEA # 259-90-E.
- (4) Garage exhaust system: Centrifugal exhaust fan is provided at a designated location above the garage. Fan will be operating by carbon monoxide sensor. The fan is manufactures by Greenheck, or equal, Model Cube-300 with 12,000 cfm capacity. Air from the garage will be exhausted from two (2) levels. Make up air will be supplied through gooseneck located on the roof of the garage.
- (5) The laundry room has a separate exhaust. The fan is manufactures by Greenheck, or equal, ModelCW-098 with 700 cfm capacity.

(p) Electrical System

Utilities: Con Edison Company, a regulated utility company, will provide electricity to the building. Each residential owner will be separately metered and pay actual usage charges directly to Con Edison on approved Utility Electric rates. Con Edison will separately meter the electricity consumed in the Residential Common Elements of the building and the cost of the same will be borne by the Residential Section Unit Owners as a Residential Common Expense.

Electrical Systems: A new electrical system will be provided in accordance with the code requirements by a licensed electrical contractor. The electrical wiring and power distribution system is new and adequate for modern requirements including air conditioners and major appliances such as washer/dryers.

Electrical service is individually metered to all Residential Units with common metering for Public Areas and Facilities. The Garage is also separately metered. Service is provided by Con Edison from 118th Street and is rated 120/208 Volt, 3 phase, 4 wire to Electric Switchboard Room terminating in a 4000 Ampere service switchboard. Electrical power is distributed to Owners Distribution panels, Garage and Residential Apartment Meter Banks.

Individual feeders are to run from the meter banks to each Residential Unit. Residential Unit feeders vary in size as required by load and voltage drop. The large units, which also include electric washer / dryers are supplied at 120/208 Volt, 3 phase, 4 wire, while the smaller apartments are supplied at 120/208 Volt, 1 phase, 3 wire.

Each apartment panel will have branch circuit breakers of adequate rating and quantity to accommodate the lighting, receptacles, appliances and air conditioning. Spare circuits are also provided. The panels in the large units will be rated 100Amp or 125 Amp, 120/208 Volt, 3 phase, 4 wire. The panels in the smaller apartments will be rated 90 Amp, 120/208 Volt, 1 phase, 3 wire.

Switched lighting fixtures are provided in bathrooms, foyers, bedrooms and kitchens.

Switched receptacles are provided in all rooms, as required, to meet NYC Electrical Code. Ground fault receptacles are provided in all bathrooms and kitchen counters; ground fault receptacles with weather resistant enclosures are provided at Residential Unit terraces. Arc fault circuit interrupters circuits are provided for all bedrooms.

The house panels supply all electrical loads in the common areas, including elevators, mechanical equipment, corridor and stairway lighting, exterior lighting, laundry room equipment, gym, playroom, etc.

All wiring will be copper and will be concealed within walls and ceilings except for metal conduits run exposed in mechanical spaces.

(q) Telephone, Intercome and Cable TV Systems:

Telephone service will enter the building from 118th Street and be fed to a CCTV/Telephone Room located in the cellar. It will then be distributed throughout the building through risers and sleeves. Each Residential Unit will receive telephone service to a pull box within the unit.

Cable TV service will enter the building from 118th Street and be fed to a CCTV/Telephone Room located in the cellar. It will then be distributed throughout the building through risers and sleeves. Each Residential Unit will receive CATV service to a pull box within the unit.

Each Residential Unit will be linked to the 118th or 119th entrance door through the intercom system.

Closed circuit television cameras will monitor selected entrances and corridors with viewing monitors in the CCTV/Telephone Room.

Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's expense.

The building will not be equipped with a Master Television Antenna System.

(r) Public Area Lighting

Fluorescent and/or incandescent down lights and/or wall sconces will be provided in the lobbies, fluorescent fixtures in the stairs, and fluorescent and/or incandescent fixtures in the corridors and other public spaces.

Decorative lighting will be provided in the interior courtyard.

s) Recreation Facilities

1. There will be no swimming pools.
2. There will be no tennis courts.
3. There will be a passive seating area in a paved multi-level rear yard.
4. The Recreation Rear Yard will be landscaped and planted with shrubs and vegetation.
5. The Play Room (426SF) and the Fitness Room (1,235SF) will have painted drywall and the floors will contain indoor / outdoor protective surfaces.
6. The Fitness Room will contain 2 stationary bicycles, 2 treadmills and weight training equipment.
7. The below grade recreation rooms may not be used as bedrooms.

t) Additional Items

1. There are no outstanding violations. Permits and inspection include:
Building Permit, Plumbing, Sprinkler, AC Equipment, Boiler Equipment,
Elevators, Electrical. Certificate of occupancy will be issued only after all
inspections are complete.

u) Residential Unit Information

Typical apartment unit boundary is described as follows:

- Exterior walls: 4" from outer surface.
- Exterior wall doors and windows are building unit elements.
- Walls between apartments: At centerline of wall.

		TOTAL AREA	Room	Remarks
UNIT NUMBER	UNIT TYPE	Square Feet	Count	
SOUTH BUILDING				
1A	3 Bedroom Triplex	3,131	7.5	w/ back yard
1B	3 Bedroom Triplex	2,944	7.5	w/ back yard
1C	3 Bedroom Triplex	3,002	7.5	w/ back yard
1D	3 Bedroom Triplex	2,447	7.5	w/ back yard
1E	3 Bedroom Triplex	2,503	7.5	w/ back yard
1F	3 Bedroom Triplex	2,990	7.5	w/ back yard
1G	3 Bedroom Triplex	2,641	7.5	w/ back yard
1H	3 Bedroom Triplex	2,832	7.5	w/ back yard
Total			60.0	
3A	2 Bedroom	910	4.5	
3B	2 Bedroom	1,101	4.5	
3C	2 Bedroom	1,073	4.5	
3D	2 Bedroom	936	4.5	
3E	2 Bedroom	936	4.5	
3F	2 Bedroom	1,073	4.5	
3G	2 Bedroom	1,101	4.5	
3H	2 Bedroom	942	4.5	
Total			36.0	
4A	3 Bedroom Duplex	2,011	6.0	w/ roof terrace
4B	3 Bedroom Duplex	2,167	6.0	w/ roof terrace
4C	2 Bedroom	1,073	4.5	
4D	2 Bedroom	931	4.5	
4E	2 Bedroom	931	4.5	
4F	2 Bedroom	1,073	4.5	
4G	3 Bedroom Duplex	2,167	6.0	w/ roof terrace
4H	3 Bedroom Duplex	2,124	6.0	w/ roof terrace
Total			42.0	
TOTAL SOUTH BUILDING			138.0	

		TOTAL AREA	Room	Remarks
UNIT NUMBER	UNIT TYPE	Square Feet	Count	
NORTH BUILDING				
1I	3 Bedroom Triplex	2,937	7.5	w/ back yard
1J	3 Bedroom Triplex	2,573	7.5	w/ back yard
1K	3 Bedroom Triplex	2,670	7.5	w/ back yard
1L	3 Bedroom Triplex	2,573	7.5	w/ back yard
1M	3 Bedroom Triplex	2,566	7.5	w/ back yard
1N	3 Bedroom Triplex	2,589	7.5	w/ back yard
1O	2 Bedroom Triplex	2,128	6.0	w/ Terrace
1P	3 Bedroom Triplex	2,106	6.5	w/ back yard
Total			57.5	
3I	2 Bedroom	910	4.5	
3J	2 Bedroom	1,101	4.5	
3K	2 Bedroom	1,073	4.5	
3L	2 Bedroom	932	4.5	
3M	2 Bedroom	932	4.5	
3N	2 Bedroom	1,073	4.5	
3O	2 Bedroom	1,101	4.5	
3P	2 Bedroom	942	4.5	
Total			36.0	
4I	3 Bedroom Duplex	2,011	6.0	w/ roof terrace
4J	3 Bedroom Duplex	2,167	6.0	w/ roof terrace
4K	2 Bedroom	1,073	4.5	
4L	2 Bedroom	931	4.5	
4M	2 Bedroom	931	4.5	
4N	2 Bedroom	1,073	4.5	
4O	3 Bedroom Duplex	2,167	6.0	w/ roof terrace
4P	3 Bedroom Duplex	2,124	6.0	w/ roof terrace
Total			42.0	
TOTAL NORTH BUILDING			135.5	
TOTAL PROJECT			273.5	

w) 1. Type of finishes in apartments:

Space	Floor	Base	Wall	Ceiling
Living / Dining	Hardwood	Wood	Painted GWB	Painted GWB
Bedrooms	Hardwood	Wood	Painted GWB	Painted GWB
Kitchens	Porcelain Tile –	Ceramic Tile	Painted GWB & wood cabinets.	Painted GWB
Bathroom	Ceramic Tiles	Ceramic Tiles	Wainscot 3'-4" on wet walls with 6'-0" tile at tub surround and Sanitary base on all other walls- Ceramic Tiles.	Painted GWB
Master Bathroom	Ceramic Tiles	Ceramic Tiles	Wainscot 3'-4" on wet walls with 6'-0" tile at tub surround and Sanitary base on all other walls- Ceramic Tiles.	Painted GWB

All painted surfaces, 2 coats min.

2. Bathroom fixtures: Bathrooms are equipped with the following Fixtures:
 - i. Toilet: - Master Bath: Gerber or equal.
- Powder Room: Gerber or equal.
 - ii. Bathtub: American Standard or equal.
 - iii. Shower Body: Delta Pressure Balance Tub & Shower Body (or equal).
 - iv. Lavatory: Crane or equal.
 - v. Faucet: Delta or equal.
3. Kitchen equipment is provided as follows:
 - i. Cabinets: Maple wood stain.
 - ii. Countertops: Stone tops.
 - iii. Sink: Stainless – Revere PBL5 2522 D7-SN or equal.
 - iv. Stove: Magic Chef CGR1420BDW or equal.
 - v. Microwave: GE 740 or equal.
 - vi. Refrigerator: Magic Chef CT M1722 or equal.
 - vii. Dishwasher: GE 2600 GCC or equal.

x) Finish Schedule for Common Interior Spaces

Space	Floor	Base	Wall	Ceiling
Hallways	Carpeting – Code compliant	Carpet	Painted GWB	Painted
Boiler, Meter and Utility Rooms	Concrete	Painted Masonry	Masonry / Painted	Exposed

- Carpet in hallways to be 100% Olefin textured loop pile.

y) Safety Devices

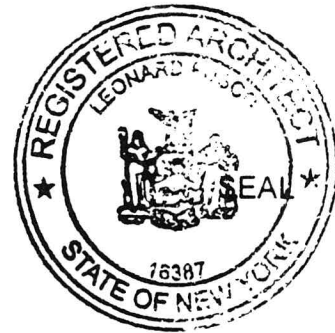
Hard-wired smoke detectors will be installed adjacent to bedrooms in all apartments.

z) There will be no asbestos used in the construction of the development.

aa) There will be no lead paint used in the construction of the development.

NAME: LEONARD FUSCO
FOR GF55 ARCHITECTS, LLP

SIGNATURE: 





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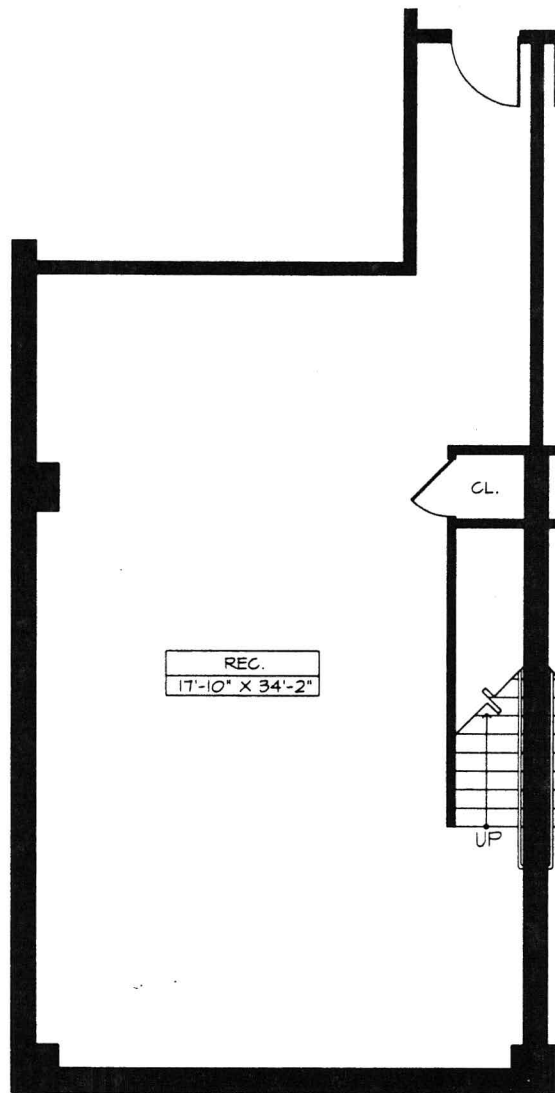
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PROJECT:
BROWNSTONE LANE
CONDOMINIUMS

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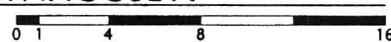
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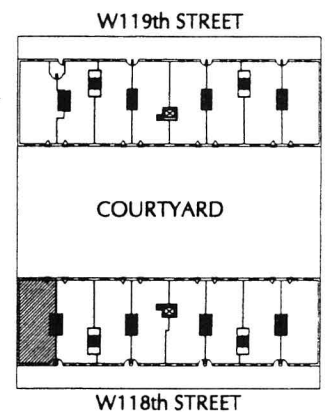


CELLAR PLAN - TRIPLEX TOWNHOUSE A

3,131 SF.



TOWNHOUSE A



TH-A/ C



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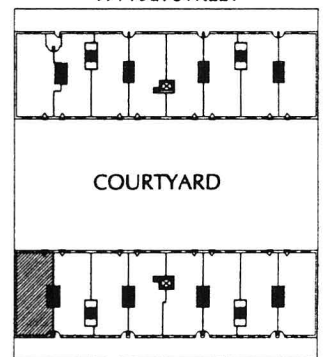
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TOWNHOUSE A

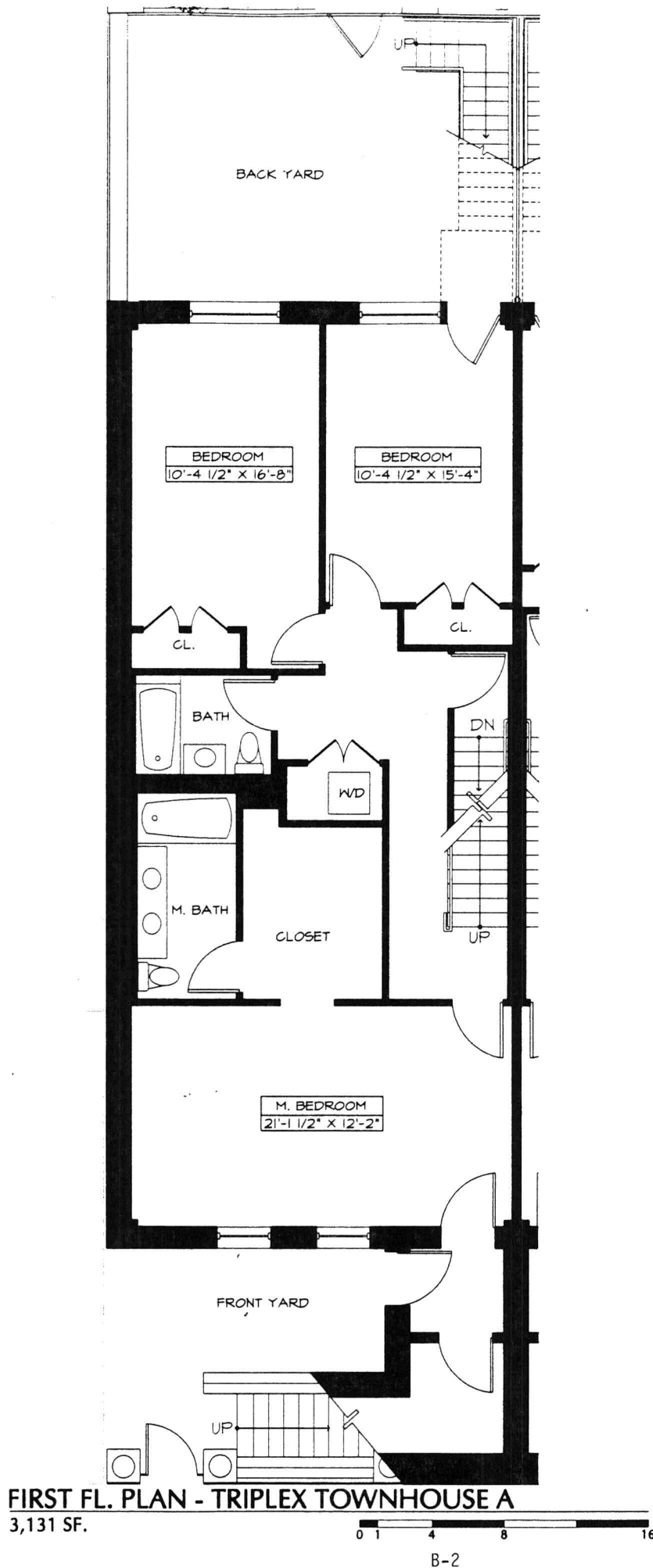
W119th STREET



W118th STREET



TH-A/ 1





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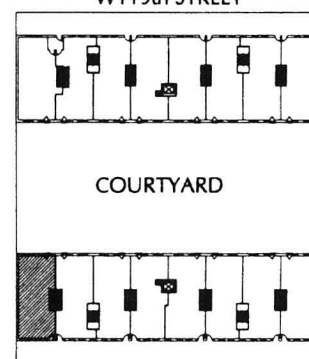
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TOWNHOUSE A

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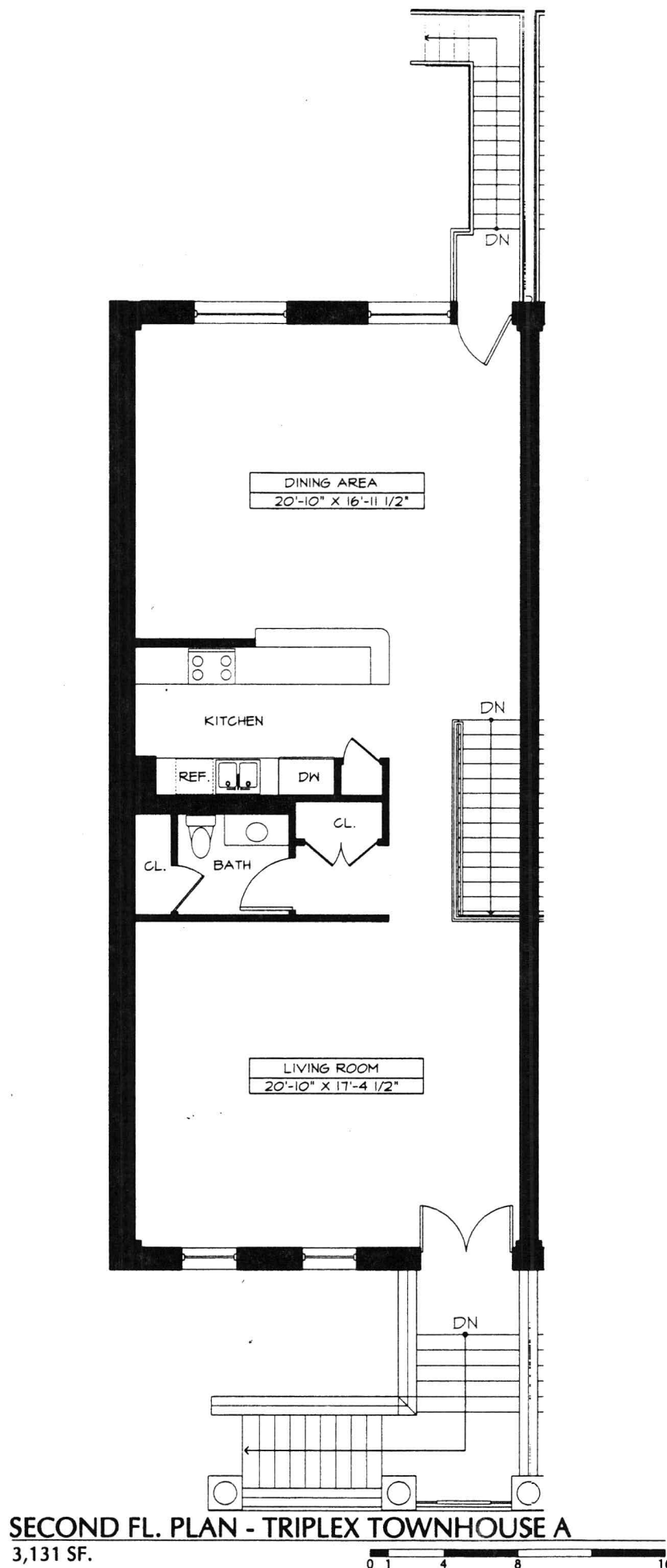


COURTYARD

W118th STREET



TH-A/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE A



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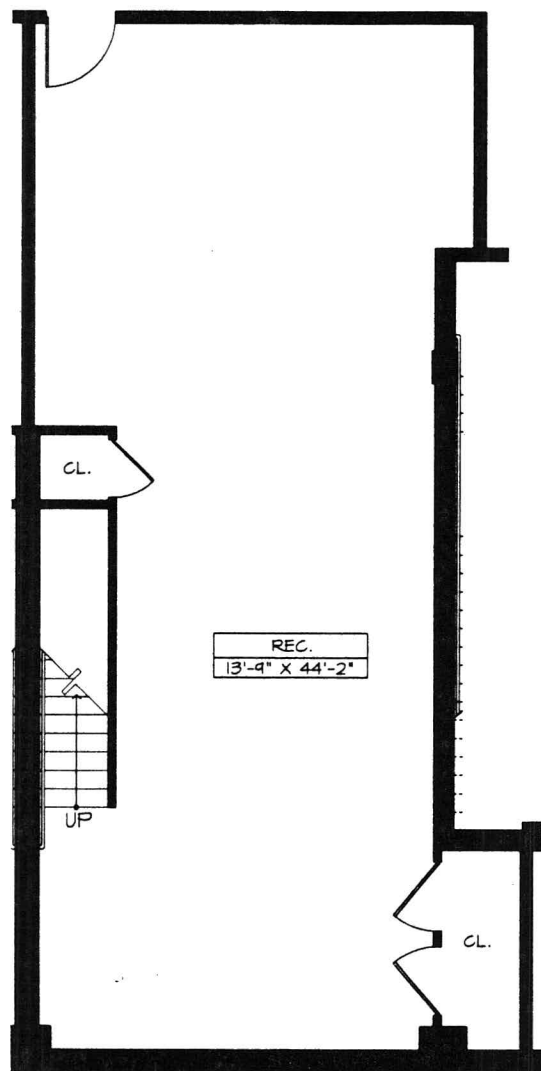
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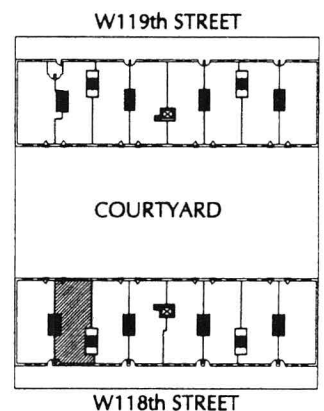
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TOWNHOUSE B



CELLAR PLAN - TRIPLEX TOWNHOUSE B
2,944 SF.

0 1 4 8 16



TH-B/ C

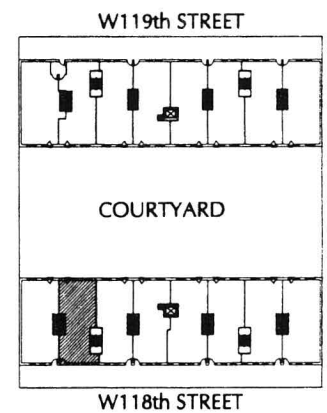
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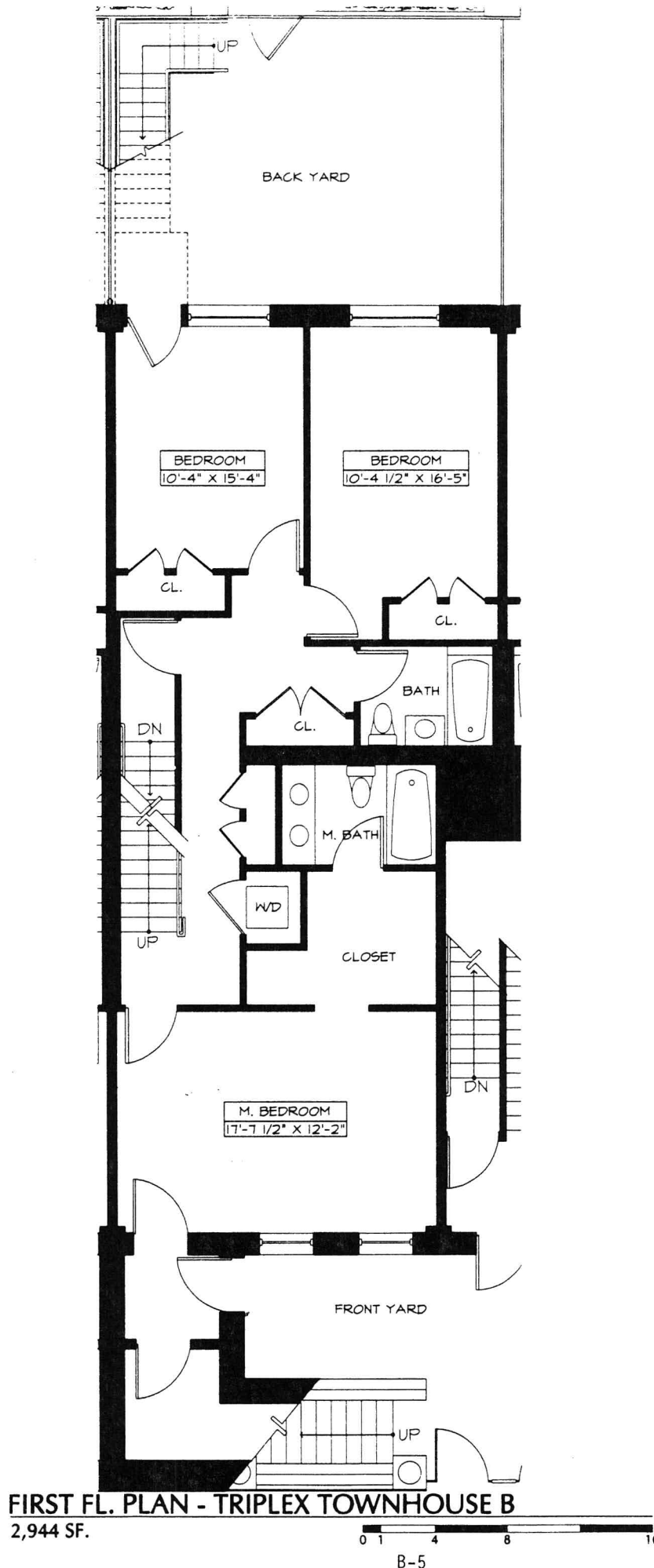
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TOWNHOUSE B



TH-B/ 1





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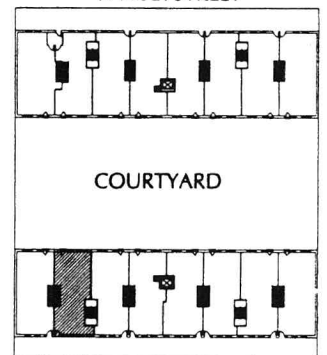
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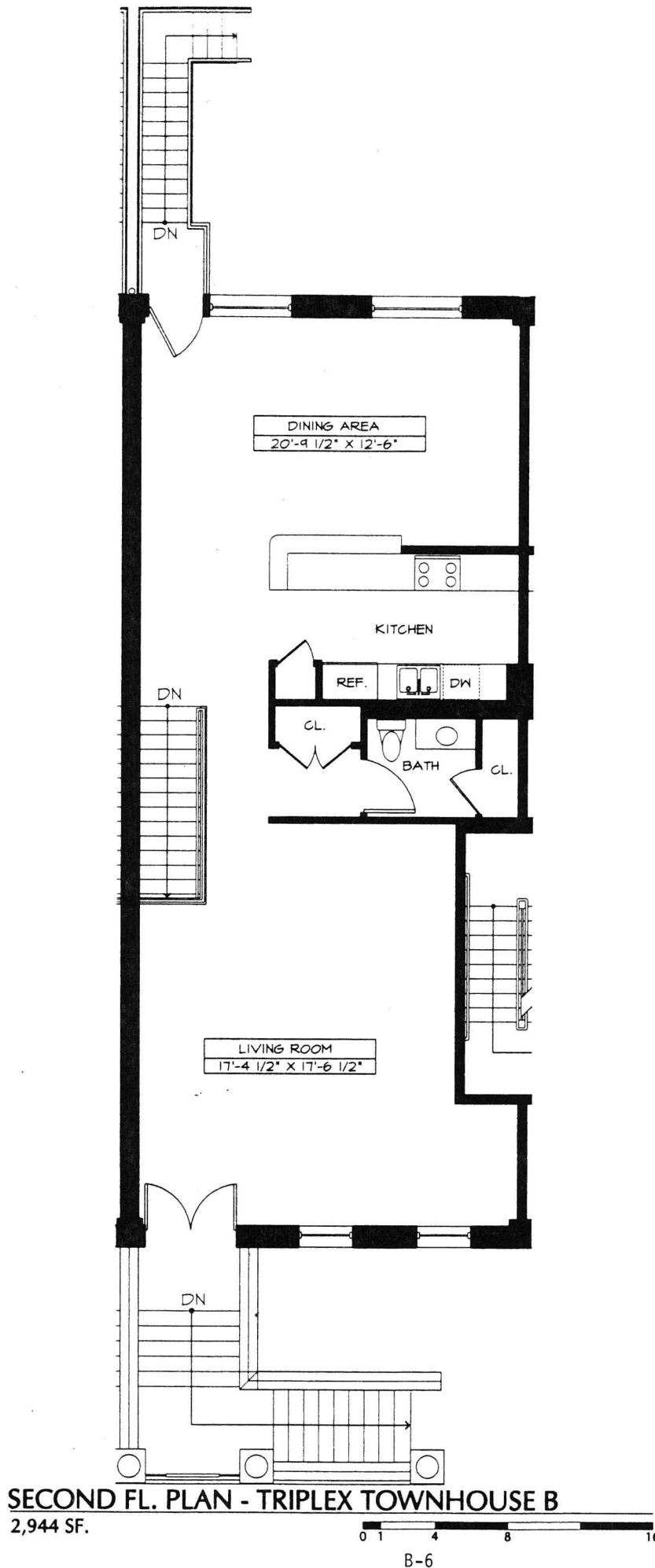
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W118th STREET



TH-B/ 2





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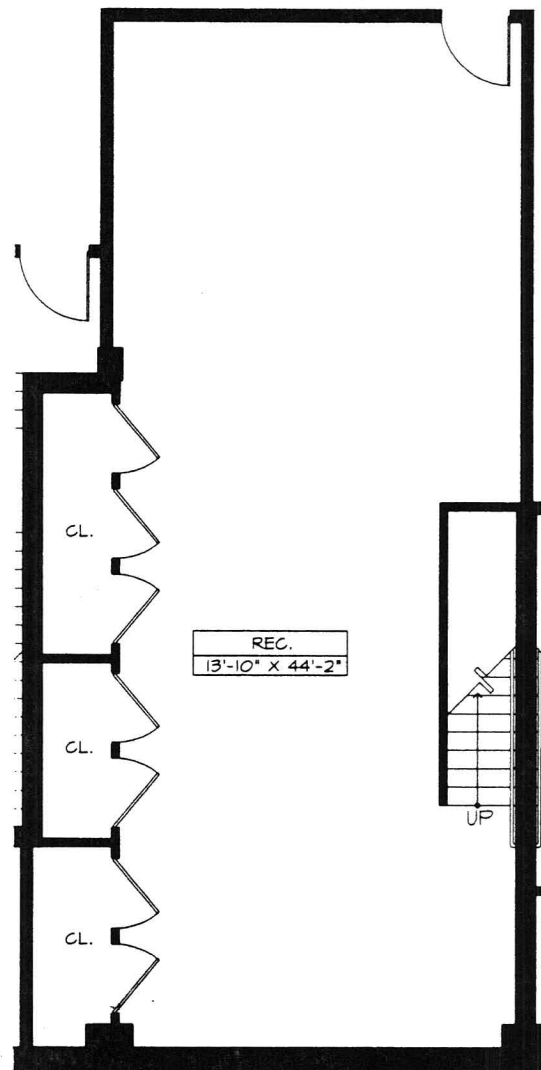
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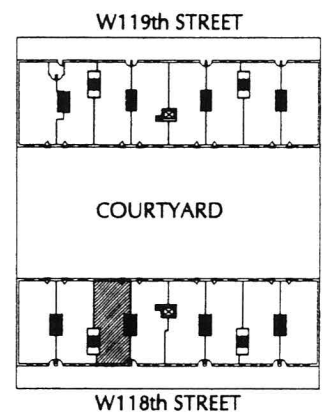
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TOWNHOUSE C



CELLAR PLAN - TRIPLEX TOWNHOUSE C

3,002 SF.



TH-C/ C



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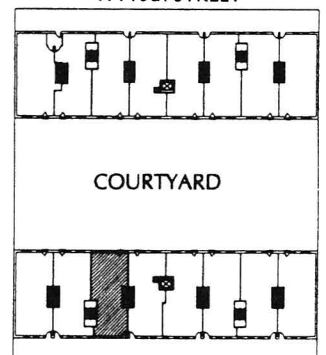
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TOWNHOUSE C

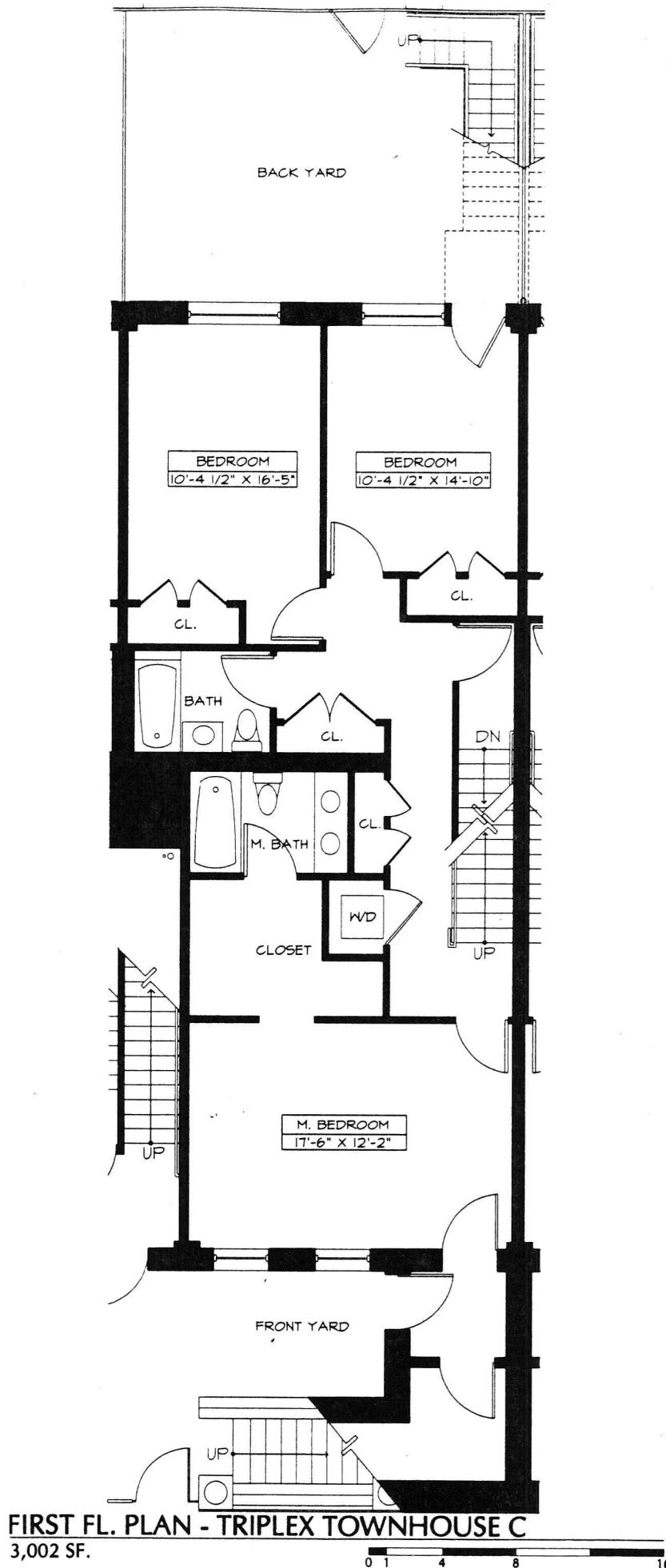
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W118th STREET



TH-C/ 1





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PROJECT:

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CONDOMINIUMS

ADDRESS:

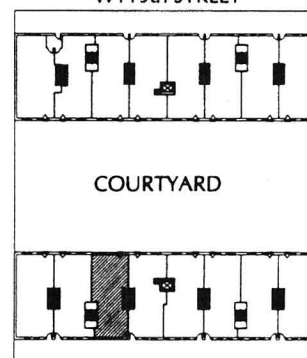
309 WEST 118TH STREET
NEW YORK, N.Y. 10027

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VARIANCES AND TOLERANCES.
DIMENSIONS ARE MAXIMUM OVERALL.

WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS IN
ACCORDANCE WITH THE OFFERING PLAN.

TOWNHOUSE C

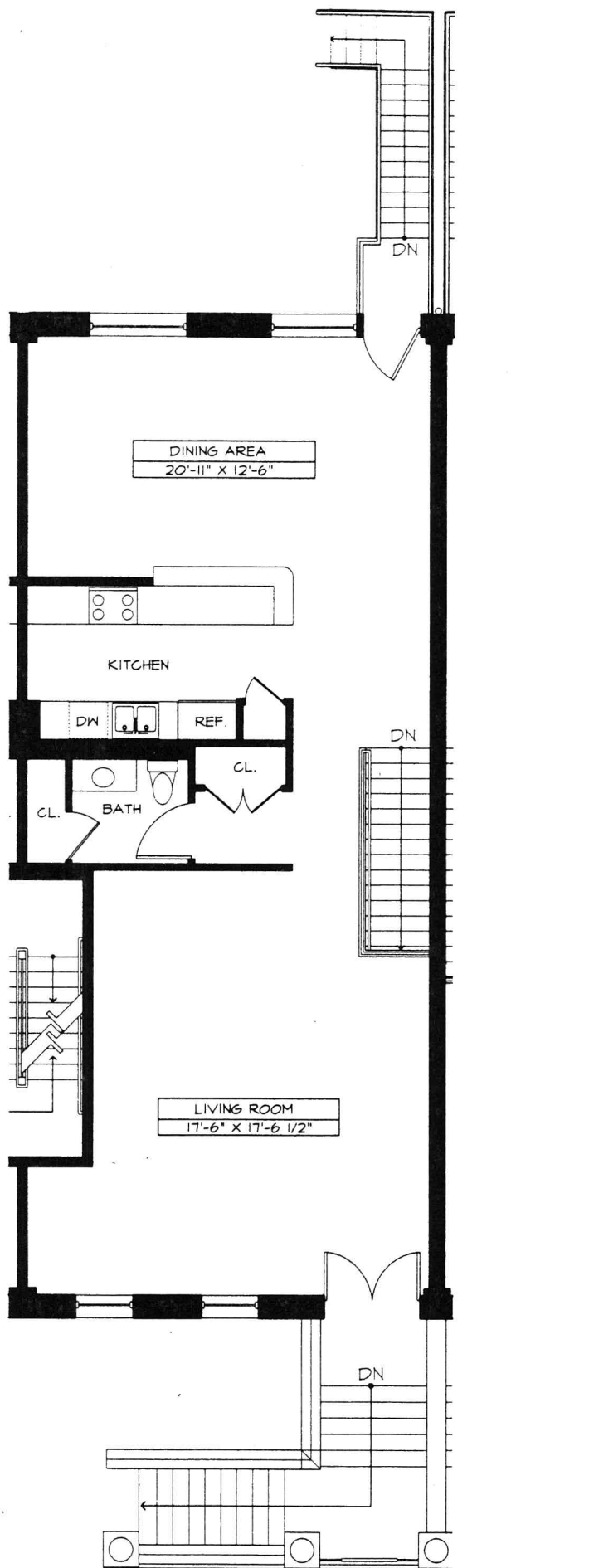
W119th STREET



W118th STREET



TH-C/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE C

3,002 SF.

0 1 4 8 16

B-9



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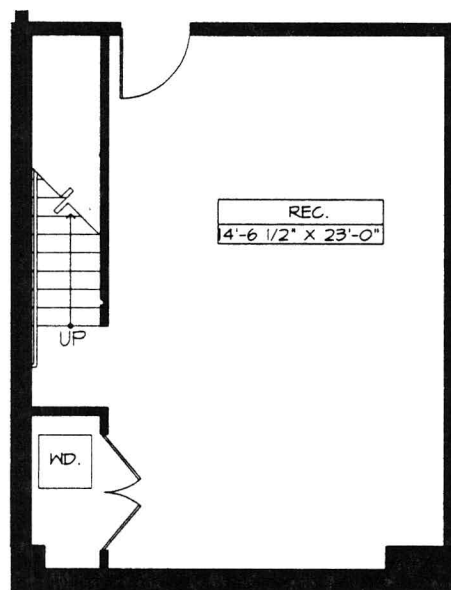
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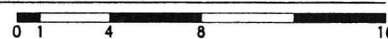
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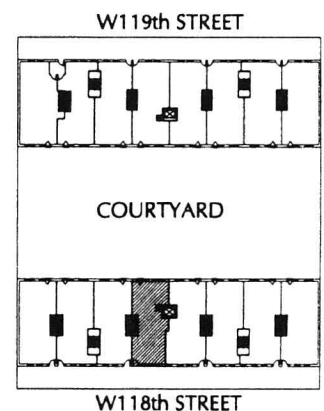


CELLAR PLAN - TRIPLEX TOWNHOUSE D

2,447 SF.



TOWNHOUSE D



TH-D/ C



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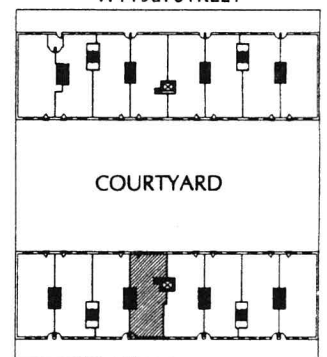
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TOWNHOUSE D

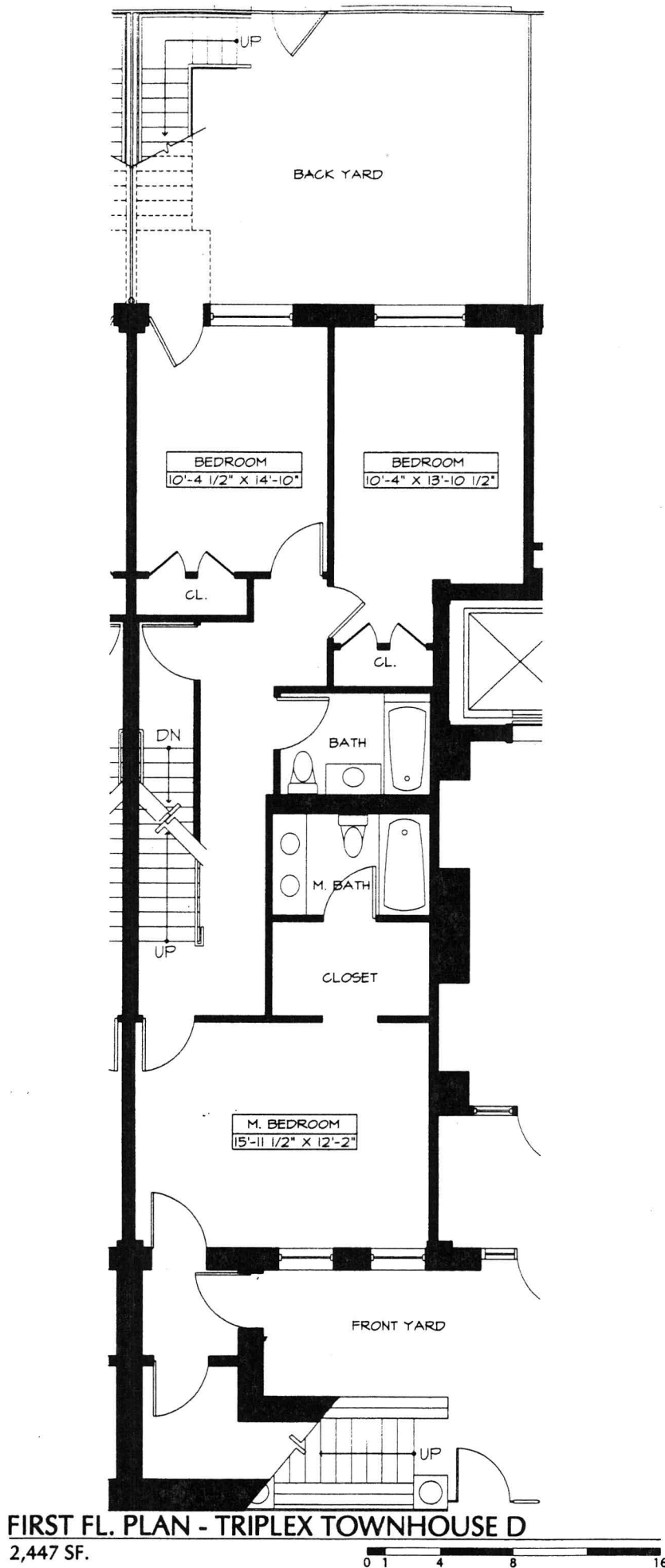
W119th STREET



W118th STREET



TH-D/ 1





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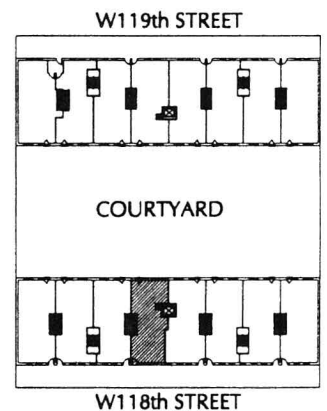
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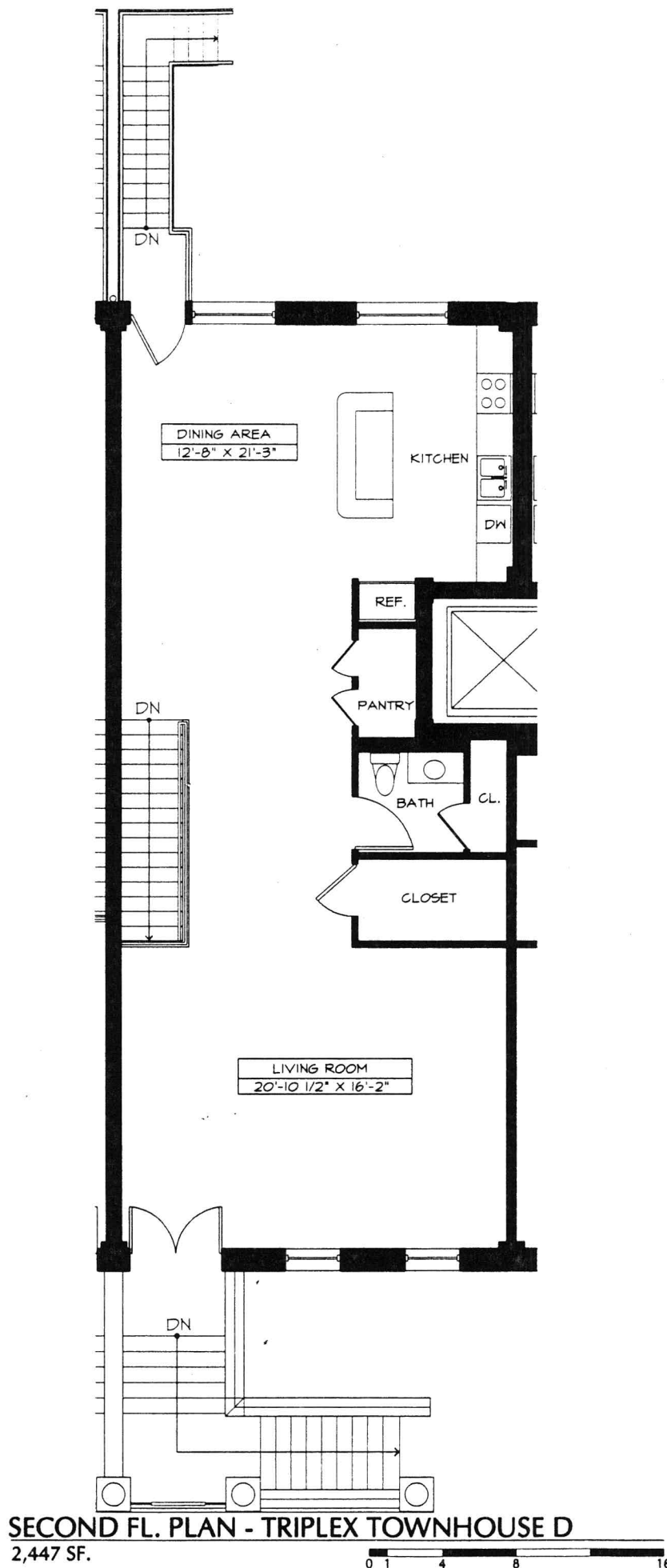
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TOWNHOUSE D



TH-D/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE D

2,447 SF.

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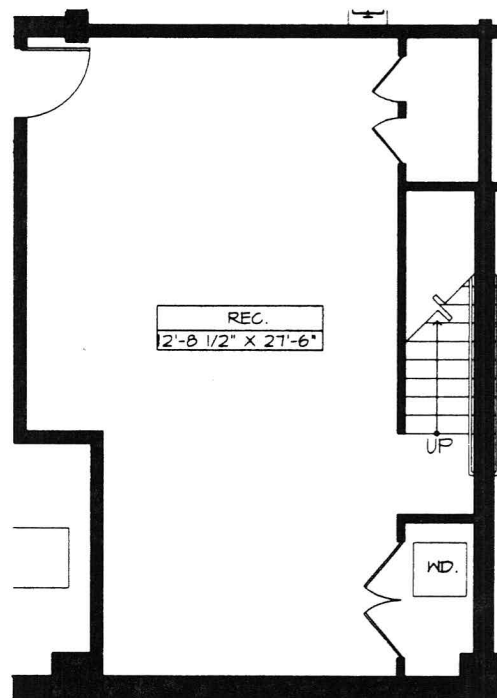
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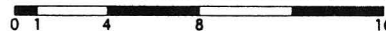
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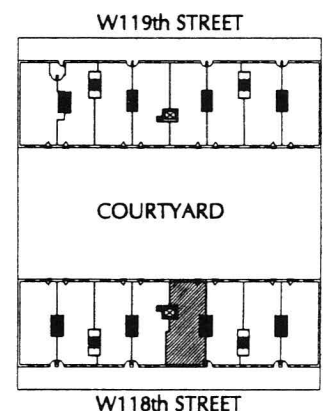
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CELLAR PLAN - TRIPLEX TOWNHOUSE E
2,503 SF.



TOWNHOUSE E



TH-E/ C



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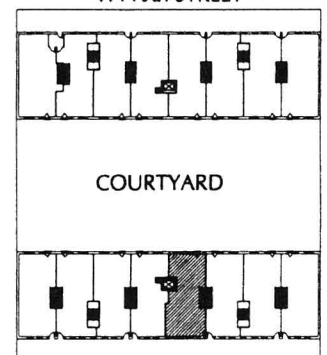
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TOWNHOUSE E

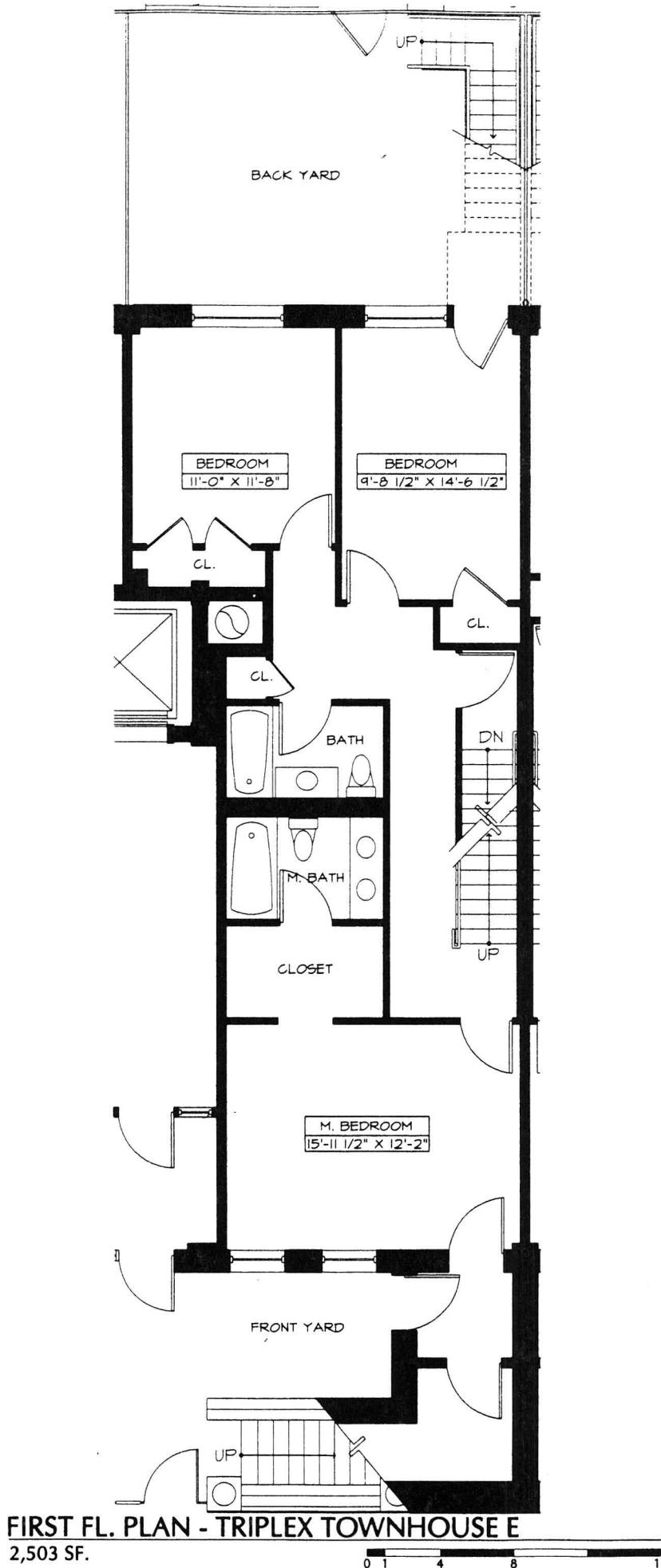
W119th STREET



W118th STREET



TH-E/ 1





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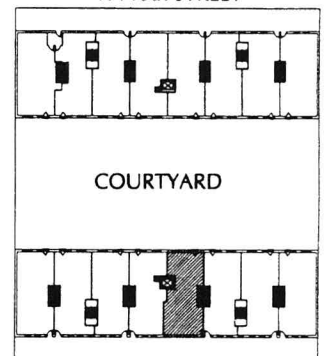
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TOWNHOUSE E

W119th STREET

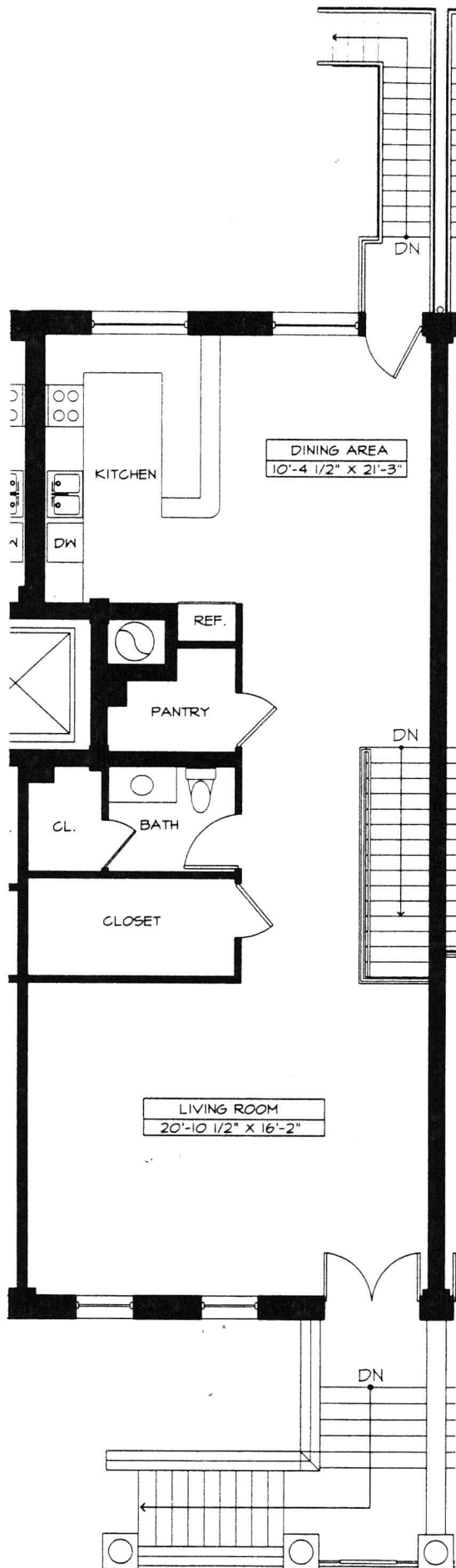


COURTYARD

W118th STREET



TH-E/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE E
2,503 SF.

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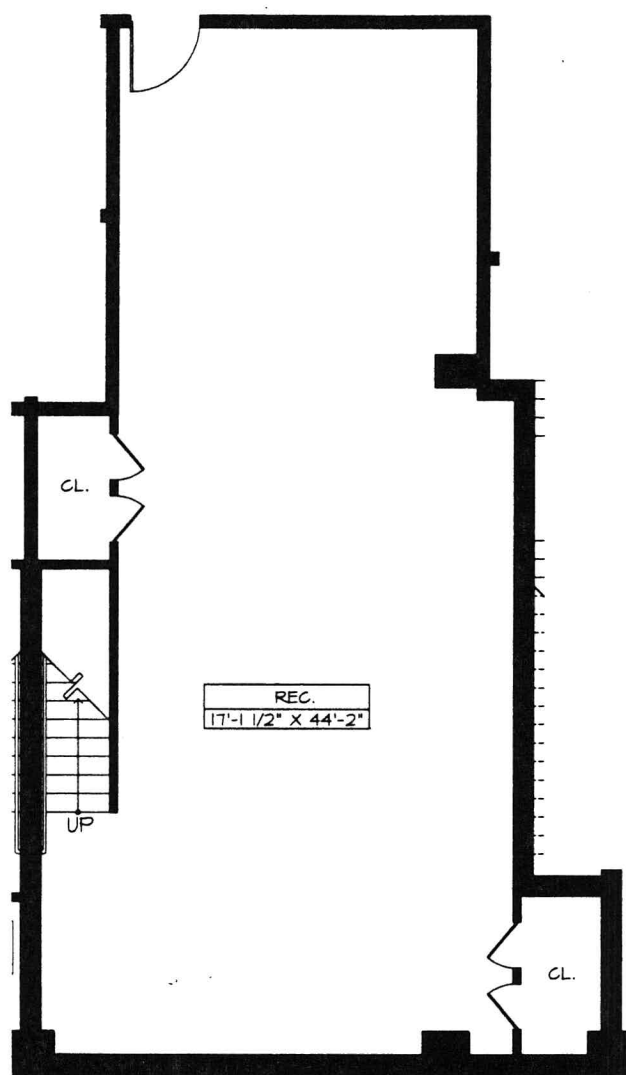
BROWNSTONE LANE
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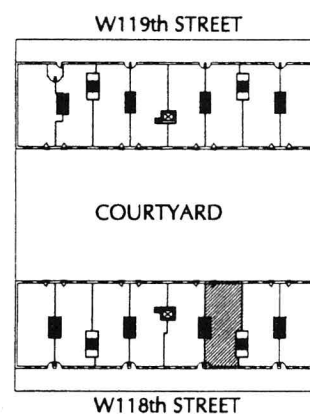


CELLAR PLAN - TRIPLEX TOWNHOUSE F

2,990 SF.



TOWNHOUSE F



TH-F/ C



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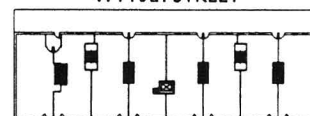
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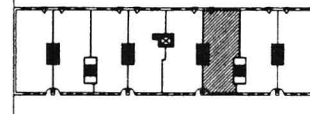
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TOWNHOUSE F

W119th STREET



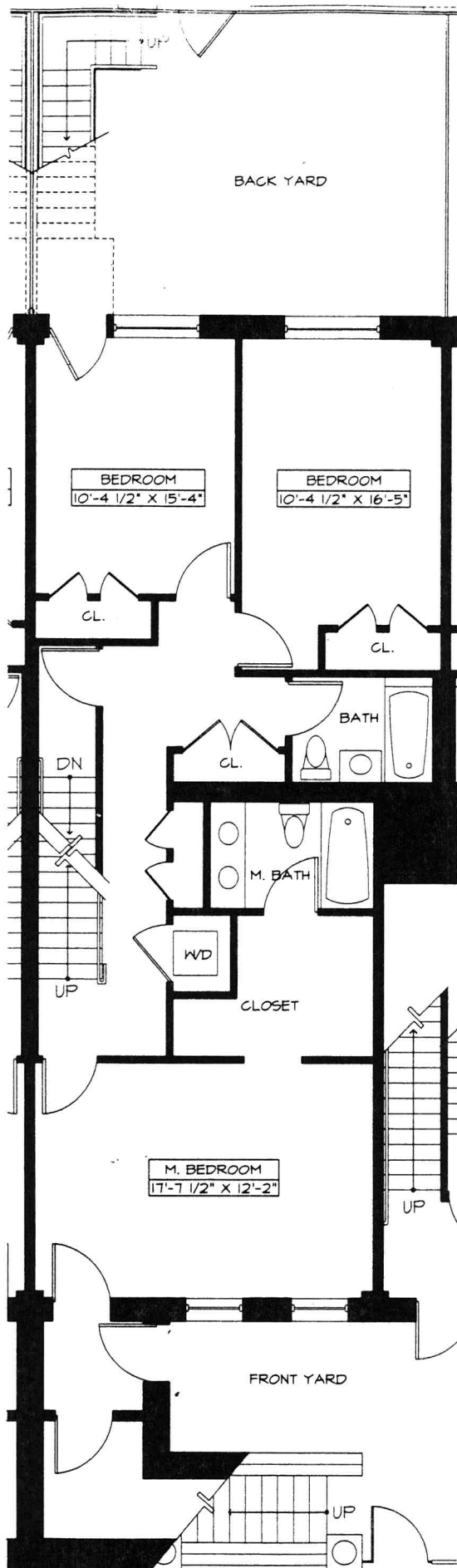
COURTYARD



W118th STREET



TH-F/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE F
2,990 SF.

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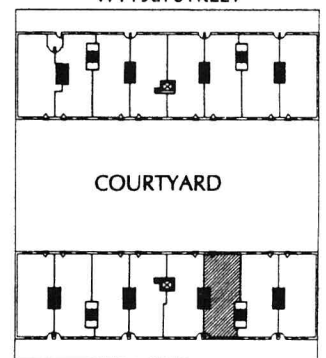
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TOWNHOUSE F

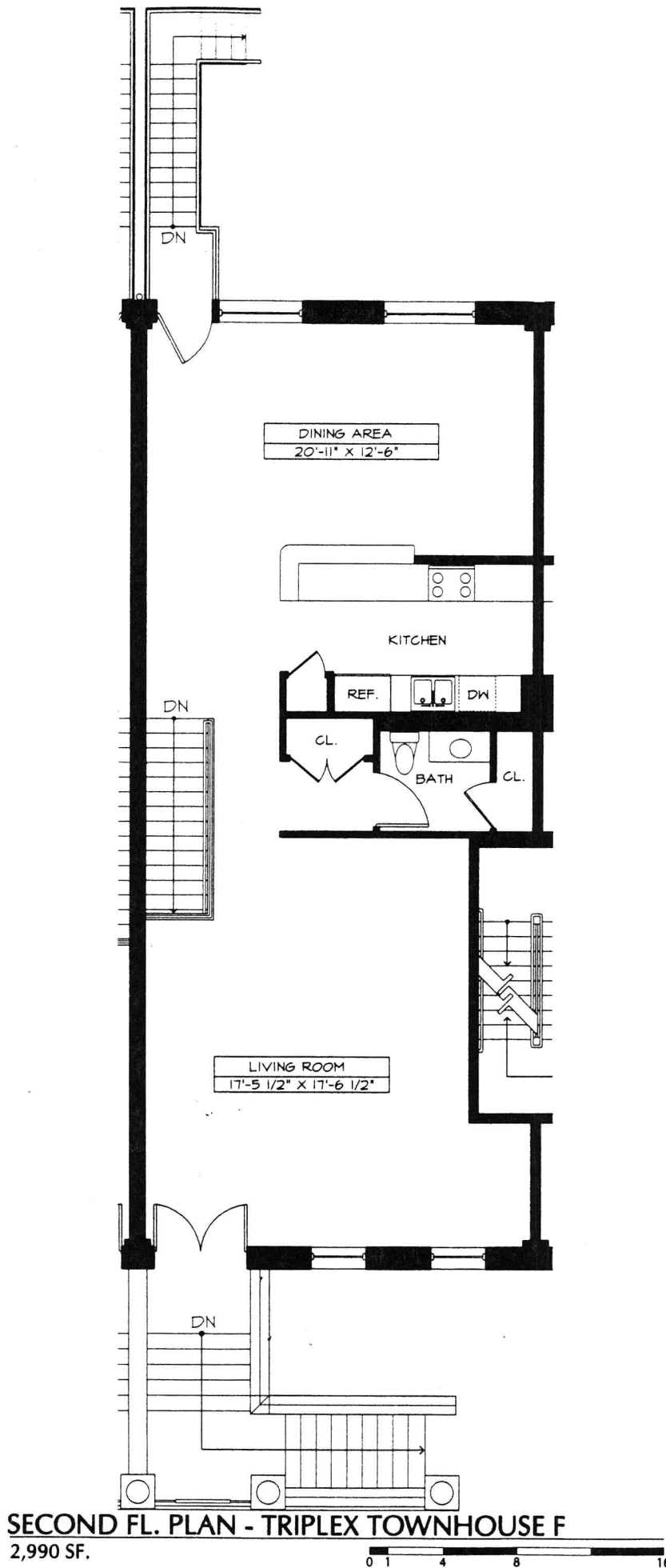
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W118th STREET



TH-F/ 2





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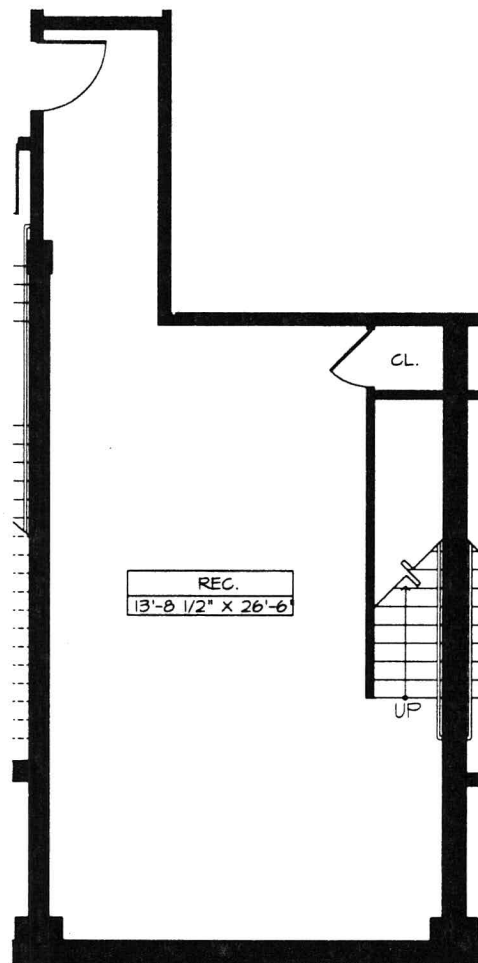
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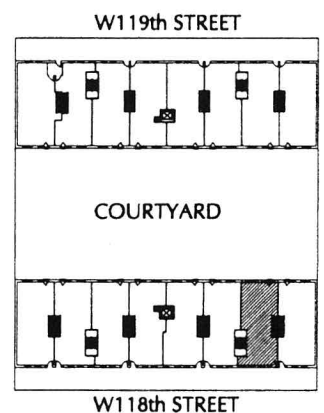
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CELLAR PLAN - TRIPLEX TOWNHOUSE G
2,641 SF.



TOWNHOUSE G



TH-G/ C



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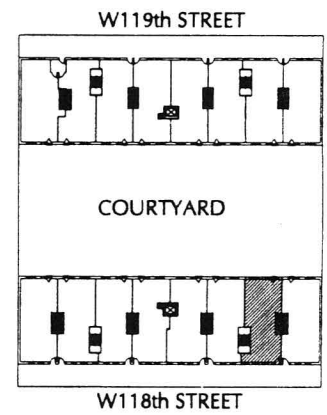
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BROWNSTONE LANE
CONDOMINIUMS

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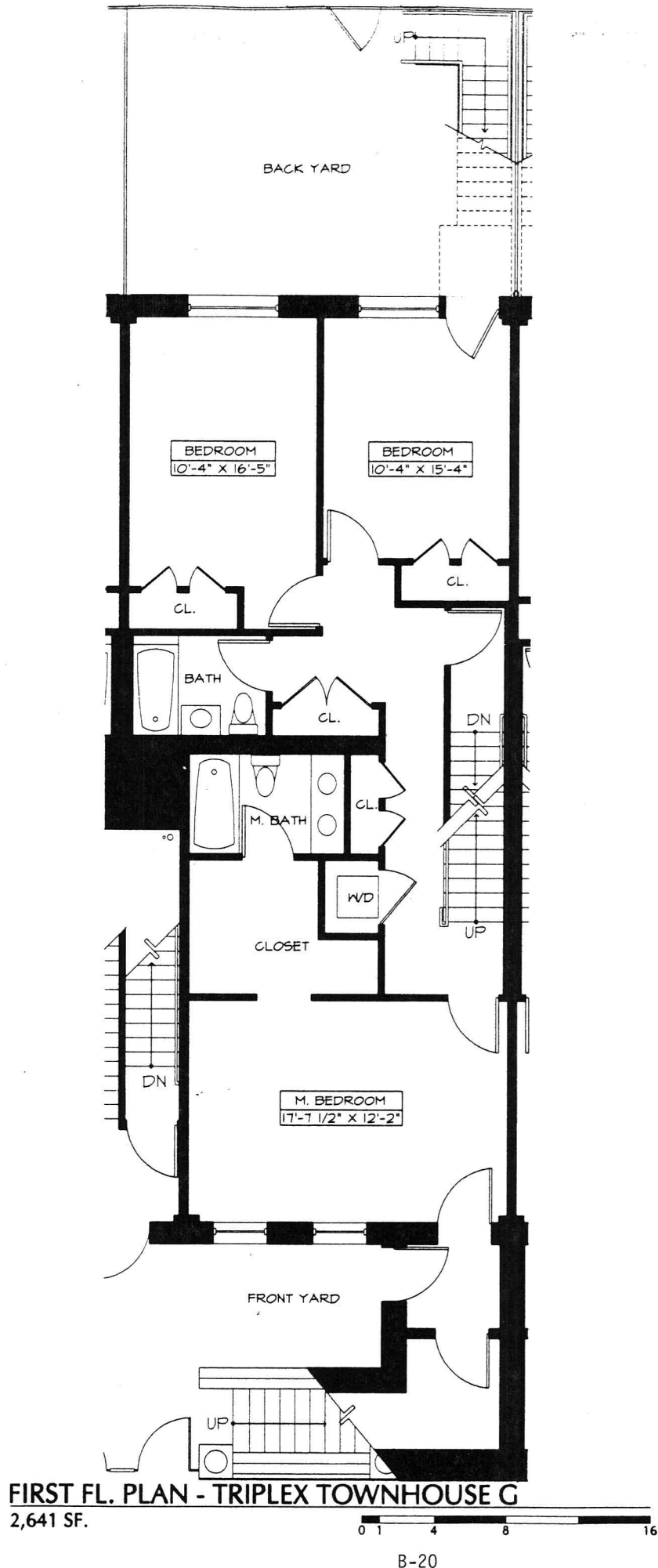
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TOWNHOUSE G



TH-G/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE G
2,641 SF.



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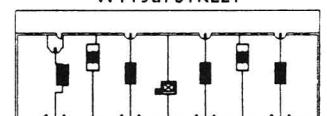
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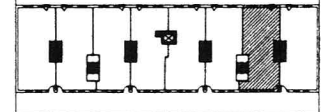
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TOWNHOUSE G

W119th STREET



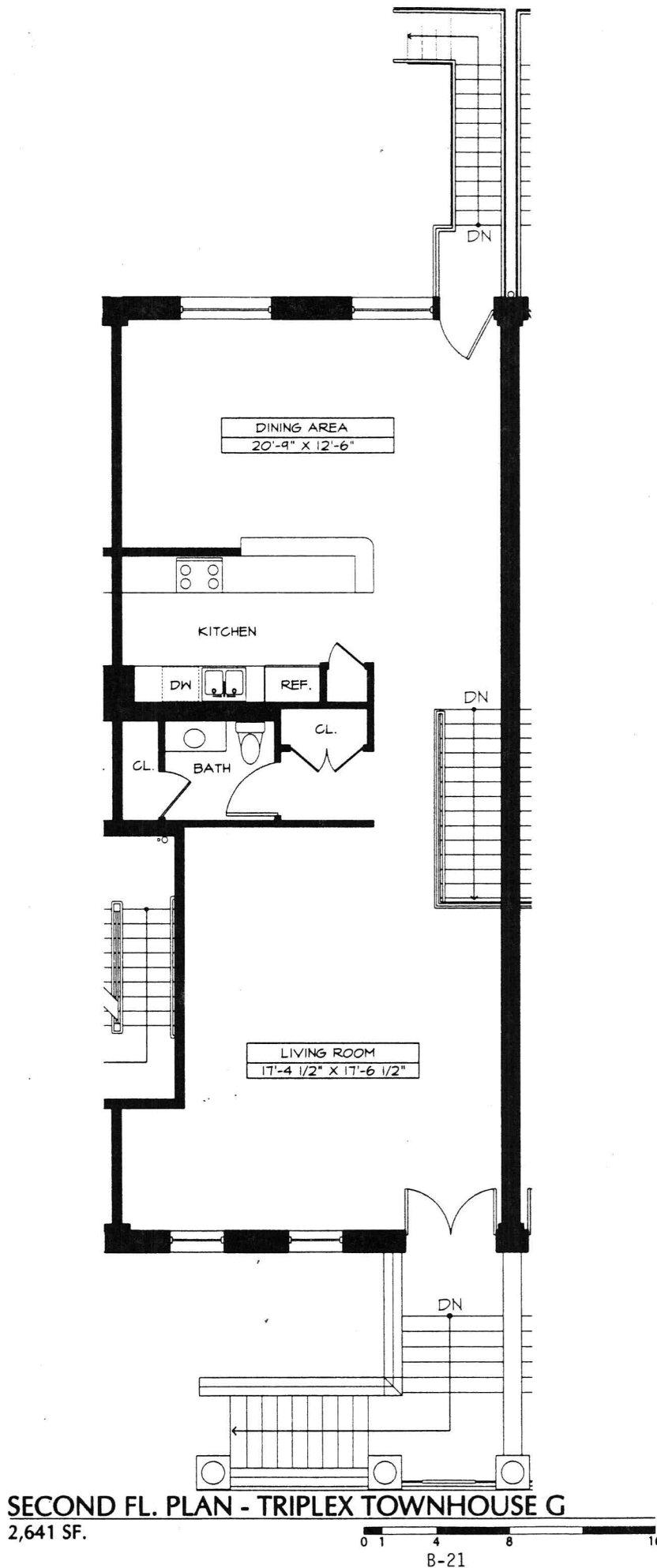
COURTYARD



W118th STREET



TH-G/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE G
2,641 SF.

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B-21



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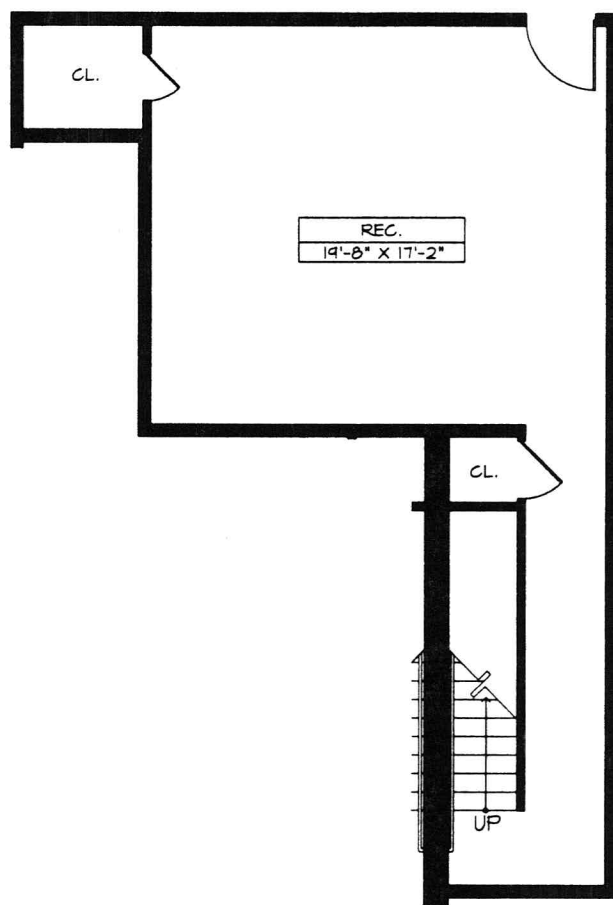
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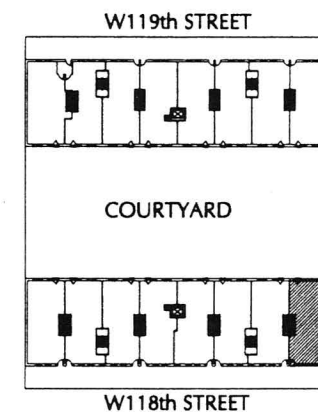
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CELLAR PLAN - TRIPLEX TOWNHOUSE H

2,832 SF.



TH-H/ C



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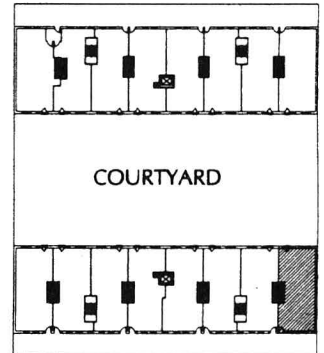
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TOWNHOUSE H

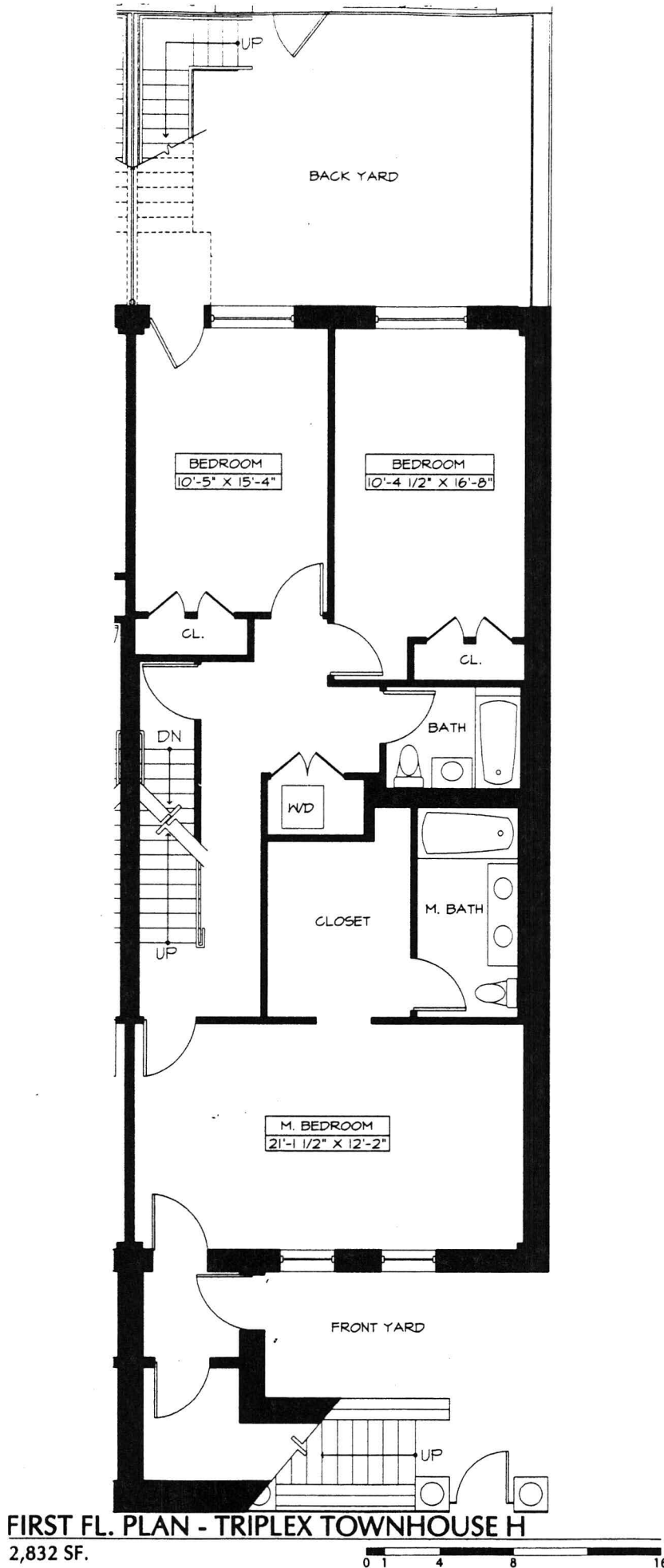
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W118th STREET



TH-H/ 1





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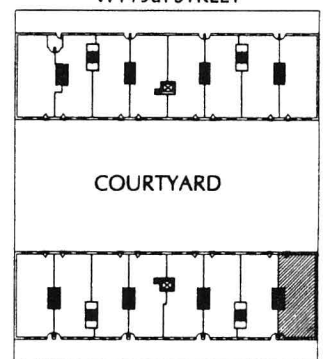
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TOWNHOUSE H

W119th STREET

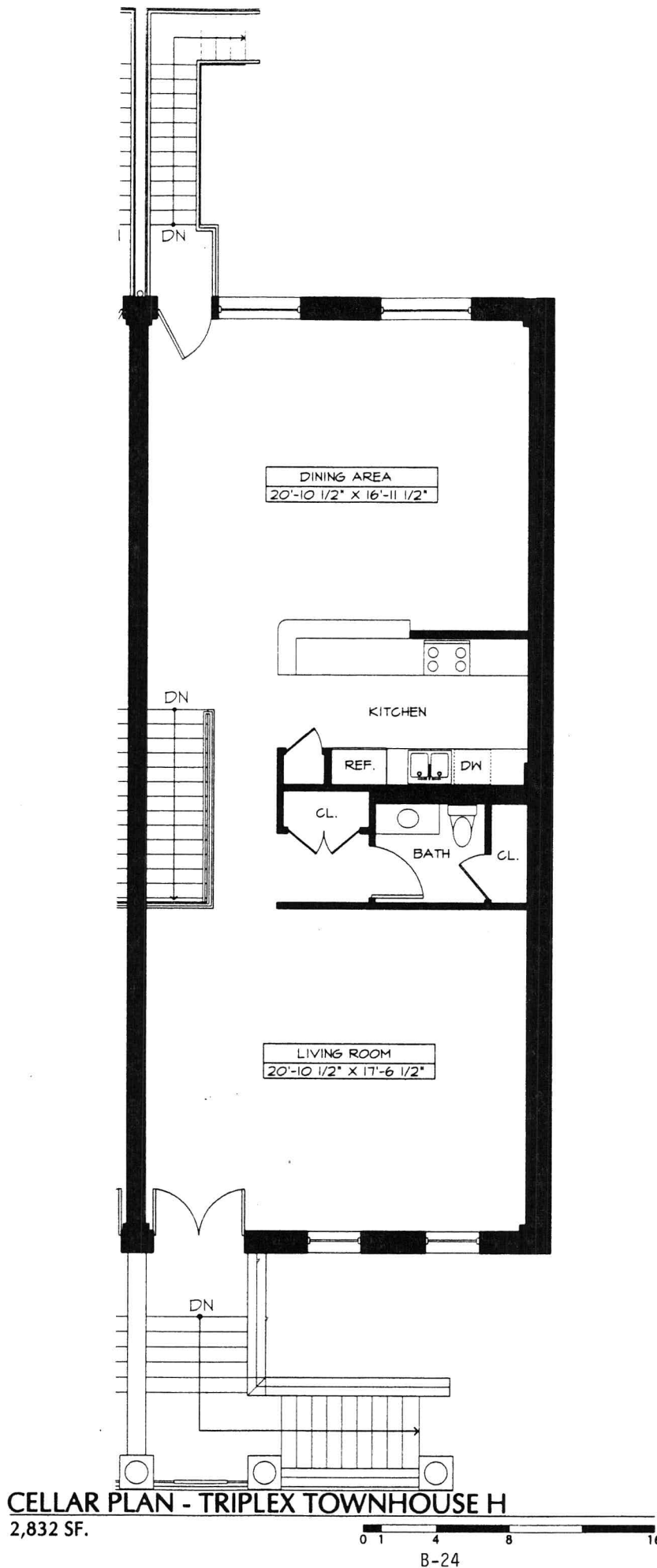


COURTYARD

W118th STREET



TH-H/ 2



CELLAR PLAN - TRIPLEX TOWNHOUSE H
2,832 SF.



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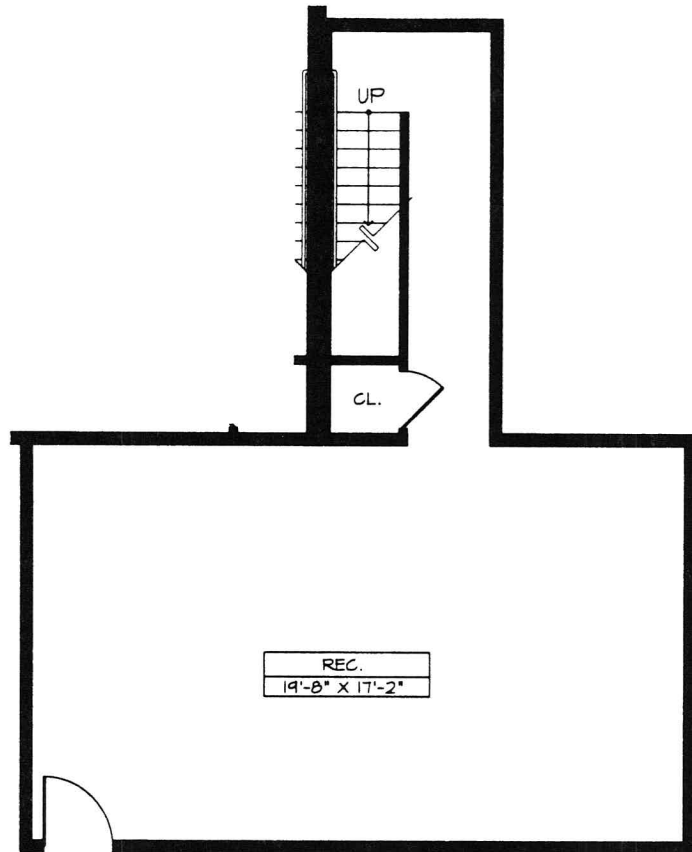
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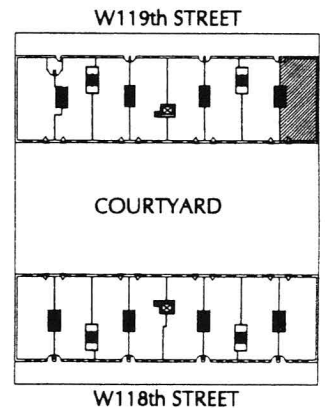
TOWNHOUSE I



CELLAR PLAN - TRIPLEX TOWNHOUSE I

2,937 SF.

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TH-I/ C



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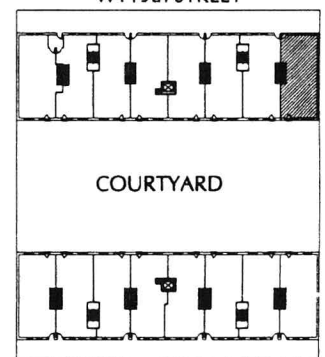
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TOWNHOUSE I

W119th STREET

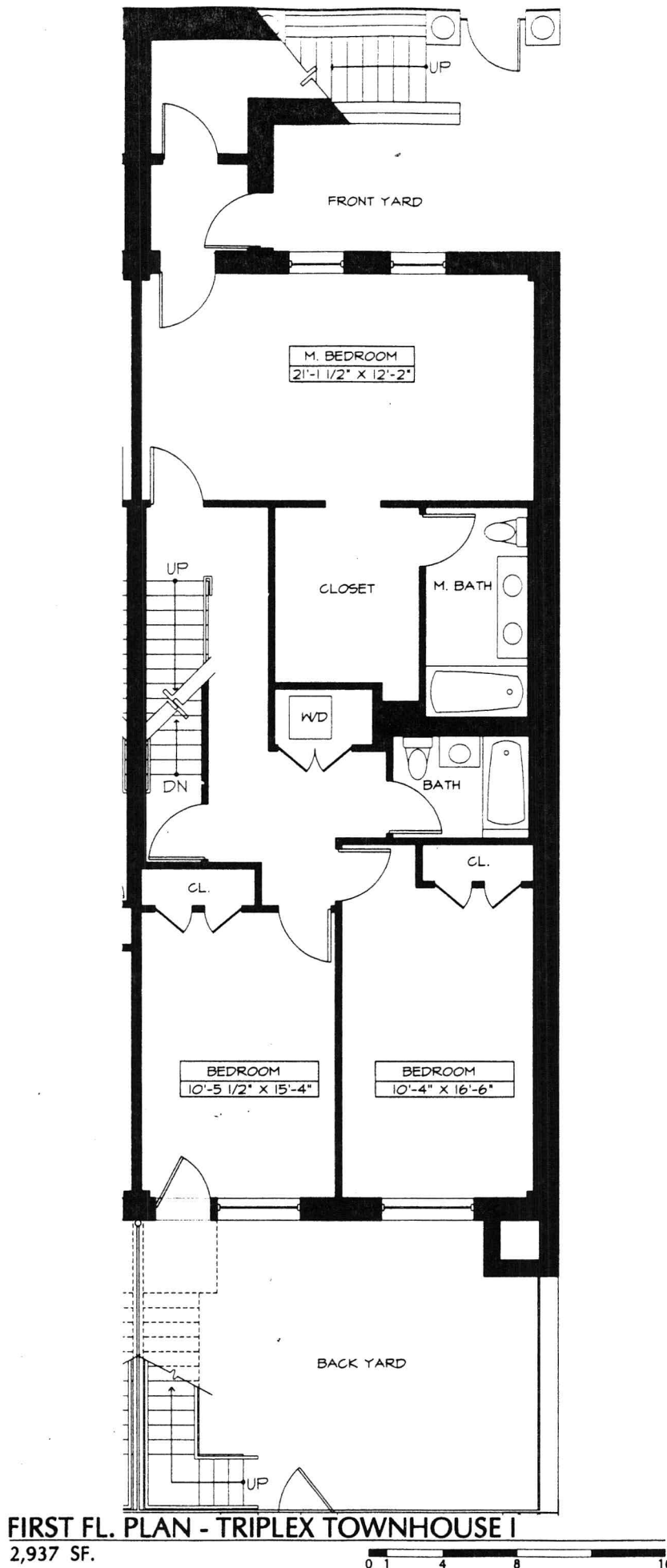


COURTYARD

W118th STREET



TH-I/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE I
2,937 SF.



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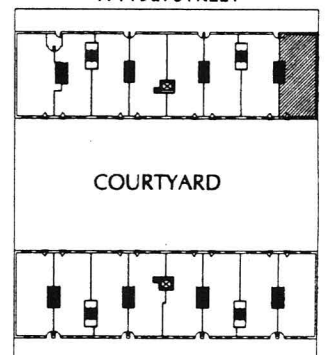
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TOWNHOUSE I

W119th STREET

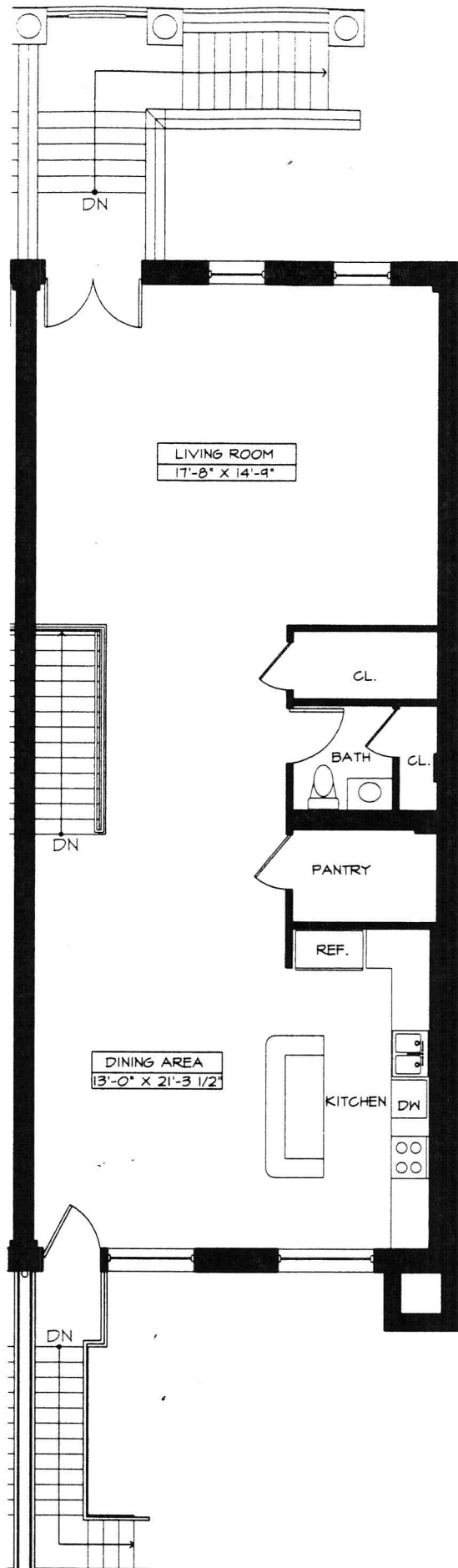


COURTYARD

W118th STREET



TH-I/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE I

2,937 SF.

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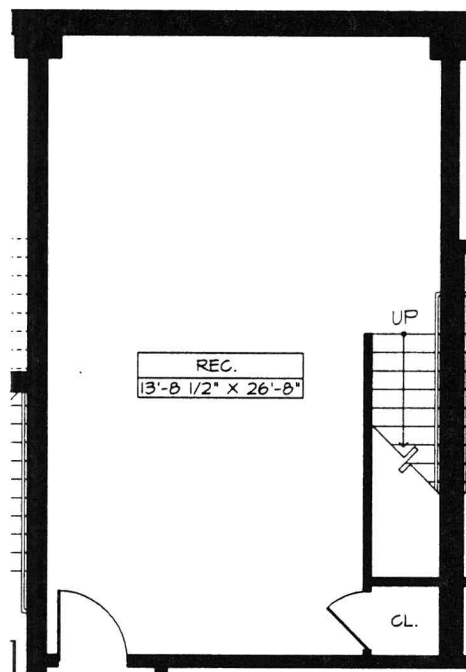
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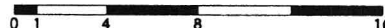
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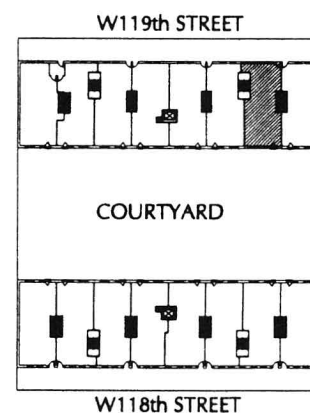
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CELLAR PLAN - TRIPLEX TOWNHOUSE J
2,573 SF.



TOWNHOUSE J



TH-J/ C

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PROJECT:

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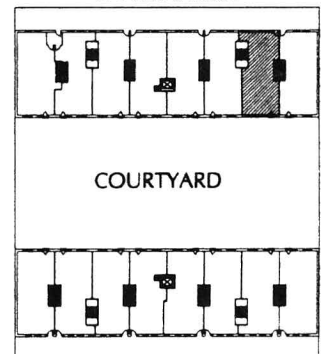
309 WEST 118TH STREET
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DIMENSIONS ARE MAXIMUM OVERALL

WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS IN
ACCORDANCE WITH THE OFFERING PLAN

TOWNHOUSE J

W119th STREET

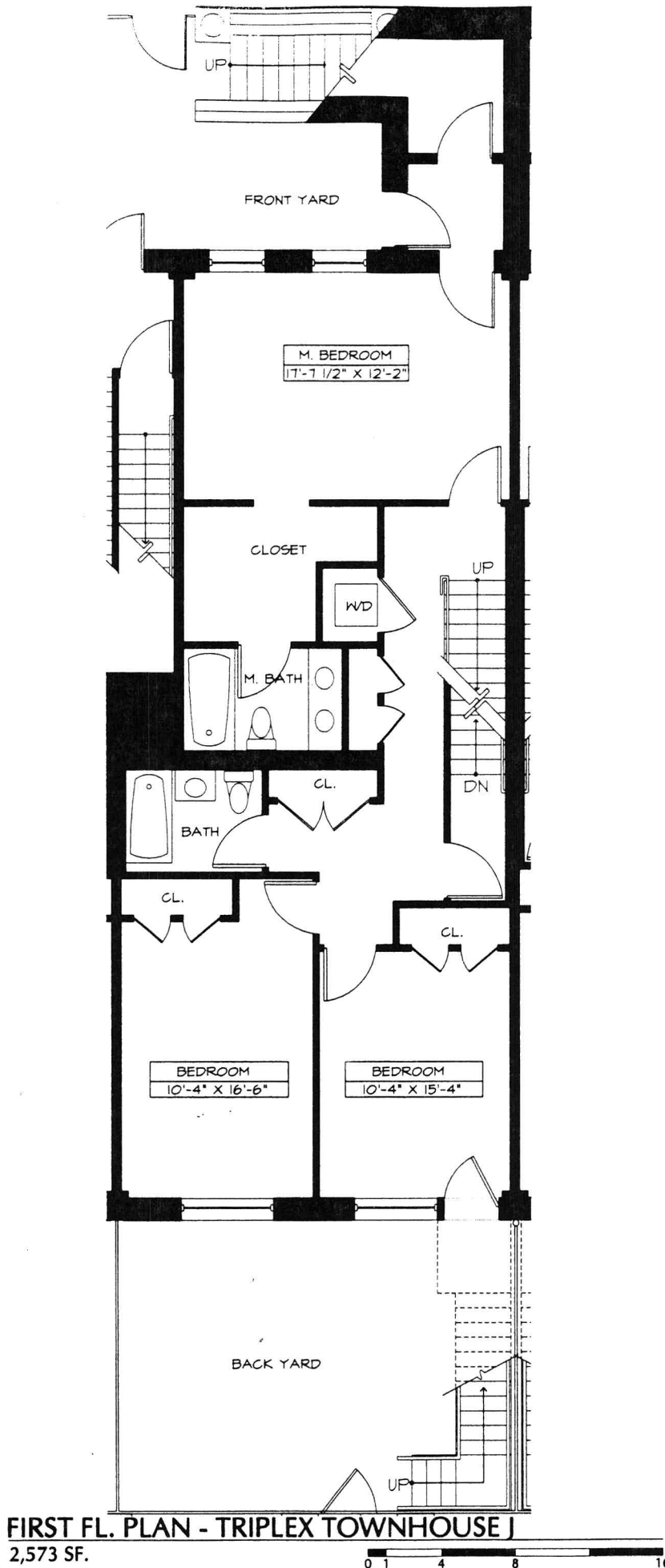


COURTYARD

W118th STREET



TH-J/ 1





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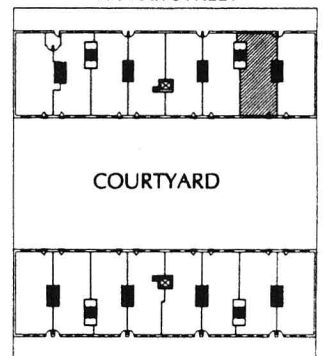
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W119th STREET

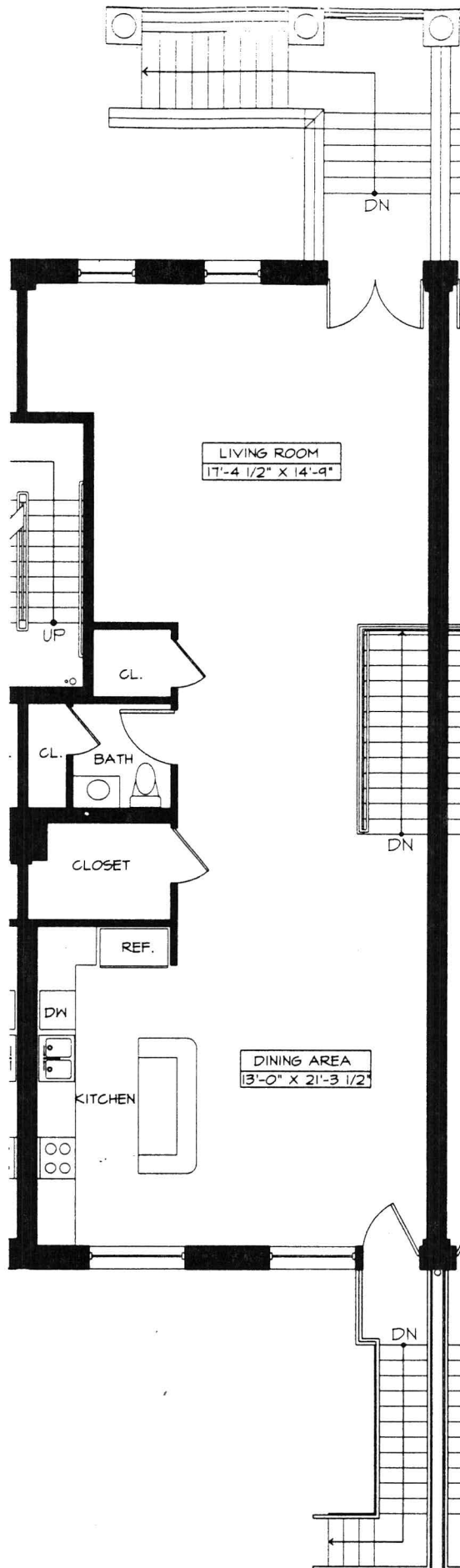


COURTYARD

W118th STREET



TH-J/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE J
2,573 SF.

0 1 4 8 16



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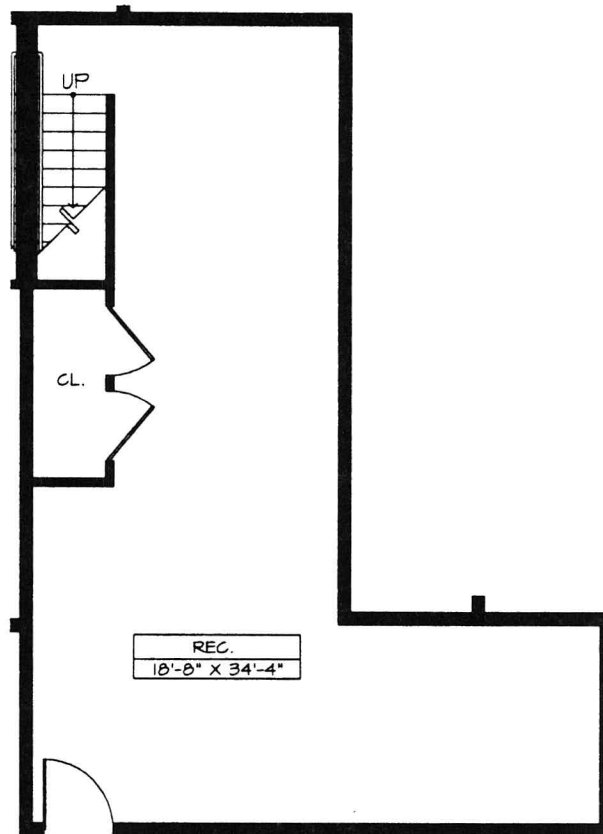
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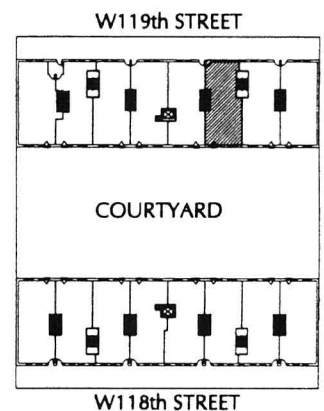
TOWNHOUSE K



CELLAR PLAN - TRIPLEX TOWNHOUSE K

2,670 SF.

0 1 4 8 16



TH-K/ C



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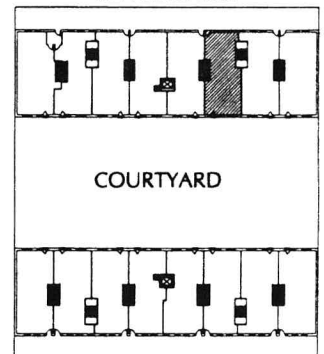
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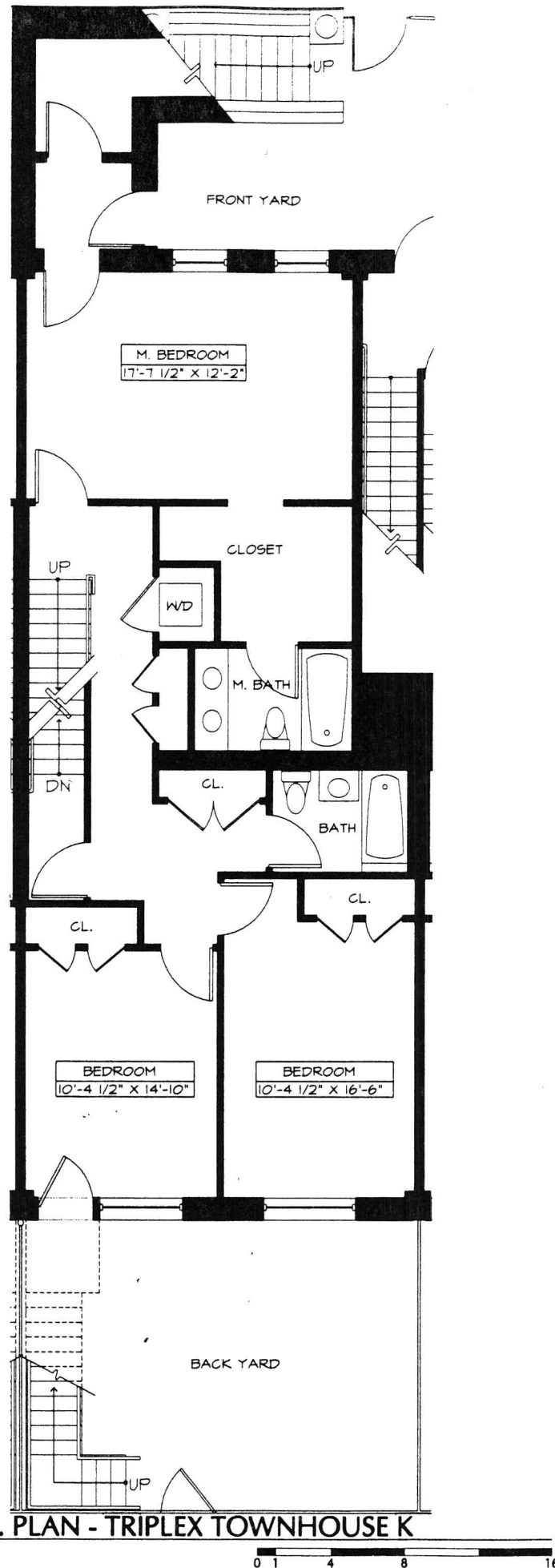


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TH-K/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE K

2,670 SF.



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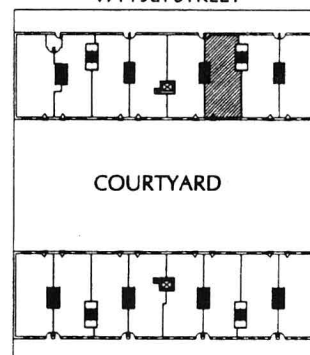
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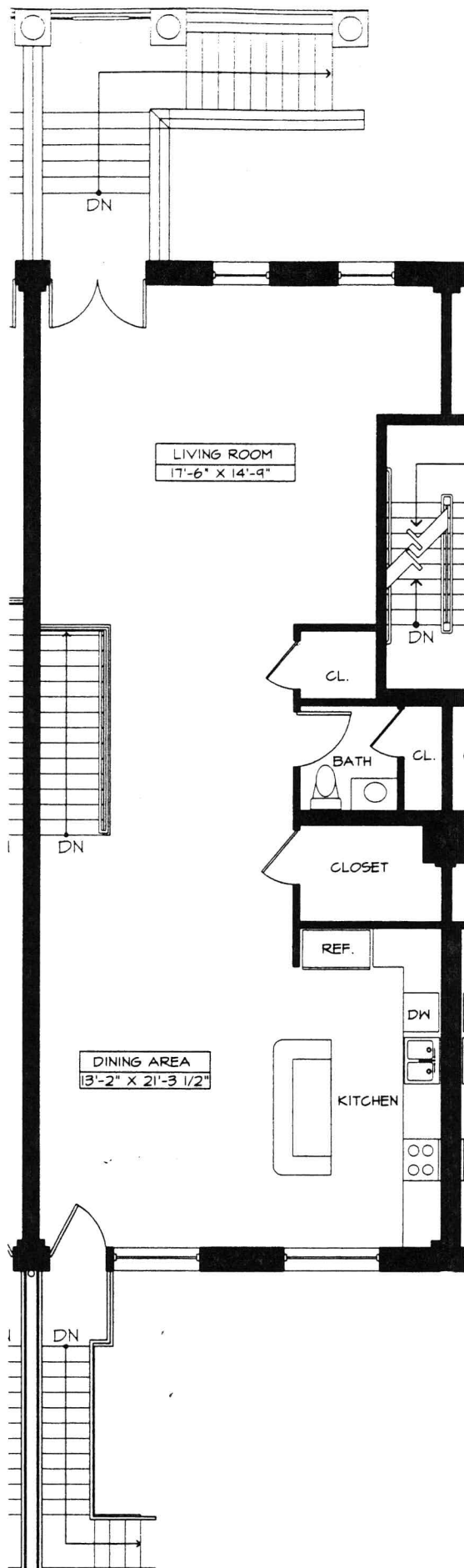
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W118th STREET



TH-K/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE K

2,670 SF.

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B-33



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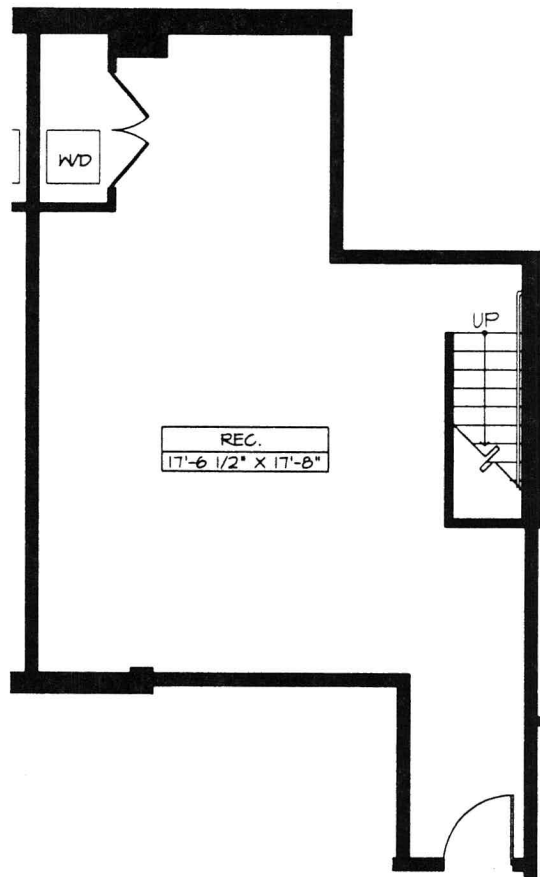
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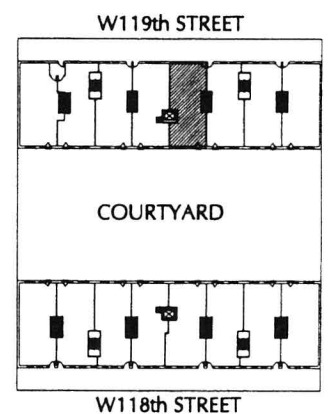


CELLAR PLAN - TRIPLEX TOWNHOUSE L

2,573 SF.



TOWNHOUSE L



TH-L/ C



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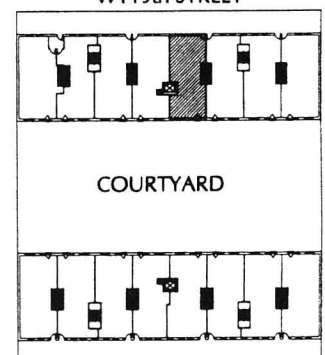
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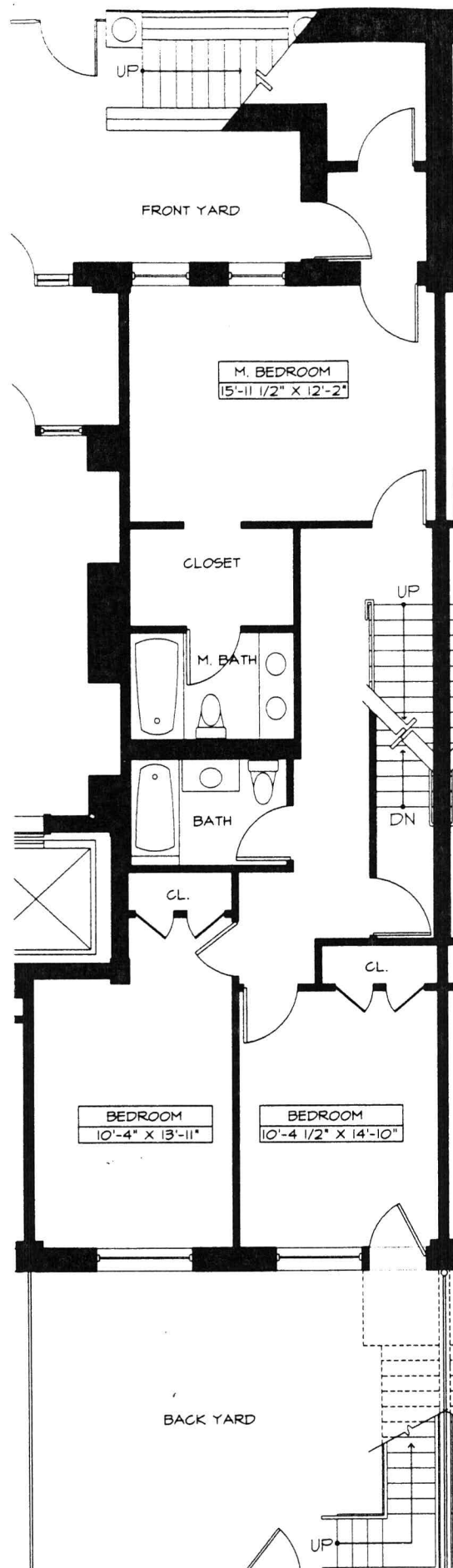
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TH-L/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE L

2,573 SF.

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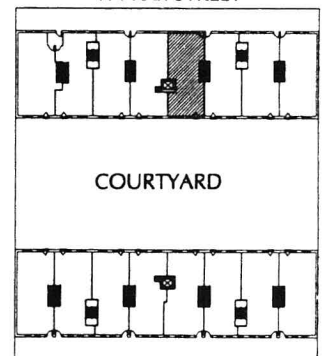
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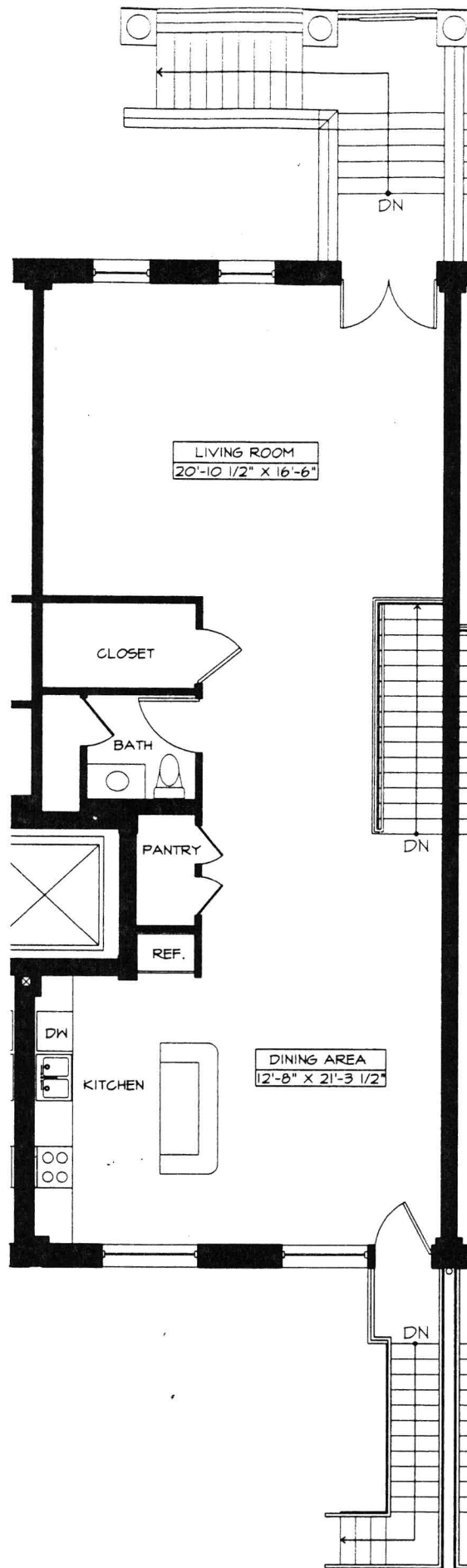
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W118th STREET



TH-L/ 2



SECOND FL. PLAN - TRIPLEX TOWNHOUSE L
2,573 SF.

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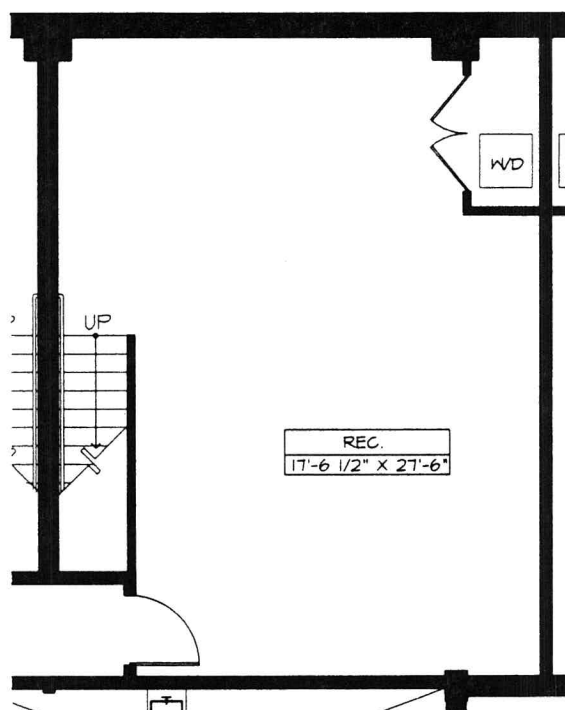
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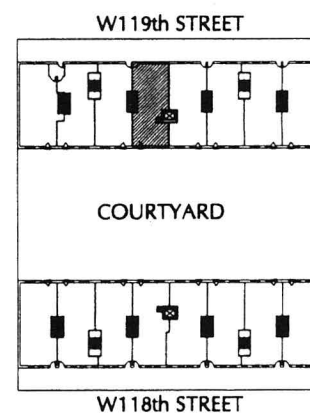
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CELLAR PLAN - TRIPLEX TOWNHOUSE M
2,566 SF.

0 1 4 8 16

TOWNHOUSE M



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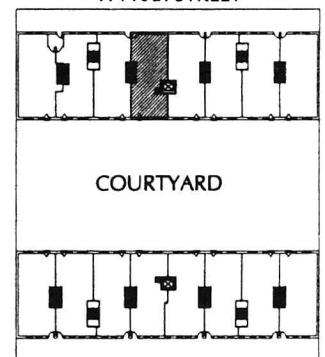
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TOWNHOUSE M

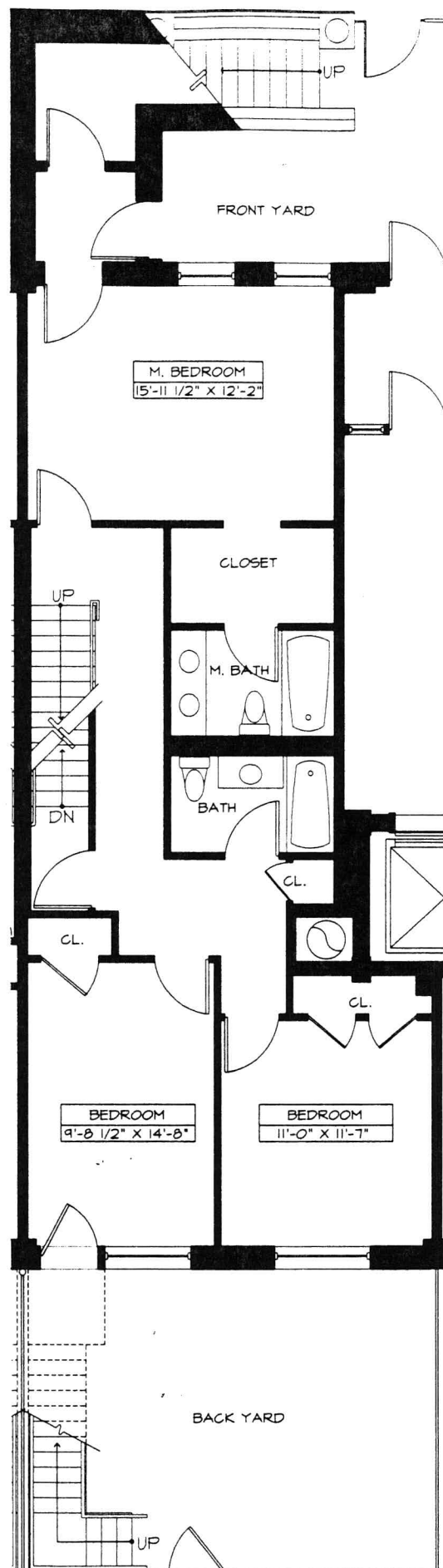
W119th STREET



W118th STREET



TH-M/ 1



FIRST FL. PLAN - TRIPLEX TOWNHOUSE M
2,566 SF.

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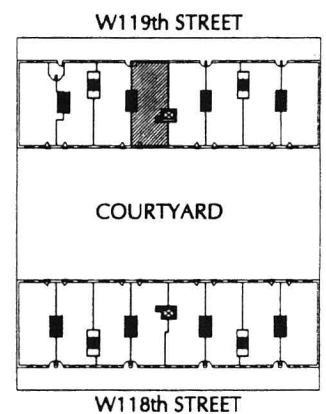
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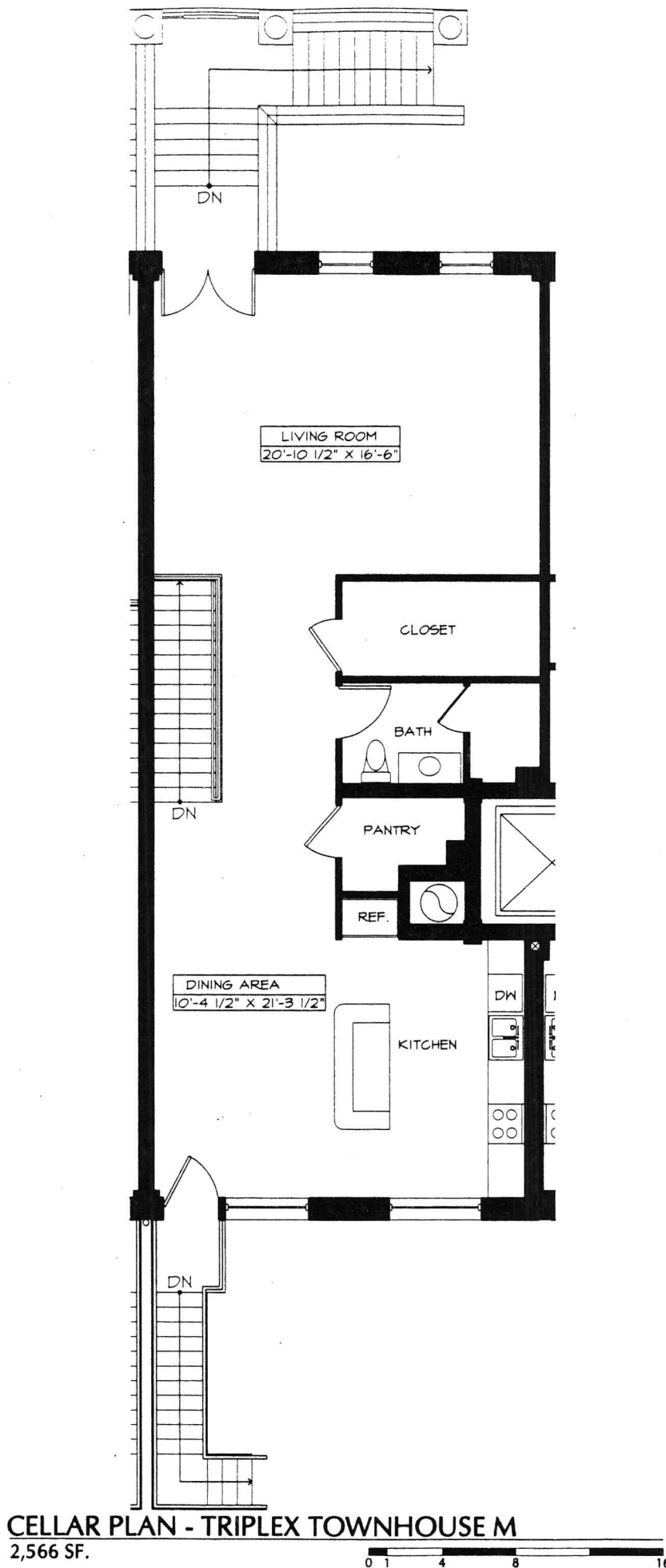
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TOWNHOUSE M



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CELLAR PLAN - TRIPLEX TOWNHOUSE M
2,566 SF.



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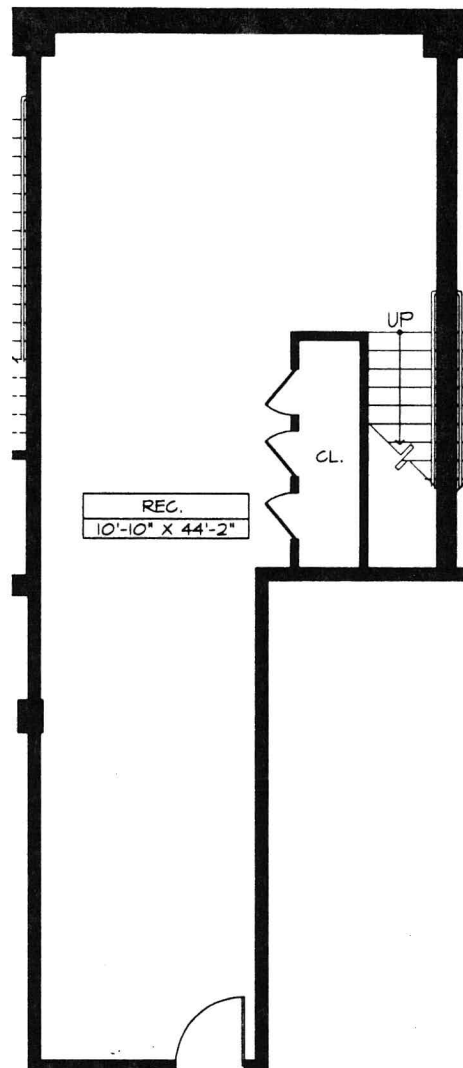
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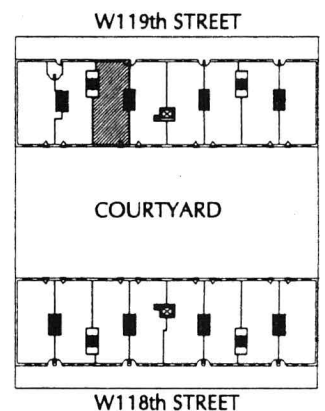
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TOWNHOUSE N



CELLAR PLAN - TRIPLEX TOWNHOUSE N

2,589 SF.



TH-N/ C

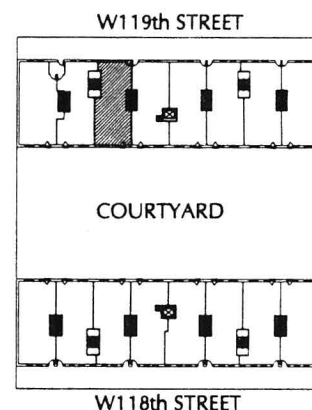
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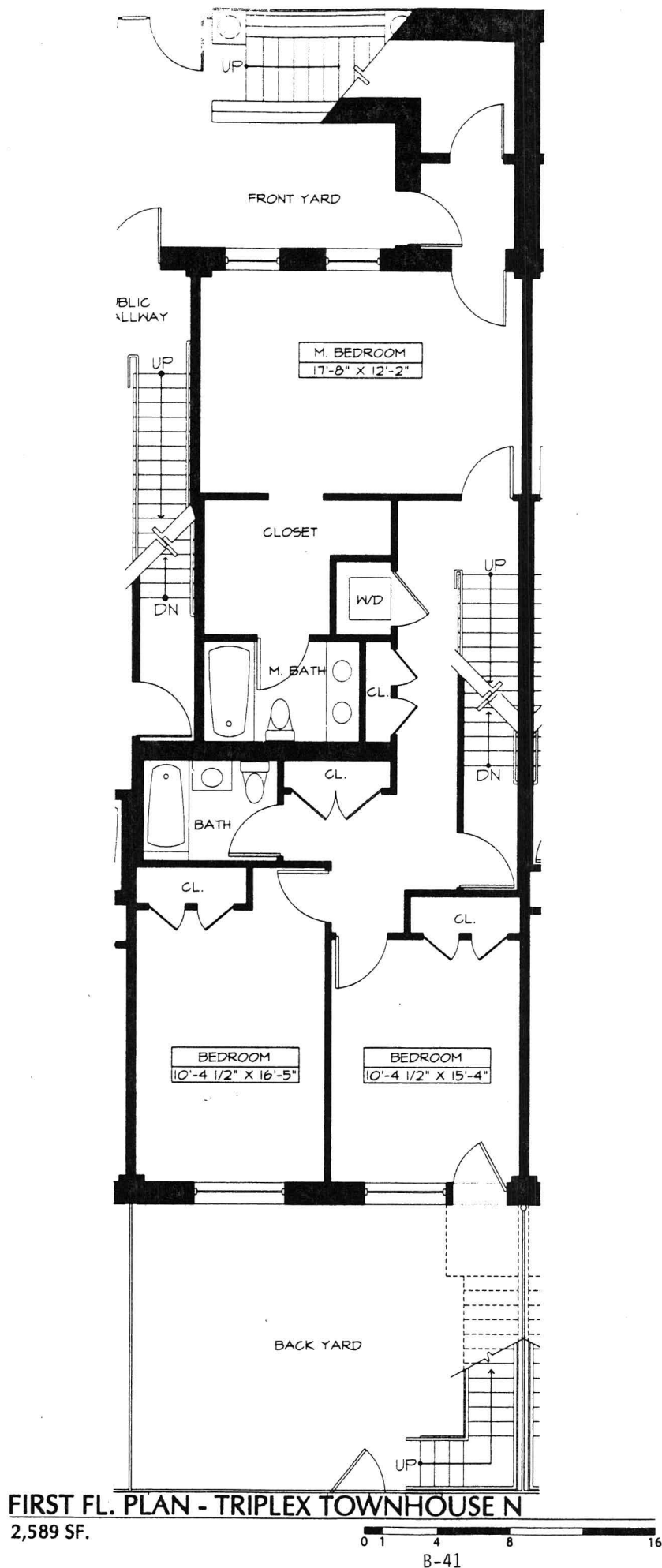
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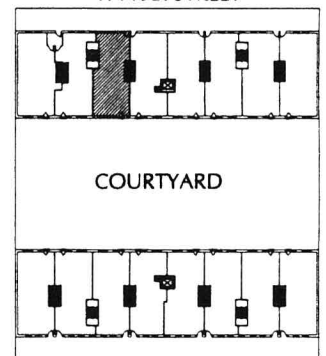
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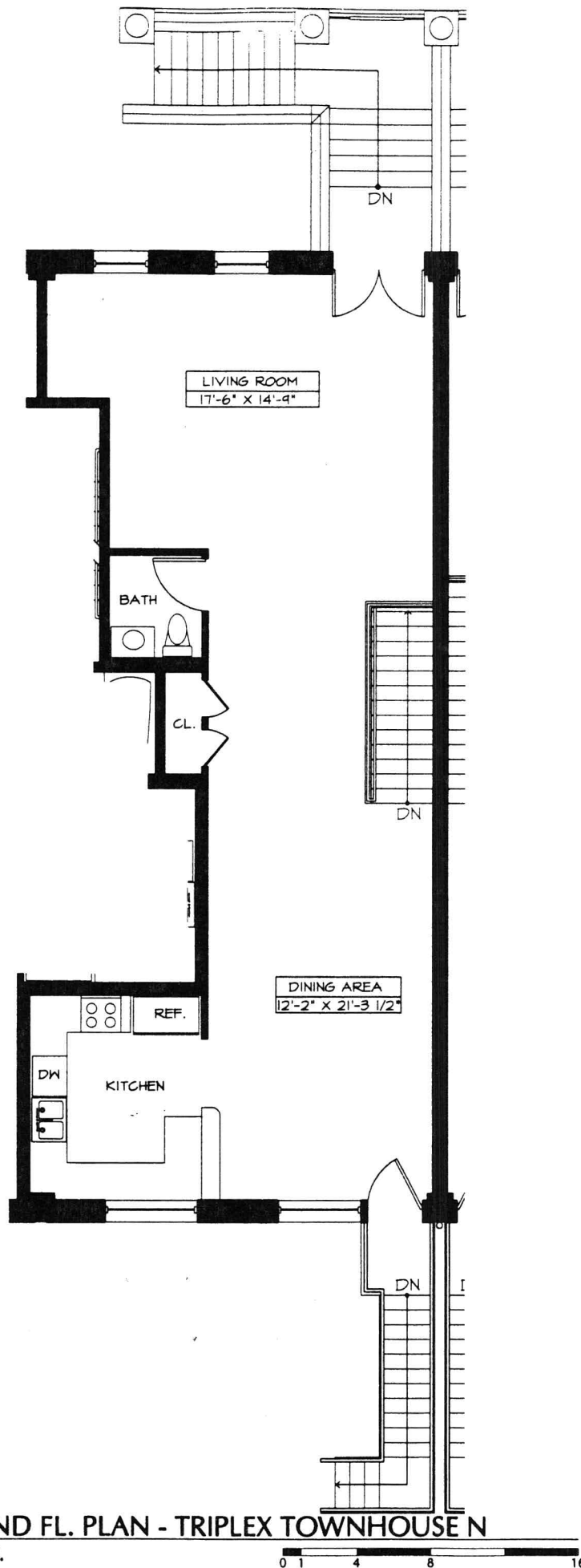
W119th STREET



W118th STREET



TH-N/ 2



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2,589 SF.



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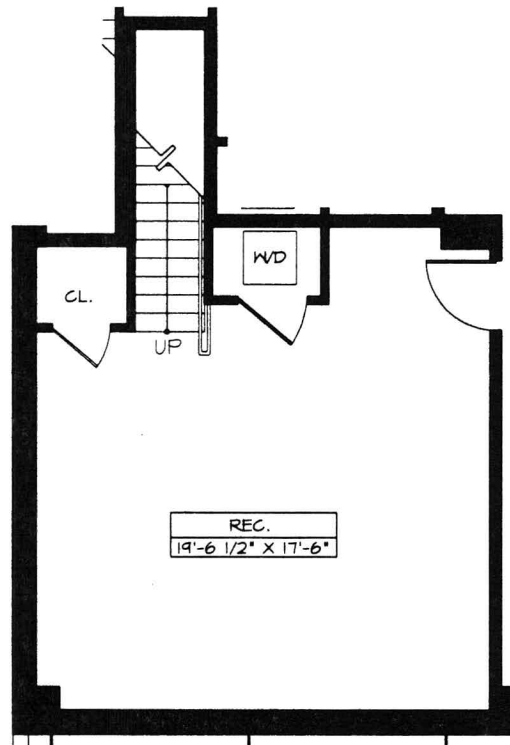
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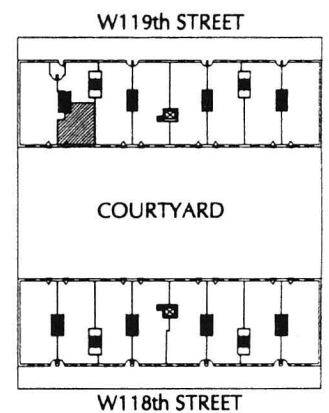


CELLAR PLAN - TRIPLEX TOWNHOUSE O

2,128 SF.



TOWNHOUSE O



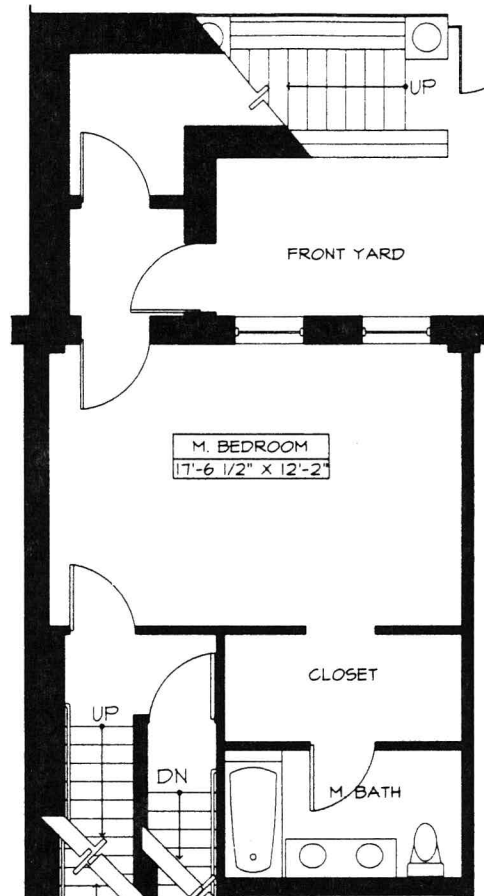
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FIRST FL. PLAN - TRIPLEX TOWNHOUSE O
2,128 SF.

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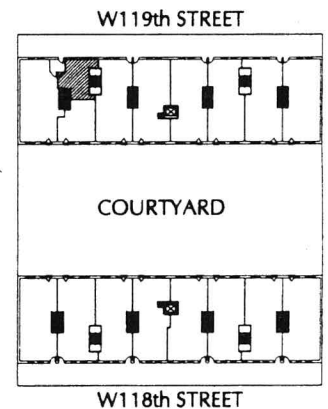
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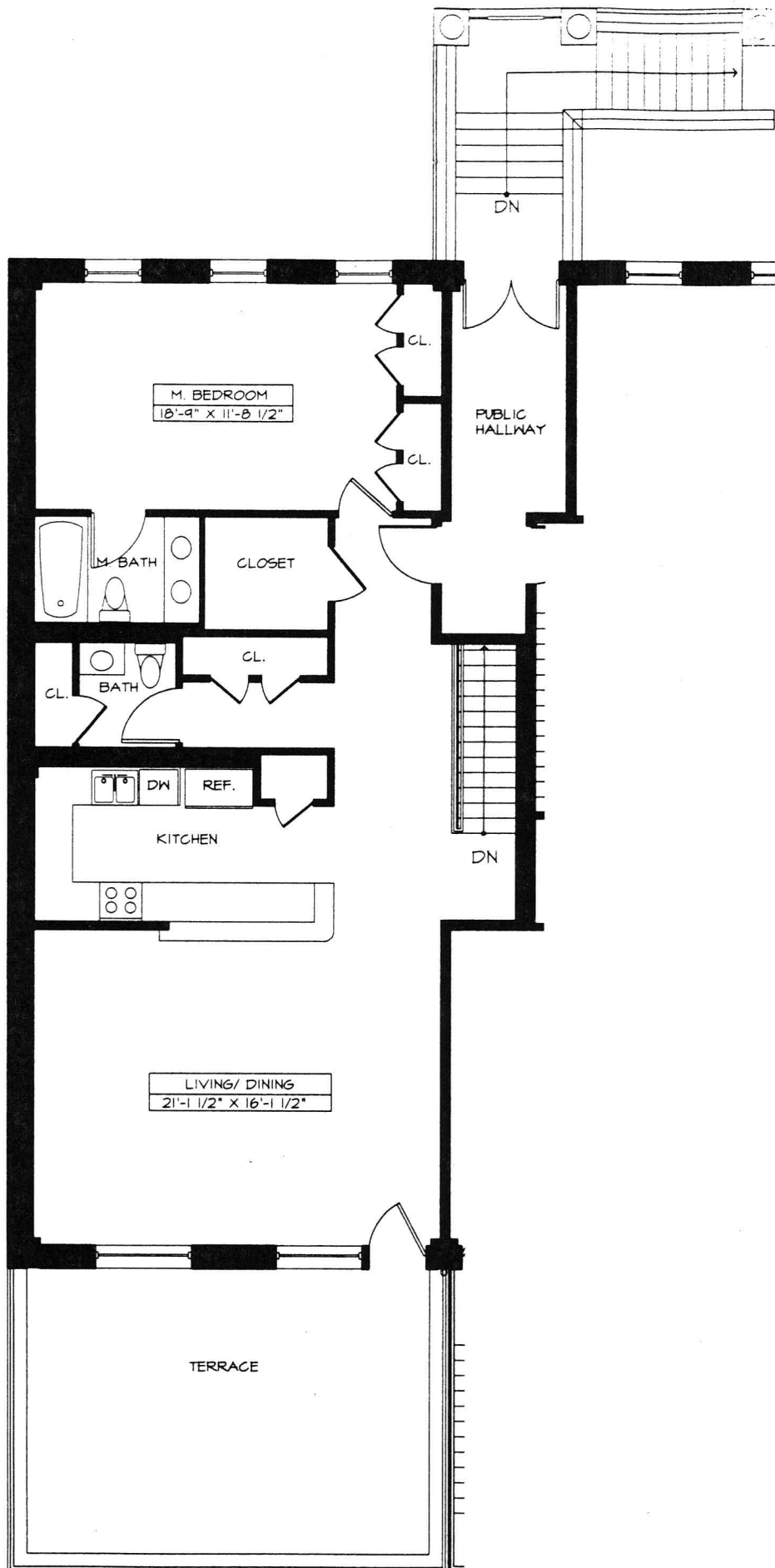
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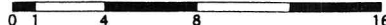
TOWNHOUSE O



TH-O/ 1



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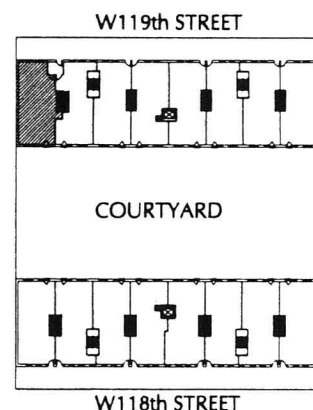
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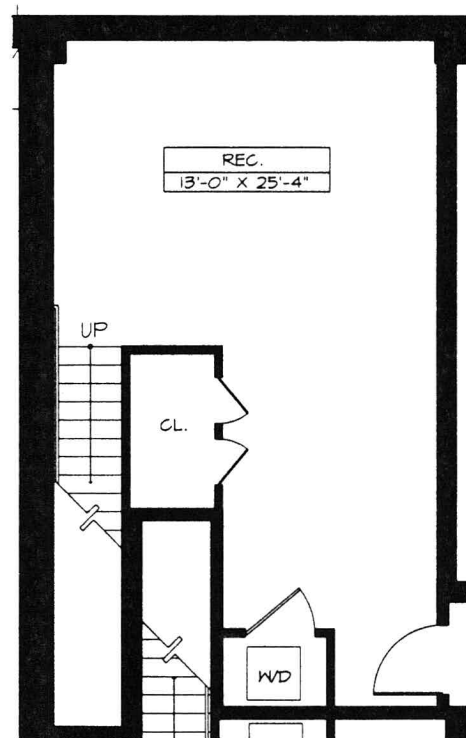
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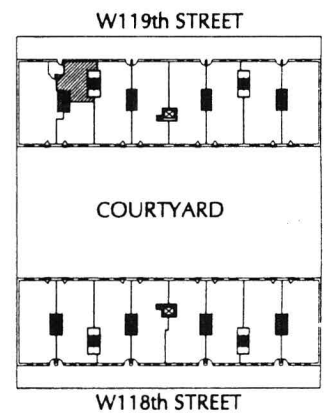
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TOWNHOUSE P



CELLAR PLAN - TRIPLEX TOWNHOUSE P
2,106 SF.



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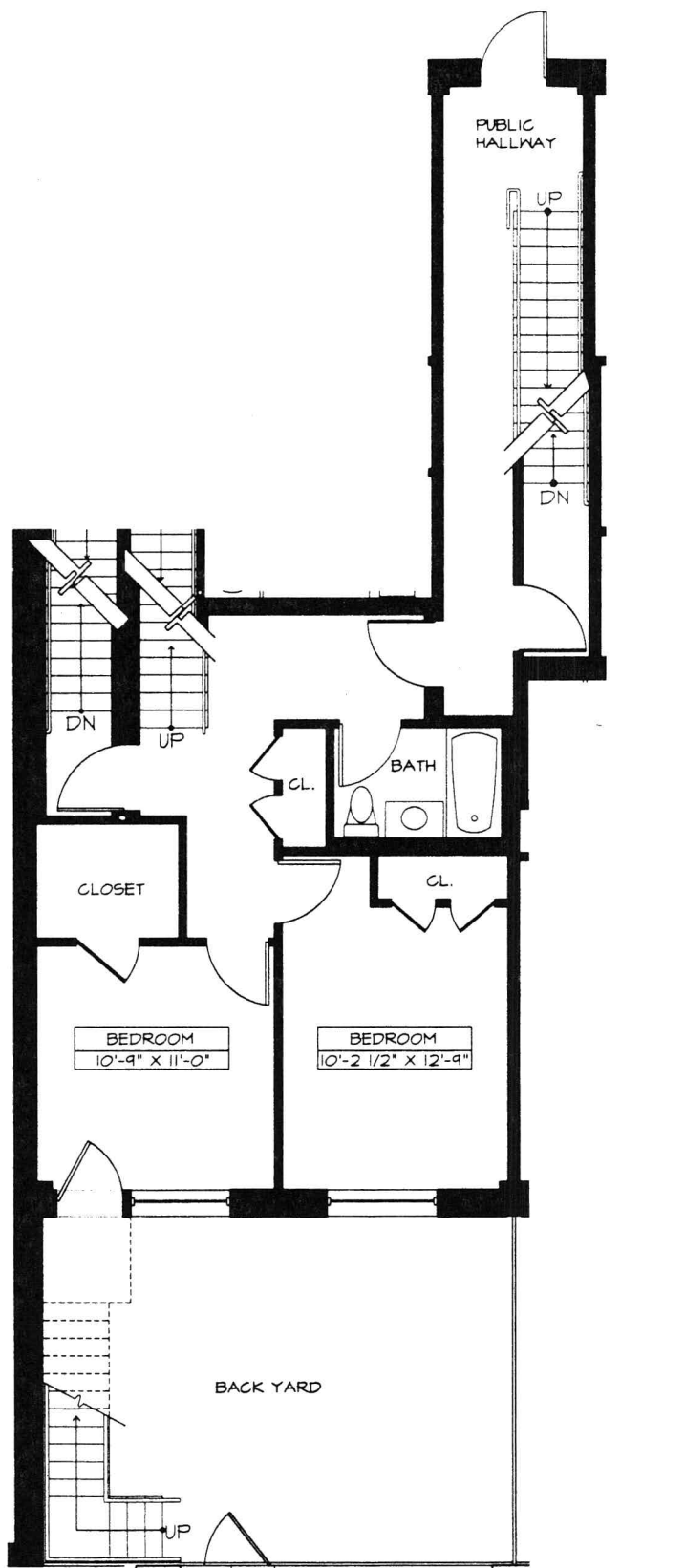
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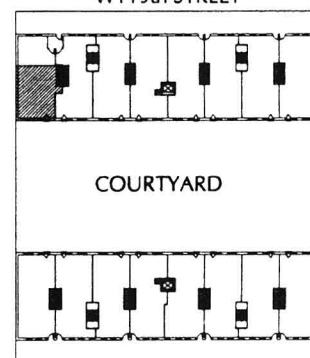


FIRST FL. PLAN - TRIPLEX TOWNHOUSE P

2,106 SF.

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W119th STREET



COURTYARD

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TH-P/ 1



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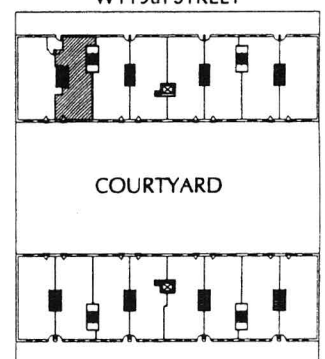
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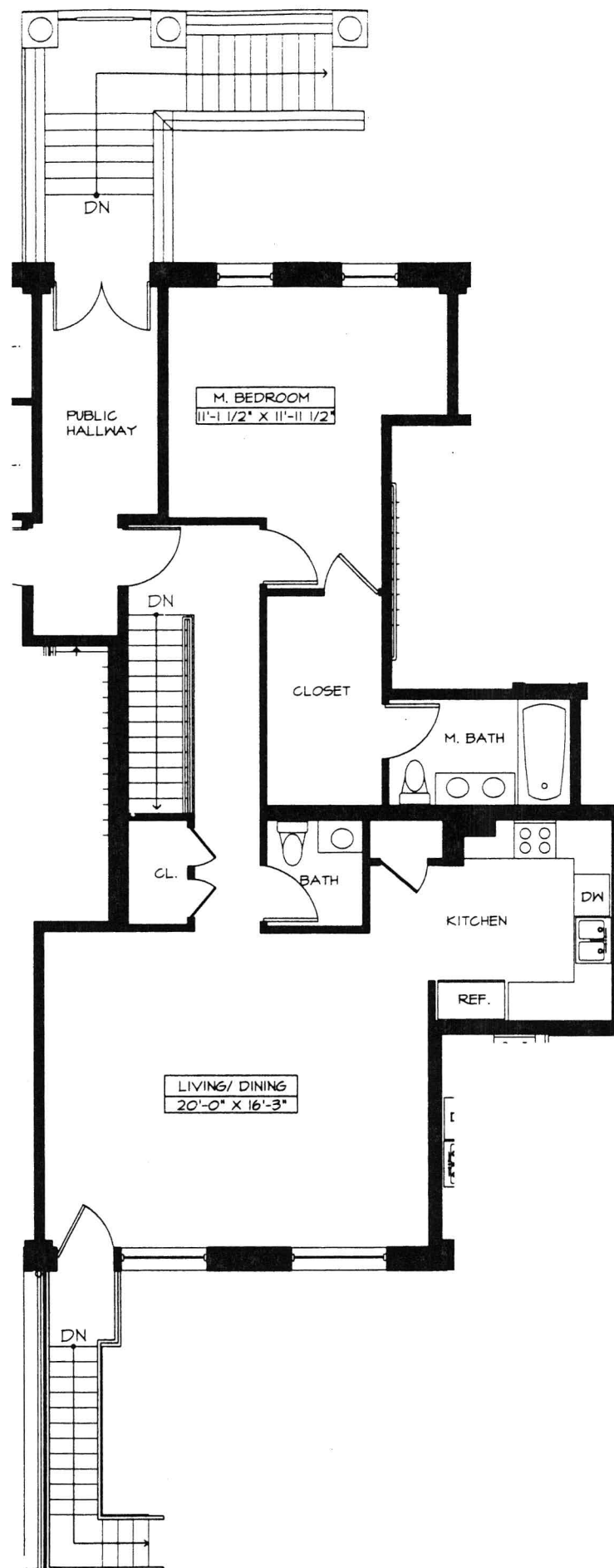
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TH-P/ 2



SECOND PLAN - TRIPLEX TOWNHOUSE P

2,106 SF.

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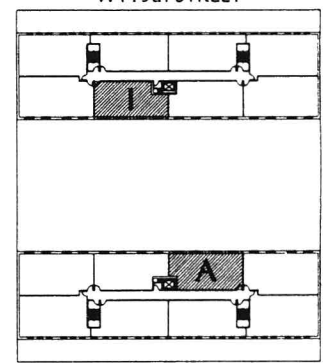
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RESIDENCE 3A & 3I

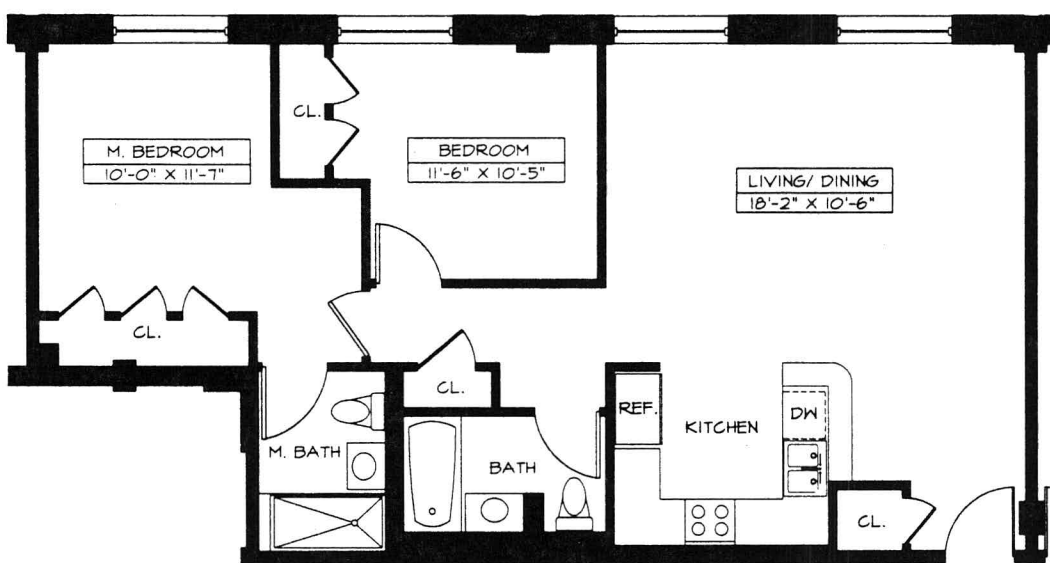
W119th STREET



W118th STREET



3A/3I



2 BEDROOM RESIDENCE PLAN 3A & 3I

910 SF.





ARCHITECTS

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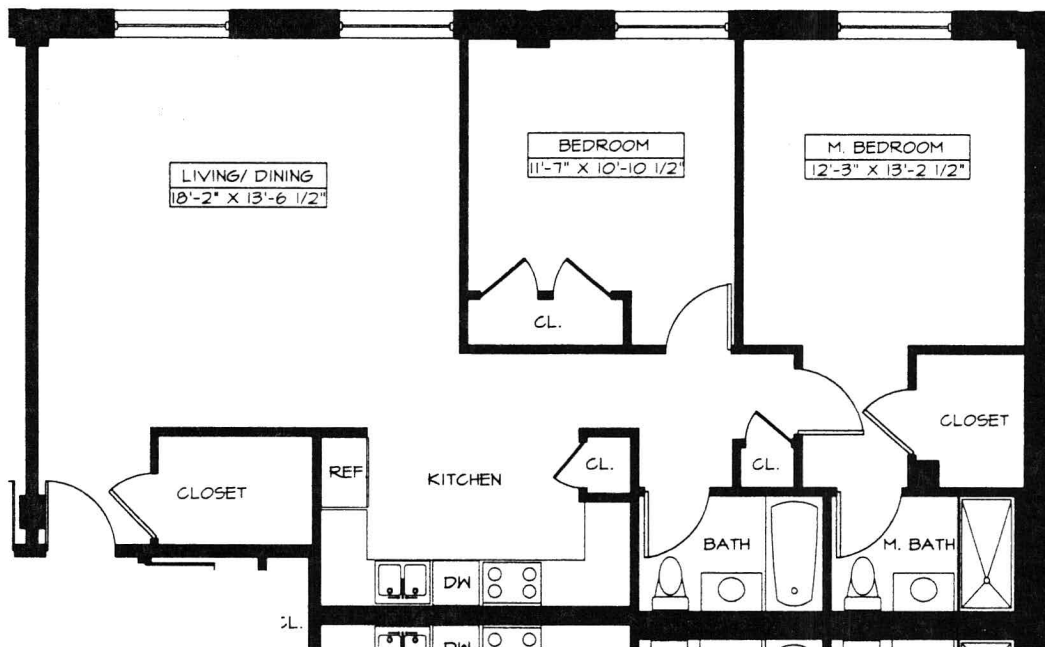
BROWNSTONE LANE
CONDOMINIUMS

ADDRESS:

309 WEST 118TH STREET
NEW YORK, N.Y. 10027

ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO NORMAL CONSTRUCTION
VARIANCES AND TOLERANCES.
DIMENSIONS ARE MAXIMUM OVERALL.

WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS IN
ACCORDANCE WITH THE OFFERING PLAN.

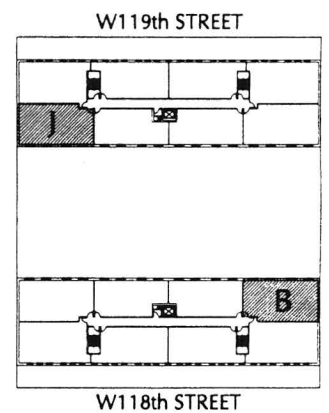


2 BEDROOM RESIDENCE PLAN 3B & 3J

1,101 SF.

0 1 4 8 16

RESIDENCE 3B & 3J



W118th STREET



3B/3J



A R C H I T E C T S

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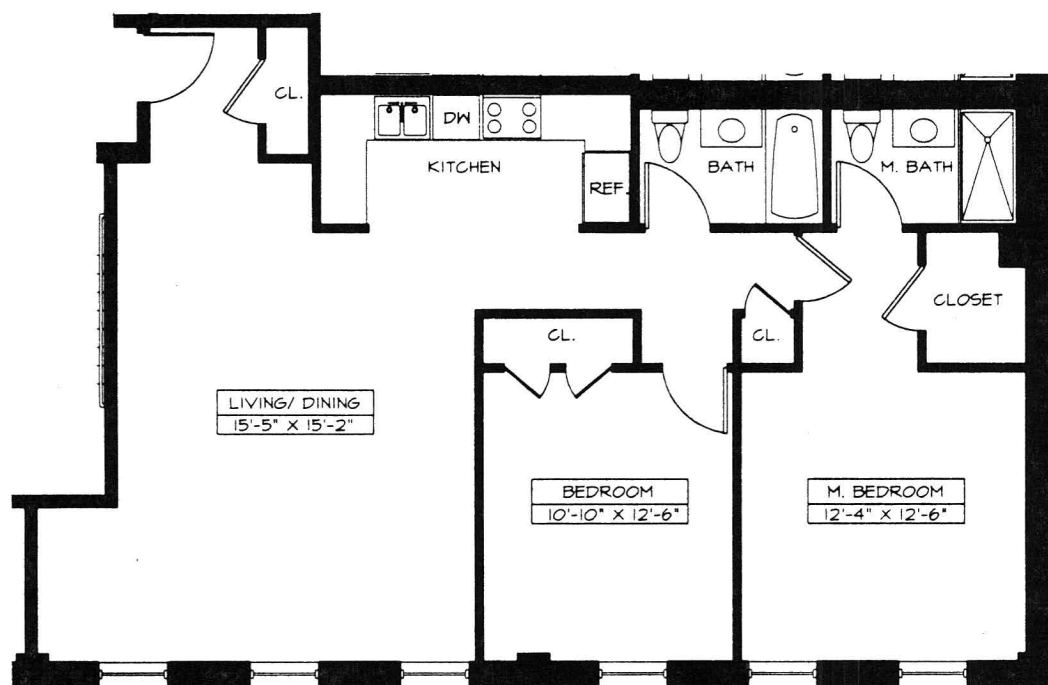
ADDRESS:

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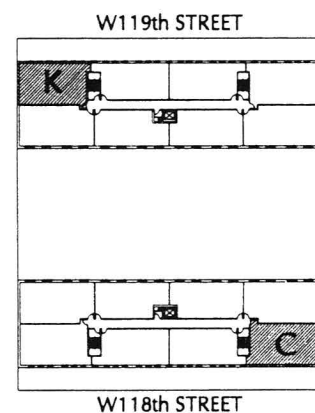
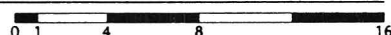
WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS IN
ACCORDANCE WITH THE OFFERING PLAN.

RESIDENCE
3C, 3K, 4C & 4K



2 BEDROOM RESIDENCE PLAN 3C, 3K, 4C & 4K

1,073 SF.



3C/3K/4C/4K



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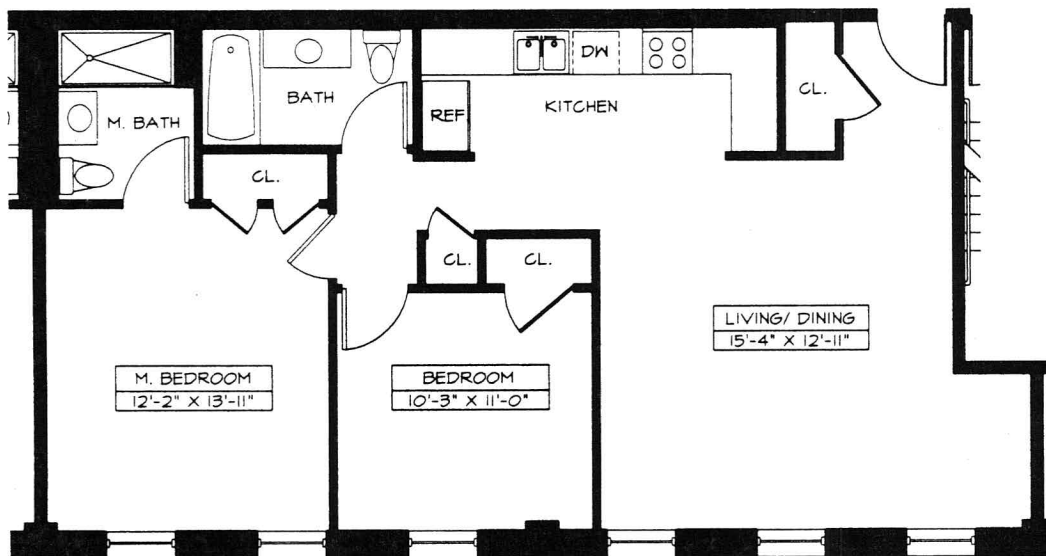
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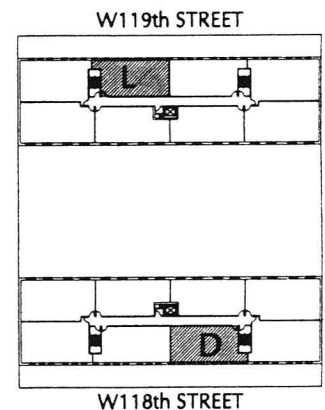
WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS, IN
ACCORDANCE WITH THE OFFERING PLAN.

RESIDENCE
3D, 3L, 4D & 4L



2 BEDROOM RESIDENCE PLAN 3D, 3L, 4D & 4L

931 SF.



3D/3L/4D/4L



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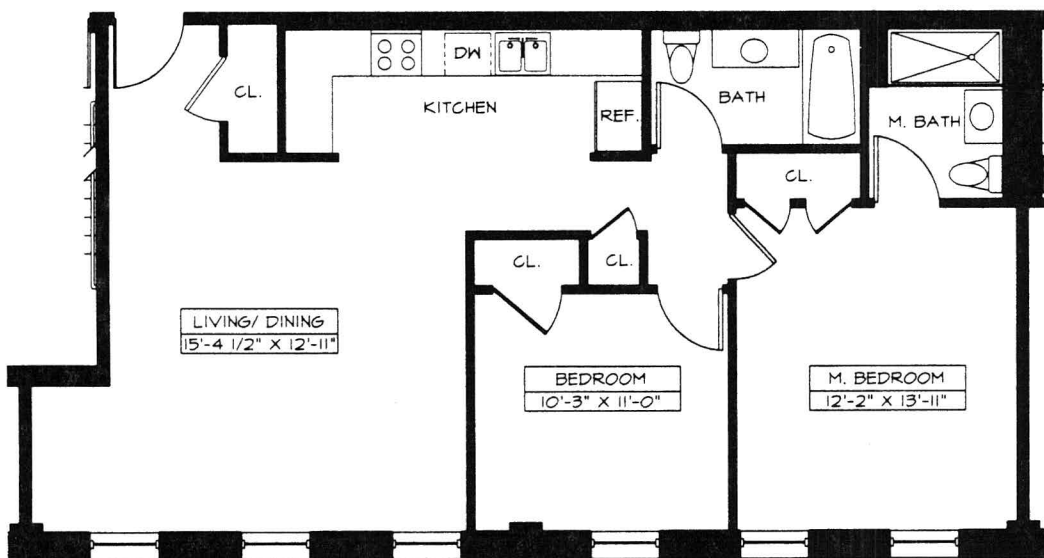
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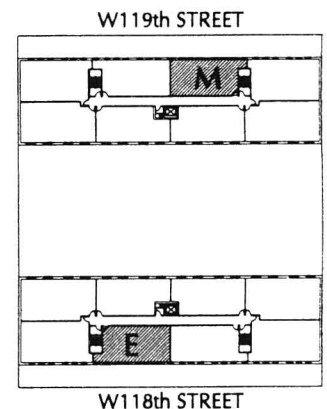
WE RESERVE THE RIGHT TO MAKE CHANGES
DUE TO UNFORSEEN CONDITIONS, IN
ACCORDANCE WITH THE OFFERING PLAN.

RESIDENCE
3E, 3M, 4E & 4M



2 BEDROOM RESIDENCE PLAN 3E, 3M, 4E & 4M

931 SF.



3E/3M/4E/4M



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CONDOMINIUMS

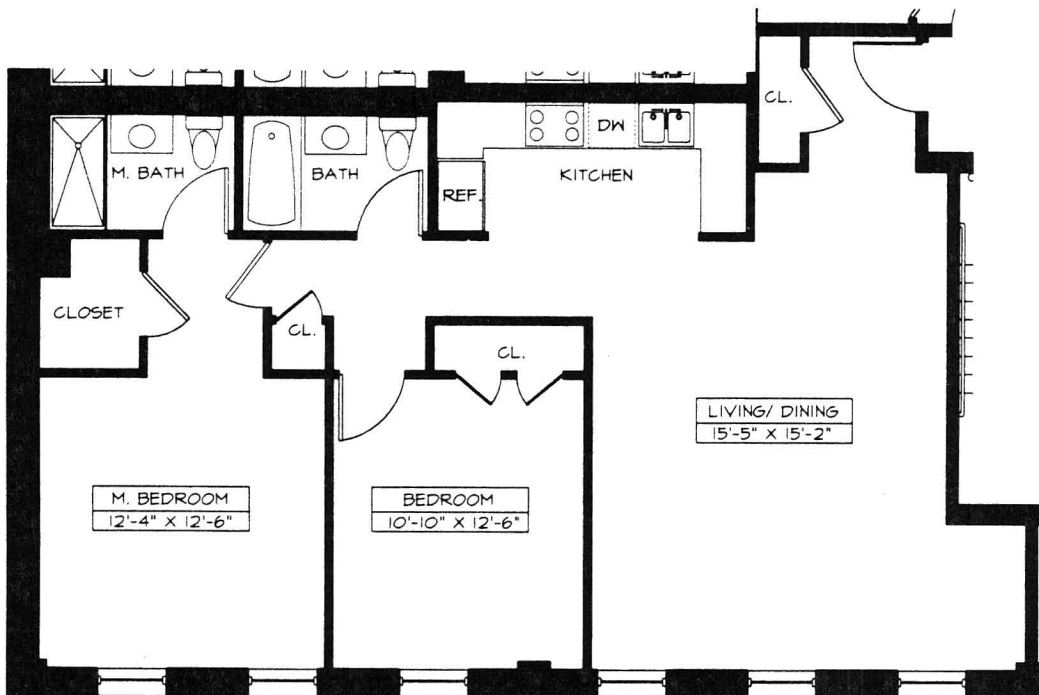
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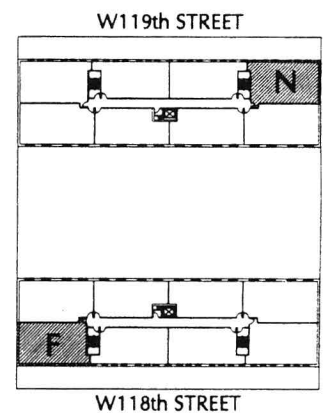
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ACCORDANCE WITH THE OFFERING PLAN.

RESIDENCE
3F, 3N, 4F & 4N



2 BEDROOM RESIDENCE PLAN 3F, 3N, 4F & 4N

1,073 SF.



3F/3N/4F/4N



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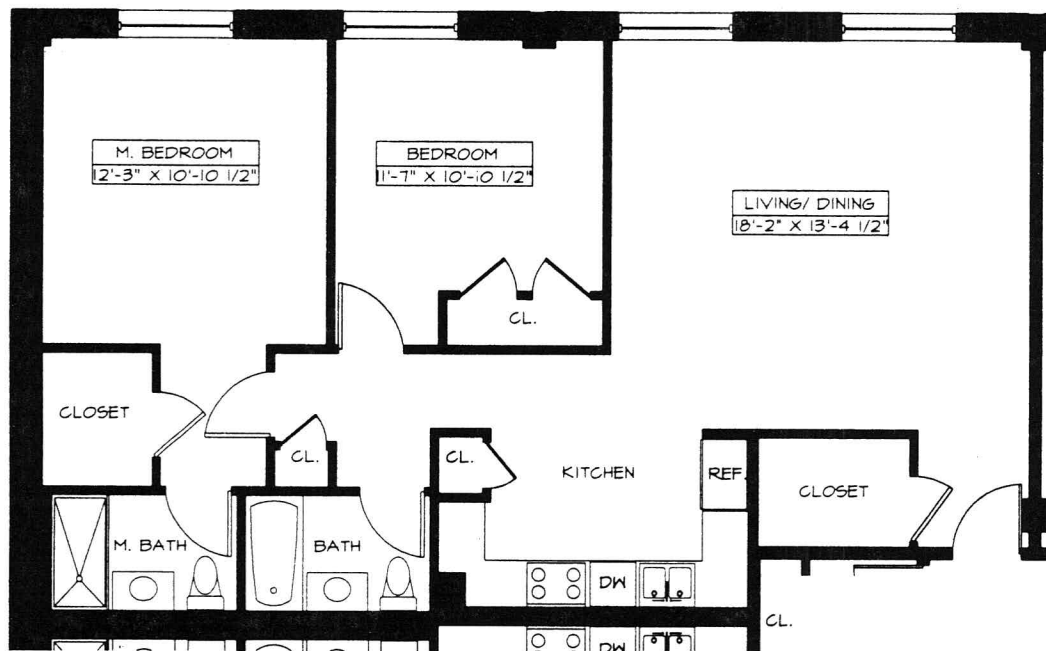
BROWNSTONE LANE
CONDOMINIUMS

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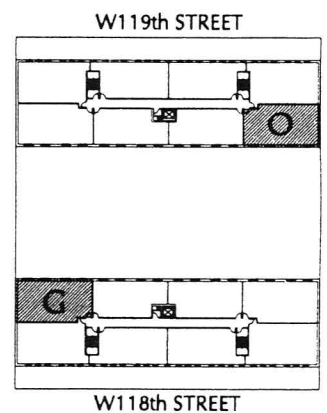


2 BEDROOM RESIDENCE PLAN 3G & 3O

1,101 SF.



RESIDENCE 3G & 3O



3G/3O



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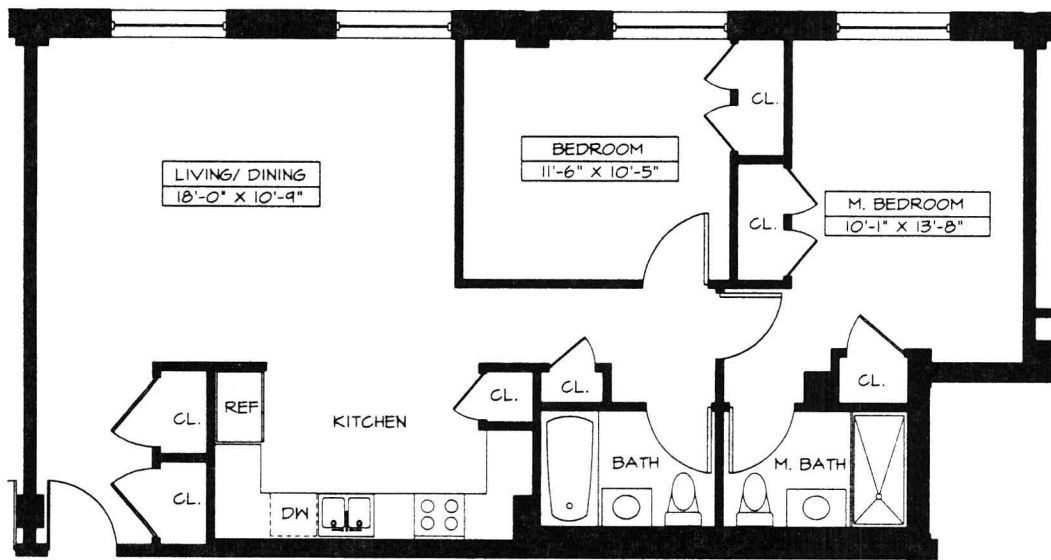
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CONDOMINIUMS

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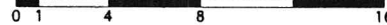
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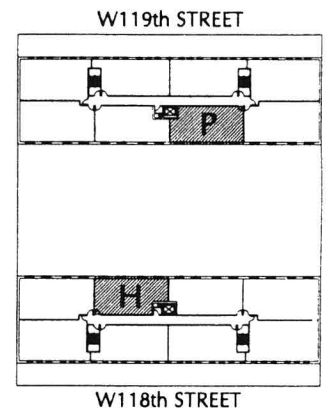


2 BEDROOM RESIDENCE PLAN 3H & 3P

942 SF.



RESIDENCE 3H & 3P



3H/3P



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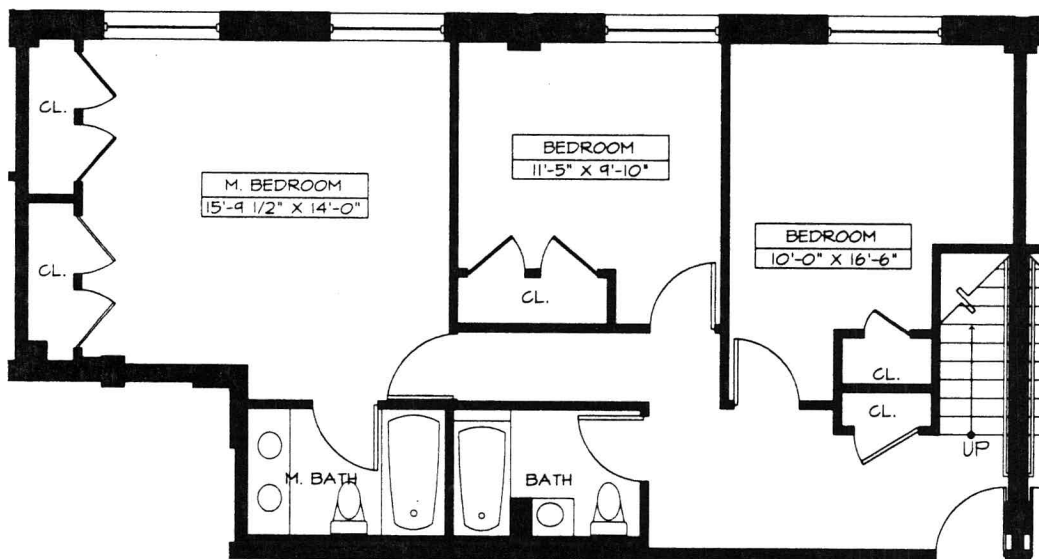
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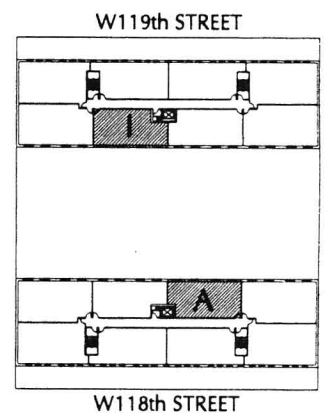
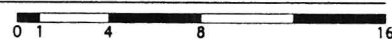
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PENTHOUSE A & I

4TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE A & I

2,011 SF.



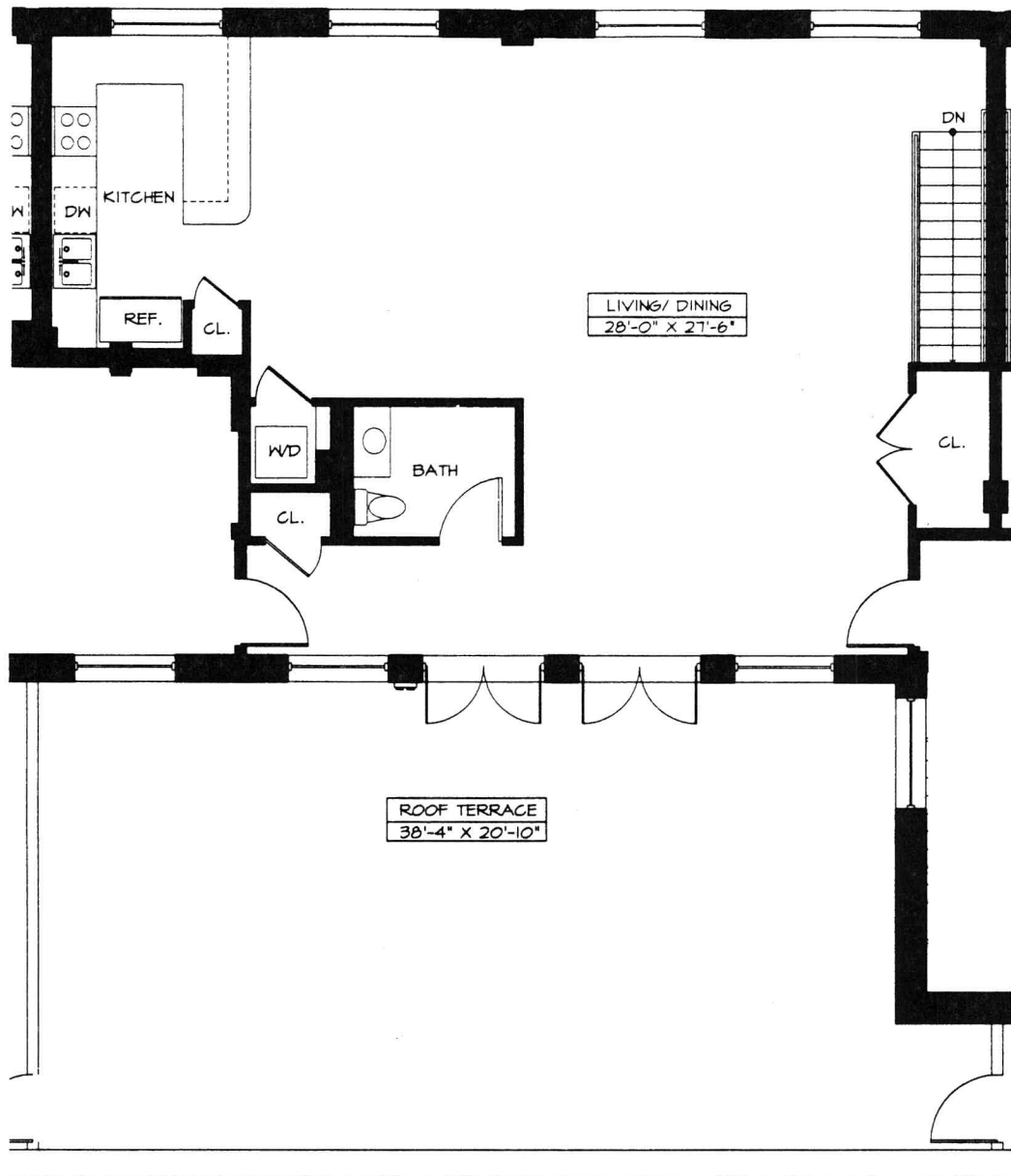
PH-A & I/ 4



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5TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE A & I

2,011 SF.

0 1 4 8 16

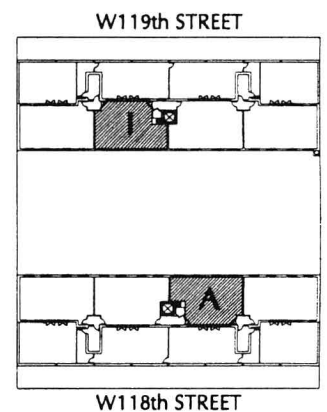
PROJECT:
BROWNSTONE LANE
CONDOMINIUMS

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PENTHOUSE A & I



PH-A & I/5



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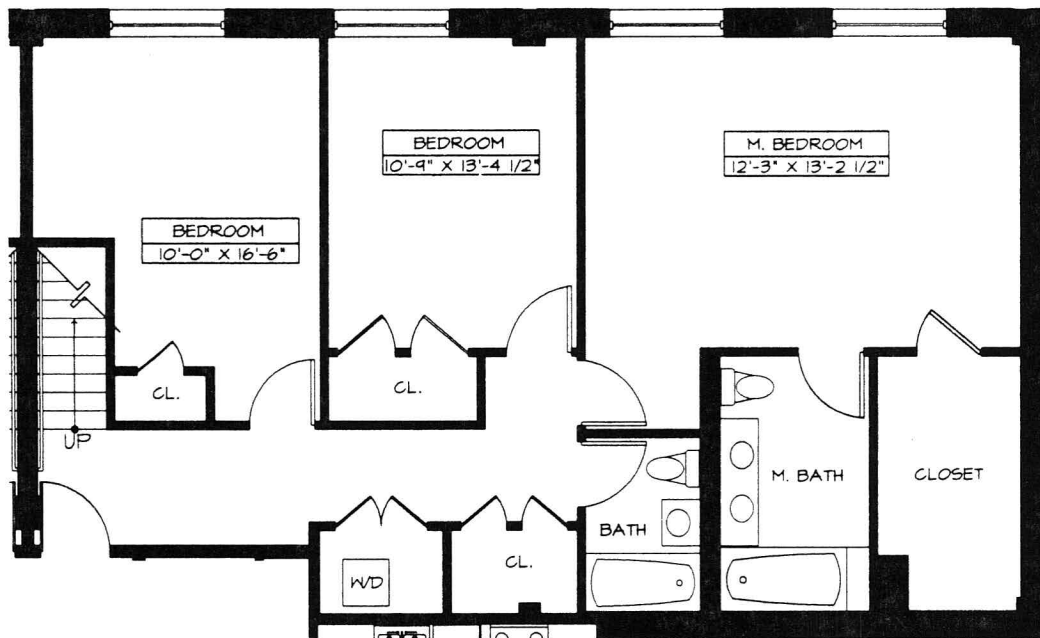
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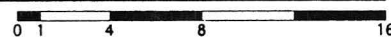
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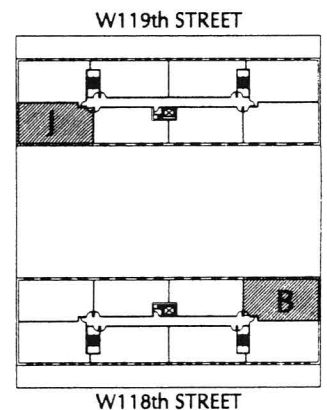


4TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE B & J

2,267 SF



PENTHOUSE B & J



PH-B & J/ 4



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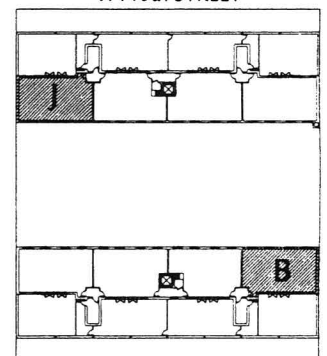
309 WEST 118TH STREET
NEW YORK, N.Y. 10027

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PENHOUSE B & J

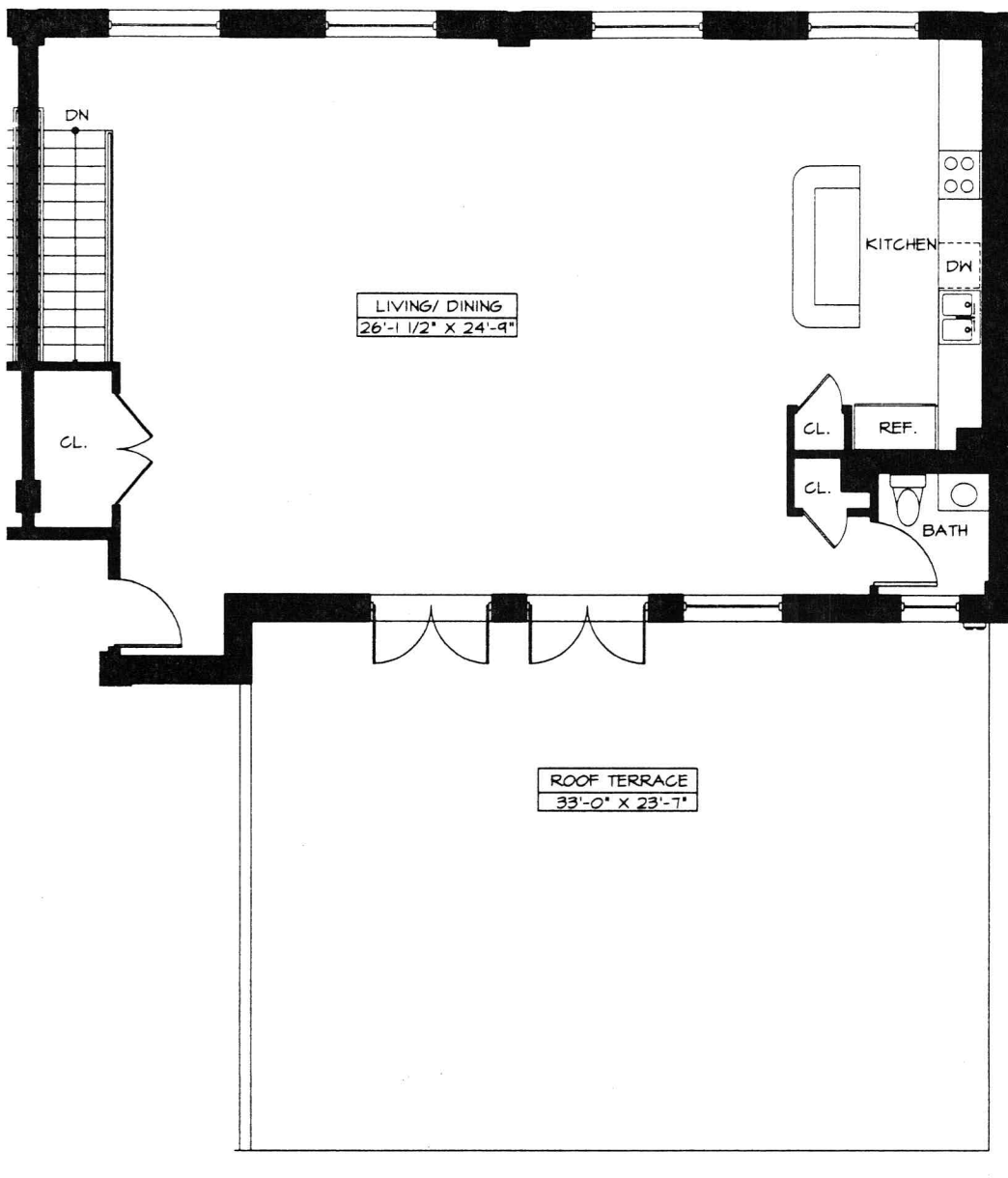
W119th STREET



W118th STREET



PH-B & J/ 5



5TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE B & J

2,267 SF.





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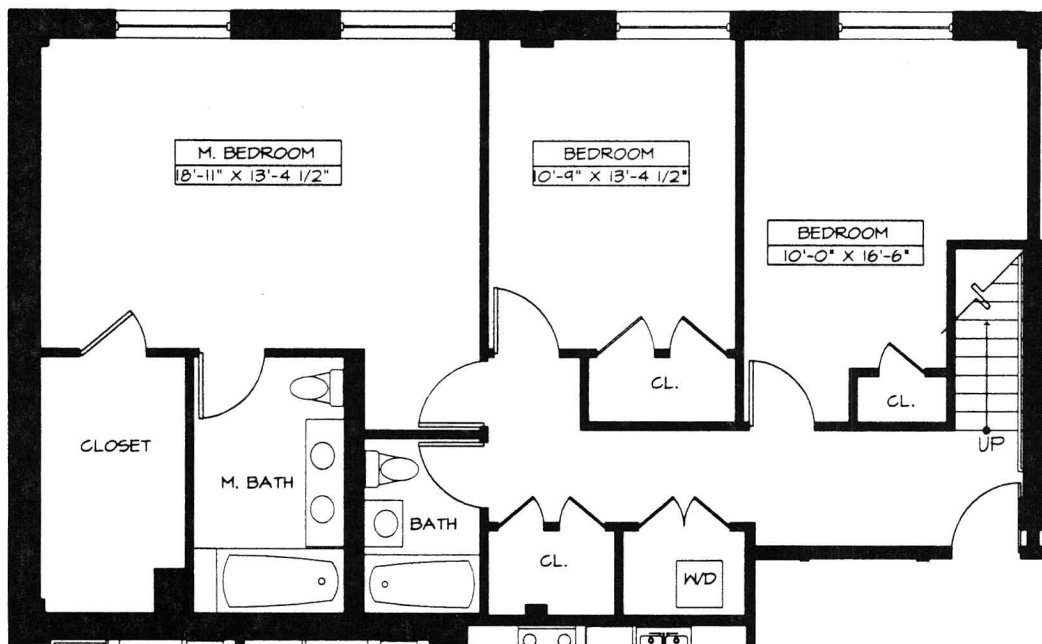
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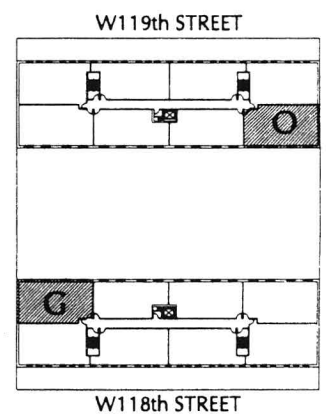


4TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE G & O

2,267 SF.

0 1 4 8 16

PENTHOUSE G & O



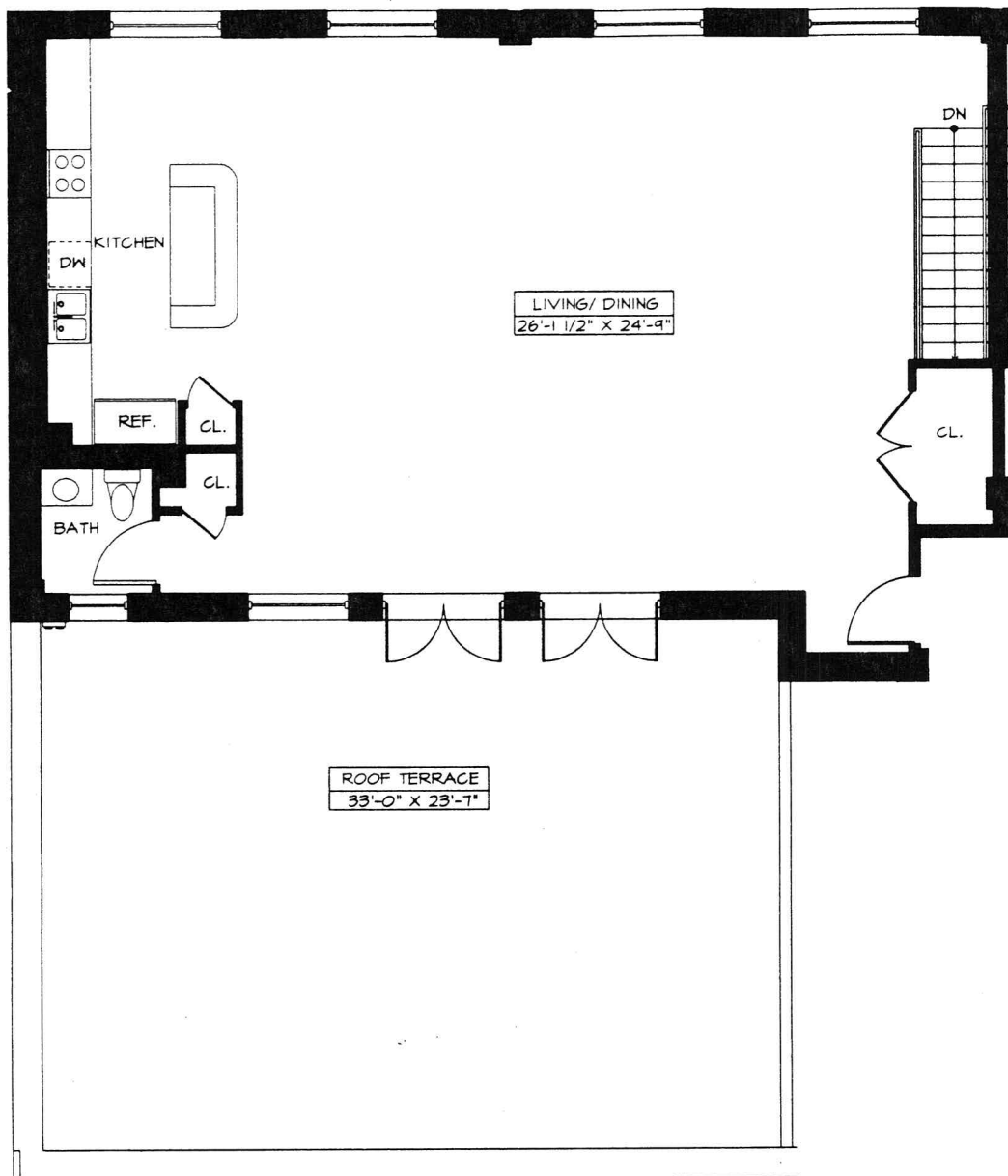
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2,267 SF.

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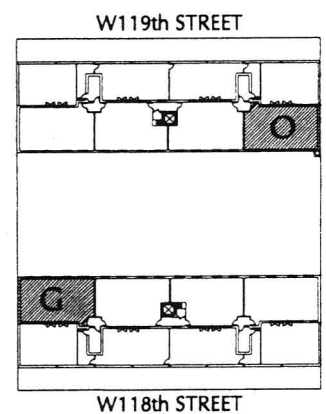
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PENTHOUSE G & O



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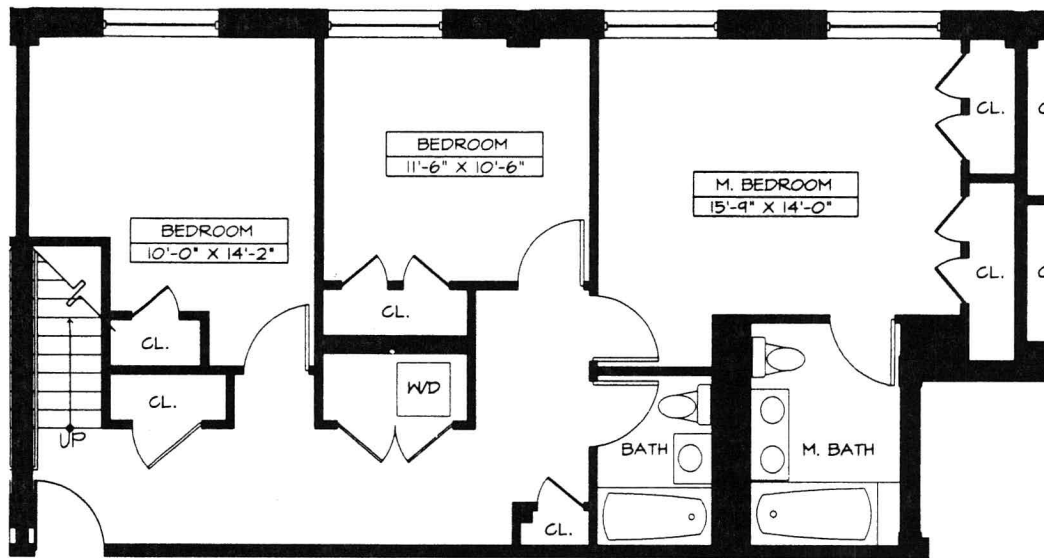
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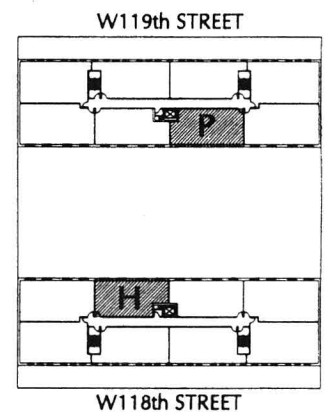


4TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE H & P

2,124 SF.



PENTHOUSE H & P



PH-H & P/ 4



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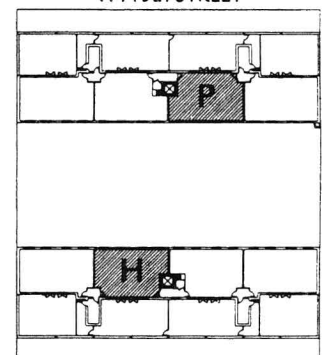
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PENTHOUSE H & P

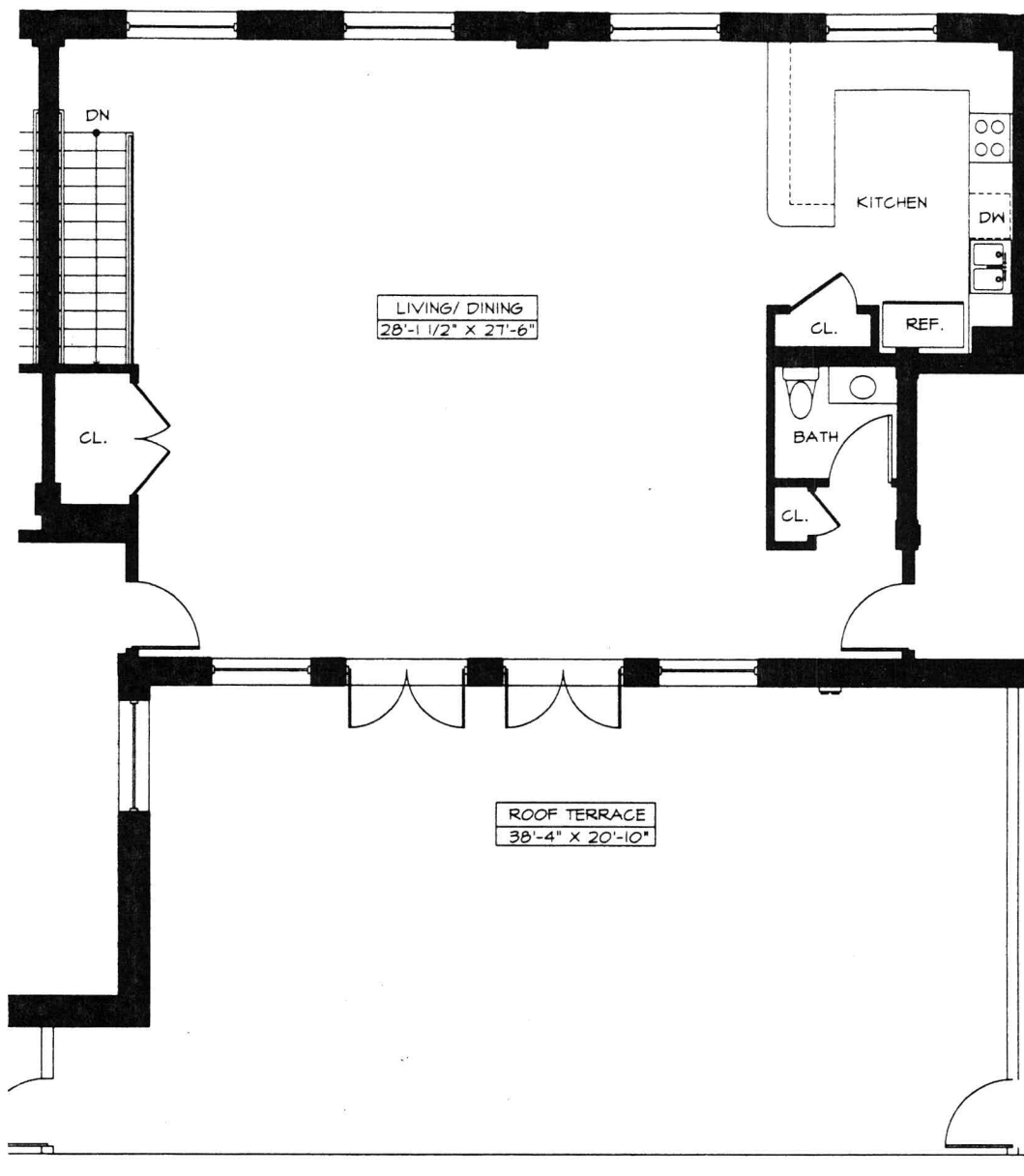
W119th STREET



W118th STREET



PH-H & P/ 5



5TH FLOOR FLOOR PLAN-DUPLEX PENTHOUSE H & P

2,124 SF.

0 1 4 8 16

Brownstone Lane Condominium
309 West 118th Street
New York, New York

PURCHASE AGREEMENT

Condominium Unit No. _____

Agreement, dated _____, 2004, between Manhattan Townhouse Equities LLC, a New York limited liability company, having an office at 37 West 65th Street, New York, New York 10023 (the "Sponsor") and _____ residing at _____ (the "Purchaser").

1. *Agreement to Purchase.* Purchaser agrees to purchase from Sponsor, who agrees to sell to Purchaser, the Condominium Unit in the Brownstone Lane Condominium, located at 309 West 118th Street, New York, New York, designated as Unit No. _____ together with a _____% undivided interest in the Common Elements of the Condominium.

The Purchase Price is \$ _____ payable as follows:

1. Down Payment, paid simultaneously herewith: \$ _____
2. Balance, due at closing: \$ _____

This Purchase Agreement is made pursuant to the terms of a condominium offering plan covering the Brownstone Lane Condominium (the "Plan").

Purchaser has delivered to Sponsor his check for the Down Payment shown above, made payable to "Todtman, Nachamie, Spizz & Johns, P.C., Escrow Agent for the Brownstone Lane Condominium". This check is accepted by Sponsor subject to collection. Purchaser will pay the above-stated Balance, by cash or by mortgage, at the Closing of Title as discussed in paragraph 2 hereof.

2. *Delivery of the Deed.* The Closing of Title shall take place on a date to be set by the Sponsor (the "Closing Date"), which date shall be not less than thirty (30) days after the date on which notice of the Closing Date is sent. The Closing shall take place at the office of the Sponsor's attorney. At Closing, Purchaser shall pay Sponsor the Balance due by certified check or official bank check drawn on a New York bank payable to the order of Sponsor (or such other payee as Sponsor may designate - PLEASE NOTE - NO THIRD PARTY CHECKS WILL BE ACCEPTED) and Sponsor shall deliver to Purchaser the deed to his Unit. The deed delivered to Purchaser shall be a standard type of deed known as a bargain and sale deed with covenant against grantor's acts. Purchaser shall pay the New York State and New York City transfer taxes on such deed. When Sponsor delivers the deed,

Purchaser shall sign it and the power of attorney in favor of the Board of Managers of the Condominium in the form set forth in the Plan.

3. *Receipt of Documents.* Sponsor has delivered to Purchaser at least three (3) full business days prior to his signing this Agreement, the proposed Declaration, By-Laws, Schedules, Plans and Exhibits contained in the Plan, as amended, all of which are made part of this Agreement as if they were set forth in full in this Agreement. Purchaser has read the Plan and agrees to be bound by the Plan. If Purchaser has not received the Plan at least three (3) full business days before signing this Agreement, Purchaser has seven (7) days, after delivering this Purchase Agreement and Down Payment, to rescind this Purchase Agreement and have the Down Payment promptly refunded. In order to rescind, a written notice of rescission must be delivered to Todtman, Nachamie, Spizz & Johns, P.C., Attn: Perry L. Cohen, Esq., 425 Park Avenue, New York, New York 10022, personally or by mail (facsimiles are not acceptable). If personally delivered, the notice must be received by 5:00 p.m. on the seventh (7th) day after delivery of the Purchase Agreement. If mailed, the notice must be postmarked by midnight of the seventh (7th) day after delivery of the Purchase Agreement. Delivery of the Purchase Agreement will be deemed to have occurred on the date of personal delivery or, if mailed, on the fifth day after the date of mailing. Purchaser acknowledges that except as stated in this Agreement (and as set forth in the Declaration, By-Laws, and Plan), Purchaser has not relied on any representations or other statements of any kind or nature made by Sponsor or any other persons or entities, written or oral, including but not limited to, any representations relating to the description, size or dimensions of the Unit or rooms or any amenities contained in the Unit or the Building, and the estimated common charges, real estate taxes or other expenses of the Condominium.

4. *Marketable Title.* Sponsor shall convey to Purchaser such good and marketable title as Chicago Title Insurance Company shall approve and insure for fee title insurance and mortgage title insurance, if any (subject to the terms of the Plan and of the Declaration and By-Laws as filed) and free and clear of all liens and encumbrances except (i) the lien of the mortgage, if any, applied for by Purchaser and (ii) those liens and encumbrances set forth in the Plan and on Exhibit A annexed hereto. If Purchaser shall order fee title insurance, it shall be purchased at his own cost and expense. If Purchaser orders title insurance from any company other than the one which Sponsor selects, and such title company raises any exception to title which Sponsor's company is willing to omit without any additional premium or cost, then such exception shall not, in any event, constitute an objection to Closing. Sponsor shall have no obligation whatsoever to provide additional information, affidavits, undertakings or any other thing requested by any title company other than Sponsor's title company in order to omit any exception which has not been raised or has been omitted by Sponsor's title company.

5. *Inspection; Condition of Units.* At least one (1) day before Closing, a representative of the Sponsor and Purchaser shall inspect the Unit. At the conclusion of the inspection, Purchaser will complete and sign a "punch list". Purchaser's signing of this Purchase Agreement shall constitute his acceptance of the Unit and the Building in the condition in which it shall be at the time of Closing, subject to any items to be corrected which are noted on the punch list, without any abatement or credit against the Purchase Price or any provision for escrow deposits at closing.

Except for the items set forth on the punch list, Sponsor will have no obligation to repair or correct Minor Imperfections (as that term is defined in the Plan.).

6. *Effectiveness of Offering Plan.* It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective and that the Plan shall not be declared effective except as

provided by the Plan. The Sponsor may abandon the Plan at any time prior to declaring it effective. If the Plan is abandoned, does not become effective, or is not consummated for any reason after being declared effective within the time prescribed by the Plan, this Purchase Agreement shall be deemed cancelled and the Plan terminated. Within ten (10) days thereafter, Purchaser will receive back the Down Payment paid by Purchaser hereunder together with interest, if any, earned thereon. Upon repayment, no party shall have any claim against any other party or person, including but not limited to, the Sponsor, the Escrow Agent or the Selling Agent and all parties shall be released from all obligations under this Agreement.

7. *Closing Expenses and Adjustments.* At the closing of title, Purchaser shall pay the following by Purchaser's unendorsed certified check or official bank check:

(i) any charges for the cost of title examination and fee insurance, the New York State and New York City real estate transfer taxes, the Mansion Tax and recording charges for the deed and power of attorney in favor of the Board of Managers; (ii) an amount equal to one (1) month of common charges, representing Purchaser's share of initial working capital for the Condominium; (iii) an amount equal to one (1) month of common charges, representing Purchaser's contribution to the replacement reserve fund of the Condominium (iv) the sum of \$850 to Todtman, Nachamie, Spizz & Johns, P.C., Sponsor's counsel, for services in connection with preparation of the Unit Deed and Power of Attorney and for attending the closing (if the closing is not held at the office of Sponsor's counsel, an additional fee of \$250 will be charged; if the closing is adjourned at Purchaser's request, an additional fee of \$250 will be charged for each adjournment; if Purchaser elects to use a title company other than All New York Title Agency, Inc., as agent for First American Title Insurance Company, an additional fee of \$500 will be payable to Sponsor's counsel for the additional time involved in clearing title; if the closing takes more than two (2) hours through no fault of the Sponsor, an additional legal fee of \$200 will be charged for each hour or part thereof that the closing is not concluded); and (v) in the event that Purchaser obtains a mortgage loan for the Unit, Purchaser shall also pay the cost of the mortgage recording tax, premium for mortgage title insurance (if required by the Lender), mortgage recording fees, all of the Lender's charges and, to the Sponsor, an amount equal to the credit to which Purchaser would be entitled under Section 339-ee(2) of the New York Condominium Act by reason of mortgage taxes previously paid. Additionally, in the event that the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign this Agreement, Purchaser shall pay Sponsor an assignment fee of \$1,000 and an additional \$500 to Sponsor's counsel for preparation and processing of the assignment. Adjustments (as of the Closing Date) shall be made for real estate taxes and common charges assessed during the month in which title closes or established as a reserve based upon the last bill received. If the Unit has not been separately assessed on the closing date for the then current fiscal tax year, taxes shall be apportioned based upon the assessment of the Condominium and the percentage interest in the Common Elements appurtenant to the Unit. No adjournment of Closing by Purchaser shall be permitted; however, in the event that the Closing Date set by Sponsor shall be adjourned at the Purchaser's request (or at the request of Purchaser's attorney, lender or representative) (1) all adjustments shall be made as of the original Closing Date and (2) Purchaser shall pay interest on the unpaid balance of the total purchase price to Sponsor from the originally scheduled Closing Date until the actual date of Closing at the rate of 15% per annum. If the Units have not been separately assessed prior to the Closing, Purchaser shall reimburse Sponsor for unpaid real estate taxes levied against the Unit until the Units are separately assessed. Sponsor shall pay the real estate taxes from an escrow account when such taxes are due and payable. Purchaser shall promptly reimburse Sponsor for such payments even if they become due and are paid after Closing. Any errors or omissions in computing

apportionments shall be corrected and payment made to the proper party promptly after discovery. The provisions of this paragraph shall not survive Closing.

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

9. *Sponsor's Rights if Purchaser Fails to Keep His Promises and Agreements.* All sums Purchaser pays to Sponsor on account of this Agreement and the reasonable expenses of the examination of title to the Unit shall constitute liens on the Unit. However, these liens shall not continue after default by Purchaser under this Agreement. Subject to provisions of Paragraph 8 hereof, Sponsor shall have the right to keep the Down Payment and any interest earned thereon if (a) Purchaser does not pay the Total Purchase Price for his Unit or any part of the Total Purchase Price when due; (b) Purchaser does not sign any of the documents referred to in the Plan which Purchaser is required to sign when Sponsor offers to deliver to Purchaser the deed to his Unit; or (c) Purchaser fails to keep any other promise contained in this Agreement.

Before Sponsor shall have the right to keep the Down Payment and the interest earned thereon, Sponsor must first send Purchaser a notice stating that Sponsor intends to cancel this Agreement describing each promise which Sponsor thinks Purchaser did not keep under this Agreement. If Purchaser does not cause each of these promises to be kept within thirty (30) days after Sponsor's notice is sent, Sponsor may keep the Down Payment and all interest earned thereon. After such time period expires, neither Sponsor nor Purchaser shall have any further obligations under this Agreement, this Agreement shall be considered cancelled without any further action by either party, and Sponsor shall have the right to sell the Unit to any other person or entity whatsoever. THIS PROVISION IS OF THE ESSENCE AND NO EXTENSION OF THE CURE PERIOD WILL BE GRANTED.

10. *Sponsor's Inability to Deliver Deed; Cancellation of the Purchase Agreement.* If Sponsor is unable to deliver to Purchaser a deed to the Unit in accordance with this Agreement because of Sponsor's inability to complete the filing of the Plan in accordance with the Plan, as it may be amended, Sponsor shall immediately notify Purchaser in writing and this Agreement will terminate. In that case, the sole obligation of Sponsor shall be to return to Purchaser the Down Payment together with interest, if any, earned thereon.

11. *Recording of Condominium Declaration.* Purchaser understands that the Declaration and By-Laws establishing the Condominium shall be recorded by Sponsor in the Office of the New York City Register in the County of New York prior to the closing of title to the first Unit as set forth in the Plan. Sponsor shall file with the Declaration when it is recorded or shall amend the Declaration prior to the Closing Date and file at such time a verified statement of a registered architect or licensed

professional engineer certifying that the floor plans being filed fully and fairly depict the layout, location, Unit designation and approximate dimensions of the Unit. The Declaration and By-Laws, when recorded by Sponsor, shall be substantially in the form of the Declaration and By-Laws set forth in the Plan and no changes in those documents shall have a material adverse effect upon Purchaser. Sponsor shall not record the Declaration until the Plan has been declared effective in the manner provided therein.

12. *Personal Property Included in Sale; Excluded Items.* All articles of personal property, fixtures and equipment described in the Plan for the Unit being purchased by Purchaser are included in this sale. They shall be delivered free and clear of all liens and encumbrances except the lien of the mortgage, if any, applied for by Purchaser.

13. *Risk of Loss.* The risk of loss or damage to the Unit by fire or any other cause until the delivery of the deed or until Purchaser enters into possession of the Unit, whichever is earlier, is assumed by Sponsor.

14. *Existence of Liens - Not Objection to Title.* The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided Sponsor shall deposit a sufficient amount of money with its title company so that the company shall be willing to insure against collection of the taxes or liens from the Unit. Purchaser agrees that Sponsor may pay and discharge any liens and encumbrances upon any unit not provided for in this Agreement out of the monies to be paid by Purchaser at the time of closing title to the Unit.

15. *Execution of Required Documents, etc.* Purchaser agrees to deliver to Sponsor all documents and to perform all acts required by Sponsor or by any governmental authority to carry out the provisions and intent of the Plan, establish the Condominium and conform to the provisions of all applicable laws and regulations. This Paragraph 15 shall survive delivery of the deed. Purchaser specifically agrees to execute any such documents or perform any such acts after Closing promptly upon request at no cost or expense to either party.

16. *Binding Nature of Purchase Agreement, Assignability, Use.* This Agreement is binding upon the Purchaser, Sponsor and their respective heirs, executors, administrators and assigns. Purchaser will not record this Agreement, nor give, sell or assign his rights in this Agreement without Sponsor's prior written consent which may be arbitrarily refused. . Additionally, if and only if the Sponsor, in its sole and absolute discretion, grants its consent to a request by a Purchaser to assign this Agreement, Purchaser shall pay Sponsor an assignment fee of \$1,000 and an additional \$500 to Sponsor's counsel for preparation and processing of the assignment. Purchaser hereby represents that the Unit is being purchased for residential use, or a use permitted by the Declaration and By-Laws and for no other purpose.

17. *Notice.* Unless another method is provided for in this Agreement, any notice to be given to either party shall be in writing and sent by hand, certified mail (return receipt requested) or by nationally recognized overnight courier to the address shown on page one of this Agreement or to such address as either party may later designate to the other in writing in the manner described in this Paragraph 17. A copy of any notice sent to Sponsor shall also be sent in the same manner to Todtman, Nachamie, Spizz & Johns, P.C., Attn: Perry L. Cohen, Esq. and Andrew L. Rosenberg, Esq., 425 Park Avenue, New York, New York 10022.

18. *Acceptance of Agreement.* This Agreement shall not be binding on Purchaser or the Sponsor until this Purchase Agreement shall be accepted, by endorsement by the Sponsor, and a fully signed copy of this Agreement shall have been delivered or mailed to Purchaser. Within twenty (20) days after receipt of the Purchase Agreement from a prospective Purchaser, the Sponsor will either accept the Purchase Agreement or reject it, in which latter case, the Down Payment will be refunded to Purchaser without interest. The failure of the Sponsor to act within the twenty (20) day period shall be deemed a rejection of the Purchase Agreement. If the Purchase Agreement is accepted, a counterpart thereof, signed by the Sponsor or the Selling Agent on behalf of the Sponsor, will be returned to the prospective Purchaser. Notwithstanding the date which shall appear hereon, such twenty (20) day period shall not commence until Purchaser has delivered good funds for the Down Payment.

19. *No Discriminatory Inducement.* Purchaser represents that he is over eighteen (18) years of age, and the sale of the designated Unit was made to Purchaser in good faith pursuant to the terms set forth in the Plan, without fraud or duress.

20. *Broker.* Sponsor and Purchaser agree that no broker other than _____ brought about this sale. Sponsor agrees to pay the commission due such broker on the sale and Purchaser agrees to indemnify and hold harmless the Sponsor from and against any and all claims, liabilities, losses, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered or incurred by the Sponsor by reason of any claim arising out of any conversations or negotiations had by Purchaser with any broker, finder or like person claiming to have dealt with Purchaser in connection with the sale of the Unit other than the broker set forth in this Paragraph 20. The representations and indemnities set forth in this Paragraph 20 shall survive the Closing hereunder.

21. *Definitions.* All defined terms contained in the Plan will have the same meaning ascribed to them in this Agreement. The term "Purchaser" shall be read as "Purchasers" if more than one person signs this Agreement. In that case, the obligations of all purchasers shall be considered joint and several.

22. *Entire Agreement; Plan Controls; Governing Law.* This Agreement states the entire understanding between the parties hereto. Neither party shall be bound by any oral representations or agreements. All of the terms of the Plan are incorporated in this Agreement as though fully contained herein. In the event of any discrepancy between this Agreement and the Plan, the Plan shall control. The laws of the State of New York shall govern this Agreement without regard to any principles of conflicts of law.

23. *Waiver.* Purchaser waives any right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan. The failure of the Sponsor to insist upon strict performance of any of the terms or conditions of this Agreement shall not be deemed a waiver of any subsequent breach or default in the terms and conditions of this Agreement.

24. *Survival of Seller's and Purchaser's Obligations.* Sponsor shall have no obligations under this Agreement or the Plan after Sponsor delivers to Purchaser the deed to the Unit unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. All representations made by Purchaser in this Agreement shall expressly survive the closing of title.

25. *Agreement Not Contingent Upon Financing.* The terms and conditions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. Purchaser further understands and agrees that if he chooses to finance his purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him of his obligations pursuant to this Agreement.

26. *Amendments to Offering Plan.* If applicable, this Agreement is subject to the acceptance by the Department of Law for filing of an amendment to the Plan in order to accurately reflect the Purchase Price for the Unit set forth in this Agreement. Purchaser understands that the terms of the Plan may be further amended from time to time to, among other things, increase or decrease the prices at which all of the Units are being offered or in such other respects as the Sponsor sees fit. No such amendment shall increase the sales price of the Unit Purchaser is purchasing hereunder so long as Purchaser is not in default. In the event any amendment to the Plan, whether made before or after the Plan is declared effective, materially alters the Plan in a manner which adversely affects Purchaser, he will be afforded a fifteen (15) day period within which to rescind this Agreement following delivery to him of such a copy of such amendment to the Plan. Should Purchaser then elect to rescind, Purchaser will receive back his Down Payment, together with interest, if any, earned thereon and Purchaser shall have no other rights or remedies against the Sponsor. In no event shall such amendment excuse Purchaser's performance hereunder (unless Purchaser rescinds as set forth above) nor entitle Purchaser to any offset or credit against the Purchase Price.

27. *Captions.* The captions in this Agreement are for convenience only and are not part of this Agreement.

28. *Plain Language.* Purchaser has read this Agreement and Purchaser understands it. Under New York law (General Obligations Law Section 5-702), Purchaser knows that as a consumer, Purchaser has a right to an agreement written in clear and simple language. Sponsor and Purchaser both believe this is such an agreement.

Date:

Purchaser

Purchaser

Accepted and agreed to by:

MANHATTAN TOWNHOUSE EQUITIES LLC

By: 16 Equities Manager LLC, Manager

By: _____
Authorized Manager

EXHIBIT A

Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction, provided they do not prevent the use of the Unit for dwelling purposes.
2. Any state of facts that an accurate survey would show, provided that such facts would not thereby render title unmarketable or prevent the use of the Units or the Building for dwelling purposes.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by Sponsor or any former owner of the land for the erection of any structure or structures on, under or above any street or streets on which the land may abut.
5. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and street and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, and similar projections, if any, on, over, or under the property or the streets or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other units or portions of the Common Elements, provided same are disclosed in the Plan.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such Closing Date (however, the then current installment shall be adjusted at Closing).
11. Any encumbrance as to which Sponsor's title insurance company would be willing in a fee policy issued by it to Purchaser to insure Purchaser, without additional premium, that such

encumbrance (a) will not be collected out of or enforced against the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

12. Any recorded covenant, restriction, reservation, agreement and encumbrance against the property other than a mortgage or lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

13. No permanent Certificate of Occupancy covering the Building.

14. Any violations against the property (other than the Unit) which are the obligations of the Condominium Board or another unit owner to correct.

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

BROWNSTONE LANE CONDOMINIUM
309 West 118th Street
New York, New York

INFORMATION SHEET

Unit No. _____

PLEASE PRINT CLEARLY
ALL NAMES WILL APPEAR ON THE DEED EXACTLY AS ENTERED HERE

Name of
Purchaser: _____

Address of Purchaser: _____

Telephone Number: (home) _____ (office) _____

Social Security No: _____

Attorney: _____

Address: _____

Telephone Number: _____

UNIT DEED

THIS INDENTURE, made the _____ day of _____, 200_, between Manhattan Townhouse Equities LLC, a New York limited liability company, having an office at 37 West 65th Street, New York, New York 10023, "Grantor," and _____, "Grantee," residing at _____,

WTINESSETH, that the Grantor, in consideration of Ten (\$10.00) Dollars, lawful money of the United States, and other valuable consideration paid by the Grantee, the receipt and sufficiency of which is hereby acknowledged, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, the Condominium Unit described on Schedule A annexed hereto.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, By-Laws, rules, regulations and easements set forth in the Condominium Documents, filed and recorded as described in Schedule A annexed hereto.

TOGETHER with all right, title and interest, if any, of the Grantor in and to any streets and roads abutting the above-described premises to the center lines thereof,

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to said premises.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, the heirs or successors and assigns of the Grantee forever.

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

AND the Grantor, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The term "Unit" as used in this Deed has the same meaning as the term "Unit" as defined in Article 9-B of the Real Property Law of the State of New York.

Except as otherwise specifically permitted by the Board of Managers, or provided in the Declaration or By-Laws, the Unit is intended for residential use.

By accepting this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

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

IN PRESENCE OF:

GRANTOR:

MANHATTAN TOWNHOUSE EQUITIES LLC,
By: 16 Equities Manager LLC, Manager

By: _____

GRANTEE(S):

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

On the ____ day of _____ in the year 200_, before me, the undersigned, a Notary Public in and for the State of New York, 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 200_, before me, the undersigned, a Notary Public in and for the State of New York, 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

SCHEDULE "A"
TO BE SUPPLIED

UNIT DEED

Title No. _____

MANHATTAN TOWNHOUSE EQUITIES LLC

TO

BLOCK _____

LOT _____

NEW YORK COUNTY

RECORD AND RETURN BY MAIL TO:

POWER OF ATTORNEY

The undersigned, _____, residing at _____, owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") known as Unit No. _____ at 309 West 118th Street, New York, New York, said Unit being designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, (does) (do) hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), in accordance with the Unit Owners' respective Common Interests, on behalf of all Unit Owners, subject to the provisions of the By-Laws then in effect, to acquire or lease any Unit, together with its Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; to acquire any Unit, together with its Common Interest, that becomes the subject of a foreclosure or other similar sale, on such terms and at such price or at such rental, as the case may be, as said attorneys-in fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit 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 said attorney-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and to execute, acknowledge and deliver (a) any Declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate.

The acts of a majority of such persons constituting the Board of Managers or such other number as may be required by the By-Laws, shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint Manhattan Townhouse Equities LLC or its designee (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said 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 "Nineteenth" of the Declaration or (2) shall be required by (a) an Institutional Lender designated 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 subdivisions (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a physical modification to the Undersigned's Unit, or (iii) adversely affect the mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned [in the event of a matter described in subdivision (i) or (ii) of this paragraph] or the holder of such mortgage [in the event described in subdivision (iii) of this paragraph] shall consent thereto by joining in the execution of such amendment.

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 its designees shall cease to own any of the Units in the Brownstone Lane Condominium].

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the ____ day of _____, 200_.

STATE OF NEW YORK)
)ss:
COUNTY OF)

On the _____ day of _____ in the year 200_, before me, the undersigned, a Notary Public in and for said State of New York, 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

UNIT OWNER'S POWER OF ATTORNEY

Title No. _____

BLOCK _____

LOT _____

NEW YORK COUNTY

RECORD AND RETURN BY MAIL TO:

TODTMAN, NACHAMIE, SPIZZ & JOHNS, P.C.
425 Park Avenue
New York, New York 10022
Attention: Perry L. Cohen, Esq.

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES
LOCATED AT 309 WEST 118TH STREET, NEW YORK, NEW YORK IN THE BOROUGH OF
MANHATTAN, CITY, STATE AND COUNTY OF NEW YORK, PURSUANT TO ARTICLE 9-B
OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

NAME: Brownstone Lane Condominium

SPONSOR: Manhattan Townhouse Equities LLC

DATE OF DECLARATION: _____, 200_

RECORD AND RETURN TO:

TODTMAN, NACHAMIE, SPIZZ & JOHNS, P.C.
425 Park Avenue
New York, New York 10022
Attention: Perry L. Cohen, Esq.

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PLAN OF CONDOMINIUM OWNERSHIP
DECLARATION OF
BROWNSTONE LANE CONDOMINIUM
PURSUANT TO
ARTICLE 9-B OF THE REAL PROPERTY LAW
OF THE STATE OF NEW YORK

In the Borough of Manhattan, City, County and State of New York, on the _____ day of _____, 200_, Manhattan Townhouse Equities LLC, with an address at 37 West 65th Street, New York, New York (the "Owner" or "Sponsor"), hereby states:

FIRST: *Submission of Property.* By this Declaration, the Owner submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: *Description of Property.* The Owner owns that certain plot, piece or parcel of land, with the building and improvements thereon erected, or to be erected, situate, lying and being in the City and State of New York, being more particularly bounded and described on Exhibit A which is annexed to and made a part of this Declaration.

THIRD: *Definitions.* All of the terms used in this Declaration not otherwise defined herein shall have the meanings ascribed to them, set forth in Exhibit B annexed hereto.

FOURTH: *The Condominium.* The Sponsor is converting the Property to a Condominium known as the Brownstone Lane Condominium by the recording of this Declaration in the Office of the Register of the City of New York. This Declaration set forth a description of the Building stating the number of stories and the number of Units.

The Condominium will be comprised of two (2) towers, each consisting of five (5) floors and a cellar. The towers will be connected by the cellar which will contain, among other things, a laundry room for the exclusive use of Unit Owners and a gymnasium/workout room for the exclusive use of Unit Owners. The first (1st) floor of the building will contain the building entrance. A portion of the cellar, the first (1st) floor and the second (2nd) floor of the building will contain sixteen (16) triplex Residential Units. The aforesaid triplex Residential Units will each have a private entrance and, additionally, may be accessed through the common entrance to the building. Additionally, the triplex Residential Units shall have the access to and the right to use a private rear yard located directly behind their respective Unit. The third (3rd) floor of the building will contain sixteen (16) single story Residential Units. The fourth (4th) and fifth (5th) floors of the building will contain eight (8) single story Residential Units and eight (8) duplex Residential Units. All Unit Owners will have access to and the right to use a common area rear yard located in between the two towers comprising the building. Additionally, there will be twenty-four (24) Parking Units at the Property. Each of the Units has access to a street on which the Condominium abuts through the lobby of the Building in which the Unit is located which forms a part of the Common Elements of the Condominium. Each Unit will be sold to one or more Unit Owners. Each Unit Owner will obtain fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of

the Condominium, as listed hereinafter in this Declaration, and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

FIFTH: *Use of Units.* As more particularly set forth in the By-Laws, Units (i.e., Residential Units and/or Parking Units) may be for any use permitted by law.

A Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity, may only be occupied by that individual, or an officer, director, stockholder or employee of such corporation, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests).

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the Sponsor may, without the permission of the Board of Managers, use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purposes.

SIXTH: *Common Elements.*

(a) The Common Elements of the Condominium will consist of the General Common Elements and Limited Common Elements.

(b) The General Common Elements consist of the Land and those rooms, areas, corridors, and other portions of the Building (other than the Units), as well as those facilities therein or elsewhere, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, the General Common Elements include:

- (i) the Land;
- (ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs, and ceilings in, on, or under the Building, to the extent that the same are not expressly included as a part of a Unit (as defined in Exhibit B hereof), or as part of the Limited Common Elements or General Common Elements;
- (iii) all lobbies, building entrance doors, hallways, corridors, cellars, stairs, stairways, mechanical and electrical equipment spaces and meter rooms, to the extent that the same are not expressly included as a part of a Unit, or as part of the Limited Common Elements;
- (iv) all central and appurtenant installations and facilities for services such as power, light, telephone, cable, internet, intercom, gas, sewer, plumbing, drainage, mail delivery, cold water distribution, heat, ventilation, security and other mechanical

and electrical systems to the extent that the same are not expressly included as a part of a Unit; and

- (v) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of all of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Property.

(c) ~~The Limited Common Elements are each of the balconies and terraces to which there is direct and exclusive access from the interior of a Unit and which are for the exclusive use of such Unit~~

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Each Unit Owner shall have the right to use the General Common Elements in accordance with the purpose for which such Common Elements are intended without hindering the exercise of or encroaching upon the rights of the other Unit Owners.

The percentages of undivided interest in the Common Elements shall not be changed except with the consent of all of the affected Unit Owners expressed in a duly recorded amendment to this Declaration.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

SEVENTH: *Easements.* Every Unit Owner shall have an easement in common with the Owners of all other Units, and all Units and Common Elements shall be subject to an easement (a) to utilize, install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through and upon any Unit or any other Common Elements or elsewhere in the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding restoration or replacement of the Common Elements, provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the permitted uses of the Units. Unit Owners, their tenants, guests and invitees shall also have an easement over and through the Common Elements for ingress and egress to and from the Building in the event of emergency, equipment failure or other contingency.

All pipes, wires, shafts, flues, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, shafts, flues, conduits and public utility lines located in the General Common Elements will be owned in common by the Unit Owners. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain, repair, replace, alter, improve and use the pipes, wires, shafts, flues, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, shafts, flues, conduits and public utility lines located in any Unit and servicing any other Unit or Common Area. The cost of such repairs shall be a Common Expense, provided that the cost of such repairs which are solely for the benefit of a particular Unit Owner will be borne only by such Unit Owner.

The Board of Managers shall have an unlimited right of access to all Common Elements for maintenance, repair, restoration, alteration or improvement, whether such Common Elements are limited or not.

The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of marketing and sale of Units, reserves the right to continue to use the Common Elements and any facilities, sales offices, model Units and signs located on the Common Elements in its efforts to market and sell Units in the Condominium. This paragraph shall not be amended without the written consent of the Sponsor.

EIGHTH: *Service of Process and Building Code Violations.* The Board of Managers of the Condominium, having office at 37 West 65th Street, New York, New York, the Managing Agent, or any successor thereof and the Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium. The Board of Managers shall have the principal responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Owner or Owners of the Condominium Unit or Units in which any such violations exist. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any agency of the City of New York or successor thereto.

NINTH: *Common Interest.* Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Exhibit C, attached hereto, and shall bear such percentage of the Common Expenses of the Condominium. All expenses of the Condominium shall be Common Expenses and shall be apportioned among all the Unit Owners according to the method set forth in the By-Laws. Such Unit Owner shall have one (1) vote for all voting purposes at any meeting of the Unit Owners unless otherwise mandated by law or expressly provided for herein. The percentage of interest of each Unit in the Common Elements has been determined by the Sponsor based upon floor space, subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

TENTH: *Administration.* The administration of the Condominium and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

ELEVENTH: *Amendment and Withdrawal.* The Property shall not be withdrawn from Condominium ownership unless at least eighty (80%) percent of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of each of those Units agree to such removal by duly recorded instruments. Such withdrawal of the Property from Condominium ownership shall not take effect until it is duly recorded in the Office of the Register of the City of New York, New York County.

The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon an affirmative vote of 65% of the Unit Owners in number and in Common Interest held at a duly called meeting of the Unit Owners; provided however, that:

(a) No amendment shall alter the percentage interest in the Common Elements appurtenant to any Unit or alter any rights or obligations respecting the Common Elements without the consent of

the affected Unit Owners and the first mortgagees, if any, of the Units, which consents shall be expressed on the instrument of amendment.

(b) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless eighty (80%) percent of the Unit Owners in number and Common Interest and the first mortgagee, if any, of each of these same Unit Owners agree to such change on the instrument of amendment.

(c) No amendment shall be passed which shall impair or prejudice the rights or priorities of mortgagees.

(d) Any amendment reflecting the division of any Unit into two (2) or more Units need not be approved as set forth above, provided that there is no change in the outside dimensions of the existing Units and in the total Common Interest allocated to the Units. The Board of Managers and each Unit Owner hereby appoint any Unit Owner as their attorney-in-fact, coupled with an interest, to execute and record any such amendment on their behalf.

(e) No amendment affecting a Unit or Units, as the case may be, or the rights of any Unit Owner or Unit Owners, may be made without the consent of an affected Unit Owner or Unit Owners.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of the amendment that the vote of the Unit Owners was made at a duly called meeting and the requisite voting percentage was obtained. After the sixty (60) day period, such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Register of the City of New York, New York County.

TWELFTH: *Subject to Declaration, By-Laws, etc.* All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and the Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of the Declaration and By-Laws and Rules and Regulations of the Condominium are accepted and ratified 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, conveyance or lease thereof.

THIRTEENTH: *Common Charges.* All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including but not limited to, State, County, City and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage,

obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States government or of the City or State of New York, other similar institutional lender or purchase money mortgage granted by a seller of a Unit.

Every Unit Owner shall pay the Common Charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the Common Charges assessed against him by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

Common Charges of Parking Units - The owners of the Parking Units and the Parking Units are to pay their respective share of the Common Expenses attributable to the Parking Units. Consequently, if the Board of Managers assesses sums in the form of Common Charges and/or assessments, these charges should only be payable by the Parking Unit Owners to the extent the Parking Units are benefited by the item or service created by such assessment or Common Charge.

FOURTEENTH: *Units Acquired by the Board.* In the event any Unit Owner shall convey his Unit to the Board of Managers pursuant to Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article XI of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners. In order to carry out the provisions of this paragraph, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers, and their successors or assigns, to acquire title or lease any such Unit under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

FIFTEENTH: *Encroachments.* The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as described above due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

SIXTEEN: *Unit Ownership.* Upon the closing of title to a Unit, a Purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason. 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, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Managers) or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

SEVENTEENTH: *Conveyance of a Unit.* In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charges against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charges against the grantor in excess of the amount set forth in such statement. Grantee, as used herein, shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

EIGHTEENTH: *Covenants and Restrictions.* The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

- (a) The Unit shall be maintained in good repair and overall appearance.
- (b) No alterations to the exterior of any Unit or any part of the Common Elements may be made without the written consent of the Board of Managers, which consent will be granted, if at all, in the sole discretion of the Board. No alterations to the inside of a Unit which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers, which shall not be unreasonably withheld, provided that the Board is reasonably satisfied that such alterations may be made in such manner as to retain the structural integrity of the Building. Consent may be requested by mailing a letter certified mail, return receipt requested, to the Managing Agent, if any, or to the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.
- (c) Any Unit Owner other than the Sponsor who mortgages or sells his Unit shall notify the Board of Managers providing the name and address of his mortgagee or purchaser.
- (d) The Board of Managers shall, at the request of the mortgagee of a Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.
- (e) Nuisances shall not be allowed upon the Property nor shall any use or practice be allowed which is a source of annoyance to occupant or which interferes with the peaceful possession and proper use of the Property by its residents.
- (f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owners provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time that said regulations become effective.

(h) The Common Charges shall be paid when due.

NINETEENTH: *Changes to the Condominium.*

(a) Except to the extent prohibited by law, the Sponsor or its designee (as to Unsold Units) shall have the right, without the vote or consent of the Board of Managers to:

- (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon its Units;
- (ii) change the layout of, or number of rooms from time to time;
- (iii) change the size and/or number of Units by subdividing one or more Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units, or otherwise; and
- (iv) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clause (iii) their percentage interest in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided further, that the Sponsor or its designee or Unit Owners, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. Notwithstanding the other provisions of this Article, no reapportionment of the interest in the Common Elements shall occur unless and until a written certification is delivered to the Board of Managers stating that the percentage interest of the respective Units in the Common Elements immediately after such reapportionment will be based upon floor space (subject to the location of such space) and the additional factors of relative value of that space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered, at the Sponsor's election, by the Sponsor, the Managing Agent of the Condominium or any other person reasonably acceptable to the Board of Managers.

If the number of rooms in an Unsold Residential Unit is changed, or the size and/or number of an Unsold Units is changed (whether as a result of a subdivision or combination or alteration of boundary walls, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with the provisions of this Article, then the Sponsor

or its designee or the Unit Owner, as the case may be, is hereby appointed the attorney-in-fact of the Board of Managers to execute, or (on its request) may require any other Unit Owner or the Board of Managers or officers to execute, and record in the Office of the Register of the City of New York, New York County, an amendment to this Declaration (together with such other documents as the Sponsor or its designee or Unit Owner deems appropriate to effectuate the same) reflecting such change in the number of rooms in a Unit or in the size and/or number (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements.

(b) The Owner or Owners of any two or more Units, which Units are the only Units serviced or benefited by any Common Elements adjacent or appurtenant to such Units (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were part of such Units (including the right in the above example of a portion of a hallway, to enclose such portion), provided such Owner or Owners agree, at his or their sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such Owner or Owners exercise such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use. The Sponsor or its designated successors shall have these rights as to any Unsold Units without the necessity of obtaining the consent of the Board.

Consent as required herein may be requested by mailing a letter, certified mail, return receipt requested to the Managing Agent, if any, or to the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection raised.

In the event the Board is so requested by an Owner or the Sponsor exercising any of the rights pursuant to this Article, the Board of Managers shall promptly amend the Declaration at the expense of the Owner or Sponsor to reflect that one or more Units now constitute a single Unit and shall record such amendment in the Office of the Register of the City of New York, New York County.

(c) The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of the Sponsor or its designee for so long as the Sponsor owns one (1) or more Units or without the prior written consent of all Unit Owners.

TWENTIETH: *Utilities.* Electricity consumed in, on or to the Common Elements shall be paid for by the Board of Managers as items of common expense. Each Unit shall be individually metered for electricity and gas and the expense of electricity and gas consumed within the Unit shall be paid for by the Owner of said Unit.

TWENTY-FIRST: *Sponsor Control.* Notwithstanding any other provisions of this Declaration, including Article Eleventh, the Declaration and By-Laws may not be amended to eliminate any rights expressly granted to the Sponsor without the Sponsor's express written consent. For a maximum of five (5) years from the date of the first closing of title to a Unit so long as the Sponsor continues to own or hold an interest in twenty-five (25%) percent or more in number of the Units, the Sponsor's prior written consent shall be required to take any action to (a) make capital additions or improvements; (b) increase or decrease the level of services (without regard to cost of said services)

over those provided in the prior year's operating budget; (c) establish additional reserve funds or (d) borrow money, unless the cost of such actions, when added to all other budgeted expenses, shall not result in increasing the Common Charges for any year of operation by more than five (5%) percent above the previous year's Common Charges.

TWENTY-SECOND: *Invalidity.* Invalidation of any of the covenants, limitations or provisions of this Declaration by judgment or court order of a court of competent jurisdiction shall in no way affect any of the remaining part or parts hereof and the same shall continue in full force and effect.

MANHATTAN TOWNHOUSE EQUITIES LLC
By: 16 Equities Manager LLC, Manager

By: _____

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity _____ and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT "A"

The Condominium Unit (the "Unit") known as Unit No. _____ in the building designated as the Brownstone Lane Condominium in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated the _____ day of _____, 200_, recorded in the Office of the Register of New York, New York County (the "Register's Office") in Reel Page _____, and also designated as Tax Lot _____ in Block _____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the floor plans of said building, certified by _____, Architect, on _____ and filed in the City Register's Office on _____, as Map No. _____.

TOGETHER with an undivided _____% interest in the Common Elements.

The premises within which the Unit is located are more particularly described as follows:

LEGAL DESCRIPTION – TO BE SUPPLIED

EXHIBIT "B" TO THE DECLARATION OF
BROWNSTONE LANE CONDOMINIUM

DEFINITIONS

- (1) "Building" means the Building located at 309 West 118th Street, New York, New York, which contains the Units and Common Elements.
- (2) "By-Laws" shall mean the By-Laws of the Condominium, which are annexed as Exhibit D to this Declaration, as the same may be amended from time to time pursuant to the terms thereof.
- (3) ~~"Commercial Units" shall mean the Units of the Building used exclusively for commercial use.~~
- (4) "Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.
- (5) "Common Elements" shall mean those certain portions of the land and the building (other than the Units), either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Article Sixth of this Declaration. The Common Elements are comprised of the General Common Elements and the Limited Common Elements.
- (6) "Common Expense" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to this Declaration and/or the By-Laws in connection with; (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Board of Managers or its designee, corporate or otherwise, of any Unit whose Owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.
- (7) "Common Interest" shall mean the undivided percentage interest of each Unit in the Common Elements.
- (8) "Condominium" shall mean the Brownstone Lane Condominium, which was established pursuant to the terms of this Declaration and is to be governed pursuant to the terms of the Bylaws.
- (9) "Condominium Act" shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- (10) "Condominium Documents" shall mean this Declaration, the By-Laws and the Rules and Regulations.

(11) "First Closing" shall mean the first date upon which title to one of the Residential Units is conveyed to a purchaser pursuant to the terms of the Plan.

(12) "Floor Plans" shall mean the floor plans of the Units certified by Peter Franzese, P.E., and filed in the Register's Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

(13) "General Common Elements" shall mean those Common Elements which are to be used by all Unit Owners in common and generally includes all Common Elements except the Limited Common Elements.

(14) "Land" shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in the City, County and State of New York, as more particularly described in Exhibit A to this Declaration.

(15) "Limited Common Elements" shall mean those areas of the Building forming a part of the Common Elements that enclose the Unit or are to be used exclusively by the Unit Owner and those facilities contained therein or elsewhere in the Building which service only the Unit.

(16) "Owner" shall mean the person who holds fee title, of record, to the Unit at the time in question or such Person's designee, or, with the consent of such Person, any transferee, lessee, or sublessee of all such Person's right, title, or interest in or to the Unit or any portion thereof at the time in question.

(17) "Parking Units" shall mean the Units of the Building used exclusively as parking spaces.

(18) "Plan" shall mean that certain offering plan for condominium ownership of the Property filed with the Department of law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

(19) "Property" shall mean the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(20) "Register's Office" shall mean the New York County Office of the Register of the City of New York.

(21) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the Bylaws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the Bylaws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the Bylaws.

(22) "Sponsor" shall mean Manhattan Townhouse Equities LLC, a New York limited liability company, having an office at 37 West 65th Street, New York, New York 10023.

(23) "Unit" shall have the same meaning as such term is defined in the Condominium Act, and shall refer to the forty-eight (48) Residential Units and twenty-four (24) Parking Units. The boundaries of each Unit consist of the area measured horizontally between the outside surface of the

exterior masonry wall enclosing each such Unit (and the inside [unexposed] surface of any wall other than an exterior wall or demising wall), to the center line of any demising wall between two adjacent Units, and the area measured vertically from the top of the concrete or plywood subfloor to the unexposed surface of the sheetrock ceiling; however, any Common Elements located within a Unit shall not be considered a part of such Unit.

(24) "Unit Owners" shall mean the owners of any Unit, commercial or residential, at the time in question.

(25) "Unsold Unit" shall mean any Residential Unit owned by Sponsor or its designee at the time in question.

[TO BE COMPLETED]

[illegible]

BY-LAWS OF
Brownstone Lane Condominium

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425 Park Avenue
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BY-LAWS OF
BROWNSTONE LANE CONDOMINIUM

ARTICLE 1. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Definitions. All of the terms used in these By-Laws not otherwise defined herein shall have the meanings ascribed to them set forth in Exhibit B annexed to the Declaration of Condominium.

Section 2. Condominium Unit Ownership. The property located at 309 West 118th Street, in the City, County and State of New York, as specifically set forth in the Declaration and more commonly known as the Brownstone Lane Condominium, has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 3. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the Land and the Building and improvements thereon including the Units and the Common Elements and the use and occupancy thereof.

Section 4. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests, invitees or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy or use of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Unit.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be entitled to cast one vote at all Unit Owners' meetings for each .01% of Common Interest attributable to his Unit, but the Board of Managers shall not cast any of its votes for the election of any member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners for the transaction of business if present in person or represented by written proxy, except as otherwise provided by Statute, by the Declaration or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Common Interests represented by the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. No Unit Owner may vote at any meeting of Unit Owners if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to discharge such lien has not been paid prior to such meeting. The Common Interests of all Unit Owners precluded from voting pursuant to this paragraph shall not be counted when computing the aggregate Common Interests for quorum and voting purposes.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same is to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration or of these By-Laws (or by Statute pursuant to any action taken by the Condominium), the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within six (6) months after title to the first Residential Unit is conveyed by the Sponsor, the Sponsor shall call the first annual Unit Owners meeting. At such meeting, the Unit Owners shall elect a new Board of Managers and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date in 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 III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. 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 having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record at least ten (10) but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Report of officers
- (e) Report of committees
- (f) Election of inspectors of election (in the event there is an election)
- (g) Election of Managers (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE III. BOARD OF MANAGERS.

Section 1. Number and Term. The number of Managers which shall constitute the whole Board shall be five (5) Managers. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter all Managers shall be Unit Owners. The Managers shall be elected at the annual meeting of Unit Owners. At the first annual meeting of Unit Owners, the term of two (2) Managers shall be fixed for three (3) years, the term of office of three (3) Managers shall be fixed at two (2) years. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of two (2) years. The Managers shall hold office until their successors have been elected and hold their first meeting.

Notwithstanding the foregoing, to insure that the Sponsor has a controlling vote on the Board of Managers during its sales and marketing program, the Sponsor shall designate a majority of the members of the Board of Managers as long as it owns more than 25% of the Units in number, and at least one (1) member of the Board so long as it owns one (1) or more Units. Following the earlier of (i) five (5) years from the conveyance of title to the first Residential Unit or (ii) the conveyance of title to 75% in number and aggregate common interest of the Units, the Sponsor will not cast its votes to elect a majority of the new Board of Managers. Members of the Board of Managers designated by the Sponsor need not be Unit Owners.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the Board of Managers who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such successor Manager to fill the unexpired portion of his term.

Section 3. Removal. Managers, other than Managers elected by the Sponsor or Sponsor's designee may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, or the Sponsor's designee, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers The first Board of Managers shall consist of three (3) individuals to be appointed by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. 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 2 of this Article.

Section 5. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

(i) To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners, pro rata, according to the formula provided for herein;

(ii) To collect, use and expend the Common Charges and assessments collected to maintain, care for and preserve the Units, Building, and other Common Interests;

(iii) To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

(iv) To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the Property;

(v) To open bank accounts on behalf of the Condominium, to designate the signatories to such bank accounts;

(vi) To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;

(vii) To collect delinquent Common Charges and/or assessments by suit or otherwise to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the house rules and regulations herein referred to;

(viii) To purchase any Unit at a foreclosure sale on behalf of all the Unit Owners;

(ix) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit Owner;

(x) To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the power of manager in connection with the matters hereinabove set forth;

(xi) To bring and defend actions by or against one or more Unit Owners and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of Common Charges and/or assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and these By-Laws and may fund the cost of any such litigation out of the Common Charges and/or assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the Common Elements;

(xii) To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

(xiii) To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee;

(xiv) To borrow 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 at least 66-2/3% in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$15,000 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 owners of said Unit; and

(xv) To act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws.

(b) The Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Managers or Unit Owners, at least one of whom shall be a Manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to execute all documents which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Section 6. Repairs and Maintenance.

(a) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit (other than the General Common Elements or Limited Common Elements to the extent provided below), including any additions, alterations and improvements made by the Unit Owner, shall be performed by the Unit Owner at his sole cost and expense;

(ii) in or to the General Common Elements shall be made by the Board of Managers, which need not obtain the approval of Unit Owners or of mortgagees of Units (regardless of the cost thereof), and the cost of the same shall be a Common Expense to all Unit Owners (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof);

(iii) in or to the Limited Common Elements shall be performed by the Board as a Common Expense if involving structural or capital expenditures or as an expense to the Unit Owner having direct and exclusive access to such Limited Common Element if involving painting or ordinary repair or maintenance.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Board or to the Managing Agent any defect or need for repairs for which the Board 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 Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owner or the tenants and occupants of any Units.

(b) If any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Board of Managers, the entire cost and expense thereof shall be borne by the Board as a Common Expense or as a Common Expense to Unit Owners only, respectively, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair or replace his or her Unit or any portion thereof as required herein.

(c) 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, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work 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, with respect to such parts of the Building required to be maintained by the Board 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 or her Unit. The Units may contain any exterior design or improvements permitted by the Unit Owner, subject only to the requirements of law.

(d) Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the General Common Elements shall be made by the Board of Managers and the cost and expense thereof shall constitute a Common Expense to all Unit Owners.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meeting of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice or on the written request of at least three (3) Managers.

(d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business. All decisions shall be made by a majority of the Managers present at the meeting. If a quorum shall not be present at any meetings of Managers, the Managers present thereat may adjourn the meeting from time to time, with out notice other than announcement at the meeting until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the Meeting can hear each other.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent

public accountant and a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity, Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

Section 11. Managing Agent. At its discretion, the Board of Managers may employ for the Condominium a Managing Agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 12. Liabilities of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent for the Unit Owners as a group only and that no member of the Board of Managers nor individual Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member, except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owner's Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE IV. OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. All officers must be Unit Owners or members of the Board of Managers. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officers elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of president of a corporation organized under the Business Corporation law of the State of New York.

Section 6. The 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 and shall have such other powers and duties as are usually vested in the office of vice president of a corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including 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.

Section 9. Agreements, etc. All agreements and other instruments shall be executed on behalf of the Condominium by the President or such other person as may be designated by the Board Managers.

ARTICLE V. NOTICES

Section 1. Definition. Whenever under the provision of the Declaration or of these By-Laws notice is required to be given to the Board of Managers, any Manager or Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, personally or 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 at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration or by 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. FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments. The Board of Managers shall from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and, if requested in writing, to any mortgagee requesting a copy thereof. They shall determine the total required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective Common Interests appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the building square footage included in each Unit or the Limited Common Elements restricted to the use of the Owner of said Unit.

All of said assessments shall be deemed to be Common Charges and shall be payable in advance as ordered by the Board of Managers.

In the event of a default in the payment of monthly Common Charge assessment by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee of not more than One Hundred Fifty (\$150.00) dollars to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the Common Charge assessment from its due date to the date payment is actually received from the Unit Owner. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Common Expense shall be liable for any expenses incurred by the Condominium in collecting said monthly Common Charge assessment including interest at the highest legal rate and reasonable attorneys fees. The Board shall take action to collect any Common Charges due from any Unit Owner which remain unpaid 90 days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any Common Charges which accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be

liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Foreclosure of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid common charges shall also be obtainable separately without waiving the lien on the Unit.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Building including all of the Units (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as its interest may appear, in an amount equal to not less than 80% of the replacement value of the Building. Each of such policies shall contain 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 hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$100,000 or less, shall be payable to the Board of Managers, and if more than \$100,000 shall be payable to the Insurance Trustee. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

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 insureds 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. 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. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be required pursuant to this Section.

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 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 following the first annual Unit Owners meeting, such public liability insurance shall be in a single limit of not less than \$1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Residential Unit.

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

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns, fails to qualify or is replaced by the Board of Managers, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition by the commencement of such appropriate legal proceeding by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of the 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, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII. USE OF UNITS.

Each Residential Unit may be used for any residential purposes only; however, any Unit may be used for any home occupation permitted by law which does not violate the Certificate of Occupancy covering such Unit.

A Unit may be owned by an individual, corporation, partnership, fiduciary or any other entity. Each and every owner and occupant of a Residential Unit and their guests must comply with the House Rules and Regulations, as they may be amended from time to time. The Units may not be leased for transient residency (i.e., less than six months) or for any illegal purposes.

No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased.

The Sponsor may, without the permission of the Board, use any unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

ARTICLE IX. HOUSE RULES.

In addition to the other provisions of these By-Laws, the following house rules and regulations, together with such additional rules and regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the Units and the conduct of all occupants thereof.

Section 1. Owners of a Unit, members of their families, their employees, licensees and guests shall not use or permit the use of the Unit in any manner which would be illegal or disturbing or a nuisance to other Unit Owners, or in such a way as to be injurious to the reputation of the Condominium.

Section 2. The Common Elements shall not be obstructed, littered, defaced or misused in any manner, except as provided for herein.

Section 3. Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 4. (a) Every Unit Owner must perform promptly all maintenance and repair work he is required to do to the interior and exterior of his Unit and to portions of the Common Elements irrevocably restricted to his use pursuant to the provisions of the Declaration and these By-Laws which, if omitted, would affect the Condominium, in its entirety or in a part belonging to other Unit Owners or the Building, said Unit Owner being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations, shall be at the Unit Owner's expense.

Section 5. (a) Each Unit Owner shall keep his Unit in good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

(b) No radio or television aerial shall be attached to or hung from the exterior of the Unit except such as shall have been approved in writing by the Board of Managers or the Managing Agent; nor shall anything be projected from any window of the Building without similar approval.

(c) No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

(d) No Residential Unit Owner shall make or permit any disturbing noises in his Unit, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such Owner's Unit between the hours of 12:00 midnight and the following 7:00 a.m., if the same shall disturb or annoy other occupants of the Building and in no event shall 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.

(e) It is prohibited to hang garments, rugs, etc., from the windows or from the Building or to string clotheslines on or over the Common Elements (including any irrevocably restricted areas).

(f) No one shall ride mopeds or skateboards on any portions of the Common Elements.

(g) No birds, animals or reptiles of any kind shall be raised or bred in any Unit. No birds, animals or reptiles, except dogs and cats, shall be permitted in any Unit unless the same shall have been first expressly permitted in writing by the Board of Managers or the Managing Agent, and such permission shall be revocable at any time by the Board of Managers or the Managing Agent in their sole discretion. No pet shall be permitted on the Common Elements, including dogs, cats or other household pets, unless carried or on a leash.

(h) Roof-top areas of the Building shall not be used by any Unit Owners, occupants, guests, servants, employees, agents or invitees, at any time for any purpose, except with the consent of the Board of Managers for repair or maintenance purposes only.

(i) 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 "non-recyclable" materials. The Board 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 Unit Owners for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board may also establish other regulations regarding recycling of trash. Any costs incurred by the Board in enforcing these regulations against a Unit Owner, including any fines, penalties or legal fees, may be assessed against the offending Unit Owner and the Board shall have a lien against the Unit for payment of such assessment.

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor, its nominees and agents, shall have the right to maintain sales offices in and about the Condominium, including any model Units located within the Building -and shall have the right to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements, and, without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice in, on or upon any areas of the Condominium in its efforts to sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The last two paragraphs of this Article IX may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one or more unsold Units.

ARTICLE X. CHANGES TO CONDOMINIUM.

(a) Except to the extent prohibited by law, the Sponsor or its designee (as to Unsold Units) shall have the right, without the vote or consent of the Board of Managers to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon its Units; (b) change the layout of, or number of rooms from time to time; (c) change the size and/or number of Units by subdividing one or more Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units, or otherwise; and (d) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clause (c) their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, provided further, that the Sponsor or its designee or Unit Owners, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. Notwithstanding the other provisions of this Article, no reapportionment of the interest in the Common Elements shall occur unless and until a written certificate is delivered to the Board of Managers stating that the percentage interest of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space (subject to the location of such space) and the additional factors of relative value of that space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered, at the Sponsor's election, by the Sponsor, the Managing Agent of the Condominium or any other person or entity reasonably acceptable to the Board of Managers.

If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Unit is changed (whether as a result of a subdivision or combination of Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with the provisions of this Article, then the Sponsor or its designee is hereby appointed the attorney-in-fact of the Board of Managers to execute, or (on its request) may require any other Unit Owner or the Board of Managers or officers to execute, and record in the Office of the Register of the City of New York, New York County, an amendment to the Declaration (together with such other documents as the Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements.

(b) Except as provided in these By-Laws and the Declaration, a Unit Owner may not make any structural alterations to the Unit or any part of the Common Elements without the prior written

consent of the Board of Managers. A Unit Owner shall not make structural modifications to the Unit or other alterations which would impair the structural soundness of the Unit without the written consent of the Board of Managers or its designated Managing Agent. Consent may be requested through the Managing Agent, if any, or through the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration. The Board of Managers may condition such consent upon its receipt of an agreement, in form and substance satisfactory to the Board, executed by the Unit Owner, setting forth the work to be done and the estimated cost thereof and agreeing to comply with all applicable laws and regulations and to hold the Board of Managers and all of the other Unit Owners safe and harmless from any costs, damages or expenses of any kind or nature whatsoever arising, directly or indirectly out of such alteration. In making any permitted modification or alteration, the Unit Owner shall comply with all applicable laws and regulations and obtain such permits as may be required.

(c) The owner or owners of any two or more Units, which Units are the only Units serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Elements as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) provided such owner or owners agree, at his or their sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Elements for so long as such owner or owners exercise such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use. The Sponsor or its designated successors shall have these rights as to any Unsold Units without the necessity of obtaining the consent of the Board.

Consent as required herein may be requested by mailing a letter, certified mail, return receipt requested to the managing agent, if any, or to the President of the Board of Managers, if no Managing Agent is employed. The Board of Managers shall have the obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection raised.

In the event it is so requested by a Unit Owner or the Sponsor exercising their rights pursuant to this Article, the Board of Directors shall promptly amend the Declaration at the expense of the Unit Owner or Sponsor, to reflect that one or more Units now constitute a single Unit and shall record such amendment in the Office of the Register of the City of New York.

The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of the Sponsor or its designee for so long as the Sponsor owns one or more Unsold Units or without the prior written consent of all Unit Owners.

ARTICLE XI. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers shall notify the Unit Owner and the mortgagee, if any, of such Unit. In such an instance the Board may, at its sole option, declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such Declaration following a default, the Board shall send notice to the delinquent Unit Owner and the

mortgagee, if any, of such Unit, giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee of not more than One Hundred Fifty (\$150.00) Dollars to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may be collected by the Board on the Common Charge assessment from its due date to the date payment is actually received from the Unit Owner. If any sum, charge or assessment shall remain unpaid for 90 days after the giving of notice by the Board of Managers, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the assessment required to be paid by him within ninety (90) days of its due date, said sum shall bear interest at the highest legal rate from its due date and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorney's fees incurred by it incident to the collection or enforcement of such lien.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a businesslike basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE XIII. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment (2) that the amendment shall be approved by eighty (80%) percent of the Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration; however, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units.

ARTICLE XIII. SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing of Units. No Unit Owner, other than the Sponsor, may convey his Unit or any interest therein by sale or lease except in the manner set forth in this Section.

Any Unit Owner who receives a bona fide offer for the sale or lease of his Unit and who desires to accept such offer shall give written notice by certified mail, return receipt requested, to the Board of Managers of such offer and such intention, together with the name and address of the proposed purchaser or lessee and a copy of a fully executed contract of sale or lease, together with an offer to sell or lease such Unit to the Board of Managers on the same terms and conditions as contained in such contract or lease. The giving of such notice shall constitute a warranty and representation by the Unit Owner to the Board of Managers that the Unit Owner has received such offer and intends to accept it.

Within thirty (30) days after receipt of such notice, the Board of Managers may elect to purchase or lease such Unit by giving written notice by certified mail, return receipt requested, to such Unit Owner of its intentions to buy or lease such Unit on the same terms and conditions as contained in the contract or lease and as stated in the notice from the Unit Owner. In the event the Board shall elect to purchase or lease such Unit, the closing of title or lease shall be held at the office of the attorneys for the

Condominium forty-five (45) days after the giving of notice by the Board of its election to accept said offer. In the event the Unit is being sold, the Unit Owner shall deliver at the closing a duly executed bargain and sale deed with covenant against grantor's acts in form and substance similar to the standard form of the New York Board of Title Underwriters. In the event the Unit is being leased, then at the closing the Unit Owner shall execute and deliver to the Board the same lease as contained in the notice sent by the Unit Owner.

In the event the Board shall fail to accept said offer as aforesaid, the Unit Owner shall be free to contract to sell or lease such Unit for a period of sixty (60) days after the expiration of the period in which the Board might have accepted such offer, to the offer whose name appears in the notice and on the same terms and conditions as set forth in such notice. In the event of a sale of the Unit resulting from a failure of the Board to accept such offer, the deed conveyed to the purchaser shall provide that the grantee, upon acceptance of the deed assumes all of the provisions of the Declarations and these By-Laws. In the event of a lease of the Unit resulting from a failure of the Board to accept such offer, the lease conveyed to the lessee shall be consistent with the Declaration and these By-Laws, shall be for a term of not less than six (6) months, and shall provide that it may not be modified, amended, extended, assigned or sublet without the prior consent in writing of the Board of Managers. Except as set forth herein, the form of such lease shall be the then current form of apartment lease approved by the Board of Managers. In the event the Unit Owner shall not sell or lease the Unit within such sixty (60) day period, then he shall be again required to comply with all of the terms and provisions of this section before offering the Unit for sale or lease.

In order to purchase or lease any Unit offered for sale or lease in accordance with this section, the affirmative vote of at least 80% of all the Unit Owners cast at a special meeting called by the Board of Managers shall be necessary.

No Unit Owner shall in any event convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid Common Charges can be paid out of the proceeds from sale of a Unit or by the purchaser. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charge thereafter accruing against such Unit.

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

In the event that the Board shall elect to purchase or lease any such Unit, the Board may thereupon assess all other Unit Owners for the cost of such purchase or lease. Such assessment shall be a Common Charge apportioned among the other Unit Owners, pro-rata, according to the respective Common Interest appurtenant to the Units owned by such Unit Owners and shall be payable by them within thirty (30) days of the notice of such assessment.

In the event the Board shall not elect to purchase or lease any such Unit in accordance with the provisions of this section, then, on the request of the Unit Owner offering such Unit for sale or lease, the Board shall issue a written statement attesting to the fact that such offer was made and declined by the Board and including therein the terms and conditions of such offer.

The provisions of this section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee. The provisions of this section shall not apply to a Unit owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser thereof.

Whenever the term "Unit" is referred to in this section it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in the Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 3. Mortgaging of Units. No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York or other similar institutional lender or a purchase money mortgage loan granted by the Seller.

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

ARTICLE XIV. CONDEMNATION

In the event all of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$100,000 and to the Board of Managers if the award is \$100,000 or less, to be distributed, in accordance with Section 3 of Article VII hereof, to the Unit Owners pro rata according to their respective Common Interests appurtenant to the Units owned by such Unit Owners.

ARTICLE XV. MISCELLANEOUS.

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3 Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers in the event there is no managing agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units".

Section 4. Notice of Unpaid Assessment. The Board of Managers shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records. Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Section 7. Sponsor Control. Notwithstanding any other provisions of these By-Laws, the By-Laws may not be amended to eliminate any rights expressly granted to the Sponsor without the Sponsor's express written consent. For a maximum of five (5) years from the date of the recording of the Declaration, so long as the Sponsor continues to hold 25% or more in number of the Units, the Sponsor's prior written consent shall be required, if the resulting cumulative financial cost to the Condominium for the year, inclusive of any resulting deficiency or liability, would exceed 20% of the Condominium's prior year operating budget, to take any action to (a) make capital additions or improvements; (b) increase or decrease the level of services (without regard to the cost of said services) over those provided for in the prior year's operating budget; (c) establish additional reserve funds; or (d) borrow money.

Section 8. Compliance with Article 9-B. 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 the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

MANHATTAN TOWNHOUSE EQUITIES LLC
37 West 65th Street
New York, New York 10023

February 9, 2004

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: Manhattan Townhouse Equities LLC
Brownstone Lane Condominium
309 West 118th Street
New York, New York

Dear Sir or Madam:

The undersigned certify as follows:

We are the Sponsor and the principals of the Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to form 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, suppressions, 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; and

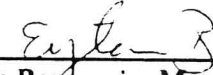
- (vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representations or statements made.

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.

~~Manhattan Townhouse Equities LLC,~~
By: ~~16 Equities Manager LLC~~

By: 
Robert Ezrapour, Manager

By: 
Ken Haron, Manager

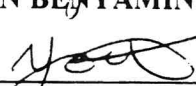
By: 
Eytan Benjamin, Manager

PRINCIPALS OF SPONSOR:

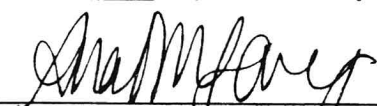

ROBERT EZRAPOUR


KEN HARON


EYTAN BENYAMIN


YOAV HARON

Sworn to and subscribed before
me this 23 day of February, 2004


Notary Public

ANAT M. LEVEY
Notary Public, State of New York
01LE5069598
Qualified in New York County
Commission Expires 3-19-2007

July 27th, 2004

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Real Estate Financing Bureau

**Re: Manhattan Townhouse Equities ("Sponsor")
Brownstone Lane Condominium
309 West 118th Street
New York, New York**

Dear Sir or Madam:

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained my firm to prepare a report describing the construction of the property (the "**Report**"). A copy of the Report is intended to be incorporated in the offering plan so that prospective purchasers may rely on the Report. I visually inspected the sites where the building will be built on December 18th, 2003. Additionally, I examined the building plans and specifications that were prepared by my office dated April 28th, 2003 and prepared the Report dated April 15th, 2004.

I am a registered architect in the State in which the property is located.

I understand that we are responsible for compliance with the provisions of Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they may be applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis of this certification. This certification is made for the benefit of all persons to whom this offer is made.

I hereby 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, provided that construction is completed in accordance with the plans and specifications that I have examined;
- (ii) in my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to form their

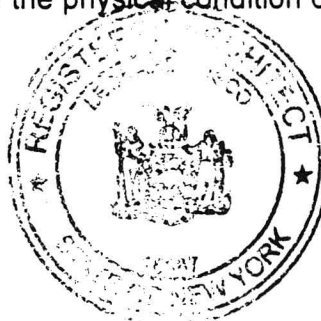
judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is completed in accordance with the plans and specifications that I have examined;

- (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, suppressions;
- (vi) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances, and;
- (vii) Does not contain any promise or 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 statements made.

I further certify that neither my firm nor I are owned or controlled by and have no beneficial interest in the Sponsor and that my firm's compensation for preparing the 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 guaranty or warranty of the physical condition of the property.

GF55 ARCHITECTS, LLP

BY: Leonard Fusco



Sworn to and subscribed before me this 27 day of July, 2004



Notary Public

CLARE E. SMITH
Notary Public, State of New York
No. 018M6095643
Qualified in New York County
Commission Expires July 14, 2009



GRAMATAN MANAGEMENT, INC.

January 26, 2004

Re: Manhattan Townhouse Equities LLC
Brownstone Lanet Condominium
309 West 118th Street
New York, New York

To Whom It May Concern:

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B which includes projections of income and expenses for the first year of condominium operation. Our company, a real estate broker licensed by the State of New York, has been managing residential properties, some with grade level commercial space, in the New York area since 1984. Currently we manage approximately 70 buildings which contain in excess of six thousand dwelling units. Our portfolio includes rental properties, cooperative apartment houses, condominium projects and buildings owned by housing development fund corporations.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

We have reviewed Schedule B and investigated the facts underlying it with due diligence in order to form a basis for this certification. We have also relied upon our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that Schedule B:

- (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; and

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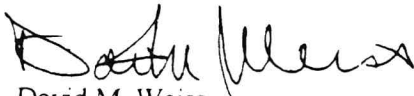
2 Hamilton Ave. • Suite 217 • New Rochelle • N. Y. 10801
Tel: 914.654.1414 • Fax: 914.654.1444 • E-mail: gramatanmanagement.com

- (vii) does not contain any representation or statement which is false, where we:
- (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made

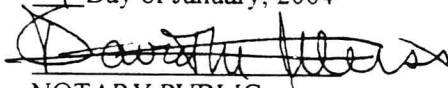
We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

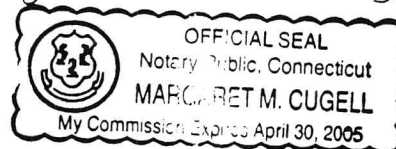
Sincerely,


David M. Weiss

Sworn To Before Me This
29 Day of January, 2004


NOTARY PUBLIC

Margaret M. Cugell



APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: Brownstone Lane Condominium
309 West 118th Street
New York, New York

File Number: _____

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

1. Name of Applicant: _____

2. Address of Applicant: _____

3. Name, Address and Telephone Number
of Applicant's Attorney (if any): _____

4. This is an application for:

☐ return of downpayment.

☐ forfeiture of downpayment.

☐ other: _____

5. The project is: ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).

6. The project is structured as:

- ☐ 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 downpayments are maintained in an escrow account:

(a) Name of account: _____

(b) Name and address
of bank: _____

(c) Account number (if known): _____

(d) Initial interest rate (if known): _____

10. If downpayments have been secured by bonds:

(a) Name and address of
bond issuer or surety: _____

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

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

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

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan:

☐ has been declared effective. Approximate date: _____

☐ has not been declared effective.

(c) If effective, the plan:

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

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by:

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)
- (b) Date on which subscription or purchase agreement was signed: _____
- (c) Date(s) of downpayment(s): _____
- (d) Total amount of downpayment(s): _____
- (e) Names and addresses of subscribers or purchasers affected by this application:

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

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

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

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

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

TODTMAN, NACHAMIE, SPIZZ & JOHNS, P. C.

425 PARK AVENUE
NEW YORK, NEW YORK 10022

MARTIN TODTMAN
BARTON NACHAMIE
ALEX SPIZZ
PETER A. JOHNS*
ROBERT D. TOLZ
BETH S. BARASH NEUHAUS
ARTHUR GOLDSTEIN
PERRY L. COHEN
MATHEW E. HOFFMAN
SCOTT S. MARKOWITZ
STEPHEN M. ROSENBERG
RICHARD B. FELDMAN
IVAN SERCHUK
ROBERT A. RUBENFELD
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E-MAIL info@tnsj-law.com

3, RUE DU FAUBOURG SAINT-HONORE
75008 PARIS, FRANCE
VIA CESARE CANTU' N. 1
20123, MILANO, ITALY
245 MAIN STREET
WHITE PLAINS, NEW YORK 10601

February 6, 2004

COUNSEL
MICHAEL H. SMITH

OF COUNSEL
HARVEY I. SLADKUS
BARBARA BALABER-STAUB
CARLO MACCALLINI**

* ADMITTED IN PARIS ONLY
** ADMITTED IN ITALY ONLY

Manhattan Townhouse Equities LLC
37 West 65th Street
New York, New York 10023

Re: **Offering Plan for the Sale of Condominium Units
in the Brownstone Lane Condominium
309 West 118th Street
New York, New York**

Ladies and Gentlemen:

We are serving as special counsel to you, the Sponsor for the proposed condominium to be known as the Brownstone Lane Condominium in New York, New York. You have requested our opinion concerning (i) the deductibility for Federal and New York State income tax purposes of mortgage interest and real estate taxes paid by a person ("Residential Unit Owner") who, under the above-referenced Offering Plan (the "Plan"), purchases a residential unit ("Residential Unit") in said Condominium and (ii) the tax consequences to the Condominium of the collection of assessments from Unit Owners.

We have reviewed the Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed Article 9-B of the Real Property Law of the State of New York, as amended, pursuant to which the Condominium will be formed, the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations or rules issued thereunder and any judicial interpretations thereof and the New York State Tax Law.

Deductibility Of Interest And Taxes

Based upon our review of the foregoing and assuming the Condominium is validly created pursuant to said Article 9-B and consummated in accordance with the Plan, we are of



MEMBER OF LAWYERS ASSOCIATED WORLDWIDE WITH LAW FIRMS IN OVER 64 JURISDICTIONS

Manhattan Townhouse Equities LLC
February 6, 2004
Page 2 of 4

the opinion that under present law each individual Residential Unit Owner of the Condominium who uses the Residential Unit as his or her principal residence or specifically selected secondary residence (each a "qualified residence") and itemizes deductions on his or her income tax return may deduct for both Federal and New York State income tax purposes all real estate taxes assessed against the Residential Unit and paid by him or her in the year in which such taxes are paid and may likewise deduct "qualified residence interest" paid by him or her on mortgage indebtedness covering the Residential Unit in the year in which such interest is paid, subject to certain limitations. "Qualified residence interest" is interest on indebtedness incurred in acquiring, constructing or substantially improving a qualified residence ("Acquisition Indebtedness") and interest on any indebtedness, other than Acquisition Indebtedness, secured by a qualified residence ("Equity Indebtedness") to the extent the aggregate amount of such Equity Indebtedness does not exceed the fair market value of such qualified residence less any Acquisition Indebtedness with respect to such qualified residence. However, the aggregate amount treated as Acquisition Indebtedness (on both a principal residence and a specifically selected secondary residence) shall not exceed \$1 million (\$500,000 in the case of a married individual filing a separate return) and the aggregate amount treated as Equity Indebtedness for any period (on both a principal residence and a specifically selected secondary residence) shall not exceed \$100,000 (\$50,000 in the case of a separate return by a married individual). In addition, there are special rules concerning certain indebtedness incurred before October 14, 1987 and refinancings thereof.

Generally, a person who purchases a Residential Unit for use in a trade or business will be entitled, under present tax laws and regulations, to deduct from gross income for Federal Income Tax Purposes (i) real estate taxes assessed against such Owner's Residential Unit and (ii) interest on indebtedness incurred or continued in connection with the conduct of such trade or business, subject, however, to the limitations of Section 469 of the Code relating to "passive activity" losses and Section 465 of the Code relating to the "at-risk" rules. The foregoing expenses will be deductible when paid or accrued by the Residential Unit Owner in accordance with such owner's method of accounting.

However, for purposes of the Federal alternative minimum tax, under present tax laws and regulations, such Residential Unit Owner (i) will not be entitled to deduct real estate taxes paid or accrued with respect to such Owner's Residential Unit and (ii) will be allowed to deduct interest on (a) any indebtedness which is incurred in acquiring, constructing or substantially rehabilitating such Owner's Residential Unit provided the Residential Unit is used as his or her primary residence or specifically selected secondary residence (such indebtedness is referred to as "Qualified Housing Indebtedness") and (b) a refinancing of Qualified Housing Indebtedness to the extent such refinancing does not exceed the amount of the refinanced Qualified Housing Indebtedness immediately before the refinancing.

Manhattan Townhouse Equities LLC
February 6, 2004
Page 3 of 4

New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions". See Sections 601-A and 622 of the Tax Law of the State of New York.

Tax Consequences To The Condominium

Section 528 of the Code which concerns the taxability of condominiums, provides that a condominium management association ("Association") may elect to be exempt from Federal income tax on assessments collected from Unit Owners if it meets certain requirements set forth in said section of the Code. Those requirements are:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property;
2. 60% or more of the Association's gross income must consist of dues, fees or assessments from Residential Unit Owners ("exempt function income");
3. 90% of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;
4. No part of the net earnings can inure to the benefit of private individuals; and
5. Substantially all Units must be used as residences. Treasury regulations provide that this requirement is met if at least 85% of the square footage of the building of the building is devoted to residential use.

In order for an Association meeting the above requirements to obtain the tax treatment provided by Section 528 of the Code, it must elect to have said section apply for the taxable year of the Association. The election may be made by filing Form I 120-H, U.S. Income Tax Return for Homeowners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A condominium meeting the requirements of Section 528 of the Code and electing to be exempt from Federal income tax on exempt function income would be taxable on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income.

It is our opinion that the Board of Managers of the Brownstone Lane Condominium will meet the above requirements since more than 85% of the square footage of the building will be devoted to residential use. Therefore, the Board of Managers of the Brownstone Lane Condominium will be eligible to elect under Section 528 and the receipts from the Residential Unit Owners which qualify as dues and assessments will be "exempt function income" for the taxable year for such Association.

Manhattan Townhouse Equities LLC

February 6, 2004

Page 4 of 4

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Residential Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. The undersigned will in no event be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Internal Revenue Code of 1986, as amended, or the New York State Law, or any amendment of either thereof, by reason of changes in fact or statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. Nor does this opinion address the tax consequences which result from ownership of a Residential Unit in connection with a Residential Unit Owner's trade or business for the production of income (including the possible application of the passive loss rules and the at-risk rules) other than those explicitly expressed herein. We strongly advise each person contemplating the purchase of a Residential Unit to consult his or her own tax advisor as to all tax matters (including tax matters discussed in this opinion). Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of ownership of Units offered under the Plan) except as herein expressly set forth.

We hereby consent to the inclusion of this opinion letter in the Offering Plan.

Very truly yours,



TODTMAN, NACHAMIE, SPIZZ & JOHNS, P.C.

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reason-

able cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

(Added L.1988, c. 709, § 1.)