CONDOMINIUM OFFERING PLAN



260 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

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110 Residential Units (including 1 Resident Manager's Unit):.....$167,265,000
3 Commercial Units: $22,800,000
Total amount of offering:.....$190,065,000

The Condominium will include 110 Residential Units and 3 Commercial Units, all of which are being offered for sale.

SPONSOR

260 PARK AVENUE SOUTH LLC
150 Nassau Street, Suite 20C
New York, New York 10038

SELLING AGENT

DOUGLAS ELLIMAN LLC
575 Madison Avenue
New York, New York 10022

Filing Date of this Offering Plan: July 20, 2004

This Offering Plan may not be used after July 19, 2005, unless this Offering Plan is extended by amendment.

This Offering Plan contains Special Risks to Purchasers. See Page 1.

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS OFFERING PLAN. (SEE THE SPECIAL RISKS SECTION OF THIS OFFERING PLAN).

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS OFFERING PLAN AND TO FILE THIS OFFERING 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 OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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PART I

CONDOMINIUM OFFERING PLAN

260 PARK AVENUE SOUTH CONDOMINIUM
260 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

SPECIAL RISKS

1. 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 OF THE STATE OF NEW YORK STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

2. At the time a Purchase Agreement is executed, a Purchaser is required to make an initial Deposit in an amount equal to 10% of the purchase price, and an additional Deposit equal to 10% of the purchase price upon the Plan being declared effective. A Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective is required to make the full Deposit in an amount equal to 20% of the purchase price. In the event a Purchaser fails to pay the additional Deposit and/or defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit, (initial and additional) together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

3. If a Purchaser makes a Deposit in excess of $100,000 for the purchase of a Residential Unit, the amount in excess of $100,000 will not be federally insured. Additionally, until such time as Purchaser delivers either an executed W-8 or W-9 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Master Escrow Account. While the Deposit remains in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $100,000. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements Security" for further details.)

4. If Sponsor makes an application to the Department of Law to withdraw the Deposits from escrow, and secure such Deposits with a Letter of Credit or Surety Bond and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on the Deposits. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for further details.)

5. **Time is of the Essence** as to Purchaser's obligations under the Purchase Agreement, including without limitation, for the payment of all Deposits and the Balance of the Purchase Price. If a Purchaser fails for any reason to close title to the Unit on the originally scheduled date of Closing ("Scheduled Closing Date") and Sponsor elects not to cancel the Purchase Agreement as a result of such default: (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, and not as of midnight of the day preceding the actual date of closing ("Actual Closing Date") and (b) Purchaser will be required to pay to Sponsor an amount equal to .05% of the purchase price of the Unit per day commencing with the Scheduled Closing Date through the Actual Closing Date. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

6. The signing of the Purchase Agreement signifies the Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan). Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Units or the Facilities, except as may otherwise be set forth in the Plan. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details).

7. A Purchaser may obtain financing from any lending institution or other source, but Purchaser's obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent on Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Purchase Agreement whether or not Purchaser has been able to obtain financing. Neither Sponsor nor Selling Agent makes any representations as to the terms or availability of any mortgage financing. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit from a lender and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to, forfeiture of Purchaser's down payment. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, no matter the cause, and Sponsor shall not be responsible for paying any of such costs, fees or expenses. Prospective Purchasers should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

8. As is customary in luxury condominium offerings, at the closing of title to their Units, Purchasers will be required to pay all New York City Real Property Transfer Taxes, New York State Real Estate Transfer Taxes and New York State Additional Real Estate Transfer Taxes imposed on their purchase. (See the Section of the Plan entitled "Closing Costs and Adjustments" for further details.)

9. (a) Sponsor will have voting control over the Condominium Board until the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% both in number and aggregate Common Interests of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy ("Initial Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

(b) After the Initial Control Period, Sponsor shall have the right to designate 1 Residential member to the Condominium Board for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(c) During the Initial Control Period, Sponsor will have control of 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.

See the Section of the Plan entitled "Control By Sponsor" for further details.

10. (a) So long as Sponsor continues to own at least 25% both in number and in aggregate Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency or surplus fund; (c) increase or decrease the number, or change the kind of employees from those described in Schedule B; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those described in Schedule B, except as required to reflect normal annual increases in operating services incurred in the ordinary course of business; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. (See the Section of the Plan entitled "Control By Sponsor" for further details.)

(b) Notwithstanding the provisions of subparagraph (a) above, Sponsor may not exercise veto power over expenses described in Schedule B – Estimated Budget for Projected First Year of Condominium Operation, or over expenses required to (i) comply with applicable Law; or (ii) remedy any notice of violation; or (iii) remedy any work order by the Condominium's insurer. (See the Section of the Plan entitled "Control by Sponsor" for further details.)

11. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (.i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any such Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years' Common Charges in effect for the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

12. At or after the First Closing, Sponsor will sell a Residential Unit ("Resident Manager's Unit") to the Condominium, which will own such Residential Unit on behalf of all Residential Unit Owners and will use the same for the residence of the Resident Manager. The purchase price for the Resident Manager's Unit, which is currently anticipated (but not guaranteed) to be Residential Unit 3F will be $860,000. The Sponsor has reserved the right, in Sponsor's sole discretion, to choose a Unit other than Unit 3F to be the Resident Manager's Unit, in which event the purchase price may be higher or lower than the aforesaid price, but in no event more than 20% higher than the purchase price of Unit 3F (i.e., $1,032,000). The Condominium Board on behalf of all Residential Unit Owners, will be responsible for the payment of all mortgage recording taxes, transfer taxes and title insurance premiums and fees due in connection with the purchase of the Resident Manager's Unit. All Common Charges attributable to the Resident Manager's Unit, including, but not limited to, debt service, utilities, real estate taxes, cost of repairs, alterations and improvements and costs of financing the purchase of the Resident Manager's Unit shall be borne by all Residential Unit Owners as a Residential Common Expense. (See the Sections of the Plan entitled "Description of Property and Improvements" and "Schedule B – Estimated Budget for Projected First Year of Condominium Operation" for further details.)

13. No bond or other security has been posted by Sponsor to secure its obligations under the Plan. The ability of Sponsor to perform its obligations under the Plan will partly depend upon its financial condition at the time it is called upon to perform. No representation can be 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 Sponsor" for further details.)

14. Prospective Purchasers are advised that until such time as Sponsor has conveyed title to 25% of the Residential Units, some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of the amenity areas) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is completing renovation of the Building. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing of a Residential Unit through, including and beyond the closing of title to any particular Purchaser's Residential Unit, work should be expected to be undertaken and performed by or

on behalf of Sponsor to complete renovation of the Building and make adjustments to Building systems, including without limitation, the decoration or finishing of the lobby, corridors, elevator finishes, amenity areas such as common terrace, fitness room and courtyards and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create noise, fumes, odors, dust, debris and temporary interruption of services in the Building during the period such work is being performed. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for further details.)

15. No amendment, modification, addition or deletion of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its written consent thereto, or (b) to modify the permitted uses of the Commercial Units or to adversely affect the Commercial Unit Owners unless the Commercial Unit Owners have given their prior written consent thereto. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for further details.)

16. Sponsor intends to apply for partial abatement from real estate taxes attributable to the Residential Units pursuant to Section 11-243 of the New York City Administrative Code (previously Section J-51) (the "J-51 Abatement"). Nevertheless, there can be no assurance that a J-51 Abatement will be granted. If for any reason the J-51 Abatement is not granted, there will be no abatement from real estate taxes payable with respect to the Residential Units. The J-51 Abatement, if granted, is expected to be for a limited period of 6 years following completion of construction. Neither Sponsor, Sponsor's counsel, Sponsor's J-51 Tax Abatement Counsel, Selling Agent, the Managing Agent or any other Person makes any representation or guaranty that the partial abatement from real estate taxes under the J-51 Abatement will be granted or as to the amount of real estate taxes payable at any time by any Residential Unit Owner. (See the Sections of the Plan entitled "Anticipated Tax Abatement Benefits", and "Attorney's J-51 Real Estate Tax Abatement Benefits Opinion" set forth in Part II of the Plan, for further details.)

Some of the Residential Units will be located fully or partially in that portion of the Building which will be newly constructed. The Department of Finance of the City of New York has a policy whereby J-51 Abatement Benefits apportioned to a condominium unit containing new cubic content will be reduced for that unit in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite the above policy, the Sponsor has been advised that it has been the practice and policy of the Department of Finance to continue to allocate J-51 Abatement Benefits on a building-wide basis (among all of the Residential Units) if certain conditions are met, including the execution of a consent in recordable form by each Unit Purchaser in which such Purchaser agrees to such allocation of benefits. At the Closing of each Residential Unit, the Purchaser shall be obligated to execute a consent form, substantially in the form set forth as an Exhibit in Part II of the Plan, authorizing the allocation of J-51 Abatement Benefits among all Residential Units. As the result of such allocation, Purchasers of Residential Units in the newly constructed portion of the Building should be entitled to J-51 Abatement Benefits which they otherwise would not have been entitled to, while J-51 Abatement Benefits available to Purchasers of Residential Units which are not located in the newly constructed portion of the Building should be slightly less than would have been available absent such allocation. Notwithstanding the aforesaid, Sponsor makes no representation or warranty that the Department of Finance will continue to adhere to the policy and practice described above. If it does not, the J-51 Abatement Benefits, if received, may not be allocated among all of the Residential Units.

17. Although the estimate of NYC Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made by the

City of New York, may be lessor or greater. Accordingly, these estimates of assessed valuation are to be considered opinions and are not intended, and should not be construed as warranties as to future assessed valuations. (See the "Footnotes to Schedule A.")

18. No representation is made with respect to the continued ownership by Sponsor of all or any of the Commercial Units or as to who the tenants of any Commercial Units may be at any time or as to the uses to which any Commercial Unit may be put at any time except that the Commercial Unit may be used for any lawful purpose including, without limitation, retail stores, banks, restaurants, theaters, bars and commercial and professional office space. No assurance, representation, or warranty is given that any tenants, occupants, or use of the Commercial Units will not be objectionable to Residential Unit Owners or other parties. The use of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owner will have no control. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Commercial Units" for further details.)

19. The Commercial Units may be subdivided and/or subsequently re-combined into one or more separate Condominium Units by Sponsor or any subsequent Commercial Unit Owner into two or more separate Condominium Units without prior notice and without amendment to the Plan. Any additional Condominium units created as a result of a subdivision of one or more Commercial Units may be offered for sale at any time by a duly filed amendment to the Plan. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Commercial Units" for further details.)

20. All Unit Owners shall severally, to the extent of their respective Common Interests in their Units, indemnify each member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board for further details.)

21. At the First Closing, certain apportionments will be made between the Sponsor and the Condominium. If the result of the closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid as follows: each Purchaser of a Residential Unit will be required to pay to Sponsor at Closing Purchaser's pro-rata share of the promissory note in accordance with such Unit's Residential Common Interest. If at the time all Residential Units have been sold, there remains a balance on the promissory note, such balance shall be paid by the Condominium on behalf of all Residential Unit Owners, as a Residential Common Expense, within 30 days of demand by Sponsor. There is no guarantee or assurance that the taxing authorities will not require each Purchaser's allocable payment be included in the total consideration deemed to have been paid by Purchaser at Closing, in which case additional transfer taxes may be payable by Purchaser. (See the Section of the Plan entitled "Closing Costs and Adjustments" for further details.)

22. In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

23. The contingency provided for in Schedule B is intended to provide a fund for unanticipated expenses not included in the budget, for possible increases in operating expenses above the amounts projected and for the payment of closing costs for the Resident Manager's Unit if the Working Capital Fund is not sufficient to cover such costs. The contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to

increase Common Charges or impose Special Assessments. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)

24. (a) Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Residential Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately close title to their Residential Units.

(b) 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 Residential Units in a building be sold or owner occupied 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 Residential Units purchased and owner occupied is lower than a lender's particular sales minimum.

(c) Even once a building has been submitted to a condominium regime, lenders may still impose minimum sales and occupancy 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.

(d) See the Section of the Plan entitled "Effective Date" for further details.

25. All funds received by Sponsor for upgrades or extras will be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor provided that Sponsor uses the funds or is reimbursed from such funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any funds used for upgrades or extras. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for further details.)

26. Sponsor and the Commercial Unit Owners shall each have an easement for ingress and egress through all Common Elements to erect, use, lease, maintain, repair, replace and operate (i) antennae, satellite dishes and other communications equipment and (ii) pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust or ventilation, as required or permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. Sponsor and the Commercial Unit Owners shall each be entitled to utilize such easement for their own account or the account of any tenants or licensees of Sponsor and/or the Commercial Unit Owners. In addition, Sponsor and the Commercial Unit Owners shall each have an easement to erect, maintain, replace and/or repair any sign or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board" for further details.)

27. (a) Sponsor will endeavor in good faith to sell, in a reasonably timely manner, Residential Units rather than rent Residential Units, However, if there is a decline in market values, which prevents Sponsor from obtaining purchase prices which are not more than 10% below those set forth in Schedule A to the Plan at the time in question, Sponsor reserves the right to rent, rather than sell, Residential Units, until such time as there is an upturn in the market and Sponsor is able to obtain such purchase prices. Sponsor will in good faith continue to engage in sales activities.

(b) Sponsor intends to offer Unsold Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Residential Units and accordingly, such Residential Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Residential Units may be occupied by renters instead of Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of Purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment.

28. Lot line windows exist on the western property line of the Building with respect to Units 5F through 12F and Units 5G through 12G and on the eastern property line of the Building with respect to Units 2K through 12K. Purchasers should refer to the Floor Plans set forth in Part II of the Plan for the locations of the lot line windows. In accordance with Law, sprinklers are provided at required locations. Lot line windows are windows located on an exterior wall abutting (or less than 30' 0" away from) a property line, where the adjacent property is owned by others. Lot line windows are considered amenities that potentially can be lost. Although Laws governing lot line windows may change in the future, Sponsor's architect has advised Sponsor that the lot line windows in the Condominium will have to be sealed off in the event of construction on adjacent property. If a lot line window located in a bedroom of an F, G or K line Unit is sealed off, such closure will not affect the legal use of that room as a bedroom, since the light and air calculations for those Units do not include the lot line windows. In addition, the Department of Buildings has ruled that certain windows in the "I" line Units are not lot line windows (and thus do not require special protection) notwithstanding the location of such windows less than 30 feet from the property line. Neither Sponsor, Sponsor's architect, the Condominium Board or any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required. The cost to close-up any lot line windows, if necessary, shall be borne by the affected Residential Unit Owner (including Sponsor with respect to Unsold Residential Units). (See the Description of Property and Building Condition set forth in Part II of the Plan for further details).

29. During the Initial Control Period, the Condominium Board shall have the right, in its sole discretion, to waive the Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (exclusive of reserves) are paid from the Working Capital Fund and any balance remaining by Sponsor.

30. Although Sponsor is obligated to complete the Units and the Common Elements, as described in this Plan, and to obtain a new permanent Certificate of Occupancy, each Purchaser shall be obligated to close on the purchase notwithstanding that on the Closing Date Sponsor has not obtained a new permanent certificate of occupancy for the Building or completed construction of (a) details of the Unit or the Property, (b) other Units, or (c) the Common Elements which do not prevent Purchaser's legal occupancy of the Unit and a lawful means of access to the Unit, provided that Sponsor has obtained a temporary certificate of occupancy permitting legal occupancy of the Unit, and all services required by law are being reasonably supplied or furnished to the Unit. (See the Section of the Plan entitled "Rights and Obligations of Sponsor.")

31. Sponsor reserves the right, in its sole and absolute discretion, to make changes to the Plans and Specifications, provided that any substitution of materials, equipment or appliances shall be of substantially equal or better quality than the item for which it is substituted. Sponsor also reserves the right to make changes in layouts of Units due to structural, architectural or mechanical considerations

provided there is not a material adverse change to the overall Unit dimensions. (See the Section of the Plan entitled "Changes in Prices and Units.")

32. Without the Sponsor's specific prior written consent, which may be withheld for any reason or no reason, and which, if granted, may be conditioned upon (i) delivery of monies to be held in escrow until a permanent Certificate of Occupancy for the Building is obtained and/or (ii) payment by Purchaser of the fees of an architect and/or mechanical engineer selected by Sponsor to review and approve such alteration, a Purchaser of a Residential Unit may not commence any alteration, addition, or improvement which would require a construction, alteration or building permit issued by the NYC Department of Buildings or the Landmarks Preservation Commission, including, but not limited to, the interior "build-out" of a Unit or the combination of two or more Units, until the new permanent Certificate of Occupancy for the Building has been obtained, nor may any work be undertaken by a Purchaser of a Residential Unit (as Unit Owner) which will alter the layouts, electrical, structural, mechanical or plumbing systems of a Unit from the original configuration as installed by the Sponsor. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary Certificate of Occupancy. Any Purchaser (as Unit Owner) who cases a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for all such fines, as well as for direct consequential damages. (See the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers.")

33. A portion of the Condominium (i.e., the building originally known by the street addresses 49 East 20th Street and 48 East 21st Street) is located within the Ladies Mile Historic District established by the New York City Landmarks Preservation Commission ("LPC"). As a result of such designation, no alterations may be made to the 20th and 21st Street façades of the Building, including certain windows, without the consent of the LPC. (See the Section of the Plan entitled "Location and Area Information" for further details.)

34. The Condominium shall have an easement of access through the Commercial Units and through the Unit and Terrace of the lower level of Unit PH 1B/2B for inspection, repair and maintenance of the elevator machine rooms. The Owners of such Units shall be required to provide such access upon reasonable prior notice (except in an emergency situation, when no prior notice shall be required). (See the section of the Plan entitled "Rights & Obligations of Unit Owners" subsection "Rights of Access").

35. Unit PH 1B/2B includes a Terrace appurtenant thereto, on which the Sponsor will install structural steel framing and a plywood liner for a future swimming pool 4 feet wide, 4 feet deep and 40 feet long ("Pool") to be designed by the Unit Owner of said Unit. The Unit Owner will be solely responsible, at such Owner's sole cost and expense, for all filings to construct the final layout and mechanical systems and for all materials and installation required for the Pool including but not limited to, electrical, mechanical and plumbing, lines, pipes and wires, pool liner, heater, tiling and finishes. Sponsor will provide connections for water, gas and electricity and will install a separate gas riser and meter which will terminate in the mechanical room on the Terrace adjacent to the pool.

INTRODUCTION

Nature of the Transaction

260 Park Avenue South, LLC ("Sponsor"), presents this offering plan, as the same may be amended from time to time, for the establishment of condominium ownership of the Land together with the buildings erected thereon currently known as and having street addresses of 260 Park Avenue South, 49 East 20th Street and 48 East 21st Street, New York, New York (collectively, the "Building") pursuant to the Condominium Act. The Sponsor is substantially renovating the buildings and combining them into one building constituting the Condominium.

The Condominium will be known by the street address of 260 Park Avenue South and by the name "260 Park Avenue South Condominium." It is referred to herein as the "Condominium." Sponsor acquired fee title to the Property on July 30, 2002.

The Condominium will consist of the following: (a) 110 Residential Units (including 1 Resident Manager's Unit) and (b) Three (3) Commercial Units (subject to Sponsor's right to subdivide and/or combine the Units in the future). (The Residential Units and the Commercial Units are sometimes collectively referred to as the "Units").

The Condominium Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan contains all of the detailed terms of the transaction.

Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law ("Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed description of the Property, legal opinions as to certain tax matters discussed in the Plan, certifications of Sponsor and certain experts. Copies of the Plan, including all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection by prospective Purchasers and their attorneys without charge, and for copying at a reasonable charge at the Sales Office. All of these documents are important and should be carefully read by prospective Purchasers. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. A prospective Purchaser may obtain the Plan upon payment of a $150 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor.

All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Definitions", unless otherwise defined.

The Property

Based upon the current construction schedule, Sponsor contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain materials, governmental restrictions, or other events beyond its reasonable control, construction and renovation of the Building will be sufficiently completed to permit Closings of Residential Units to begin on

or about January 1, 2006. Purchasers should note, however, that the Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement, if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Unit is delayed or postponed by Sponsor. In the event the actual or anticipated commencement date of the first year of Condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections and if (i) Unit Owner's monthly Common Charges in the amended budget exceed those in the latest projected budget set forth in the Plan by 25% or more, or (ii) the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the first year of Condominium operation, as such date may be extended by the Sponsor by amendment to the Plan, then in either case, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within not less than 15 days after the Presentation Date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

A detailed description of the Property is contained in the Section of the Plan entitled "Description of Property and Improvements" and in the Description of Property and Building Condition set forth in Part II of the Plan.

Offering of Residential and Commercial Units for Sale

Sponsor hereby offers the Residential and Commercial Units for sale under the Plan. The prices for each of the Units are listed in the Section of the Plan entitled "Schedule A - Purchase Prices of Units and Related Information" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor will endeavor in good faith to sell, in a reasonably timely manner, Residential Units rather than rent Residential Units, However, if there is a decline in market values, which prevents Sponsor from obtaining purchase prices which are not more than 10% below those set forth on Schedule A of the Plan at the time in question, Sponsor reserves the right to rent, rather than sell, Residential Units, until such time as there is an upturn in the market and Sponsor is able to obtain such purchase prices. Sponsor will in good faith continue to engage in sales activities.

Sponsor reserves the right to offer the Residential and Commercial Units in such order of priority as it may determine, and to withhold one or more Residential and Commercial Units for future sale or lease. In addition, Sponsor has the right to limit the number of Units sold to any Purchaser and to make bulk sales of Units.

A Residential Unit may be used only as a residence and subject to compliance with the Condominium Documents and Law.

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home in the case of a Residential Unit, and a commercial building in the case of the Commercial Units. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession and use thereof, in accordance with the terms of the Condominium Documents and any other requirements implemented by the Condominium Board. Each Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements. The Common Elements are comprised of: (i) portions of the Property serving

and benefiting all Units, generally, including, for example, the Land upon which the Building stands and foundations and supports of the Building, these Common Elements being more specifically designated as "General Common Elements", (ii) portions of the Building serving and benefiting the Residential Units exclusively, including for example, and without limitation, the residential hallways, corridors and elevators servicing the Residential Units and the common roof terrace, these Common Elements being more specifically designated as "Residential Common Elements" and (iii) portions of the Building serving and benefiting certain Residential Units exclusively, including for example, and without limitation, Terraces, these Common Elements being specifically designated as "Limited Residential Common Elements."

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

Operation of the Condominium will be vested in a Condominium Board, the members of which will be elected by the Residential Unit Owners, subject to the rights of Sponsor and the Commercial Unit Owners to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit, per Residential Member to be elected.

A Unit Owner may decorate the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost of maintenance and interior repairs to the Unit after Closing. Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Limited Residential Common Element appurtenant to the Residential Unit, as shown on the Floor Plans included in Part II of the Plan, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Residential Common Element (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of Sponsor's Counsel, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for further details.)

With certain exceptions, any sale or lease of a Residential Unit will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and the Commercial Unit Owners may sell or lease their respective Units without any restriction or limitation. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for further details.)

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

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Estimated Budget for Projected First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. Common Charges will be assessed against Unit Owners in accordance with the Schedule B allocations. Residential Common Charges will be assessed against Residential Unit Owners in the same proportion their respective Residential Units bears to the aggregate Common Interests of all Residential Units. The estimated Common Charges for each Unit for the projected first year of Condominium operation are set forth in Schedule A.

The Common Interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Real Property Law section 339-i (1) (iv).

The Residential Common Interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

Certain budgeted items (See the "Notes to Schedule B" for further details) are allocated between the Residential Units and the Commercial Units on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. In the opinion of Sponsor's budget expert, set forth in the Certification in Part II of the Plan, the allocated Common Charges payable by the Owners of Commercial Units are sufficient to cover the expenses fairly attributable to the Commercial Units. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The aggregate Residential Common Interests of all Residential Units equals 100%. The percentages of Common Interests are the basis for determining a Unit Owner's share of distribution upon termination of the Condominium with Unit Owners then sharing pro rata in the proceeds of the Condominium. Each Unit's Common Interest and Residential Common Interest, as applicable, and the estimate of the Common Charges that will be payable by each Unit Owner during the projected first year of Condominium operation of the Property subsequent to the First Closing are set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment, appliances and personal property situated within the Unit, as well as liability insurance with respect to occurrences in or about the Unit. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board" for further details.)

Each Purchaser of a Residential or Commercial Unit will be required to make a contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to 2 months' Common Charges assessed against the Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund" for further details.)

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes payable with respect to the Unit (both before and after such taxes are separately assessed and billed against the Unit by the City of New York) interest and amortization payments on any mortgage and charges for electricity consumed in the Unit.

There are no limitations on who may purchase Units, except as set forth herein. Under the New York Real Property Law, a Condominium Unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to Law. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute Purchase Agreements for one or more Units to any Person. Sponsor shall not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required deposit thereunder (see the Section of the Plan entitled "Procedure to Purchase" for further details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

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

DEFINITIONS

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

"Adverse Effect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Unit Owners, that such action or change could, if realized, (i) materially increase the Common Charges payable by such Unit Owner or Unit Owners, (ii) materially interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows of the Unit or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Building" shall mean, collectively, the buildings located at 260 Park Avenue South, 49 East 20th Street and 48 East 21st Street, New York, New York, in which the Units of the Condominium will be located.

"Buildings Department" shall mean the Department of Buildings of The City of New York or any successor agency.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time.

"Closing of Title" or "Closing" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed pursuant to a Purchase Agreement.

"Commercial Unit" shall mean any of the Commercial Units in the Building designated as the Commercial Units in the Declaration, together with such Unit's respective Common Interest. All such Commercial Units are, collectively, referred to as the "Commercial Units."

"Commercial Unit Owner" shall mean any Unit Owner of a Commercial Unit at the time in question. All such Commercial Unit Owners are, collectively, referred to as the "Commercial Unit Owners."

"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 or in Schedule B - Estimated Budget for Projected First Year of Condominium Operation) to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements and the Limited Residential Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the 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); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the

Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean 260 Park Avenue South Condominium which was established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

"Condominium Board" shall mean the board of managers of the Condominium, which will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations of the Condominium and the Floor Plans.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time.

"Deposit" shall mean all deposits, downpayments, advances or payments made by Purchasers prior to the closing of each individual transaction.

"Effective Date" shall mean the date upon which Sponsor has declared the Plan effective pursuant to the provisions of the General Business Law.

"Estimated Budget for Projected First Year of Condominium Operation" shall mean the Section of the Plan entitled "Schedule B - Estimated Budget for Projected First Year of Condominium Operation." The Estimated Budget for Projected First Year of Condominium Operation is also sometimes referred to herein as "Schedule B" or "First Year's Budget."

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

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

"Force Majeure" shall mean delays caused by weather, casualty, labor, difficulties, (including work stoppages and strikes), late delivery or inability to obtain materials, government restrictions or other events beyond Sponsor's reasonable control.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, 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 the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General

Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"Initial Control Period" shall mean the period ending on the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% both in number and aggregate Common Interests of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Land" shall mean the land located in Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as (prior to the recording of the Declaration) Block 849, Lots 43 and 45 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Committee, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium which are applicable at the time in question.

"Limited Residential Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Managing Agent" shall mean the managing agent or manager named in the Plan or any successor managing agent at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy to be issued for the Building by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement or the form of proposed Unit deed.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

"Person" shall mean any natural person, partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by 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 and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the renovation and construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Presentation Date" shall mean the date on which the Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to prospective Purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"Property" shall mean the Land, the Building (and any structures attached thereto), the Units, all the 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.

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

"Purchaser" shall mean a purchaser of a Unit pursuant to a Purchase Agreement.

"Register's Office" shall mean the Office of the Register of the City of New York of the County in which the Property is located.

"Resident Manager's Unit" shall mean the Residential Unit designated as the Resident Manager's Unit in the Declaration, together with its Common Interest and Residential Common Interest.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Limited Residential Common Elements; or (ii) the establishment and/or maintenance of a operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Limited Residential Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Unit" shall mean any of the Residential Units designated as a Residential Unit in the Declaration, together with its respective Common Interest and Residential Common Interest. All such Residential Units are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws.

"Sales Office" shall mean the sales office for the Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices of Units and Related Information."

"Schedule B" shall mean the Section of the Plan entitled "Schedule B - Estimated Budget for Projected First Year of Condominium Operation." Schedule B is also sometimes referred to herein as the "First Year's Budget."

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Selling Agent" shall mean the Selling Agent named in the Plan or any successor Selling Agent at the time in question.

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

"Sponsor" shall mean 260 Park Avenue South LLC and (if applicable) a Person designated by Sponsor.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Limited Residential Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the Sponsor's construction and renovation of the Building, but shall not include any mechanical, electrical, heating or plumbing equipment servicing or operating the swimming pool on the Terrace of Unit PH 1B/2B or the lining of said pool.

"Unit" shall mean any of the Units designated as a Unit in the Declaration, together with its respective Common Interest. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property as well as certain facilities and services to be provided at the Condominium. For a more detailed description of the Property, see the "Description of Property and Building Condition" contained in Part II of the Plan.

Location, Acreage and Zoning

The Condominium is located at 260 Park Avenue South in the borough of Manhattan, City of New York, with frontage on Park Avenue South, East 20th Street and East 21st Street. The Land covers approximately 18,386 square feet. There are two existing buildings which will be combined: (1) 260 Park Avenue South, an eight (8) story building located within a C6-4A (R10A equivalent) zoning district, which the Sponsor will substantially renovate and add five (5) additional stories; and (2) 49 East 20th Street and 48 East 21st Street, a twelve 12) story building zoned M1-5M, which the Sponsor will renovate and add a two-story penthouse. The latter building is located within the Ladies Mile Historic District and the penthouse addition has been approved by the New York City Landmarks Preservation Commission.

Improvements - General Description of Units

The Condominium, upon completion of construction, will consist of 110 Residential Units and three (3) Commercial Units contained in 14 stories above grade with 1 cellar and 1 subcellar.

Residential Units

The Residential Units vary in size from approximately 917 square feet to approximately 4,017 square feet and will be located on Floor 2 through Floor 14.

Resident Manager's Unit

Residential Unit 3F or another Residential Unit selected by Sponsor in its sole discretion without amendment to the Plan, shall be designated as the Resident Manager's Unit and will be occupied by the Resident Manager of the Condominium. At or subsequent to the First Closing, the Resident Manager's Unit will be purchased by the Condominium Board on behalf of all Residential Unit Owners for a purchase price of $860,000, payable by the Condominium Board on behalf of all Residential Unit Owners. Notwithstanding the above, in the event Sponsor selects a Unit other than Unit 3F to be the Resident Manager's Unit, the purchase price of the Unit may be higher or lower than the aforesaid price, but in no event more than 20% higher than the purchase price of Unit 3F (i.e., $1,032,000)

Sponsor presently anticipates that 70% of the purchase price will be financed by one or more mortgages to be held by an institutional lender and 30% of the Purchase Price will be financed by a mortgage to be held by Sponsor (the "Mortgage(s)"). For purposes of the First Year's Budget, it is estimated that the Mortgage(s) will have three (3) year terms and will require payments of interest only at a rate of 8% per annum, but the Sponsor does not guarantee such rate, which will be the then prevailing rate for similar condominium mortgages as of the Unit Closing Date. Upon the maturity date of the Mortgage(s) (i.e., three years from execution of the Note(s) and Mortgage(s)), the Condominium will have to repay the principal balance of the Mortgage(s) together with any accrued and unpaid interest due thereon. No representation is made by Sponsor with respect to the Condominium's ability to repay or otherwise refinance such Mortgage(s) at such time. Purchasers are advised that in the event the Condominium Board is not able to

refinance or extend the note(s) and Mortgage(s) at maturity, the Condominium Board may be required to impose a Special Assessment against all Residential Unit Owners.

In connection with the purchase of the Resident Manager's Unit by the Condominium Board and to the extent required by either Sponsor and/or the institutional lender, the Condominium Board shall (i) assign to Sponsor and/or the institutional lender as additional collateral for the loan(s), the Condominium's rights in and to receive future income of all types, including the Common Charges; (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (iii) agree to increase Common Charges to the extent necessary to pay the amounts due under the loans; and (iv) agree that Common Charges be treated as trust funds to the extent necessary to make required payments to either Sponsor or the institutional lender.

In the event of a default under the note(s) and Mortgage(s), the holder(s) of such Mortgage(s) may foreclose on the Resident Manager's Unit, with any deficiency being the obligation of the Residential Unit Owners. In the event of such foreclosure, the Condominium will be without a Resident Manager's Unit and alternate arrangements will be required to shelter the Resident Manager within the Condominium or within such distance as prescribed by Law.

The Condominium Board on behalf of all Residential Unit Owners, will be responsible for the payment of all mortgage recording taxes, brokerage commissions, transfer taxes and title insurance premiums and fees due in connection with the purchase of the Resident Manager's Unit, as well as the monthly cost of the Resident Manager's use and occupancy of the Resident Manager's Unit for the period from the First Closing until the date of the Closing of Title to the Resident Manager's Unit. Such monthly use and occupancy fee payable to Sponsor shall be no greater than the monthly expenses attributable to the Resident Manager's Unit as set forth in Schedule B. All Common Charges attributable to the Resident Manager's Unit including debt service, utilities, real estate taxes, cost of repairs, alterations and improvements and costs of financing the purchase of the Resident Manager's Unit shall be borne by all Residential Unit Owners as a Residential Common Expense. (See the Section of the Plan entitled "Schedule B – Estimated Budget for Projected First Year of Condominium Operation" for further details.)

Closing costs, including without limitation, mortgage recording taxes, transfer taxes, title insurance premiums and fees due in connection of the conveyance and financing of the Resident Manager's Unit will be paid by the Condominium Board, on behalf of all Residential Unit Owners out of the Working Capital Fund. If the Working Capital Fund at the time of the closing of the Unit is insufficient to make such payments, Sponsor will advance such sums on behalf of the Condominium for repayment to the Sponsor pursuant to a non-interest bearing, fully-amortizing, non-secured promissory note requiring 12 equal monthly payments. These payments will be borne by all Residential Unit Owners as a Residential Common Expense.

Commercial Units

The Commercial Units will be located on portions of the ground floor and the cellar. Commercial Unit #1 is currently vacant and Commercial Units #2 and #3 are currently occupied by Nemo Tile Company, Inc. pursuant to a lease which expires on December 1, 2008. The tenant is utilizing the leased space for a tile showroom and tile supply business.

The Commercial Units are being offered for sale pursuant to the Plan at the prices set forth in Schedule A.

All or any part of any Commercial Unit may be leased or subleased by such Commercial Unit Owner, subject to compliance with Law. The Commercial Units may be subdivided by the Commercial Unit Owners and then offered for sale without prior notice or amendment to the Plan.

Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental or use of any space in any Commercial Unit.

No representation is made with respect to the continued ownership of all or any of the Commercial Units or who the future owners or tenants of any of the Commercial Units may be at any time or as to the uses to which any of the Commercial Units may be put at any time except that the Commercial Units may be used for any lawful purpose, including, but not limited to, retail stores, restaurants, banks, theatres, bars and Commercial or professional office space.

The following is a summary of certain additional rights and obligations of the Commercial Unit Owners relating to the use and ownership of the Commercial Units:

(i) the Commercial Units may be used for any legally permitted purposes;

(ii) each Commercial Unit Owner and its Permitted Users, shall have the right, without the approval of the Condominium Board, the Managing Agent, the Residential Unit Owners, or representatives of holders of mortgages on Residential Units to make alterations, additions, improvements, or repairs in or to the Commercial Unit, including, without limitation, to the exterior façade and store fronts appurtenant to the Commercial Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and to subdivide the Commercial Unit; however, in no event shall such alterations, additions, improvements or repairs affect the structural integrity or mechanical systems of the Condominium;

(iii) each Commercial Unit Owner and its Permitted Users shall have an easement to use the sidewalks appurtenant to such Commercial Unit for purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables and signage.

(iv) each Commercial Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Commercial Unit to the extent such Commercial Unit is damaged or destroyed by fire or other casualty;

(v) each Commercial Unit Owner and its Permitted Users shall have an easement for ingress and egress through the General Common Elements and the Residential Common Elements: (i) for the purpose of accessing any portion of such Commercial Unit or any portions of the Building servicing such Commercial Unit; and (ii) to erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment, pipers, risers, duets, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust or ventilation, as required or permitted by Law on any part of the roof and/or façade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panel rooms, telephone/cable panels and rooms in connection therewith;

(vi) the Condominium Documents may not be amended or modified so as to adversely affect a Commercial Unit Owner without the prior written consent of the affected Commercial Unit Owner;

(vii) each Commercial Unit Owner and its Permitted Users shall have an easement to erect, maintain, repair and replace any sign and lighting permitted by Law on the Property (including, but not limited to, the exterior walls of the Building) for the purpose of advertising the sale or lease of all or any portion of such Commercial Unit and the

operation of any business of a tenant or occupant of all or any portion of such Commercial Unit;

(viii) each Commercial Unit Owner shall have the right to sell or lease the Commercial Unit without complying with any right of first refusal contained in the Declaration or By-Laws pertaining to Residential Units;

(ix) notwithstanding any subdivision of any Commercial Unit, the Owners of all Commercial Units shall have the right, collectively, to designate one (1) member to the 8 member Condominium Board.

(x) a member of the Condominium Board designated by the Commercial Unit Owners may only be removed by the Commercial Unit Owners, who alone will have the right to elect or designate a replacement; and

(xi) any decisions by the Condominium Board, including the adoption or modification of any rule or By-Law or which solely or adversely affect the Commercial Units may be made only with the consent of the Commercial Unit Owners.

Construction Data for Units and Common Elements

Sponsor has engaged Karl Fischer, Registered Architect, as architect of record, Lilker Associates Consulting Engineers as mechanical engineer and Goldstein Associates as structural engineer. (See the Section of the Plan entitled "Identity of Parties" for further details.) The Plans and Specifications have been prepared by such architect and engineers.

Construction and renovation of the Building will be completed in accordance with the Plans and Specifications, and applicable Law. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the "Description of Property and Building Condition", items of substantially equal or better quality, provided, however: (i) any material change shall be set forth in an amendment to the Plan; (ii) any necessary approval of any governmental authority having jurisdiction is first obtained; and (iii) no such amendments, modifications or substitutions may be made if the same would materially and adversely affect any binding Purchase Agreement unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchaser(s), offer the affected Purchaser(s) the right, for 15 days, to rescind their Purchase Agreement(s) and receive a refund of their Deposits, together with all interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction and renovation of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2006. Prospective Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such dates. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for the Residential Unit or otherwise be relieved from any obligations under the Purchase Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Residential Unit is delayed or postponed by Sponsor. In the event the actual or anticipated commencement date of the first year of Condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with current projections and, if (i) Residential Unit Owner's monthly Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, or (ii) the First

Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the first year of Condominium operation, as such date may be extended by Sponsor by amendment to the Plan, then in either case, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days after the Presentation Date of the amendment containing such revised budget. Any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Services and Facilities

The services and facilities described below will be provided to Residential Unit Owners and are included in the Common Charges, unless otherwise specified below.

a. Doorman/Concierge

The residential entrance to the Building will be at 260 Park Avenue South. There will be a concierge stationed in the residential lobby of the Building 16 hours a day, 7 days a week. A uniformed doorman will be stationed in the residential lobby of the Building 24 hours a day, 7 days a week. The hours and duties of the doorman and the concierge may be reduced until certain occupancy levels in the Condominium are achieved. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week by a doorman and/or concierge.

b. Building Staff

The staff of the Condominium will be supervised by the Resident Manager. All Building staff shall be assigned such hours of duty as are necessary for the comfortable occupancy of all Unit Owners.

c. Elevator Service

Five automatic passenger elevators will be in service 24 hours a day, 7 days a week, servicing the Residential Units from the first floor to the lower penthouse level (13th floor level). Two of these elevators will also service the cellar level. Purchasers should refer to the Description of Property and Building Condition set forth in Part II for further details concerning the elevators.

d. Telecommunications

The Building will be pre-wired for a telecommunications system which will provide cable television service to the Residential Units. Residents will be able to subscribe for television through a conventional cable provider or a digital satellite television service ("DSTS") provider. Charges for activating cable television or DSTS service, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company or DSTS company, as applicable, by each resident subscribing for and activating such service. The Condominium will be the owner of the cable and conduits built into the Building and will enter into an agreement with a provider for use of same. Users may select their own local and/or long distance carriers.

e. Mail

All incoming mail will be delivered to the Residential Unit Owners by the United States Postal Service and deposited by its personnel in mail boxes located in the residential lobby of the Building.

f. Laundry

There will be a washing machine and electric dryer installed in each Residential Unit.

g. Refuse Disposal

There will be recycling bins and access to the Building's refuse chutes located on each floor containing Residential Units. The refuse chutes will lead directly to compactors located in each of the three refuse rooms located in the cellar.

h. Communication Facilities and Intercom System

Each Residential Unit will be equipped with an intercom telephone system which will enable the occupants to communicate directly with the lobby attendant over a standard touch tone telephone. Sponsor reserves the right to provide an alternative means of communication with the concierge.

i. Smoke Detector/Sprinklers

Smoke and carbon monoxide detectors will be provided in each Residential Unit which will be wired to a local power supply and have a self-contained sounding device. The Building will be fully sprinklered.

j. Courtyards

As shown on the floor plans, there will be decorative courtyards adjacent to the Residential lobby for viewing purposes only, accessible for maintenance purposes only.

k. Fitness Rooms

A fitness room will be located in the cellar level of the Building.

m. General

While it is anticipated that these services and facilities will be available at the time of the First Closing, prospective Purchasers should note that until such time as Sponsor has conveyed title to 25% of the Residential Units, some of these services and facilities (such as a full staff of Building personnel and usage of the amenity areas such as fitness room, rooftop terraces, etc.) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work as well as the use of the elevators will be restricted during the period that Sponsor is completing renovation and construction of the Building. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing of a Residential Unit through, including and beyond the Closing of Title to any particular Purchaser's Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete construction and renovation of the Building, including without limitation, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create noise, fumes, odors, dust, debris and temporary interruption of services in the Building during the period such work is being performed. In executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of any non-completion of any item of construction on any projected date, or on account of any interruption of services in the Building.

LOCATION AND AREA INFORMATION

Location

The Condominium is located at 260 Park Avenue South, in the Borough of Manhattan, City of New York, between 20th and 21st Streets. The residential lobby will be located on Park Avenue South.

Surrounding Area, Shopping, Museums, Theatre and Parks

New York City is the leading cultural center of the world, with the finest universities, museums, libraries, theaters and cultural institutions, attracting millions of national and international tourists. New York City is the nation's center for communications, publishing, advertising, the stock market and other financial services, visual and performing arts and the fashion industry.

Near the Condominium there are, in addition to similar luxury residences, office buildings, museums, restaurants, art galleries, hotels, schools, churches and a preeminent collection of the world's finest retail establishments. The neighborhood blends quality and convenience for its residents day-to-day necessities including supermarkets, drugstores, dry cleaners and banks, all of which are located in close proximity to the Condominium. The Broadway and Off-Broadway theater districts are also nearby.

The 260 Park Avenue South Condominium is a short walk from parks, theaters, entertainment, and some of the best restaurants New York City has to offer.

Transportation

New York City is served by three major airports: LaGuardia, Kennedy International and Newark International. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Station, located at Lexington Avenue and 42nd Street. Public transportation is readily available.

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobile, subway or bus. A number of commercial parking garages are located nearby.

Medical, Educational and Religious Facilities

A number of excellent medical centers, such as New York Hospital, Cornell Medical Center, Memorial Sloan Kettering, Lenox Hill Hospital, New York University Medical Center, Mt. Sinai Medical Center and Columbia Presbyterian Medical Center are readily accessible.

Private schools, public schools and parochial schools on the elementary, middle school and high school levels are located within a short distance of the Condominium. There are many colleges available in the New York City area.

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

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building.

The local police station is the 13th Precinct, located at 230 East 21st Street, New York, New York 10010.

The local fire station is Engine 14, located at 14 East 18th Street, New York, New York 10003.

Mailing Address

The mailing address for the Residential Units is 260 Park Avenue South, New York, New York 10010.

Zoning

The Condominium is located partially within a C6-4A (R10A equivalent) zoning district and partially within a M1-5M zoning district.

General

Sponsor makes no representations to the continued existence of any of the named establishments. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows.

SCHEDULE A - PURCHASE PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A

260 PARK AVENUE SOUTH CONDOMINIUM
NEW YORK, NEW YORK

SCHEDULE OF OFFERING PRICES AND OTHER RELATED INFORMATION
(Projected financial information for the first year of condominium operation based on rpojected commencement on January 1, 2006)

UNIT	(1) Number of Bedrooms and Baths	(2) Approx Unit (Sq.Feet)	(3) Approx Terrace (Sq.Feet)	(4) Approx Cellar (Sq. Feet)	(5) Approx Total (Sq.Feet)	(6) Offering Price	(7) Percentage Interest in Residential Common Elements	(8) Percentage Interest in General Common Elements	(9) Projected Monthly Common Charges	(10) Projected Monthly Real Estate Taxes		(11) Projected Total Monthly Common Charges and Real Estate Taxes	
										Assuming J-51 Benefits	Assuming no J-51 Benefits	Assuming J-51 Benefits	Assuming no J-51 Benefits
2A	2/2.5	1535			1535	$ 1,450,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
3A	2/2.5	1535			1535	$ 1,475,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
4A	2/2.5	1535			1535	$ 1,450,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
5A	2/2.5	1535			1535	$ 1,475,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
6A	2/2.5	1535			1535	$ 1,500,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
7A	2/2.5	1535			1535	$ 1,525,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
8A	2/2.5	1535			1535	$ 1,550,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
9A	2/2.5	1535			1535	$ 1,575,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
10A	2/2.5	1535			1535	$ 1,600,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
11A	2/2.5	1535			1535	$ 1,625,000	0.9192%	0.8340%	$1,227.07	$1,234.00	$1,325.15	$2,461.07	$2,552.22
2B	2/2.5	1880			1880	$ 1,900,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
3B	2/2.5	1880			1880	$ 1,925,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
4B	2/2.5	1880			1880	$ 1,900,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
5B	2/2.5	1880			1880	$ 1,925,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
6B	2/2.5	1880			1880	$ 1,950,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
7B	2/2.5	1880			1880	$ 1,975,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
8B	2/2.5	1880			1880	$ 2,000,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
9B	2/2.5	1880			1880	$ 2,025,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
10B	2/2.5	1880			1880	$ 2,075,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
11B	2/2.5	1880			1880	$ 2,100,000	1.1258%	1.0214%	$1,502.86	$1,511.35	$1,622.99	$3,014.21	$3,125.85
2C	2/2	1407			1407	$ 1,400,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
3C	2/2	1407			1407	$ 1,425,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
4C	2/2	1407			1407	$ 1,400,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
5C	2/2	1407			1407	$ 1,425,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
6C	2/2	1407			1407	$ 1,450,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
7C	2/2	1407			1407	$ 1,475,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
8C	2/2	1407			1407	$ 1,500,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
9C	2/2	1407			1407	$ 1,550,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
10C	2/2	1407			1407	$ 1,575,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
11C	2/2	1407			1407	$ 1,600,000	0.8425%	0.7644%	$1,124.75	$1,131.10	$1,214.65	$2,255.85	$2,339.40
2D	2/2.5	1819	135		1954	$ 1,875,000	1.1095%	1.0066%	$1,481.08	$1,489.44	$1,599.46	$2,970.52	$3,080.54
3D	2/2.5	1819			1819	$ 1,850,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
4D	2/2.5	1819			1819	$ 1,825,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
5D	2/2.5	1819			1819	$ 1,875,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
6D	2/2.5	1819			1819	$ 1,900,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
7D	2/2.5	1819			1819	$ 1,925,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
8D	2/2.5	1819			1819	$ 1,950,000	1.0892%	0.9882%	$1,454.10	$1,462.31	$1,570.32	$2,916.41	$3,024.42
9D	3/3.5	2466	333		2799	$ 2,750,000	1.5265%	1.3850%	$2,037.86	$2,049.36	$2,200.74	$4,087.22	$4,238.60
10D	3/3.5	2466	190		2656	$ 2,800,000	1.5051%	1.3656%	$2,009.28	$2,020.62	$2,169.88	$4,029.90	$4,179.16
11D	3/3.5	2466	190		2656	$ 2,850,000	1.5051%	1.3656%	$2,009.28	$2,020.62	$2,169.88	$4,029.90	$4,179.16
2E	1/2.5	1662	210		1872	$ 1,350,000	1.0267%	0.9315%	$1,370.56	$1,378.30	$1,480.11	$2,748.86	$2,850.67
4E	1/2	994			994	$ 825,000	0.5952%	0.5400%	$794.60	$799.08	$858.11	$1,593.68	$1,652.71
5E	1/2	994			994	$ 835,000	0.5952%	0.5400%	$794.60	$799.08	$858.11	$1,593.68	$1,652.71
6E	1/2	994			994	$ 845,000	0.5952%	0.5400%	$794.60	$799.08	$858.11	$1,593.68	$1,652.71
7E	1/2	994			994	$ 855,000	0.5952%	0.5400%	$794.60	$799.08	$858.11	$1,593.68	$1,652.71
8E	1/2	994			994	$ 865,000	0.5952%	0.5400%	$794.60	$799.08	$858.11	$1,593.68	$1,652.71
PH1A	5/5.5	4017	3083		7100	$ 6,500,000	2.8670%	2.6011%	$3,827.30	$3,848.91	$4,133.22	$7,676.21	$7,960.52
PH2A	5/5.5	3449	694		4143	$ 5,250,000	2.1692%	1.9681%	$2,895.81	$2,912.16	$3,127.27	$5,807.96	$6,023.07
2F	1/1.5	1037			1037	$ 825,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20

3F	1/1.5	1037			1037	$ 835,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
4F	1/1.5	1037			1037	$ 850,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
5F	1/1.5	1037			1037	$ 885,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
6F	1/1.5	1037			1037	$ 895,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
7F	1/1.5	1037			1037	$ 900,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
8F	1/1.5	1037			1037	$ 910,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
9F	1/1.5	1037			1037	$ 925,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
10F	1/1.5	1037			1037	$ 940,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
11F	1/1.5	1037			1037	$ 955,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
12F	1/1.5	1037			1037	$ 970,000	0.6210%	0.5634%	$828.97	$833.65	$895.23	$1,662.62	$1,724.20
2G	2/2.5	1340			1340	$ 1,225,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
3G	2/2.5	1340			1340	$ 1,250,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
4G	2/2.5	1340			1340	$ 1,275,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
5G	2/2.5	1340			1340	$ 1,325,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
6G	2/2.5	1340			1340	$ 1,350,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
7G	2/2.5	1340			1340	$ 1,360,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
8G	2/2.5	1340			1340	$ 1,370,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
9G	2/2.5	1340			1340	$ 1,380,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
10G	2/2.5	1340			1340	$ 1,390,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
11G	2/2.5	1340			1340	$ 1,400,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
12G	2/2.5	1340			1340	$ 1,410,000	0.8024%	0.7280%	$1,071.19	$1,077.24	$1,156.81	$2,148.42	$2,228.00
2H	2/2.5	1281			1281	$ 1,175,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
3H	2/2.5	1281			1281	$ 1,190,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
4H	2/2.5	1281			1281	$ 1,205,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
5H	2/2.5	1281			1281	$ 1,220,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
6H	2/2.5	1281			1281	$ 1,235,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
7H	2/2.5	1281			1281	$ 1,250,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
8H	2/2.5	1281			1281	$ 1,265,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
9H	2/2.5	1281			1281	$ 1,280,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
10H	2/2.5	1281			1281	$ 1,295,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
11H	2/2.5	1281			1281	$ 1,305,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
12H	2/2.5	1281			1281	$ 1,325,000	0.7671%	0.6960%	$1,024.02	$1,029.81	$1,105.87	$2,053.83	$2,129.90
2I	2/2.5	1,328	349		1677	$ 1,125,000	0.8475%	0.7689%	$1,131.34	$1,137.73	$1,221.77	$2,269.07	$2,353.11
3I	2/2.5	1,328			1328	$ 1,050,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
4I	2/2.5	1,328			1328	$ 1,060,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
5I	2/2.5	1,328			1328	$ 1,070,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
6I	2/2.5	1,328			1328	$ 1,080,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
7I	2/2.5	1,328			1328	$ 1,090,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
8I	2/2.5	1,328			1328	$ 1,100,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
9I	2/2.5	1,328			1328	$ 1,110,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
10I	2/2.5	1,328			1328	$ 1,120,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
11I	2/2.5	1,328			1328	$ 1,130,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
12I	2/2.5	1,328			1328	$ 1,150,000	0.7952%	0.7215%	$1,061.60	$1,067.59	$1,146.45	$2,129.19	$2,208.05
PH1B/2B	2/2.5	3,853	1,886		5739	$ 5,775,000	2.5896%	2.3495%	$3,456.98	$3,476.50	$3,733.30	$6,933.48	$7,190.28
2J	0/1.5	1,288			1288	$ 950,000	0.7713%	0.6998%	$1,029.62	$1,035.43	$1,111.92	$2,065.05	$2,141.54
3J	2/2.5	2,431			2431	$ 2,395,000	1.4557%	1.3208%	$1,943.33	$1,954.30	$2,098.66	$3,897.63	$4,041.99
5J	2/2.5	2,525			2525	$ 2,495,000	1.5120%	1.3718%	$2,018.47	$2,029.87	$2,179.81	$4,048.34	$4,198.28
7J	2/2.5	2,525			2525	$ 2,575,000	1.5120%	1.3718%	$2,018.47	$2,029.87	$2,179.81	$4,048.34	$4,198.28
9J	2/2.5	2,525			2525	$ 2,650,000	1.5120%	1.3718%	$2,018.47	$2,029.87	$2,179.81	$4,048.34	$4,198.28
11J	2/2.5	2,624	305		2929	$ 2,995,000	1.6169%	1.4670%	$2,158.56	$2,170.75	$2,331.10	$4,329.32	$4,489.66
2K	1/1	917			917	$ 700,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
3K	1/1	917			917	$ 710,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
4K	1/1	917			917	$ 720,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
5K	1/1	917			917	$ 730,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
6K	1/1	917			917	$ 740,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
7K	1/1	917			917	$ 750,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
8K	1/1	917			917	$ 760,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
9K	1/1	917			917	$ 770,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
10K	1/1	917			917	$ 780,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
11K	1/1	917			917	$ 790,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
12K	1/1	917			917	$ 800,000	0.5491%	0.4982%	$733.04	$737.18	$791.64	$1,470.23	$1,524.68
		165,153	7,375	0	$ 172,528	$ 167,265,000	100.0000%	90.7281%	$133,496.25	134,250.00	144,166.67	$267,746.25	$277,662.92
Comm. 1		6,543		16,573	23,116	$ 14,000,000		5.8058%	$1,634.90		$10,749.77		$12,384.67
Comm. 2		3,740		1,788	5,528	$ 5,850,000		2.2748%	$640.44		$4,210.98		$4,851.42
Comm. 3		1,840		1,411	3,251	$ 2,950,000		1.1913%	$335.49		$2,205.92		$2,541.41
		177,276	7,375	19,772	184,651	$ 190,065,000	100.0000%	100.0000%	$136,107.08	$134,250.00	$161,333.33	$267,746.25	$297,440.42

Notes to Schedule A

(1) Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Units. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing.

(2)-(5) The square foot area and dimensions of the Units listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium apartments. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Plan unless the square foot area of the Unit is diminished by more than 5% (excluding interior partitions), thereby affording Purchaser a 15 day right to rescind. Sponsor's sole obligation if the net square foot area of the Unit is so diminished shall be to refund the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras. Each Unit consists of the area measured horizontally from the exterior face of the glass or the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the interior walls and partitions separating one Unit from another Unit or from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the Unit side of the opposite exterior wall. Each Unit consists of the area measured vertically from the top of the floor slab to the underside of the floor slab above. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. The method of measurement is applicable to all Units.

(6) The purchase prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different purchase prices for similar Units. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section entitled "Closing Costs and Adjustments." If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Unit at the Closing. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

(7)-(8) (a) The percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Real Property Law section 339-i (1) (iv).

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

(9) The estimated monthly Common Charges for each Unit are based on "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" prepared by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be the year from January 1, 2006 through December 31, 2006. The actual first year of Condominium operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner may wish to obtain for the Unit (and which Sponsor strongly urges each Unit Owner to obtain) and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 – Projected Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units. All Unit Owners from and after the Closing, including Sponsor with respect to all Unsold Units, shall be responsible for payment of all Common Charge with respect to their Units.

As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities", the full range of services and facilities described in the Plan (including fitness room, rooftop terraces and lobby courtyards) may not be provided until such time as Sponsor has conveyed title to 25% of the Residential Units.

(10) Sponsor intends to apply for partial abatement from real estate taxes with respect to Residential Units in the Building pursuant to New York City's J-51 abatement program (the "J-51 Abatement"). Assuming receipt of the J-51 Abatement, the real estate tax estimates for the projected first year of Condominium operation are based upon an estimated assessed valuation of the Property in the 2005/2006 tax year of approximately $10,075,000 and an estimated assessed valuation of the Property in fiscal year 2006/2007 of approximately $15,500,000; and estimated tax rates of 12.62% for Residential Units and 11.431% for the Commercial Units. Purchasers should refer to the J-51 Real Estate Tax Abatement Benefits Opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP, set forth in Part II of the Plan for further discussion regarding the J-51 Abatement and the applicability of such program to this project. The estimated real estate taxes set forth in Schedule A are based on the assumption that J-51 the tax abatement will be in effect for the latter six months of the first year of Condominium operation, and that there will not be any change in the taxable status of the Property. No warranty or guaranty is made as to the amount of any tax abatement that will actually be received. In addition, no warranty or guaranty is made that the actual assessed valuation of the Property if the J-51 Abatement is granted will be as projected above, that the projected tax rates will be in effect for all or any portion of the Property during the latter six months of the projected first year of Condominium operation or that the real estate taxes will be allocated among Units in proportion to their Common Interests or Schedule A purchase prices. In no event will Sponsor, Sponsor's Counsel, the Selling Agent or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement, in the event the J-51 Abatement is not granted or is not in effect at a particular time or, if granted, in the event the amount of such abatement and the resulting taxes differ from those projected.

If for any reason the J-51 Abatement is not granted or is not in effect for the latter six months of the projected first year of operation, it is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the projected first year of Condominium operation will total approximately $1,544,000, assuming (a) an estimated assessed valuation for the Property of $10,075,000 for fiscal year 2005/2006 reflecting partial completion of the residential conversion of the Property and an estimated assessed valuation for the Property of $15,500,000 for fiscal year 2006/2007 reflecting completion of renovation based on the real estate tax projection

opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP dated April 5, 2004 set forth in Part II of the Plan, and (b) estimated tax rates of (i) 11.431% for 2005/2006 (the final commercial class 4 tax rate in effect for 2003/2004); (ii) 12.62% for 2006/2007 for the Residential Units (the final class 2 tax rate in effect for 2003/2004); and (iii) 11.431% for 2006/2007 for the Commercial Unit (the final class 4 tax rate in effect for 2003/2004; each specified tax rate is applied per $100 of assessed valuation. Purchasers should note that once the Building is assessed as being fully renovated as a primarily residential Building, it is estimated that the real estate taxes are estimated to total approximately $1,936,000 in fiscal year 2006/2007, assuming no change in the above-listed tax rates or assessments. This tax projection does not take into account any J-51 Abatement Benefits that may be applicable to the Property at such time.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the 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 Register's office. For purposes of Schedule A, the projected real estate taxes for the Building were apportioned among the Units based on Common Interest percentages. There is no assurance that the City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interest percentages. If it does not, Owners of Units having the same Common Interest percentages will pay different amounts of real estate taxes. It is possible that 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 Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. (See the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.)

At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units.

(11) These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes with and without J-51 Abatement Benefits. Reference should be made to Note (9) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

(11) A Purchaser of a Unit will be required to make a contribution at the Closing of Title to the Working Capital Fund in an amount equal to 2 months' Common Charges assessed against the Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for further details.)

(11) Purchasers should note that tax deductions, if applicable, may vary in future years due to changes in the interest rate of the Residential Unit Owner's mortgage or changes in the allocation of the

constant debt service payments to interest and principal, or changes in real property taxes resulting from the expiration of real estate tax benefits, or changes in the assessed value, the tax rate or the method of assessing real property. Sponsor makes no guaranty or warranty concerning the availability of any tax deductions.

SCHEDULE B - ESTIMATED BUDGET FOR PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
260 PARK AVENUE SOUTH CONDOMINIUM
Projected Budget for First Year of Condominium Operation
January 1, 2006 to December 31, 2006

ESTIMATED INCOME

Common Charges	
Residential Units	$ 1,601,955
Commercial Units (Note 2)	$ 31,330
Total Estimated Income	$ 1,633,285

	Residential Units	Commercial Units
ESTIMATED EXPENSES		
Payroll and Related Expenses (Note 3)	$ 672,257	$ 8,233
Steam Heating/Hot Water (Note 4)	165,875	0
Electricity/Air Conditioning (Note 5)	253,874	0
Gas (Note 6)	21,060	0
Water Charges and Sewer Rent (Note 7)	61,621	0
Repairs and Maintenance (Note 8)	53,980	1020
Service Contracts and Supplies (Note 9)	93,238	1,762
Insurance (Note 10)	120,305	12,295
Management Fee (Note 11)	31,755	3,245
Legal and Audit Fees (Note 12)	10,434	1,066
Superintendent's Unit (Note 13)	81,265	0
Reserve for Contingencies (Note 14)	22,682	2,318
Telephone and Miscellaneous (Note 15)	13,609	1,391
Total	$ 1,601,955	$ 31,330

The Notes to Schedule B (above) are an integral part of this Schedule and should be read in conjunction herewith.

Notes To Schedule B

(1) Amounts are projected on the assumption that the first year of condominium operation will be the year from January 1, 2006 to December 31, 2006. The actual first year of condominium operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their down payments returned, together with interest earned thereon.

(2) These amounts represent the total Common Charges to be levied against and collected from the Residential Unit and the Commercial Units during the projected first year of condominium operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Generally, Common Expenses have been allocated among the Units on the basis of percentage of Common Interest. Where the allocation of Common Expenses is not based on percentage of Common Interest or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Units will be obligated to pay their fair share of the expenses that are incurred by the Board in furnishing those services, as well as operating, maintaining and repairing those Common Elements, that are utilized by such Unit Owner. Except for certain limited services and Common Elements, which the Commercial Units share with the Unit Owners in general, the Commercial Units are being constructed, equipped and separately metered to operate as an independent Unit with a minimum of common expenses or operations with the remainder of the Units. Common Expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Units, for a total of 90.7281%. Common Expenses to be borne by the owners of the Commercial Units has been allocated on the basis of such Unit Owner's Common Interest, for a total of 9.2719%.

After operation of the Condominium has commenced, it is anticipated that the methods of allocation of the Common Expenses to be paid by the Commercial Unit Owners will be periodically adjusted as provided in the By-Laws, but not more frequently than once each year, to reflect the differing proportions fairly attributable to the then amount of usage by such category of Unit Owner of the services and the Common Elements in question, but in any event in conformity with Section 339-m of the New York State Real Property Law. If any category of Unit Owners contends that any method of allocation determined by the Board is inequitable, the dispute may be submitted to arbitration as provided in the By-Laws.

(3) Payroll and Related Expenses: $ 680,490

Unless otherwise noted in these footnotes, for purposes of estimating all payroll costs in Schedule B, it has been assumed that employees will be members of Local 32-B/32-J, Service Employees International Union, AFL-CIO. All wage, salary and benefit costs, including applicable payroll taxes reflect that assumption.

The payroll taxes and benefits include FICA (projected at 7.65% of total wages), Federal unemployment ($56.00 per person per year), New York State unemployment insurance (projected at $127.50 per person per year), workers' compensation (projected at 5.0% of total wages), and disability insurance (projected at $50.00 per person per year).

The level of staffing described in this Schedule B complies with all applicable housing and labor laws.

No warranty is made with respect to the Building employees right to organize or the actual wages, salaries, benefits and related payroll taxes and similar expenses which will be applicable and in effect during the first year of condominium operation. However, the projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, Bellmarc Property Management Services, Inc., in managing comparable buildings.

The wage and salary estimates included in Common Expenses are detailed as follows:

POSITION	WAGES PER PERSON
1 Resident Manager	$ 55,000 per annum
2.8 Concierges	$ 35,992 per annum
4.2 Doormen	$ 35,992 per annum
1 Handyman	$ 39,654 per annum
3 Porters	$ 35,992 per annum

In addition, 28 days per year of vacation days, sick days and personal days have been allowed for each of the employees and have been included in the total payroll and related expenses. Payroll expenses for the Condominium's employees have generally been allocated to the Residential Unit. The lobby attendants have been allocated exclusively to the Residential Unit. The Commercial Units will utilize the services of the superintendent and one porter on a limited basis. Accordingly, the costs related to the resident manager's salary, the salary of one porter, benefits, etc. have been allocated to the Commercial Units on the basis of percentage of Common Interest. Payroll expenses for the Resident Manager, Handyman and remaining Porters have been allocated to the Residential Units.

(4) Steam Heating and Hot Water: $ 165,875

The primary source for heating the building is high-pressure steam provided by Con Edison. The system will maintain the heat pump loop temperature. The water shall be distributed to the heat pump units via a closed condenser water loop. Additional heat is provided by low-pressure steam feeding a number of steam heating coils in air handling units, various cabinet unit heaters located in stairways, entrances and perimeter bathrooms. Because the Building is in the process of being re-constructed as a residential building, it has no operational history upon which to base a projection of future steam usage.

The estimates and projections of consumption of steam for heating purposes are as described in a letter, dated April 2, 2004 from Lilker Associates which reflects an estimated annual consumption of approximately 10,214 per thousand pounds of steam based on an average rate of $16.24 per thousand pounds. The anticipated cost for the projected first year of condominium operation as estimated by Lilker Associates has been reconfirmed reflects rates that are currently in effect.

Steam and Hot water costs for the Commercial Units shall be sub-metered and billed by the Condominium to the Commercial Unit Owners.

There are three (3) valved and capped steam outlets (one for each of 3 units) that will require others to provide and install an approved Con-Ed sub-meters to monitor heating in each commercial space. Steam for heating is available only during the winter season. There are also two (2) valved and capped outlets located in the buildings cellar Con-Ed steam room for future connection with an approved Con-Ed sub-meter and piping extension to space all provided and installed by others. This steam is for 24- hour/365 day per year use for commercial cooking and/or domestic hot water heater use (as required by the tenant).

It is impossible to predict whether the budgeted figure will reflect the actual cost of steam for the actual first year of condominium operation. This cost will vary with both the level of consumption of steam and the rate charged by the utility company. The level of consumption of steam will be affected by the severity of the weather and any conservation measures (such as staggering the hours of heating and lowering the temperature of the heat and hot water, etc.) adopted by the Board. Any projection of future costs therefore is difficult.

It is believed that the budgeted figure will be sufficient to cover any reasonable increase in the cost of steam during the projected first year of condominium operation. However, no budget item is warranted.

(5) Electricity and Air Conditioning: $ 253,874

The amount set forth is the estimate for the electricity consumed only by the Common Elements; Con Edison will individually meter the Commercial Unit. Allocation of the electricity consumed with respect to the Common Elements is based on a master meter

from Con Edison explicitly for the Common Elements. The amount set forth in Schedule B for electricity is based on the estimate and projections of consumption for all Common Elements as described in a letter, dated April 2, 2004 from Lilker Associates which reflects an estimated annual consumption of approximately 1,661,344 kilowatt hours of electricity based on a rate of $.1528 per kilowatt hour of electricity including demand charges, fuel adjustment and taxes and surcharges.

The Residential Units will be individually sub metered and will be billed on a monthly basis by the Condominium. The Commercial Units will be separately billed directly by Con Edison.

Air conditioning for the commercial spaces shall consist of packaged water-cooled air conditioning units with external steam coil. Sub-meters shall be provided and installed by others to monitor use. Metering can be accomplished via flow meter or BTU meter, to be determined by the Condominium.

(6) Gas, Cooking: $ 21,060

The budgeted estimate includes the cost of gas service supplied by a single Con Edison meter for domestic purposes (cooking) in the Residential Units. The cost of gas is based on the estimate and projection of consumption as described in a letter, April 2, 2004 from Lilker Associates which reflects an estimated annual consumption of 21,060 therms per year at an average rate of $1.01 per therm including fuel adjustment, taxes and surcharges. A separate gas line valved and capped outlet has been provided to accept a Con-Edison direct meter (by others) to serve a prospective penthouse pool. The Commercial Units can utilize gas and has been provided with capped outlets for others to provide and install separate direct Con-Ed meters.

All residential units shall only be accepted to use an Electric New York City approved vent less type dryer. No other dryer will be accepted.

The Commercial Unit contains an exhaust duct stubs provided from the exterior of the building to the demised space for future connection. Commercial Unit Owner shall be responsible to provide and install the balance of the exhaust system as required by code.

(7) Water Charges and Sewer Rent: $ 61,621

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building. Because the Building is in he process of being re-constructed as a residential building, it has no operational history upon which to base such a projection. The budgeted amount is based upon the estimate and projection of consumption and rates by Lilker Associates, which reflects an estimated annual consumption of 1,741,735 cubic feet by the Residential Units at an average rate of $1.52 per 100 cubic feet for water and $2.42 per 100 cubic feet for sewer charges (exclusive of cooling tower water). It is believed that the budgeted amount should be sufficient to

cover any reasonable increase in the cost of utilities during the first year of condominium operation. However, no budget item is warranted as to its accuracy, sufficiency or otherwise. Thereafter, water charges and sewer rent will be allocated among the Units based on the estimated annual consumption set forth above.

The Commercial Units will be separately sub metered and billed directly by the Condominium.

(8) Repairs and Maintenance: $ 55,000

This figure represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting, and supplies such as cleaning supplies, lubricants, bulbs, fixtures, hardware, rubbish compactor bags, etc. used in connection with the operation of the Common Elements.

No amounts have been budgeted for repairs to the roof, the heating, ventilating and air-conditioning system or the Building exterior, and a relatively small amount has been estimated for other repairs, because the Building's roof, the heating, ventilating and air-conditioning system and virtually all of the other Building systems will be new. This estimate is based on experience of Sponsor's budget expert, Bellmarc Property Management Services, Inc., in operating comparable new buildings.

Repair and maintenance expenses have been allocated among all Units on the basis of percentage of Common Interest as it relates to each Unit's projected consumption of such items.

(9) Service Contracts and Supplies: $ 95,000

This estimate includes the cost of various services used in or for the Common Elements, including elevator service, wood, marble and metal maintenance, extermination, a recycling system, water treatment, electricity sub-metering and uniform laundry.

No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based on estimates received from contractors and otherwise or the experience of Sponsor's budget expert, Bellmarc Property Management Services, Inc. in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the first year of condominium operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

Service contracts and supply expenses have been allocated among all Units on the basis of percentage of Common Interest as it relates to each Unit's projected consumption of such contracts and/or supplies.

(10) Insurance: $ 132,600

The insurance premiums are based a revised the letter, dated April 1, 2004 from Genatt Associates, 3333 New Hyde Park Road, New Hyde Park, New York 11042 setting forth the following coverage:

PACKAGE	**INSURER WITH A BEST RATING OF "A"**
PROPERTY – All Risk, Replacement Cost, Agreed Value (No Coinsurance)	
Building	$ 61,800,000
Business Income Incl. Extra Expense	Actual Loss Sustained
Personal Property of Others	$ 10,000
EXTENSIONS OF COVERAGE:	
Building Ordinance	Included
Increased Cost of Construction/Demolition	$ 1,000,000
Back-up of Sewers & Drains	$ 250,000
Underground Water Supply Mains	$ 1,000,000
Flood	$ 1,000,000
Earthquake	$ 1,000,000
Demolition	$ 1,000,000
Debris Removal	$ 1,000,000
Joint Loss Agreement	Included
DEDUCTIBLES:	
Building	$ 1,000
Back-up Sewers & Drains	$ 5,000
Underground Water Supply Mains	$ 5,000
Flood	$ 10,000
Earthquake	$ 50,000
ENHANCEMENTS:	
Fire Departments Service Charge	$ 10,000
Pollutant Clean-Up and Removal	$ 100,000
Chemical Extinguishing System Discharge	$ 25,000
Accounts Receivable (including Credit Cards)	$ 1,000,000
Transit	$ 50,000
Money and Securities	
Inside	$ 20,000
Outside	$ 10,000
Money Orders and Counterfeit Paper Currency	$ 1,000
Forgery and Alteration	$ 2,500

Lost Key Consequential Loss	$ 1 ,000
Fine Arts	$ 1,000,000
Newly Acquired	$ 25,000
Transit	$ 500,000
Contamination, Spoilage, Change in Temperature or Humidity	$ 25,000
Leasehold Interest Improvements and Betterments	$ 1,000,000
Utility Services – Direct Damage to Building	$ 1,000,000
Newly Acquired or Constructed Property	
Building	$ 2,500,000
Business Personal Property	$ 500,000 max
Personal effects owned by insured, officers, partners, employees	$ 25,000
Personal effects & Property of others valued as your Business	
Personal property	$ 25,000
Valuable Papers and Records	$ 1,000,000
Transit	$ 150,000
Personal Property at any other location	$ 500,000
Outdoor Property: Trees, Shrubs and Plants also covered for	
Vehicle Collision, Theft, V&MM, Weight of Ice and	
Snow/Any One Item	$ 500,000/$2,500
Exterior and Interior Glass	Unlimited
Debris Removal	$ 500,000 Add'l
Outside Trees, Shrubs, Plants blown onto your premises	$ 1,000
Replacement Cost: Not on same premises of constructive	
Total loss	w/i Bldg. Limit
Restoration Cost for Building and Improvements and	
Betterments	w/ Bldg. Limit

LIABILITY:

Comprehensive General Liability,
Bodily Injury and Property Damage:

General Aggregate	$ 2,000,000
Per Occurrence	$ 2,000,000
Personal & Advertising Injury	$ 1,000,000
Products/Completed Operations Aggregate	Included
Fire Damage	$ 50,000
Medical Payments	$ 5,000
Water Damage Legal Liability	$ 1,000,000
Employee Benefits Liability	$ 1,000,000
Non-Owned/Hired Car Coverage	$ 1,000,000
Knowledge/Notice of Occurrence	Included
Unintentional E&O	Included

DEDUCTIBLES:

Water Damage Legal Liability	$ 1,000 Per Claim
Employee Benefits	$ 1,000 Per claim

PACKAGE PREMIUM: **$ 125,000**

DIRECTORS & OFFICERS LIABILITY

Each Loss	$ 1,000,000
Aggregate	$ 1,000,000
Managing Agent Rider	Included

DEDUCTIBLE:

Each Insured, Director or Officer	$ 250

DIRECTORS & OFFICERS LIABILITY PREMIUM: **$ 1,500**

CRIME COVERAGE

Employee Dishonesty	$ 1,000,000
Managing Agent Rider	Included

DEDUCTIBLE:

Employee Dishonesty	$ 5,000

CRIME PREMIUM: **$ 1,200**

BOILER & MACHINERY:

Comprehensive Coverage Including Production Machinery

Equipment Breakdown Limit	$ 50,000,000
Property Damage	Included
Business Income	Included
Extra Expense	Included
Service Interruption	Included
Perishable Goods	$ 25,000
Computer Equipment	$ 25,000
Demolition and ICC	$ 1,000,000
Expediting Expenses	$ 50,000
Hazardous Substances	$ 25,000
CFC Refrigerants	$ 25,000
Newly Acquired Locations	$ 1,000,000

DEDUCTIBLE:		
Combined – All Coverages	$	2,500
BOILER ANNUAL PREMIUM:	**$**	**2,400**
UMBRELLA:		
Limit of Liability:		$200,000,000
UMBRELLA PREMIUM:	**$**	**2,500**
TOTAL PREMIUM:	**$**	**132,600**

The total premium for these various coverage is estimated at $ 132,600. This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of the furniture or personal property of Unit Owners.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the first year of condominium operation. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance required to be carried by the Condominium. Unit Owners should consider procuring their own coverage for their contents and liability within their Unit and appurtenant (private) Limited Residential Common Elements.

The fire, casualty and general liability insurance carried by the Condominium will provide that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Insurance expenses have been allocated among all Units on the basis of percentage of Common Interest.

(11) Management Fee: $ 35,000

Based on the management agreement to be entered into at or before the First Closing, Sponsor anticipates that the Managing Agent will receive an annual fee of $35,000 for the first year. In the opinion of Bellmarc Property Management Services, Inc., the Managing Agent's fee for the first year of condominium operation is comparable to the fees charged for such services at similar buildings. The management fee has been allocated among all Units on the basis of percentage of Common Interest. Reference should be made to "Management Agreement" for further discussion of the terms of the Management Agreement.

(12) Legal and Audit Fees: $ 11,500

Based upon the estimate of Kleiman & Weinshank, LLP, as set forth in a letter dated April 2, 2004, $ 6,500 has been budgeted for fees to be incurred in connection with the preparation of the audited financial statements for the Condominium's first year of condominium operation and its Federal, New York State and New York City income tax returns. The balance of the budgeted amount $ 5,000 has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

Legal and audit fees have been allocated among all Units on the basis of percentage of Common Interest.

(13) Resident Manager's Unit: $ 81,265

This item consists of the mortgage payments, real estate taxes and electricity attributable to the Resident Manager's Unit, which will be acquired on or after the First Closing by the Board on behalf of the Unit Owners for a purchase price of $860,000 and occupied by the superintendent. The expenses attributable to the Resident Manager's Unit will be allocated only to the Residential Unit Owners. The budgeted amount includes monthly mortgage payments of $5,733 ($68,800 per year), $10,784 for real estate taxes and $1,681 for the estimated cost of electricity. However, until such time as the Unit is conveyed to the Condominium, rent shall be paid to the Sponsor or at its direction, in the amount of consistent with this budget projection.

The amounts projected for utility charges are based on estimates by Lilker Associates; the mortgage principal and interest payments have been calculated based on the assumptions set forth below.

One or more institutional lenders and/or the Sponsor (sometimes hereinafter collectively called the "Lender" will finance the entire purchase price of the Resident Manager's Unit. The Board will give the Lender a promissory note for the total purchase price of the Unit

and a first mortgage on the Unit to secure repayment of the note.

Amount Financed:	$ 860,000
Annual Interest Rate:	The then prevailing interest rate for condominium unit mortgages 8.000% per annum has been used for purposes of estimating the annual interest payments, but no guarantee is made that the actual interest rate will be 8.000% per annum.
Payments:	Monthly interest payments of $5,733 ($68,800 per year) with no amortization.
Maturity Date:	3 years after the closing of title with the Board.

All closing costs and other expenses related to the purchase of the Resident Manager's Unit without exclusion including transfer taxes, shall be paid by the Condominium.

The Sponsor reserves the right to substitute another Unit in place of Unit 3F for the Resident Manager as more fully described in the Plan.

(14) Reserve for Contingencies: $ 25,000

This amount is to cover possible increases in expenses not now foreseen and for expenses not included. The budget may be modified from time to time prior to commencement of, or during, the first year of condominium operation to increase items of expenses and decrease the contingency reserve.

The reserve has been allocated among all Units on the basis of percentage of Common Interest.

(15) Telephone and Miscellaneous: $ 15,000

This estimate is included to provide for the estimated cost of miscellaneous administrative and other costs including, but not limited to, inspection fees, license fees, permits, stationery, postage, printing, pager and telephone and fees. Telephone and miscellaneous expenses have been allocated to all Units on the basis of percentage of Common Interest.

This estimate does not include an estimate for income taxes payable by the Condominium. More than 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Accordingly, the Condominium may be eligible to elect to be treated as a homeowners association which is not subject to Federal income tax on amounts received as membership dues, fees, or assessments from Residential Unit Owners, for its first taxable year. Absent such

election, the status of the Condominium for tax purposes is uncertain. The Condominium may be treated as a conduit for the Unit Owners, rather than a separate taxpayer. If treated as a separate entity, the Condominium may be treated as a partnership for tax purposes, and as such would not be subject to Federal or New York State income tax, but may be subject to the New York City Unincorporated Business Tax. (See the Sections of the Plan entitled, "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Opinions of Counsel" for further discussion.

In the opinion of Bellmarc Property Management Services Inc., the projected income for the Condominium is adequate to meet the estimated expenses for the first year of condominium operation, assuming that such first year is the fiscal year commencing January 1, 2006. The 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 will be as set forth in the budget. In fact, 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.

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS

SCHEDULE B-1

Projected Annual Electricity Cost

By letter dated March 26, 2004, Lilker Associates provided the following estimate of annual electric energy costs for lighting, air conditioning, heat pumps, hot water heating and for operating the typical electrical appliances located in each apartment:

Each unit's electrical consumption was calculated based upon projections for the operation of kitchen appliances, lighting, clothes washer and dryer, heating and cooling. The projections were based upon a 14-hour day and 365 days per year. Projected costs were calculated based upon winter and summer rates that resulted in an average of are based on an average Con Edison rate of $.1900 per KW Hour.

Apartment Square Footage	Total Annual KWH	Total Annual Cost
917	8,847	1,681
994	8,847	1,681
1,037	8,847	1,681
1,281	14,858	2,823
1,288	7,016	1,333
1,328	17,658	3,355
1,340	14,858	2,823
1,407	14,858	2,823
1,535	14,858	2,823
1,662	8,847	1,681
1,819	14,858	2,823
1,880	14,858	2,823
2,431	14,858	2,823
2,466	17,658	3,355
2,525	14,858	2,823
2,624	14,858	2,823
3,449	17,658	3,355
3,853	17,658	3,355
4,017	17,658	3,355

The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors, which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of occupants and weather conditions.

OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

245 FIFTH AVENUE
NEW YORK, NY 10016
TEL 212 620 2680
FAX 212 696 5013
www.starr-lawfirm.com

April 26, 2004

260 Park Avenue South LLC
150 Nassau Street, Suite 20C
New York, New York 10038

Re: 260 Park Avenue South ("Condominium")

Ladies and Gentlemen:

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

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

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

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

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

Very truly yours,

STARR ASSOCIATES LLP

By: s/
Allan Starr, Partner

REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER

Bellmarc

Bellmarc Brokerage, LTD • Licensed Real Estate Broker

April 20, 2004

260 Park Avenue South LLC
c/o Yitzchak Tessler
150 Nassau Street
Suite 20C
New York, New York 10038

RE: 260 Park Avenue South Condominium
260 Park Avenue South, New York, New York

Gentlemen:

Bellmarc Brokerage Ltd. is a member of the Bellmarc Companies, a group of real estate brokerage firms licensed in the state of New York. The Bellmarc Companies have been in business for more than twenty years specializing in the Manhattan residential market. Our firm has frequently been retained as selling agent and/or consultant for condominium and cooperative offerings.

The undersigned has reviewed the allocation of percentages of common interest contained in Schedule A of the above referenced offering Plan.

The Sponsor of the Plan informed me that such allocation was made, pursuant to Section 339- i (l) (iv) of the Real Property law of the State of New York, based "upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the units." In my, opinion, based on the criteria set forth above, the allocation of percentages of common interest appearing in Schedule A are reasonable.

The undersigned will not serve as Selling Agent and is not affiliated with the Sponsor/Selling Agent under this plan, nor with any of its principals, and has no financial stake with respect to the offering under the Plan, other than our fee for services rendered, except that an affiliate of the Bellmarc Companies will serve as managing agent for the Condominium.

Very truly yours,

Neil Binder
President

Sworn before me this
20th day of April 2004

Notary Public

LIA M. CHAPARRO
Notary Public, State of New York
No. 01CH5062395
Qualified in Queens County
Commission Expires July 1, 2006

CHANGES IN PRICES AND UNITS

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

Sponsor reserves the right to negotiate with each Purchaser all aspects of the offering of Units and terms and conditions of the Purchase Agreement, including, but not limited to, the following: purchase price; the amount of the Deposit; the availability of financing contingency and terms; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, purchase price rebates and subsidies payable as a credit against the purchase price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of use and occupancy agreements and the amount of interim rent thereunder; the application of interim rent towards the purchase price; and upgrades or extras to the Unit, finishes and equipment.

Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers by duly filed amendment to the Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of rescission under a Purchase Agreement.

The location in the Building, approximate size and approximate layout of the Residential Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway without changing the Common Interest) which exclusively benefit an Unsold Unit into such Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to such Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default which decreases the square foot area (excluding interior partitions) or Common Interest by more than 5%, or materially and adversely changes the layout of such Unsold Unit, unless the Purchaser consents to such changes. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such

change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the purchase price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest and Residential Common Interest of any Residential Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly adversely affected by such change. In the case of a material and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Unit will be required to execute a Purchase Agreement, which will be in the form set forth in Part II of the Plan.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing a Purchase Agreement. A Purchaser may obtain the Plan upon payment of a $150 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received and read the Plan at least 3 business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to the Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Residential Unit and should be read carefully by Purchaser. Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control.

The Purchase Agreement is not contingent upon the Purchaser obtaining financing. Although a Purchaser may obtain financing from a lending institution or any other source, the Purchaser's obligation to purchase the Residential Unit pursuant to the Purchase Agreement is not contingent upon Purchaser obtaining financing for such purchase. Although a Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly or through a mortgage broker, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit from a lender and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek legal remedies, which include, but are not limited to forfeiture of Purchaser's deposit. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, no matter what the cause, and Sponsor shall not be responsible for paying any of such costs, fees or expenses. See the Purchase Agreement for further information.

In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if the Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, and/or (b) either incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon the Purchaser. Sponsor, its principals, selling agents and counsel shall not be responsible for the payment or reimbursement of any such fees or costs incurred by or imposed upon the Purchaser.

Purchasers should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit, within which to accept or reject the Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information (including credit reports) concerning any Purchaser, subject to any limitations and requirements imposed by Law.

If a Purchase Agreement is not accepted by Sponsor within the 30 day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, except as prohibited by Law, and (b) a Purchase Agreement(s) for more than one Residential Unit to any Person.

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

At the time of execution of a Purchase Agreement, Purchaser will be required to make an initial Deposit in an amount equal to 10% of the purchase price by an official bank endorsed certified check or check drawn on or issued by a United States Bank or trust company which is a member of the Federal Reserve System. Each Purchaser will be required to make in addition to the initial Deposit, an additional Deposit equal to 10% of the purchase price upon the Plan being declared effective. A Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective will be required to make a full Deposit in an amount equal to 20% of the purchase price. All Deposits must be made payable to the direct order of "STARR ASSOCIATES LLP, ESCROW AGENT." All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect.

All Deposits made pursuant to a Purchase Agreement are subject to the requirements of Section 71a(3) of the State of New York Lien Law and 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Pursuant to these laws, Sponsor will cause all Deposits received by it directly or by its agents or employees to be promptly deposited and held in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

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

If Purchaser fails to close title to the Unit on the originally scheduled date of closing ("Scheduled Closing Date") or otherwise fails to perform any other obligations under the Purchase Agreement, including, but not limited to, the failure to pay the Additional Deposit, and if such default is not cured within 30 days after Sponsor gives written notice to Purchaser of the default, Sponsor may, at its option, either (a) cancel the Purchase Agreement and retain the Deposit together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser to each other shall wholly cease and terminate or (b) bring an action against Purchaser for specific performance. After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser, which notice will state Purchaser's closing date and will be delivered no less than 30 days before the date set for Closing.

If Purchaser fails for any reason to close title to the Unit on the Scheduled Closing Date and Sponsor elects not to cancel the Purchase Agreement as a result of such default: (a) the closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the

Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to .05% of the purchase price of the Unit for each day starting from (and including) the Scheduled Closing Date to (and including) the day before the actual Closing Date.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under the other Purchase Agreements. In the event of such a default, Sponsor may, at its option, cancel each such Purchase Agreements and retain, as liquidated damages, all of the entire Deposits made by Purchaser, together with any interest earned thereon, if any, under each of the Purchase Agreements.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any such Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years Common Charges in effect for the Unit which will be in addition to the required contribution to the Working Capital Fund.

Prior to the Closing of Title to a Unit, the Purchase Agreement prohibits Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any listing of the Unit for sale and/or advertising by Purchaser in violation of the terms of the Plan will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit made by Purchaser, together with interest earned thereon.

If the Plan is withdrawn or abandoned, the Deposit previously paid to and actually collected by Sponsor together with any interest earned thereon, shall be returned to Purchaser in accordance with the provisions herein set forth.

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

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to

repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Condominium Board"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Sponsor is obligated to provide only the equipment, fixtures and furnishings set forth in the "Description of Property and Building Condition" set forth in Part II of the Plan. If a Person desiring to purchase a Unit requests that Sponsor perform special or additional work on the Unit or provide extra or upgraded furnishings, including, but not limited to, any deviation from the materials or specifications described in the Description of Property and Building Condition set forth in Part II of the Plan, and Sponsor agrees to perform such work and/or provide such extra or upgraded furnishings, then Sponsor may require such Person to deposit an amount greater than the Deposit required under the Purchase Agreement. All funds received by Sponsor for upgrades or extras will be placed in the non-interest bearing portion of the Master Escrow Account. Such funds, however, may be released from the Master Escrow Account by Escrow Agent to Sponsor provided Sponsor uses the funds for upgrades or extras or the funds are used to reimburse Sponsor. As a result, in the event Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any funds used for upgrades or extras.

SPONSOR SHALL IN NO EVENT BE OBLIGATED TO PERFORM ANY SPECIAL OR ADDITIONAL WORK TO A UNIT OTHER THAN AS REQUIRED BY THE TERMS OF THE PLAN AND THE DESCRIPTION OF PROPERTY AND BUILDING CONDITION SET FORTH IN PART II OF THE PLAN.

Each Purchaser shall be given a reasonable opportunity to examine the Residential Unit prior to the Closing and is urged to make a careful inspection thereof. At the Closing, each Purchaser shall be required to sign and deliver to Sponsor an Inspection Statement in substantially the form set forth in Part II of the Plan wherein Purchaser acknowledges the condition in which Purchaser has inspected the Residential Unit. Under no circumstances shall any item included on an Inspection Statement (i) constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the Closing nor (ii) obligate Sponsor to deposit any monies in escrow at Closing.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Starr Associates LLP a fee of $1,000, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase", and shall be voidable at the option of Sponsor.

Related Party Assignment

If Purchaser has signed the Purchase Agreement in an individual name (and not in the name of an entity), then Purchaser shall have a one-time right to assign Purchaser's rights under the Purchase Agreement, in whole, but not in part, to an entity under the "control" (defined below) of Purchaser (the entity to which the rights are assignable may be a trust, limited liability company, limited partnership or a corporation) or to member(s) of Purchaser's Immediate Family (defined below), provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Starr Associates LLP a fee in the amount of $1,000 for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of the Purchase Agreement assumes in writing, by an instrument prepared by Starr Associates LLP, the obligations of Purchaser under the Purchase Agreement, and (v) the assignment is made without consideration. The term "Control" shall mean the control, either directly or indirectly, of at least 51% percent of the voting shares or equity interests of such assignee, together with the authority to direct and manage the affairs of such assignee, which shall include Purchaser, being the managing general partner of such partnership, or the principal manager or managing member of such limited liability company or the trustee or primary beneficiary of such trust. The term "Immediate Family" shall mean Purchaser's spouse, domestic partner, their children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents. The obligations of Purchaser may be performed by such assignee, and Sponsor agrees to accept such performance as if it were the performance of Purchaser. No such assignment shall modify Purchaser's obligations under the Purchase Agreement, including without limitation, Purchaser's indemnity obligations contained in the Purchase Agreement, reduce or limit any liability or obligation of Purchaser who shall remain primarily liable notwithstanding any liability assumed by assignee. Unless Purchaser complies with the provisions of this paragraph, any purported assignment by Purchaser shall be null and void and of no effect as against Sponsor.

No Advertising

Prior to the Closing of Title, Purchaser shall not list the Unit for resale or rental with any broker or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or rental, without Sponsor's prior written consent, which may be withheld by Sponsor in its sole and absolute discretion. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase."

EFFECTIVE DATE

The offering by Sponsor of the Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option, at any time when bona fide Purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Units (excluding the Resident Manager's Unit). The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of all Units. Sponsor has procured an agreement from Fremont Investment and Loan, with an office at 685 Third Avenue, New York, New York 10017 for financing the renovation and construction of the Building. The loan documents do not require Sponsor to enter into a specified minimum number of Purchase Agreements prior to declaring the Plan effective. The Plan will be declared effective by a duly filed amendment and a copy of such amendment will, thereafter, be delivered to all Purchasers. Sponsor will submit to the Department of Law, if requested to do so, copies of all Purchase Agreements (and any amendments or modifications thereto) within 5 business days after such request is made.

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

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective, in which event Purchasers will be notified by Sponsor in writing, by registered or certified mail.

Once the Plan has been declared effective, it may not thereafter be abandoned or withdrawn, except that, prior to the First Closing, the Plan may, at the option of Sponsor, be abandoned in the event of: (1) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the Property that cannot be removed, complied with or cured without litigation or for less than 1/2 of 1% of the total offering amount in the aggregate, and which are not waived by the Purchasers thereof; (2) a substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than 1/2 of 1% of the total offering amount in the aggregate; or (3) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys fees and title defects (including of record violations or work orders) or determinations of any authority or regulatory association which existed on the Filing Date of the Plan and were either known to Sponsor or were a matter of public record.

If the Plan is withdrawn or abandoned, all Deposits, together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras will be returned to Purchasers within 30 days following such withdrawal or abandonment. Upon the return of the Deposits, together with any interest earned thereon, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all Deposits received, and any interest earned thereon.

ESCROW AND TRUST FUND REQUIREMENTS

All deposits, downpayments, advances and payments made by Purchasers prior to the Closing of a Unit ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Section 71-a(3) of the State of New York Lien Law. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

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

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 245 Fifth Avenue, Suite 1102, New York, New York 10016 and whose telephone number is (212) 620-2680. The attorneys who are signatories on this account authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq., Hillary A. Potashnick, Esq. Jane Rosenberg, Esq. and Evan R. Schieber, Esq. Escrow Agent has established a master escrow account entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account") at Valley National Bank located at 275 Madison Avenue, New York, New York 10016 ("Escrow Bank"). Deposits will be placed in the Master Escrow Account within 5 business days after tender by Purchaser to Sponsor or Selling Agent. Any subsequent Deposit tendered by Purchaser after the Initial Deposit will be placed in the Master Escrow Account within 10 business days after tender by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 business days after tender of the Deposit, Purchaser may cancel the Purchase and rescind so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter to each Purchaser referred to above in connection with any additional Deposits tendered by Purchaser (or changes in interest rate) after the Initial Deposit.

The Escrow Bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $100,000 such Deposit will not be federally insured in excess of $100,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed $100,000.

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

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

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after tender, if the Deposit has not been deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a "consummation of the Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account.

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

If a check delivered by a Purchaser fails of collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 10 business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

Escrow Agent will hold the Deposit in escrow until otherwise directed in:

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

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

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

Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

If there is no written agreement between the parties to release the Deposit, Escrow Agent will not pay the Deposit to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than 10 business

days. Thereafter, the Deposit may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

Sponsor will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan,

(ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

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

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

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

If the application permitting the release of funds is granted, the Deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking the release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until:

(i) both the Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and the Purchaser;

(ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or

(iii) the Escrow Agent deposits the disputed amount into court.

In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into court until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court competent jurisdiction or by written grant of Sponsor and Purchaser.

In lieu of placing the Deposits in Escrow, Sponsor may apply to the Department of Law to use security in the form of surety bonds or a letter of credit. If Sponsor's application to use alternative security is approved by the Department of Law, Sponsor shall, file an amendment to the Plan, which amendment will (i) include the terms of such alterative security, (ii) annex a form for the written consent of each affected Purchaser to withdraw the funds from escrow and , and (iii) provide for the continuation of escrow of funds of any Purchaser who does not execute and deliver such written consent to Sponsor.

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

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

Escrow Agent is acting merely as a stakeholder. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by check, subject to collection.

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

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

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

CLOSING OF TITLE TO UNITS

The Closing of Title to each Unit shall be held at the offices of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York or at such other place as Sponsor may designate. The Closing shall take place only after or concurrently with the following events:

(A) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted for filing by the Department of Law;

(B) temporary or permanent certificate of occupancy for the Unit is in effect (ongoing construction in the Building or other Units and/or the absence of a temporary or permanent Certificate of Occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close);

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

(D) the release of the Unit and its Common Interest from the lien of all mortgages, except for the Purchaser's mortgage, if any;

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

(F) the delivery to Purchaser of a bargain and sale deed with covenant against grantor's acts, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the balance of the purchase price and such other checks and documents required pursuant to the Plan and the Purchase Agreement.

(G) the execution and delivery by Purchaser of the Unit Owner's Power of Attorney and the Real Estate Tax Consent Form, the forms of which are set forth in Part II of the Plan;

(H) the execution by Purchaser of a notice to the Managing Agent indicating whether a child under the age of ten (10) will be living in the Unit or if the Purchaser wants to have window guards installed on the windows of the Unit even though no child under the age of ten (10) will be living in the Unit. In the event that window guards are to be installed in the Unit, such installation shall be performed at the direction of the Managing Agent and the cost thereof (for the window guards and installation) shall be charged to and paid by the Purchaser of the Unit;

(I) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that

(i) Purchaser has fee title to the Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions and (2) any lien, encumbrance, or condition not included in the Permitted Encumbrances either (a) for which the instrument required to remove it of record has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees or delivered to

the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (b) as to which the Title Company will insure (without additional premium) that such lien or encumbrance will not be collected out of or enforced against the Unit; or (c) as to which the Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing; and

(ii) the Condominium has been validly created pursuant to the Condominium Act.

Sponsor shall be entitled to deliver a 30 day closing notice to a Purchaser prior to meeting the closing prerequisites set forth in items (B) through (I) above.

Purchaser's failure to execute and deliver at Closing, all documents necessary and/or customary in connection with the conveyance of a Condominium Unit, including without limitation, the power of attorney, real estate tax consent form, transfer tax forms and mortgage recording tax credit affidavit (if applicable), shall constitute an event of default under the terms of the Purchase Agreement, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances and other title exceptions described in paragraph (I), which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Residential Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause the Deposit together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras, to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

IF THE PURCHASER FAILS TO NOTIFY SPONSOR OF PURCHASER'S ELECTION WITHIN 15 DAYS AFTER SPONSOR NOTIFIED PURCHASER OF SPONSOR'S FAILURE TO REMEDY THE TITLE DEFECT, IT WILL BE CONCLUSIVELY DEEMED THAT PURCHASER ELECTED TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Residential Units from such other liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy, are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

Sponsor shall be entitled to adjourn the Closing to remove or correct any title exception that cannot be dealt with as set forth above. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the Title Company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or abstract company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender). However, should Purchaser wish to obtain title insurance other than through the Title Company, Purchaser shall at Closing pay the attorneys for Sponsor an additional legal fee of $1,500.

The acceptance of a deed by Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and in General Business Law Section 352-e to survive delivery of the deed.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title. Recording charges, fees, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice.

(a) A contribution to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges assessed against the Residential Unit at the time of Closing.

(b) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. If ordered from Continental Abstract Corporation (as agent for First American Title Insurance Company of New York) (the "Title Company") having an office at One Old Country Road, Carle Place, New York 11514 ("Title Company"), the premium will be calculated at a discounted rate of 70% of the standard fee policy rates in accordance with the following discounted rate schedule:

FEE BULK RATE SCHEDULE

(70% Rate)

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$402.00
From $35,001 to $50,000	$4.67 per Thousand
From $50,001 to $100,000	$3.80 per Thousand
From $100,001 to $500,000	$3.05 per Thousand
From $500,001 to $1,000,000	$2.79 per Thousand
From $1,000,001 to $5,000,000	$2.56 per Thousand
From $5,000,001 to $10,000,000	$2.28 per Thousand
From $10,000,001 to $15,000,000	$2.15 per Thousand
From $15,000,001 and up	$1.93 per Thousand

Note - The minimum premium for a fee policy is $402.

(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from Title Company, the premium for the fee title insurance will be calculated as described in paragraph (b) above. The premium for the mortgage title insurance that does not exceed the fee policy will be calculated at a discounted rate of 21% of the standard mortgage policy rates in accordance with the following discounted rate schedule:

SIMULTANEOUS MORTGAGE BULK RATE SCHEDULE

(21% Rate)

AMOUNT OF INSURANCE	PREMIUM
First $35,000	$72.00
From $35,001 to $50,000	$1.17 per Thousand
From $50,001 to $100,000	$ .95 per Thousand
From $100,001 to $500,000	$ .76 per Thousand
From $500,001 to $1,000,000	$ .70 per Thousand
From $1,000,001 to $5,000,000	$ .64 per Thousand
From $5,000,001 to $10,000,000	$ .57 per Thousand
From $10,000,001 to $15,000,000	$ .54 per Thousand
From $15,000,001 and up	$ .49 per Thousand

A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of the Plan.

(d) A fee for recording the deed and Unit Owner's power of attorney, being $42 for each instrument plus $5 per page together with a fee of $50 for filing the New York City Real Property Transfer Tax return ("City Tax Return").

(e) New York State Real Estate Transfer Tax ("State Transfer Tax") currently equal to $2 per $500 of purchase price plus, if applicable, a New York State Additional Tax ("Mansion Tax") of 1% where the purchase price equals $1 million or more and the New York City Real Property Transfer Tax ("RPT Tax") currently equal to 1% of the purchase price where the purchase price is $500,000 or less and 1.425% of the purchase price where the purchase price is more than $500,000.

The New York City, Department of Finance has taken the position that where the Purchaser of property assumes the obligation for the State Transfer Tax and the RPT Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. Consequently, the amount of the RPT Tax is computed as follows:

	Purchase Price $500,000or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$ 400,000	$ 1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$ 400,000	$ 1,500,000
Rounded to nearest $500	$ 400,000	$ 1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$ 400,000	$ 1,500,000

Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$ 405,600	$ 1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765
State Tax:		
Net Consideration	$ 400,000	$ 1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$ 405,600	$ 1,527,375
Rounded to nearest $500	$ 406,000	$ 1,528,000
State Tax ($2 per $500)	$ 1,624	$ 6,112

Thus, the effective RPT tax rate is approximately 1.014% of the purchase price where the purchase price is $500,000 or less and 1.451% where the purchase price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the purchase price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

Sponsor has been advised by the Title Company that the information set forth below reflects the current position of the New York City Department of Finance with respect to real property transfer taxes that are due and payable in connection with the transfer by a seller of one or more units to the same or related Purchasers, whether pursuant to one or more purchase agreements:

(1) Purchase of a single Residential Unit:

The tax on the Residential Unit is 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000

(2) Purchase of multiple Residential Units:

The tax on each Residential Unit is 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000

The Department of Finance takes the position that: (i) the lower tax rate (either 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000) applies only in the case of a transfer of "an individual residential condominium unit"; and (ii) the higher tax rate (either 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000) applies if a Purchaser acquires more than one individual residential Condominium Unit (i.e., two Residential Units).

(f) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording taxes, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2% of the face amount of the mortgage and 2.125% of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the mortgagee pays an amount equal to 0.25% of the face amount of the mortgage. In addition, there is a $25 exemption for residential property. No representation or warranty is made with

respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

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

(g) Fees payable to Starr Associates LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $1,500 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Starr Associates LLP, or such other place as Sponsor may designate and supervision of execution of closing documents;

(2) If Purchaser requires that the Closing occur other than at the office of Starr Associates LLP, or such other place as Sponsor may designate, and Sponsor consents to such change, an additional attendance fee of $1,000 for the first two hours of such Closing and $250 per hour for each additional hour for Closings held within Manhattan. No Closing will be held outside Manhattan.

(3) $1,500 if title insurance is ordered from a company other than the Title Company;

(4) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all events must be received by Sponsor's attorney no later than 7 business days prior to the scheduled closing date), a fee of $1,250, payable in advance, for preparation of an assignment agreement.

(5) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $750 for <u>each</u> rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

Purchaser may pay more than one fee pursuant to (g) above with respect to a Residential Unit. In addition to an attendance fee in connection with a completed Residential Unit transfer, Starr Associates LLP shall also be entitled to an attendance fee in the amount set forth in (1) above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

(h) If Purchaser has dealt with any broker other than Selling Agent or any other broker engaged in writing by Sponsor in connection with the purchase, then Purchaser will be required to pay any commission due to such broker.

(i) If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(j) Purchaser's pro-rata share of the promissory note executed at the First Closing by the Condominium Board, representing the net credit of the apportionments in favor of Sponsor, in accordance with Purchaser's Residential Common Interests,

(k) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 2 years Common Charges.

All legal costs, fees and expenses of Starr Associates LLP, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Illustration of Closing Costs

A numerical example for the typical approximate closing costs and expenses for a single Residential Unit with a purchase price of $1,500,000 are set forth below. All tax rates, title insurance premiums and recording rates are subject to change.

Sample Closing Costs (by way of illustration only):

1.	Working Capital Contribution	$ 1,141	
2.	Title insurance for Fee	$ 3,840	
3.	Recording and pick-up costs for deed and power of attorney (approximately)	$ 124	
4.	City Transfer Tax	$21,765	(+ $50 filing fee)
5.	State Transfer Tax	$ 6,110	
6.	Mansion Tax (if applicable)	$15,000	
7.	Legal fee to Starr Associates LLP	$ 1,500	
8.	Promissory Note Payment	(to be determined prior to closing)	

Purchasers should note that adjustments for various closing items including Common Charges and real estate taxes will be made at Closing.

The foregoing projections assume that title insurance is purchased from the Title Company and that Purchaser closes without delays or the imposition of penalties. If Purchaser obtains a mortgage loan Purchaser can expect to incur additional fees for mortgage title insurance (with benefit of simultaneous rates), mortgage recording taxes and fees and other closing fees as set forth in (f) above. Purchasers are advised to consult with prospective lenders for a detailed projection of related financing costs. Furthermore, this example does not take into account possible new taxes, increase in tax rates or recording fees or increases in cost of title insurance.

In the event Sponsor obtains a construction or acquisition loan which satisfies certain parameters and pays a mortgage recording tax thereon, it is specifically understood that, any mortgage tax credit shall inure to the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed.

Closing Adjustments

(i) Adjustments. At Closing, adjustments between Sponsor and Purchaser will be made as of midnight of the day preceding the Closing Date with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, and future real estate taxes and assessments in accordance with the terms of the subsection below entitled "Real Estate Taxes"; (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and (c) if Purchaser is occupying a Unit pursuant to a lease, an interim lease or use and occupancy agreement, accrued rent and other charges.

(ii) Penalties. If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date ("Scheduled Closing Date"), (a) the closing adjustments described above will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to .05% of the purchase price for each day starting from (and including) the originally Scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally Scheduled Closing Date, these provisions shall apply to any new Scheduled Closing Date.

(iii) Real Estate Taxes. In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing, the obligation of the Condominium to pay real estate taxes to the Finance Department for the next ensuing tax period, without deduction or allowance for possible J-51 Abatement Benefits not yet in place ("Future Taxes") shall be secured by Sponsor delivering at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the Future Taxes. Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Escrow Agent an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). Unit Tax Payments will not be placed in an interest-bearing account by Escrow Agent. The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Purchasers who deposited Unit Tax Payments with Escrow Agent.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the Future Taxes are due, Escrow Agent shall release the Tax Security to Sponsor and the Unit Tax Payments to the Purchasers, as appropriate. In such event, Sponsor and Purchasers who closed title shall be required to pay their respective tax bills directly to the Finance Department.

With respect to subsequent Future Taxes, until the Units are separately assessed and individual tax bills are issued, the Condominium Board shall collect a Unit Tax Payment from each Unit Owner which Unit Tax Payment shall constitute additional Common Charges. Unit Tax Payments shall be payable by Unit Owners within 5 days of the date billed by the Condominium and shall be due and payable by such Unit Owner to the Condominium Board irrespective of whether such Unit Owner is required to escrow funds with a Lender in connection with a mortgage loan on such Unit. If any Unit Owner fails to make the Unit Tax Payment as set forth above, the Condominium will have a lien on the Unit for non-payment in the same manner as Common Charges (see the Section of the Plan entitled "Rights and Obligations of Unit Owners", subsection: " Common Charges: Collection and Lien for Non-Payment" for further details).

Illustration. By way of illustration only, a Purchaser closing on a Unit in the middle of November (prior to separate assessment and individual billing of real estate taxes) is obligated to: (a) adjust with Sponsor for the first-half real estate taxes (July 1 to December 31) paid by Sponsor in July for the period from Closing through December 31; and (b) deliver to Escrow Agent a Unit Tax Payment for the second-half Future Taxes (January 1 to June 30). Thereafter, if the Units are not separately assessed and individual tax bills are not issued prior to the next ensuing tax payment, the Condominium will have the obligation to collect from each Unit Owner a Unit Tax Payment for first-half real estate taxes (July 1 to December 31) and pay such real estate taxes directly to the Finance Department on behalf of all Residential Unit Owners.

In the event the amount of Future Taxes is increased (due to an increase in the tax rate or otherwise) prior to the separate assessment and issuance of individual tax bills by the Finance Department, the amount of such increase shall be payable by all Unit Owners, including Sponsor (with respect to its Units), in proportion to each Unit's respective percentage interest in the Common Elements, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or Escrow Agent, as the case may be, within 5 days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

Except as specifically set forth in the Plan, Sponsor will pay all costs and expenses incurred in connection with the promulgation and consummation of the Plan and the sale of Units by Sponsor, including, but not limited to, all selling expenses and commissions payable to Selling Agent, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building

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

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units; provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligations of Unit Owners or Purchasers to any adverse and material degree and any substitution of equipment or materials will not be of lesser quality or design.

(b) Sponsor has procured an agreement from Fremont Investment and Loan ("Lender") with an office at 685 Third Avenue, New York, New York 10017 for financing the renovation and construction of the Building. Sponsor will receive advances each month so long as Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally to proceed with the construction as agreed to in the loan documents. Pursuant to the terms of the construction loan documents, Sponsor must meet certain minimum release prices prior to Lender's release of its lien against each Residential Unit.

(c) The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Closing shall not occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective (see the Section of the Plan entitled "Effective Date" for further details).

(d) Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the renovation and construction of the Building with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the Plans and Specifications for the renovation and construction work filed with the Buildings Department and other appropriate governmental authorities.

(e) Based upon its current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, the renovation and construction of the Building will be sufficiently completed to permit Closings of Units to begin on or about January 1, 2006. Purchasers should note, however, that the Residential Units will be completed at differing times over a period that may likely extend significantly beyond such dates. Purchasers will not be excused from paying their full purchase prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Units is delayed or postponed by Sponsor. Notwithstanding the foregoing, if the First Closing does not occur within 12 months after the date set forth in Schedule B as the projected commencement date for the projected first year of Condominium operation, as such date may be extended from time to time by amendment or any adjourned date which has been agreed upon by both Sponsor and Purchaser, Sponsor will offer all Purchasers (provided such Purchaser is not in default) a right for 15 days, to rescind their Purchase Agreement and receive a refund of their Deposit together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras. In the event the actual or anticipated commencement date of the projected first year of Condominium operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such budget,

offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(f) Sponsor is obligated to bear all costs and expenses incurred in connection with completing renovation and construction of the Building substantially in accordance with the Plans and Specifications. During the course of renovation and construction, Sponsor reserves the right in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs in accordance with the Section of the Plan entitled "Changes in Prices and Units; and/or (ii) substitute materials, appliances equipment and fixtures that are of substantially similar or better quality in place of those described in the Plan and the Plans and Specifications.

(g) At the First Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the renovation and construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Residential Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Residential Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Residential Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any other reason, fails to perform under its warranty.

(h) Prior to the First Closing, Sponsor will cause a temporary certificate of occupancy to be issued for the Unit and will attempt to obtain a permanent certificate of occupancy within 2 years after the First Closing, subject, however, to Force Majeure, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control, but in any event, before the expiration of applicable temporary certificate of occupancy, as the same may be renewed, replaced or extended. Sponsor will, at its sole cost and expense, do and perform all work, and will supply for the Building all materials that shall be necessary in order to cause the temporary certificate of occupancy to be continuously renewed and to obtain a permanent certificate of occupancy. Sponsor shall not be responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the permanent certificate of occupancy due to work undertaken in individual Units by Unit Owners or work undertaken in Common Elements by the Condominium Board after the Sponsor no longer controls the Board.

(i) If Sponsor fails to obtain a permanent certificate of occupancy for the Building prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, then the amount exceeding the sum so certified by the Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the permanent certificate of occupancy.

(j) Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. During the first years of Condominium operation, construction workers and related personnel will be at the Building from time to time making

adjustments and performing various tasks relating to the completion of construction. Various systems, including, but not limited to water supply, air conditioning, heating, ventilating and elevators, may require substantial time after any Closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time after the Closing to be completed. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, dust, debris and odors and temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. Furthermore, Sponsor makes no representation or warranty (express ore implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium or the Commercial Units will not disturb occupants of the Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(k) Sponsor has no obligation to repair or improve the Units, the Common Elements or the Facilities used in connection with the operation of the Building except as otherwise expressly provided in the Plan. Sponsor agrees to complete renovation and construction and to cause all mechanic's liens with respect to the renovation and construction of the Building to be promptly discharged or bonded or to deliver any and all requested documents to the Title Company necessary to insure title to the Unit, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(l) Each Unit and the fixtures and personal property contained therein, are being sold and delivered "AS IS", as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within seven (7) calendar days prior to the Closing. Purchaser shall promptly inspect the Unit and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing, without any provision for escrow. Sponsor's obligation thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be grounds for Purchaser to delay the Closing or to unilaterally refuse to pay the full balance of the Purchase price at Closing. Purchasers shall be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Residential Unit and any Limited Residential Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement and any other work which may be required in the Unit or any Common Elements, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement.

(m) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does <u>not</u> apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering or the Residential Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to renovation and construction of the Building, Common Elements or the Residential Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

(2) Sponsor is notified by the Condominium Board or the affected Residential Unit Owner, as the case may be, of the same in accordance with the following, which notice shall be by certified mail, return receipt requested:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of a Residential Unit, within 6 months of the earlier to occur of the (a) the Closing of Title to the Residential Unit or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Residential Unit prior to Closing;

(ii) with respect to any patent defect in the construction of a Residential Unit within 3 months of the earlier to occur of the (a) the Closing of Title to the Residential Unit, provided such patent defect is not caused by the Residential Unit Owner or other occupant of the Residential Unit or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Residential Unit prior to Closing;

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 6 months from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a certification from a registered architect or licensed engineer shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

The method of correcting any defect will be selected by Sponsor in its sole discretion. The quality of construction as to any such correction will be comparable to local standards customary in the particular trade or trades involved and will be in accordance with the Plans and Specifications.

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to any defects, whether patent or latent, if:

a. Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above;

b. The Condominium Board and/or the Managing Agent and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors; or

c. Sponsor has corrected, or caused the correction of, the defect in accordance with the practice of the industry, as determined by Sponsor's general contractor, architect, or engineer, in their sole judgment.

(3) This Limited Warranty is only available to the first Purchaser of the Residential Unit and Sponsor shall have no liability to any subsequent Purchaser with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building.

(n) Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including appliances and bathroom fixtures) or any condition:

(1) with respect to which assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialpersons, or others which are assigned to the Condominium Board and/or any Residential Unit Owner;

(2) resulting from normal wear and tear, natural deterioration, normal settling, deflection, expansion or shifting of the Building or building materials; or

(3) that are not of a material nature, including, without limitation, the following:

a. death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in concrete walls and paving, leaching or color variation in colored mortar, tiles, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and terrace surfaces, terrace tiles or pavers not laid flat, stained tiles or color variations in tiles or pavers, and cracks in pressure treated wood used, or intended for use, outside the Building;

b. protruding dry wall fastenings, nail pops, ridging on gypsum board, slight variations in gypsum board taping visible only under certain lighting conditions, walls not square, lumber shrinkage, painting defects, electrical plates not straight, slight separation between base and floor, variations in floor and ceiling levels, carpet or floor discoloring or stretching, variations in width, length, thickness, finish, or color range of wood floors, ceiling imperfections, and stains, runs, lumps, shags, or imperfections in weave in fabric panels;

c. door or window sticking due to weather, door warpage (including warpage of the main entrance door to a Residential Unit within reasonable tolerances of doors of similar size, weight and quality), adjustment of bi-fold doors, and air and water infiltration from windows in excess of industry standards;

d. variations in tone or color of natural stone or variations in tone or color of vanity tops or other natural stone surfaces, scratches in plastic laminate, glass, metal, vitreous china, natural stone, wood, stainless steel, or porcelain surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

e. variations in wood floor stains and finishes caused by normal foot traffic during construction and sales periods;

f. noise, vibrations or odors from normal plumbing, heating, air-conditioning, ventilating and elevator operation, and floor noises and creaking;

g. repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, insulation attached to the curtain wall, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, water closets, kitchen cabinets, backsplashes, and countertops, vanity tops and cabinets, tile or natural stone floors and walls, saddles, appliances, woodwork, millwork, doors, mirrors, and hardware; and

h. normal wear, including chips, to elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames.

(4) television, radio, internet or other telecommunications reception.

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Residential Units by Residential Unit Owners, but Sponsor will not be obligated to replace any such surfaces.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN (3) ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED OR SUBSTANTIALLY RENOVATED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED OR SUBSTANTIALLY RENOVATED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

(o) NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR MONEY DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES. ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED.

(p) Except for those warranties or guarantees provided to Sponsor by contractors, manufacturers or suppliers, which Sponsor will assign to the Condominium Board and/or Residential Unit Owners, as necessary, Sponsor does not make any warranty of any kind, express or implied, and Sponsor hereby discloses any and all warranties, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Residential Units and the Common Elements and with respect to the personal property located within the Residential Units, the Common Elements, and the Residential Unit Owners assume all risk and liability from the use of this property.

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

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

(s) Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in Sponsor's renovation, construction and equipping of the Building in accordance with the

New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens, unless the Title Company is willing to insure title over such liens at no additional cost to Purchaser.

(t) No Closing of a Unit will occur prior to the issuance of a temporary certificate of occupancy for the Unit.

(u) Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and shall be obligated to indemnify the Condominium Board and Residential Unit Owners against any such action or proceeding.

(v) Following the issuance of a permanent Certificate of Occupancy, Sponsor will deliver to the Condominium Board copies of all of the mechanical, electrical and plumbing drawings for the Building.

(w) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the Plans and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

(x) Sponsor will pay all Common Charges (once Common Charges have been assessed by the Condominium Board), special assessments and real estate taxes allocated to any Unsold Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.

(y) Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws, the cost of which insurance has been reflected in the Estimated Budget for Projected First Year of Condominium Operation. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws.")

(z) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(aa) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Units or 20% or more of the total number of Units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of Sponsor for those Units under the Plan and Laws.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units or the Common Elements. Sponsor will

use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

Obligations of Sponsor hereunder with respect to the Building shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 120 days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 120-day period.

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

In the event Sponsor is unable to perform its material obligations under the Plan, all sales will cease, Sponsor will promptly submit an amendment to the Plan setting forth its inability to perform such material obligations under the Plan, and will offer all Purchasers the right to rescind their Purchase Agreements within 15 days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Deposit and any interest accrued thereon returned, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Residential Unit Owners under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in the Plan.

The terms of the Plan will govern in the event of a conflict between the Plan and any other document or advertisement used in connection with the Plan.

Use of Unsold Residential Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Residential Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Residential Unit, Sponsor may require Purchaser to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for the Residential Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model unit imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for the Residential Unit.

CONTROL BY SPONSOR

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Yitzchak Tessler, Dean Lederman and Natalie Toledano who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The first annual meeting of the Residential Unit Owners will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% both in number and in aggregate Common Interest of all Residential Units offered for sale.

Commencing with the first annual meeting, the Condominium Board shall consist of 8 individuals, 7 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owners in the aggregate (the "Commercial Member"). The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected. However, at elections of members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 4 of the 7 Residential Members of the Condominium Board.

So long as Sponsor shall continue to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interests attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board.

Within 30 days after the Initial Control Period, 1 of the 4 Residential Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor) at a special meeting called for such purpose.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

During the Initial Control Period, Sponsor will through its control of the Condominium Board have control of 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.

So long as Sponsor continues to own at least 25% both in number and in aggregate Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of or addition to all or part of a working capital, reserve, contingency or surplus fund; (c) increase or decrease the number, or change the kind of employees from those described in the Estimated Budget for Projected First Year of Condominium Operation; (d) enter into any service or

maintenance contract for work or otherwise contract for work or services in excess of those described in the Estimated Budget for Projected First Year of Condominium Operation, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Notwithstanding the preceding paragraph, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board. The term of office of the members of the Condominium Board shall be for 1 year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign membership at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for further details.)

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that the Commercial Member of the Condominium Board may only be removed by the Commercial Unit Owners, who alone shall have the right to designate a replacement. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Residential Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor or the Commercial Unit Owner.

A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose.

All officers, and members of Condominium Board and employees of the Condominium will be insured at all times from and after the First Closing under crime insurance in favor of the Condominium. The amount and cost of the insurance has been provided for in the Estimated Budget for Projected First Year of Condominium Operation.

To the extent permitted by Law, members of the Condominium Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such member of the Condominium Board.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease the Residential Unit for terms of not less than nor more than 1 year or more provided the Residential Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of notice, the Offering Unit Owner will have an additional 60 days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or lease is not consummated within an additional 60 days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Unit Owners. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

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

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

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

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or lease. In addition, the Condominium Board may (i) establish reasonable restrictions with respect to the sale and lease of a Residential Unit and (ii) implement reasonable fees in connection with the processing of sale and lease packages, which shall be payable by the Offering Unit Owner.

The Commercial Unit Owners are free to sell or lease all or any portion of their Commercial Units without first notifying or obtaining the approval of the Condominium Board.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor with respect to any Unsold Residential Units, or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board, and without payment of any fees

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

Use of Residential Units and Common Elements

A Residential Unit shall be used for residential purposes only (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory", "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, the fiduciary or beneficiary of such fiduciary, a principal or employee or such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Residential Unit may be used for any other lawful purpose, provided such use is permitted by, and complies with Law, does not violate the then existing certificate of occupancy covering the Building, and the Condominium Board, in its sole discretion, grants permission for such use.

The Commercial Units may be used for any legally permitted purpose, subject however to the provisions of the By-Laws.

Notwithstanding the preceding paragraph, Sponsor may, without the permission of the Condominium Board: (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations; (b) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units, or for any other purpose, subject only to compliance with Law; and (c) lease any Unsold Residential Unit to third parties for either long or short term stays.

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

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building. All Laws shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building by any Residential Unit Owner without prior written approval of the Sponsor (for so long as there are any

Unsold Units) or by the Condominium Board (when all Unsold Units have been sold). No radio or television aerial or satellite dish or other similar device shall be erected on the roof or exterior walls of the Building or on the Property by any Residential Unit Owner without obtaining in each instance the written consent of the Sponsor (for so long as there are any Unsold Units) or by the Condominium Board (when all Unsold Units have been sold).

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, all Unit Owners and Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations of the Condominium Board adopted with respect thereto.

Each Unit Owner shall keep the Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

Each Residential Unit Owner may mortgage the Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against the Residential Unit, other than Permitted Mortgages. Sponsor and each Commercial Unit Owner shall have the right to mortgage any Unsold Residential Unit or Commercial Unit, respectively, without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents", in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses are payable by Unit Owners and are included in their Common Charges. They are allocated among Unit Owners in proportion to their Common Interest or such Unit's usage of particular services in the case of the Commercial Units and in proportion to their respective Residential Common Interest in the case of a Residential Units. Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (b) water charges and sewer rents in connection with the Building; (c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and (d) amounts for

certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

The Common Interests of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with RPL 339-(i)(l)(iv).

At least annually, the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet Common Expenses.

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

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-z of the New York Real Property Law and the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to its respective Common Interests. All such liens, however, to the extent permitted by Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Condominium Board may assess Unit Owners other than Sponsor, a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, and interest at the rate of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including, but not limited to, reasonable attorneys' fees and costs. Sponsor obligates itself to cause any members of the Condominium Board related to or affiliated with Sponsor to vote in favor of filing a lien against any Unsold Residential Units with respect to which payments of Common Charges have not been made within 30 days after the date when due.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the

Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

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

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and 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 to the Common Elements contained therein), including, but not limited to, the heating and cooling systems, the plumbing, appliances in the Units and the interior side of entrance doors thereto, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense; (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense; (c) in or to the Residential Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Limited Residential Common Elements shall be performed by (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement (except if necessitated by the negligent act or omission of the Unit Owner); or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, non-structural ordinary maintenance, repairs and replacements or any maintenance or repairs necessitated by the negligent act or omission of the Unit Owner.

Any Residential Unit Owner having access to a Terrace shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Residential Unit without the prior written approval of the Sponsor (until there are no more Unsold Units) or by the Condominium Board (after all Unsold Units have been sold). Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of Sponsor (until there are no more Unsold Units) or by the Condominium Board (after all Unsold Units have been sold) and shall be in compliance with Law.

The exterior and interior glass surfaces of all windows located in any Unit, including any skylight, shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Unit, including any skylight, because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building as determined by the Condominium Board in its sole discretion, by (i) the Condominium, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and window treatments in, or appurtenant to the Unit.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc.; or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or replacements will be made by the Condominium Board, and any portion of the cost thereof is attributable to either (x) or (y) which shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section of the Plan entitled "Rights of Access" for further details.)

Alterations, Additions and Improvements of Residential Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Limited Residential Common Elements, if any, without the prior written approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Condominium Board.

Sponsor and the Commercial Unit Owners shall have the right, without the approval of the Condominium Board, the Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to their respective Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of their respective Units. (See the Section of the Plan entitled "Changes in Prices, Units and Licenses" for further details.)

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Limited Residential Common Elements the Condominium Board shall have the right to reasonably approve the Residential Unit Owner's contractors and suppliers and may, at its option, require the Residential Unit Owner to execute and enter into an alteration agreement in form and substance prepared by the Condominium Board setting forth the terms and conditions under which such alterations, additions, improvements or repairs may be made, including, without limitation, the days and hours during which any work may be performed.

Any Residential Unit Owner making or permitting an alteration, addition, improvement or repair in or to its Residential Unit, or its appurtenant Limited Residential Common Elements is required by the By-Laws to (i) obtain the consent of the Condominium Board if relating to structural alterations additions, improvements and/or repairs, (ii) obtain such insurance as the Condominium Board may require, (iii) indemnify Sponsor, the Condominium Board, Managing Agent and the other Unit Owners against any liability arising from such alterations, additions, improvements or repairs, (iv) reimburse the Condominium Board for any architectural, engineering, legal and other fees incurred in connection with such alterations, additions, improvements or repairs, and (v) execute and enter into an alteration agreement, in form and substance prepared by the Condominium Board, setting forth the terms and conditions under which such alterations, additions, improvements or repairs, may be made, including without limitation, the days and hours during which any work may be performed.

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

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. The Condominium Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board and the Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit or the Commercial Units provided any alteration to such Unsold Residential Unit or Commercial Units shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Limited Residential Common Elements. Consequently, all Unit Owners are strongly urged to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units and liability insurance with respect to occurrences in or about their respective Units.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agent, manager, Resident Manager and other persons authorized by the Condominium Board, will have a right of access to any Unit and its Limited Common Elements (including, but not limited to, the Commercial Units and the lower level portion and Terrace of Unit PH 1B/2B) for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and its appurtenant Limited Common Elements and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about the Building and Unsold Residential Units or the Commercial Units and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit may not be exercised in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

By-Laws and Residential Rules and Regulations

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

Examination of Books and Records

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

Self-Help

In the event that any Unit Owner fails to maintain or repair the Unit or any Limited Common Elements appurtenant to such Unit, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

General

All restrictions and prohibitions, set forth herein with regard to the use of a Residential Unit and its appurtenant Limited Common Elements shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit.

RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. The Condominium Board will call the first annual meeting of the Residential Unit Owners to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% both in number and in aggregate Common Interest of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Commercial Unit Owners to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of 8 members. (See the Sections of the Plan entitled "Meetings and Votes of Unit Owners" and "Control by Sponsor" for further details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the members of Condominium Board designated by Sponsor and/or the Commercial Unit Owners, all members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such members term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Condominium Board members shall serve without compensation.

Powers and Duties of and Determinations by the Condominium Board

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board. However, the Condominium Board will have no right to restrict or limit the method of operation, use or appearance of the Commercial Units which are permitted by Law. No rule or By-Law affecting the Commercial Units may be adopted or modified by the Condominium Board without the consent of the Commercial Unit Owners.

As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% both in number and in aggregate Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the Estimated Budget for Projected First Year of Condominium Operation; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the Estimated Budget for Projected First Year of Condominium Operation, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the

carrying out of such action is necessary, and no alternatives is available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Notwithstanding the preceding paragraph, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Unit Owners shall elect the 7 Residential Members to the Condominium Board, subject to any rights of Sponsor and/or the Commercial Unit Owners to designate Condominium Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Residential Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the Residential Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

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

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the first annual meeting. Thereafter, the President and Vice President must be members of the Condominium Board. Except as otherwise provided by the Condominium Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the Building is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such

amounts as may be necessary to reduce unpaid liens on the Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

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

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all the Condominium Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine.

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the first annual meeting of the Unit Owners shall be in at least the sum set forth in the Estimated Budget for Projected First Year of Condominium Operation.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the

same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

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

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The premiums for all insurance referred to above shall be a General Common Expense.

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

Liability of the Condominium Board and Unit Owners

Every contract made by the Condominium Board or by any Managing Agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and the members of the Condominium Board, Managing Agent or manager thereof shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. To the extent permitted by Law, the members of the Condominium Board shall have no liability to Unit Owners except that a member of the Condominium Board shall be liable for such members own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners approximately 4 months after the end of each fiscal year.

Amendments to Condominium Documents

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

No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Residential Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Residential Unit unless such holder has given its prior written consent thereto, or (c) against the Commercial Unit Owners and/or Commercial Units without the prior written consent of all Commercial Unit Owners.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of all of the Commercial Unit Owners and at least 80% in number and in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from the Mortgage Representatives, if any.

In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by Condominium Board

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

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

Procedure to Review Real Estate Tax Assessments

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

Mechanics' Liens

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

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, the Commercial Unit Owners, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Limited Residential Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

Sponsor and the Commercial Unit Owners shall each have an easement for ingress and egress through all Common Elements to erect, use, lease, maintain, repair, replace and operate (i) antennae, satellite dishes and other communications equipment; and (ii) pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust or ventilation, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. Sponsor and the Commercial Unit Owners shall each be entitled to utilize such easement for their own account or the account of any tenants or licensees of Sponsor and/or the Commercial Unit Owners, as the case may be. In addition, Sponsor and the Commercial Unit Owners shall each have an easement to erect, maintain, repair and replace any lighting or sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Until all Units of the Condominium have been sold by Sponsor, the name of the Condominium may not be changed except by Sponsor, in its sole and absolute discretion.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan.

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

The following discussion of certain income tax consequences of the ownership of a Residential Unit as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Olshan Grundman Frome Rosenzweig & Wolosky LLP, Sponsor's Counsel, a copy of which is set forth in Part II of the Plan.

OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP IS SPONSOR'S COUNSEL AND NOT COUNSEL TO THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Residential Unit Owners

Each Residential Unit Owner will own fee simple title to the Residential Unit together with an undivided interest in the Common Elements. Each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, each Residential Unit Owner will be individually liable for the real estate taxes and assessments levied against the Residential Unit. Additionally, each Residential Unit Owner may mortgage the Residential Unit, and thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Olshan Grundman Frome Rosenzweig & Wolosky LLP that a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married taxpayers filing separately) plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Tax Status of the Condominium

As discussed in the Attorney's Income Tax Opinion, the Condominium should meet the requirements for qualification as a "homeowners association", under Internal Revenue Code Section 528 and accordingly, may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners.

If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve fund (less expenses directly connected with the production of such income).

If the Condominium does not qualify as a "homeowners association", or if it does but chooses not to make the necessary election, it will be taxable as a partnership or corporation for Federal and New York State income tax purposes. Sponsor's Counsel recommends that the Condominium file Form 8832 within 75 days of its formation so it will be taxable as a corporation for federal income tax purposes.

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

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Olshan Grundman Frome Rosenzweig & Wolosky LLP, as Sponsor's Counsel, bases its opinion, will not change. In addition, none of the aforesaid give any warranties with respect to the tax consequences of the Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

It is estimated that the aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately $1,544,000, assuming (a) an estimated assessed valuation for the Property of $10,075,000 for fiscal year 2005/2006 reflecting partial completion of the residential conversion of the Property and an estimated assessed valuation for the Property of $15,500,00 for fiscal year 2006/2007 reflecting a completely renovated Building based on the real estate tax projection opinion prepared by Podell, Schwartz, Schechter & Banfield, LLP dated April 5, 2004 set forth in Part II of the Plan, and (b) estimated but not guaranteed tax rates of (i) 11.431 per $100 of assessed valuation for the 2005/2006 fiscal year (the final commercial class 4 tax rate in effect for 2003/2004); (ii) 12.620 per $100 of assessed valuation for 2006/2007 for the Residential Units (the final class 2 tax rate in effect for 2003/2004); and (iii) 11.431 per $100 of valuation for 2006/2007 for the Commercial Unit (the final class 4 tax rate in effect for 2003/2004). Purchasers should note that once the Building is assessed as renovated as a primarily residential Building, it is estimated that the real estate taxes will total approximately $1,936,000 in fiscal year 2006/2007. This tax projection does not take into account any J-51 Abatement that may be applicable to the Property at such time.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Registers Office. For purposes of Schedule A, the projected real estate taxes for the Units were apportioned among the Units based on Common Interest percentages. There is no assurance that the City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interest percentages. If it does not, Owners of Units having the same Common Interest percentage will pay different amounts of real estate taxes. It is possible that 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 Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units.

Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.

At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units.

ANTICIPATED REAL ESTATE TAX ABATEMENT BENEFITS

As more fully explained in the J-51 Real Estate Tax Abatement Benefits Opinion Letter of Sponsor's Special J-51 Tax Abatement Counsel set forth in Part II of the Plan, under current rules, the Property is expected to qualify for a partial real estate tax abatement benefits under the J-51 Abatement program. Sponsor will apply to the New York City Department of Housing Preservation and Development ("HPD") for approval of J-51 Abatements for the Residential Units. Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not represent or guarantee that such final approval will be obtained. If such approval is not obtained, Purchasers will have no right to rescind their Purchase Agreements even though the J-51 Abatement would not be available to the Residential Units. In connection with HPD's enforcement of the J-51 Abatement program, all prospective Purchasers are advised that HPD may conduct an audit which may result in a revocation of the J-51 Abatement if all documents required to be filed with HPD are not so filed or if the real estate taxes are not paid for one or more years.

In connection with its application to HPD to obtain the J-51 Abatements for the Residential Units, Sponsor will (i) keep all records required by HPD and make such records available to HPD whenever requested by HPD to do so, (ii) in a timely fashion file all applications required to be submitted to HPD in connection with the J-51 Abatement, and (iii) otherwise comply with all procedures required by HPD to properly procure and maintain the J-51 Abatement. In addition, Sponsor will make available to the Condominium Board all J-51 Abatement documents for inspection and copying for so long as the Residential Units receive any J-51 Abatement.

Purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over 5 fiscal tax years in annual increments of 20% each. Any further increase in assessed valuation during such 5 year period resulting from a still higher market value is similarly phased in over an additional 5 year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the 5 year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such 5 year period is called the "transitional" assessed valuation.

Purchasers should note that the real estate taxes that will be payable by the Residential Unit Owners for future years will vary in accordance with the amounts of the Residential Unit's assessed valuation (transitional and actual) and of the real estate tax rate. In this regard, prospective Purchasers should note that, assuming the partial abatement from real estate taxes pursuant to the J-51 Abatement is maintained, the real estate taxes payable by the Residential Unit Owners will in any event increase after the sixth year following completion of construction, when the J-51 Abatement is expected to have been fully utilized.

The New York City Department of Finance has a policy whereby J-51 Abatement Benefits apportioned to a condominium unit containing new cubic content will be reduced for that unit in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite the above policy, the Sponsor has been advised that, based on the past practice and policy of the Department of Finance, the Department of Finance will continue to allocate J-51 Abatement Benefits on a building wide basis (i.e. among all of the Residential Units in a building if the following conditions are met:

a) A consent in recordable form is executed by each Unit Purchaser in which such Purchaser agrees to an allocation of benefits among all Residential Units;

b) A copy of such consent is included in the Plan with reference to its requirement;

c) The Declaration of Condominium includes a reference that the consents be recorded;

d) An affidavit is submitted by legal counsel which states that the consents will be recorded after the Condominium Declaration is filed.

Since Sponsor desires that such J-51 Abatement Benefits be distributed among all of the Residential Units, all Purchasers shall be required to execute a consent in recordable form for such allocation of the J-51 Abatement Benefits. The form of consent is set forth in Part II of the Plan. Sponsor intends to comply or cause compliance with the four requirements set forth above and to provide appropriate documentation thereof to the Department of Housing Preservation and Development, as required, to obtain the issuance of a Certificate of Eligibility and Reasonable Cost to obtain J-51 Abatement Benefits.

Neither Sponsor, Sponsor's Attorney, Sponsor's Special J-51 Tax Abatement Counsel, Selling Agent, Managing Agent, nor any other person makes any warranty that the partial abatement from real estate taxes under the J-51 Abatement will be granted in whole or in part, or if granted, will not be later reduced or revoked, or as to the amount of the tax which will be assessed against any Residential Unit, or the amount of real estate taxes payable at any time by any Residential Unit Owner or that the Department of Finance will allocate J-51 Abatement Benefits among all of the Residential Units. Purchasers should refer to the Opinion Letter of Sponsor's Special J-51 Tax Abatement Counsel set forth in Part II of the Plan for further details concerning the assessed valuation of the Property and the estimated taxes to be imposed against the Property if the J-51 Abatement is not granted.

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed or the actual amount of any J-51 Abatement.

WORKING CAPITAL FUND AND APPORTIONMENTS

A Purchaser of a Unit shall be required to make a contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to 2 months' Common Charges assessed against the Residential Unit at the time of Closing. No payment to the Working Capital Fund will be made by the Condominium Board as Purchaser of the Resident Manager's Unit or upon the resale of a Unit.

No provision has been made to establish a reserve fund for capital replacements or repairs, because the mechanical systems, roof and Units of the Building, upon completion of the renovation and construction to be performed by Sponsor will be entirely new. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment or by increases in Common Charges.

At the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

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

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

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

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

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

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

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

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

(9) management fees;

(10) building supplies (including, but not limited, to uniforms, cleaning supplies, luggage carts);

(11) other customary closing adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of the closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid as follows: each Purchaser of a Residential Unit will be required to pay to Sponsor at Closing Purchaser's pro-rata share of the promissory

note in accordance with their Residential Common Interest. If at the time all Residential Units have been sold, there remains a balance on the promissory note, such balance shall be paid by the Condominium on behalf of all Residential Unit Owners, as a Residential Common Expense, within 30 days of demand by Sponsor. There is no guarantee or assurance that the taxing authorities will not require each Purchaser's allocable payment be included in the total consideration deemed to have been paid by Purchaser at Closing, in which case additional transfer taxes may be payable by Purchaser.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes (including the payment of closing expenses relative to the Condominium Board's acquisition of the Resident Manager's Unit on behalf of all Unit Owners) as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for further details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Initial Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make special assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Bellmarc Property Management Services, Inc. ("Managing Agent") having an office at 352 Park Avenue South, New York, New York ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with the Managing Agent. The Managing Agent is not affiliated with Sponsor.

The Management Agreement will provide for a term of 2 years commencing on the date of the First Closing ("Commencement Date"). Either the Managing Agent or the Condominium Board may terminate the Management Agreement on 30 day's prior written notice.

The Managing Agent will receive an annual fee of $35,000, payable in equal monthly installments during the term of the Management Agreement. The management fee is comparable to the fee for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, the Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board and set forth in the Management Agreement

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

(1) billing and collecting Common Charges;

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board;

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements;

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

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

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

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

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

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

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings;

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board;

(12) processing applications for the alteration of Residential Units;

(13) processing applications for waivers of the right of first refusal;

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

The Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a crime insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify the Managing Agent with respect to claims in connection with the Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of the Managing Agent in carrying out its duties.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by the Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by the Managing Agent without the prior written consent of the Condominium Board. The Condominium Board may not assign the Management Agreement.

IDENTITY OF PARTIES

Sponsor

Sponsor is 260 Park Avenue South LLC, a limited liability corporation, organized under the laws of the State of Delaware with an office at 150 Nassau Street, Suite 20C, New York, New York 10038.

The principal of Sponsor is Yitzchak Tessler, a real estate developer with an address c/o YT&T Holdings, Inc., 150 Nassau Street, Suite 20C, New York, New York 10038.

Mr. Tessler was a principal of the sponsor in connection with the offering of the Textile Building Condominium at 66 Leonard Street, New York, New York 10013; and 150 Nassau Condominium at 150 Nassau Street, New York, New York 10038 (first closing: March 14, 2003). All of the Units at the Textile Building Condominium have been sold, and Mr. Tessler is current in his financial obligations with respect to 150 Nassau Condominium.

Attorneys for Sponsor

Sponsor has retained the law firm of Starr Associates LLP, having an office at 245 Fifth Avenue, Suite 1102, New York, New York 10016, to represent it in connection with the Plan. Allan Starr, Esq. and Jane Rosenberg, Esq. participated in and supervised the preparation of the Plan. Starr Associates LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Closings.

Sponsor has retained the law firm of Olshan Grundman Frome Rosenzweig & Wolosky LLP having an office at 505 Park Avenue, New York, New York 10022, to provide the Attorney's Income Tax Opinion set forth in Part II of the Plan.

Sponsor has retained the law firm of Podell, Schwartz, Schechter & Banfield, LLP having an office at 605 Third Avenue, New York, New York 10158, to provide the Attorney's J-51 Real Estate Tax Abatement Benefits opinion set forth in Part II of the Plan.

Selling Agent

Selling Agent engaged by Sponsor is Douglas Elliman LLC, having an office at 575 Madison Avenue, New York, New York 10022. The Selling Agent is a licensed real estate broker whose principals have been active in the marketing of residential properties, for sale or lease, for more than fifty (50) years. The predecessor of the Selling Agent, Insignia Douglas Elliman, LLC, has been the exclusive sales and marketing agent of The New Museum Building (583 Broadway/158 Mercer Street), 258 Lafayette Street, 534 Hudson Street, 190 Riverside Drive, Westbury House (1160 West 86th Street), 1219 West 20th Street, The New Theatre building (240 East 10th Street) and 388 West Broadway, among others. The Selling Agent and its principals have no prior felony convictions. During the past fifteen (15) years, there were no prior convictions, injunctions or judgments against the Selling Agent or any of its principals that may be material to this Plan or to an offering of securities generally.

Managing Agent

Managing Agent for the Condominium will be Bellmarc Property Management Services, Inc., having an office at 352 Park Avenue South, New York, New York. The Managing Agent is a real estate and management firm that has been in business for many years in the New York area, including approximately 16 years experience as managing agent for numerous rental and condominium properties in the New York area,

among them, 150 Nassau Condominium, City Spire Condominium, The Textile Building Condominium, Westbury House Condominium and the Rio Condominium and Spa, all in New York City.

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

Construction Professionals

Karl Fischer, Registered Architect, with offices at 371 Broadway, 5th Floor, New York, New York 10013 and 1420 Notre-Dame Ouest, Montreal, QC H3C 1K9, Canada is the architect of record for the Building ("Architect"). The architect prepared the Floor Plans of Units set forth in Part II of the Plan and the Floor Plans which will be filed with the New York City Real Property Assessment Department required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a Certification which is set forth in Part II of the Plan. Architect has been providing architectural services for many years.

The firm's practice ranges from residential conversions and high-end condominium projects to hotels, institutional buildings and commercial complexes including the revitalization and renovation of existing structures. The firm was established in 1982 in Canada and Karl Fischer is a registered architect in the United States and Canada.

The structural engineer for the Building is Goldstein Associates, PLLC with offices at 31 West 27th Street, New York, New York 10001. The mechanical engineer for the Building is Lilker Associates Consulting Engineers with offices at 1001 Avenue of the Americas, New York, New York 10018. These firms have been in practice for many years, and their spectrum of work encompasses a broad variety of building types, including commercial office buildings and residential towers.

Condominium Budget Expert

Sponsor has engaged Bellmarc Property Management Services, Inc., having an office at 352 Park Avenue South, New York, New York as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a Certification as to the adequacy of the Estimated Budget for Projected First Year of Condominium Operation and a Certification as to the Adequacy of Common Charges payable by the Commercial Unit Owners, each of which may be found in Part II of the Plan.

Title Company

Continental Abstract Corporation (as agent for First American Title Insurance Company of New York) having an office at One Old Country Road, Carle Place, New York 11514, telephone number (516) 248-1180, facsimile number (516) 248-7596, has reviewed the Plan and the Condominium Documents and has committed to insure that a valid Condominium will be created pursuant to the Condominium Act. The Title Company is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of the Plan.

Related Parties

Sponsor and its principals have no affiliation with the Attorneys, Selling Agent, the Managing Agent, the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither Selling Agent, the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

REPORTS TO UNIT OWNERS

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

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant, within approximately 120 days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Condominium Board.

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

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

GENERAL

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

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

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

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

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

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

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

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

The Property has not been the subject of a prior public offering. The Sponsor has not entered into any contracts or agreements, nor accepted any deposits or advances of funds, with respect to the purchase of any Units, prior to the acceptance of this Plan by the Department of Law.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Building Condition" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Building Condition or as contemplated to be made as described therein. As more fully described above, and subject to the matters described therein, Sponsor anticipates that renovation and construction of the Building will be sufficiently completed to allow the First Closing to occur as projected in Schedule B.

PART II

CONDOMINIUM OFFERING PLAN

260 PARK AVENUE SOUTH CONDOMINIUM
260 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

260 PARK AVENUE SOUTH
CONDOMINIUM APARTMENT BUILDING
NEW YORK, NY 10010

July 14, 2004

General: The property described herein will contain a fourteen-story building with cellar.

A. Location of Property:

1. Address: 260 Park Ave. South
New York, NY 10010
(between East 20th and East 21st Street)

2. Block No.: 849
Lot No.: 260 Park Avenue South – Lot 43
48 East 21st Street and 49 East 20th Street – Lot 45

3. Zoning District: 260 Park Avenue South – C6-4A with R10A equivalent.
48 East 21st Street and 49 East 20th –M1-5M

Zoning Map: 8d

260 Park Avenue South is a "gut rehab" project. It is "As-of-Right" Residential with R10A residential equivalent. The new 5 story addition to 260 Park Avenue South for a total of 33,707 SF is comprised of 19,059 SF as-of-right under-developed area, 4,414 SF deducted area (mechanical & quality housing), 4,502 SF removed area (courtyard & duplex units) and 5,732 SF of transfer area from 48 East 21st / 49 East 20th Street as per BSA approval #298-03-BZ, granted on December 23rd, 2003.

48 East 21st / 49 East 20th Street can be converted to residential use under Zoning Article 74-711 as per New York City Certificate of Appropriateness issued by the New York City Landmarks Preservation Commission.

4. Permissible Uses Lot 43- Use groups 1 & 2 - Residential
Use groups 3 & 4 – Community Facilities
Use groups 5 to 11 – Commercial
Use group 12 – Recreation

Lot 45- Use group 4 – Community Facility
Use groups 5 to 11 – Commercial
Use group 17 – Manufacturing

5. Landmark Status: 260 Park Avenue South – None
48 East 21st Street and 49 East 20th Street
– Ladies Miles Historic District

B. Status of Construction

1. The existing 260 Park Avenue South was constructed in the year of 1913 and a new 5 story addition will be added to 260 Park Avenue South with a total area of 33,707 SF. This area is based on "As-of-Right" under-developed area and transfer area from 48 East 21st / 49 East 20th Street.

   The existing 48 East 21st was constructed in the year of 1911and a new 2 story penthouse addition will be added to 48East 21st Street from floor area deductions and floor area transferred from 48East 21st and 49 East 20th Street. The penthouse addition has been approved by the New York Landmarks Preservation Commission as per Certificate of Appropriateness #033928.

   The projected date of substantial completion is on or about January 1st, 2006 unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

2. Class of Construction: The Building will be classified as Class IC (Non-Combustible) and will conform to all applicable regulations of the Building code of the City of New York ("Building Code"). The building plans have been filed with the New York City Department of Buildings, job #103550195, and approval is expected in 3 months.

3. Certificate of Occupancy: After completion of construction, the Sponsor will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings"). The Sponsor makes no representation as to the exact time of the delivery of the Certificate of Occupancy. The Sponsor will obtain a Temporary Certificate of Occupancy prior to the first unit closing. The Sponsor will obtain a Permanent Certificate of Occupancy within 2 years of the first unit closing.

C. Site

1. The total site area is approximately 18,386 square feet.

2. This project consist of 2 existing buildings:
   260 Park Avenue South - eight-story existing and new five-story addition with a cellar.
   48 East 21st Street - twelve-story existing and new two-story addition with a cellar.

   Floors will be designated as:
   L2, L1, G, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, PH1, PH2.

   The cellar shall be designated as Lower Level 1.
   The sub-cellar shall de designated as Lower Level 2.

   Ground floor will primarily be used for lobby and commercial spaces.
   The cellar level will have various storage rooms, fitness center and mechanical, meter, electrical rooms.

3. The site is located at the corner of Park Ave. South and East 21st Street, with an approximate frontage of a 92'-0" on Park Ave. South, 175'-0" on East 21st Street, and 25'-0" on East 20th Street.

   i) The street adjacent to the site is paved with asphalt topping and is in good condition.

   ii) The existing curbs will be repaired as needed.

   iii) The street is presently pitched to drain via new catch basins into the New York City storm water drainage system.

   iv) The street lighting is provided by the City of New York.

   v) The building conforms with local fire district and municipal codes.

4. Sidewalk

   i) The existing sidewalk and curbs at Park Ave. South, East 20th Street, and East 21st Street is in good condition and will be repaired as needed.

   ii) The existing curbs will be repaired as needed

   iii) The sidewalk pitches to the street

   iii) The street is presently pitched to drain via new catch basins into the New York City storm water drainage system.

   iv) The street lighting is provided by the City of New York.

   v) The building conforms with local fire district and municipal codes.

D. Utilities

1. Water supply and combined sewer servicing the building units will be provided by the City of New York. Water will be master metered. Gas, steam, and electrical service will be provided by Consolidated Edison. Gas and steam will be master metered to residential units. And commercial units will be separate meter for all utilities. Electricity will be supplied and individually sub-metered for each residential unit. Gas will be metered by two house meters, one for cooking and a separate one for the pool heating system. Telephone service will be provided by a telephone company to be selected by each unit owner. Telephone lines will also be used for intercom service to each residential unit. Cable wiring will be provided to each residential unit.

E. Sub-soil Conditions

1. The existing structural drawings are not available for the building. From test pits and probes conducted it has been determined that the existing foundations are concrete piers that extend from the bottom of steel columns and bear on rock. The piers vary in size and are generally +/- 4'x6'. From the limited view of the piers it appears that they are of sound construction.

F. Landscape & Enclosure

1.	Grass cover	-	None
2.	Plantings	-	None
3.	Trees	-	260 Park Ave. South as required by the New York City Zoning Ordinance for Quality Housing: 8 Deciduous street trees of a minimum 3-caliper size shall be Provided; 4 trees along 260 Park Ave. South and 4 trees along 48 East 21st Street.
4.	Fencing	-	Privacy screens shall be constructed to divide the residential roof terraces.
5.	Gates	-	Integral with fences at roof terraces.
6.	Retaining Wall	-	None
7.	Display Pools & Fountains	-	None
8.	Open Recreation Space & sitting areas	-	Units 2D, 2E, 2I shall have access to private roof terraces at the second floor roof level. Units 9D shall have access to private roof terraces at the ninth floor roof level. Units 10D shall have access to private roof terraces at the tenth floor roof level. Units 11D shall have access to private roof terraces at the eleventh floor roof level. PH 1A shall have access to private roof terraces at the twelfth floor roof level. PH 1B shall have access to private roof terraces at the twelfth and thirteenth floor roof level. PH 2A shall have access to private roof terraces at the thirteenth floor roof level. All residential units shall have access to common roof terraces at the building roof level as required by New York Zoning Resolution ZR 15-24 & ZR 28-31.

G. Building Size

1. The total height of 177'-10".

2. Crawl spaces: None.

3. There are 14 floors, a cellar and sub-cellar:
Sub-cellar level (L2) height is approximately 15'-9" floor to floor at the highest point.
Cellar level (L1) height is approximately 12'-6"; 12'-7 1/2"; 13'-0" floor to floor at the highest point.
Ground floor height is approximately 16'-1"; 16'-7"; 17'-11" floor to floor at the highest point.
Second floor height is approximately 13'-0"; 14'-11" floor to floor at the highest point.
Third floor height is approximately 13'-0"; 14'-11" floor to floor at the highest point.
Fourth floor height is approximately 11'-8 ¼"; 13'-0" floor to floor at the highest point.
Fifth floor height is approximately 11'-8"; 13'-0" floor to floor at the highest point.
Sixth floor height is approximately 11'-8"; 13'-0" floor to floor at the highest point.
Seventh floor height is approximately 11'-7 ½"; 13'-1" floor to floor at the highest point.
Eighth floor height is approximately 11'-8 ½"; 13'-1" floor to floor at the highest point.
Ninth floor height is approximately 11'-8"; 12'-0" floor to floor at the highest point.
Tenth floor height is approximately 11'-8"; 12'-0" floor to floor at the highest point.
Eleventh floor height is approximately 11'-8"; 12'-3" floor to floor at the highest point.
Twelfth floor height is approximately 11'-8" floor to floor at the highest point.
Penthouse 1 floor height is approximately 12'-0"; 14'-0" floor to floor at the highest point.
Penthouse 2 floor height is approximately 12'-0"; 14'-0" floor to floor at the highest point.

4. Roof structure height from main roof to top of stair #1 bulkhead slab is approximately 18'-10".
Roof structure height from main roof to top of stair #2 bulkhead slab is approximately 10'-2".
Roof structure height from main roof to top of stair #3 bulkhead slab is approximately 8'-8".
Roof structure height from main roof to top of stair #4 bulkhead slab is approximately 10'-0".

Roof structure height from main roof to top of elevator #1 & #2 bulkhead slab is approximately 27'-8".
Roof structure height from main roof to top of elevator #3 & #4 bulkhead slab is approximately 8'-8".
Roof structure height from main roof to top of elevator #5 bulkhead slab is approximately 27'-2".

6. Parapet: Height from top of roof finish to top of parapet coping will be a minimum of 3'-6" with an additional railing fastened to the terrace level parapets to provide a minimum height of 3'-6" if necessary.

H. Occupancy

1. There will be 110 Class-A residential units in the project, seven of which will be duplex units. All units shall be compliant with Local Law 58.

2. The number of units is in compliance with the requirements of the New York City Zoning Resolution ZR 23-22.

I. Structural System

1. The existing structural drawings are not available for the building. The existing building is a structural steel framed building with columns. From test pits and probes conducted it has been determined that the existing foundations are concrete piers that bear on rock. The existing cellar and sub-cellar floors are concrete slab on grade, except for the section of cellar above the subcellar, which is framed. The existing floors system including the framed cellar floor consists cinder concrete slabs supported by steel beams encased in cinder concrete, which serves as fireproofing. The floor systems are supported in buildings 48 East 20st Street and 260 Park Avenue by built-up steel columns. The floor system in 49 East 21st Street are supported by cast Iron columns. Overall the existing building structure is intact and is of sound construction.

2. However, the building was a commercial building, which by New York City Building Code requires a 50 pounds per square foot live load capacity and for the roof was 30 pounds per square foot. The conversion of the typical floors from office space to residential units will reduce the live load capacity to 40 pounds per square foot, which is in accordance with the latest version of the New York City Building Code. New roof areas are to be supported on new construction. The new construction has been designed to support 30psf live loads in sections that will not be used as terraces and 100psf live load for terraces. The floor construction has also been designed to support all planting and applicable dead loads.

Design accommodations have been made to support the new mechanical units and elevator equipment as indicated on plans. The installation of any additional heavy equipment (by tenants or the building owners) should not be made without consulting a Professional Engineer.
Design accommodations have been made to support several floors on 260 Park Avenue as well as various bulkheads on the roof of 48 East 20th Street and 49 East 21st Street.
New floor construction is steel floor framing supporting light weight concrete on metal deck. The new floor system is supported by steel columns.

i) Walls:

Existing Subcellar foundation walls are constructed of rubble stone. The existing cellar foundation walls are of brick construction. These walls are intact and of sound construction.
The front facade of the 260 Park Ave. South existing exterior wall is constructed in terracotta and the new exterior wall construction is cast stone to match existing terracotta color, texture and detailing; cold formed metal framing, and a 5/8" gypsum wallboard finish. The exterior walls of 48 East 20th and 49 East 21st Street are constructed of terracotta and brick. All of the facades have various

cracks, spalls and damage that has been identified to be repaired on the buildings latest LL11/97 report.

All other new exterior walls construction is brick veneer, cold formed metal framing, and a 5/8" gypsum wallboard finish. Walls have insulation value of R-19 as required by the NYS Energy Code. Exterior wall composition consist of terra-cotta, spandrel panel, 2" cavity, ice and water shield, 5/8" Densgold sheathing, heavy gauge 6" CH steel stud with 6" insulation, and 5/8" gypsum wallboard finish. Walls abutting existing adjacent buildings shall consist of 2-hour rated heavy gauge 6" CH steel stud shaft wall assemblies with 2 layers of 5/8" gypsum wallboard finish.

ii) Windows: Windows in 48 East 21st / 49 East 20th Street in the Ladies Miles Historic District are new double-glazed wood windows consistent with the Landmark Preservation Commission approval fenestration as required. Other windows will be new aluminum double hung or fixed windows, double-glazed, with a standard manufacturer's warranty, 5 years on the installation and 10 years on the windows. The warranty period will start from the end date of completion of the window installation. Lot-line windows shall be provided for Unit F, from the 5th through 12th floor along the western property line, and Unit K, 2nd through 12th floor along the eastern property lines. Each Lot-line window shall comply with the maximum allowable area, as defined by the Building Code of New York City, have an automatic sprinkler head, and shall be subject to all requirements as defined by the Owner's "Lot-line Window Declaration".

iii) All exterior materials and finishes in the Ladies Miles Historic District are subject to Landmarks approval.

2. Parapets and Copings: The roofs and terrace parapets will be terra-cotta or cast stone cladding solid masonry walls reinforced with vertical steel dowels embedded into the concrete slab. The parapet coping shall be cast stone. The interior face of the parapet walls will be brick or cast stone cladding. All remaining existing parapets and copings will be repair as needed.

3. Exposed exterior flashing for the building shall be galvanized metal or pre-painted metal.

4. Chimneys and Caps: There are three new refuse chutes. Flues shall terminate above the roof structure as required by the Building Code of New York City.

5. Balconies and Terraces:

i) Deck Finish: Cast concrete pavers at terraces. Broom-finish concrete at balconies.

ii) Railings: metal railings at balconies and terraces.

iii) Copings: cast stone copings at all parapets.

iv) Doors to balconies and terraces: Aluminum and glass doors with thermal glass

6. Exterior Entrance and Ground Floor Public Areas

i) Exterior Doors and frames: New frameless full height tempered glass door is used for the main entrances at the Residential Lobby.

ii) Vestibules Doors and Frames: New frameless full height tempered glass door.

iii) Exterior Stairs: None

iv) Mail Boxes: Mail boxes are located in the Lobby at the Ground Floor and will be front loading brushed aluminum finished metal and U.S. Government approved.

v) Lighting: Lighting will be provided at the building exterior entrance, in the lobby, and public corridors. Exterior lighting will also be provided at the private terraces and at the roof levels.

vi) Canopy: Canopy at the building entrance shall be made of cast iron.

8. Roof and Roof Structures

i) Type of Roof

a) Material: The roofing systems will be a single ply EPDM roofing membrane over a 1/2" thick protection board with rigid insulation (with the min. of R-value of 7.2/inch at 75 deg. F) sloped to drains (as recommended by the roofing manufacturer) with precast concrete pavers on a pedestal system for the roof terraces, and gravel ballast at bulkhead roofs only.

b) Insulation: Insulation shall be as per roofing manufacturer's recommendations with an R value as required to meet the NYS Energy Codes.

c) Surface Finish: The surface finish will be concrete pavers or gravel as described above.

d) Expected Useful Life: The roofing system shall have a minimum life of up to 10 years.

e) Bond or Warranty: The roofing system shall have a two-year minimum manufacturer's warranty.

f) Flashing Material: There will be galvanized metal counter flashing and membrane base flashing as required and will be compatible with the roof assembly.

ii) Drains:

a) Material and Type: Cast iron drains with flat type grates on terraces

b) Scuppers and Leaders: At roof bulkheads, main roof, and terraces of galvanized steel material.

iii) Skylights:
At Unit 11J and PH 1B/2B's interior stair and roof:
Aluminum and clear insulated glass.

iv) Core Bulkheads, fire-stairs, elevator overrun:

a) Residential Elevator: The elevator will be fabricated, installed, and guaranteed for a two-year period by the elevator manufacturer. The overrun will be part of roof bulkhead, which will consist of 8" CMU block with brick veneer finish all around.

b) Stairs: The stair enclosure will be part of roof bulkhead which will consist of metal stud walls systems with exterior brick veneer finish.

c) Other: None

v) Metal Work at Roof Levels

a) Exterior Metal Stairs: None

b) Vertical Ladders: four exterior, vertical ladders shall be provided to gain access to the upper roof level of the stair bulkheads (one per bulkhead)

c) Railings:
Galvanized steel railings are provided to a height of 3'-6" above finished roof levels in all locations, other than where parapet rises to 3'-6" above finished roof levels.

d) Hatches to Roof: None

e) Other: None

vi) Roof Top Facilities: Common roof terrace and Penthouse private roof terraces on the main roof (13th floor level), accessible by both elevators and stairs.

vii) The sponsor's sale of roof terrace to certain condominium unit owners is restricted as follows:

a) No construction can be performed without a permit from the Department of Buildings and approval by the Board of Managers of the Condominiums and Landmarks Preservation Commission, if applicable. All drawings and calculations submitted must be signed and sealed by a Registered Architect or Professional Engineer.

b) If any proposed construction cannot be built as-of-right and require a variance from the Board of Standards and Appeals, the applicant must

disclose the need for the variance. If the application for a variance is opposed by the Board of Managers of the Condominium it may be denied.

c) The condominium shall have unlimited access to all areas of the roof for the purposes of making inspections or repairs.

d) Repair or replacement of the roof, roof accessories or common elements in or passing through the unit described in the condominium By-laws.

e) In the event the condominium unit owners wish to construct on the roof subject to the conditions stated above, the Board of Managers of the Condominium shall regulate the following aspects of construction.

(1) Time periods during which work is permitted.

(2) The manner in which construction debris will be handled.

(3) Measures which must be taken to prevent compromising the security of the building during construction.

(4) The interruption of services during construction.

(5) Liability insurance for contractors during construction.

9. Yards: Decorative courtyards on 1st floor for viewing purposes only.

10. Interior Public Stairs:

i) Number of Stairs: There are five stair cores in the building and one of the stair cores contains a scissor type fire stair, which will extend from the Lower Level to the Roof level. The fire stairs will discharge directly to the outside or the other stair from each scissor stair will exit to the outside through the lobby, as permitted by the Building Code of NYC.

ii) Enclosure: The stairs will be enclosed with a min. 2-hour rated 6" metal studs and fire-rated gypsum board wall construction. All stair walls will be painted.

iii) Stair Construction: All the stairs will be steel stair construction.

iv) Stringers: All stringers will be C-shaped steel with closed end.

v) Treads & Risers: Concrete filled tread with abrasive top non-slipping nose aluminum base with epoxy coating.

vi) Hand Rails: There shall be a steel tube handrail in each stair in conformance to the NYC Building Code.

viii) Balustrade: Steel bars or pipe rail as required.

11. Interior Duplex Unit Stairs:

i) Location of Stairs: The duplex units 3E, 12J and PH-1B shall have a min. of 36" wide interior custom stairs with ornamental balustrades and guards as required, connecting both level of the units.

ii) Enclosure: Interior stairs will be partially enclosed by unrated metal stud and gypsum board wall construction. All stair walls will be painted.

iii) Stair Construction: Interior stairs will be steel construction with finish solid wood treads

iv) Stringers: Painted metal

v) Treads: Finished wood treads

vi) Risers: Closed risers.

vii) Railings: Ornamental steel.

viii) Balustrade: Ornamental steel.

12. Interior Doors and Frames

i) Unit Entrances: All residential units shall enter from the corridors off of the passenger elevators, for the exception of Unit J and K on all levels, and PH 1A, 1B and 2A, shall enter directly from the Residential units' passenger elevator. All residential entrance doors shall have hollow metal frame and will meet the NYC Building Code requirement. The apartment interior doors shall be solid core wood doors with hollow metal frames.

ii) Corridor Doors and Frames: All doors and frames shall be 1½ hour fire-rated hollow-metal and will meet the NYC Building Code requirements.

iii) Stair Doors and Frames: All doors and frames shall be 1½ hour fire-rated hollow-metal and will meet the NYC Building Code requirements.

iv) Roof Doors, Lower Level Doors and Frames: These doors and frames shall be hollow-metal and will meet the NYC Building Code requirements.

13. Elevators

i) There shall be five new passenger elevators from Hollister Whitney Elevator Corporation. These passenger elevators are servicing the Residential units from the Lower Level to the PH 1A, 1B, and 2A with three front access, one front and side access and one front and rear access. Only Elevator #1 and 2 will serve the cellar floor.

ii) The passenger Elevators #1 and 2 shall have a capacity of 2,500 pounds and Elevator #3, 4, and 5 shall have a capacity of 2,000 pounds.

iii) The type of operation will be selected collective operation.

iv) The elevators will be geared type with the machine above.

v) The elevator doors will be two speed, side open doors for Elevator #1, 2, 3, and 4 and center open door for Elevator #5.

vi) The elevator machine rooms will be located above roof level.

vii) The elevators will use 25hp, 208 volt, 3-phase A/C motor.

14. Elevator Cab (Residential)

i) The new elevator cabs will be produced by a company specializing in the manufacture of elevator cabs and doors.

ii) The floor material will be 'Pompignon' 16"x16" stone tiles, flamed finish.

iii) The walls for elevator cab will be covered with wood veneer with brushed stainless steel panel and Cambridge architectural mesh.

iv) The ceiling for elevator cabs will be brushed stainless steel ceiling panels.

v) The lighting of the cab will be 6 recessed Capri downlight fixtures.

J. Auxiliary Facilities

1. Laundry Room: None

i) Washer/dryers electrical, gas and water connection hook-ups will be provided within each residential unit, and appliances supplied – see section S.

2. Refuse Disposal

i) Incinerators: None.

ii) Refuse Chutes: Three chutes, located next to each elevator core from Royal-Pak System Inc.

iii) Compactors: Three new compactors, one per refuse room on the lower level from Royal-Pak System Inc. - Econo-Krusher.

iv) Storage Location: The refuse will be stored in the Refuse Rooms located at the Lower level. Recycling of designated materials will be mandatory. Recyclables will be stored in the refuse room.

v) Bags and recyclables from the residential refuse rooms shall be transported to street level by the building superintendent, and then removed by the New York City Department of Sanitation.

K. HVAC

All systems shall be new.

1. New Heating System

The new primary heating source for the building is high-pressure steam from Con Edison. The main service enters the building in the Cellar level at 49E 20th Street, where it is reduced to low-pressure steam by a number of pressure reducing valves.

The new secondary heating is provided by the condenser water heat pump loop, feeding the perimeter AC units in the building, connected to the secondary perimeter water risers. Heat is added to the loop by (2) steam to hot water converters. Additional heat is provided by low-pressure steam feeding a number of steam heating coils in air handling units, various cabinet unit heaters located in stairways, entrances, and perimeter bathrooms and residential units. Penthouse units will have electric space heaters.

The heating/cooling water is distributed via the new building piping system, arranged for reverse-return flow. There are two (2) new constant volume centrifugal pumps serving the secondary piping system, one (1) operating and one (1) stand-by.

Mechanical rooms at the Cellar floor are ventilated via two (2) dedicated supply air and exhaust fans with associated duct distribution system. Supply air ducts are connected to louvers on the First floor. Exhaust fans are located at the roof level.

SELF CONTAINED AIR CONDITIONING UNIT SCHEDULE

		COOLING CAPACITY (MTUH)			
UNIT NO.	SERVICE	SENSIBLE	TOTAL	MANUFACTURER	MODEL NO.
AC-2	GYM	37,137	55,320	McQUAY	WCMS2060

HEAT PUMP SCHEDULE (RESIDENTIAL UNITS)

PUMP TYPE	McQUAY MODEL NO.	COOLING DATA (AT HIGH SPEED)		HEATING DATA (AT HIGH SPEED)
		CAPACITY (BTU/HR)		CAPACITY (BTU/HR)
		SENSIBLE	TOTAL	SENSIBLE TOTAL
A	WWLC2009	6,780	8,470	12,180
B	WWLC2012E	8,185	10,350	15,065
C	WWLC2015	12,290	15,230	18,045
D	WWLC2019	12,840	16,770	23,240
E	WCCH2-007	5,200	6,200	9,400
F	-	-	-	-
G	WWLC2007	4,410	6,130	8,680

The number and type of heat pumps in each unit is shown below:

Perimeter Heat Pump Schedule							
Floor	Unit Number	Heat Pump Type/Quantity					
		A	B	C	D	G	E
2	A	2		1			
3	A	2		1			
4	A	2		1			
5	A	2		1			
6	A	2		1			
7	A	2		1			
8	A	2		1			
9	A	2		1			
10	A	2		1			
11	A	2		1			
2	B	2	3				
3	B	2	3				
4	B	2	3				
5	B	2	3				
6	B	2	3				
7	B	2	3				
8	B	2	3				
9	B	2	3				
10	B	2	3				
11	B	2	3				
2	C		2	1			
3	C		1	1	1		
4	C		2	1			
5	C		2	1			

Perimeter Heat Pump Schedule							
Floor	Unit Number	Heat Pump Type/Quantity					
		A	B	C	D	G	E
6	C		2	1			
7	C		2	1			
8	C		2	1			
9	C		2	1			
10	C		2	1			
11	C		2	1			
2	D	1		2			
3	D	1		1	1		
4	D	1		2			
5	D	1		2			
6	D	1		2			
7	D	1		2			
8	D	1		2			
9	D		1	3			
10	D		1	3			
11	D		1	3			
2	E		2				
3	E			1			
4	E	1		1			
5	E	1		1			
6	E	1		1			
7	E	1		1			
8	E	1		1			
2	F		1	1			1
3	F		1	1			1
4	F		1	1			1
5	F		1	1			1
6	F		1	1			1
7	F		1	1			1
8	F		1	1			1
9	F		1	1			1
10	F		1	1			1
11	F		1	1			1
12	F		1	1			1
2	G	1	1			1	
3	G	1	1			1	
4	G	1	1			1	
5	G	1	1			1	
6	G	2	1				
7	G	2	1				
8	G	2	1				
9	G	2	1				
10	G	2	1				
11	G	2	1				
12	G	2	1				

Perimeter Heat Pump Schedule							
Floor	Unit Number	Heat Pump Type/Quantity					
		A	B	C	D	G	E
2	H	1	1			1	
3	H	1	1			1	
4	H	1	1			1	
5	H	1	1			1	
6	H	1	1			1	
7	H	1	1			1	
8	H	1	1			1	
9	H	1	1			1	
10	H	1	1			1	
11	H	1	1			1	
12	H	1	1			1	
2	I	1	1	2			
3	I	1	1	2			
4	I	1	1	2			
5	I	1	1	2			
6	I	1	1	2			
7	I	1	1	2			
8	I	1	1	2			
9	I	1	1	2			
10	I	1	1	2			
11	I	1	1	2			
12	I	1	1	2			
2	J				1		
3	J				1		
4	J	1	1				
5	J				1		
6	J	1	1				
7	J				1		
8	J	1	1				
9	J				1		
10	J	1	1				
11	J				1		
12	J	1	1				
2	K		1	1			
3	K		1	1			
4	K		1	1			
5	K		1	1			
6	K		1	1			
7	K		1	1			
8	K		1	1			
9	K		1	1			
10	K		1	1			
11	K		1	1			
12	K		1	1			

PUMP SCHEDULE

		PERFORMANCE DATA			
PUMP NO.	**LOCATION**	**GPM**	**TDH (FT)**	**MANUFACTURER**	**MODEL NO.**
SCWP-1	CELLAR	1,500	140	TACO	FI-6013
SCWP-2	CELLAR	1,500	140	TACO	FI-6013
PCWP-1	CELLAR	1,500	80	TACO	FI-6011
PCWP-2	CELLAR	1,500	80	TACO	FI-6011

2. New Cooling System

The cooling system consists of a primary system and a secondary system. The primary system consists of two new (2) cooling towers located on the main roof, a heat exchanger and two circulating pumps (one active, one standby), located in the Cellar mechanical room, and associated distribution piping and accessories. The new (2) 325 ton cooling towers are to be manufactured by Baltimore Air Coil Co., model #VT1-N346-Q, each tower.

The secondary system consists of two circulating pumps (one active, one standby), feeding various central water-cooled AC units serving common areas in the building, as well as the perimeter AC units in the building, connected to the secondary perimeter water risers, feeding the residential units. Additional cooling is provided by small air-cooled packaged AC units, serving the elevator machine rooms.

Mechanical rooms at the Cellar floor are ventilated via two (2) dedicated supply air and exhaust fans with associated duct distribution system. Supply air ducts are connected to louvers on the First floor. Exhaust fans are located at the roof level.

3. New Air Conditioning and Heating – 1st Floor Lobby and Commercial Tenants

A water-cooled packaged air conditioning unit serves the main lobby. Ventilation air is introduced into the system through intake air louvers on the exterior of the building. A steam coil is provided to temper the supply air distributed to the space.

Each commercial unit has provisions for condenser water for cooling and steam for heating, via capped valves within the unit, however, the AC units would have to be provided by the owner.

4. New Air Conditioning and Heating – Cellar and 2nd through 14th Floors

The residential units are air conditioned via floor mounted, water-cooled packaged terminal units. The units are connected to the perimeter water distribution piping risers. Each packaged terminal unit is equipped with individual unit mounted temperature controls.

A water-cooled heat pump packaged air conditioning unit serves the Fitness Center at the Cellar floor. Ventilation air intake is brought in through separate intake air louver located at the First floor.

5. Various Exhaust and Ventilation Systems

i) New Toilet Exhaust - All toilets in the building are provided with exhaust air, as required by the NYC Building Code. An air outlet in each toilet room is connected to duct risers passing through the residential levels. The duct risers are then connected to rooftop curb-mounted exhaust fans.

ii) New Residential Kitchen Exhaust - Residential kitchens are provided with exhaust air, as required by the NYC Building Code. The individual exhaust hoods in kitchens are connected to duct risers passing through the residential levels, which in turn are connected to rooftop curb-mounted exhaust fans.

iii) New Refuse Room Exhaust - The garbage disposal rooms at the Cellar floor are provided with exhaust air, as required by the NYC Building Code. Individual refuse chutes spaces on all floors are also provided with exhaust air via exhaust grilles in the spaces connected to duct risers, rising through the building, connected to dedicated rooftop curb-mounted utility exhaust fans.

iv) New Electric Room Exhaust - The electric rooms in the cellar are provided with exhaust air via individual exhaust fan with associated ductwork and air outlets. Make-up air is brought in through transfer air openings in the wall.

v) New General Supply and Exhaust Air Systems - Sub-Cellar and Cellar spaces are provided with 100 % outside air for ventilation via separate supply air fan, located at the Cellar floor, and exhaust air via separate exhaust fan located at the roof level.

vi) New Residential Corridor Ventilation System - Three (3) 100% outside air AC units located in mechanical rooms at the Cellar floor provide conditioned supply air for ventilation to the corridors and elevator lobbies on the 2nd through the 12th floors at 49E 20th Street, 2nd through the 14th floors at 48E 21st Street, and 260 Park Avenue buildings. The ventilation systems consist of the AC units in the Cellar connected to ductwork distribution risers and associated air outlets.

These units are provided with a cooling coil for conditioning the air during the summer, and a steam coil to temper the air during the winter.

6. Miscellaneous

i) Super's Office - The Building Engineer's Office at the Cellar floor is provided with a separate new water-cooled heat pump AC unit which provides air conditioning and heating. Ventilation air for this space is provided from the Cellar outside air supply system.

ii) Elevator Machine Rooms - New Elevator Machine Rooms are provided with new individual air-cooled packaged thru-the-wall AC units and smoke exhaust via wall mounted louvers at the top of the shaft.

iii) Electric Rooms and Water Treatment Room at Roof - Electrical spaces and Condenser Water Treatment Room are provided with individual new exhaust air via wall mounted fans connected to wall louvers, or roof mounted exhaust fans and associated ductwork, connected to respective air outlet.

7. New Controls

i) Direct digital controls (DDC) are provided for various mechanical systems. The systems are as follows:

System	Control	Monitoring
Heating System	x	x
Circulating pumps	x	x
Common areas Exhaust Fans	x	x
Residential Toilet Exhaust Fans	x	x
Residential Kitchen Exhaust Fans	x	x
Electric Room and Misc. Exhaust Fans	x	x
Residential Corridor Ventilation Systems	x	x
Residential Lobby AC system	x	x
Fitness Center AC	x	x

L. ELECTRICAL & SMOKE DETECTION/WATERFLOW ALARM

1. Residential Unit Electrical Power Distribution and Metering

i) New 2000 amp, aluminum, busway riser shall be run from the main distribution for each building up through core electric closets for power to the apartment floors. From 600 amp and 800 amp fused bus tap switches off the busway, conduit and wire feeders will connected to tenant distribution panels located on every three floors.

ii) Tenant distribution panels shall be equipped with 2 pole circuit breakers for sub feeds to panels located in each apartment. Typical apartments are fed with 100 amps or 125 amps of 120/208 volt single phase power to a panel in each apartment, dependant on unit size. Penthouse units are equipped with 225 amps of 120/208 volt, 3 phase power to a panel in the apartment.

iii) An electronic sub-meter will be connected to the panel at each apartment and will measure the power consumed in the apartment. Meter equipment is equipped with a local display and will communicate back to the central billing system via power line carrier communications. Billing to be handled by the sub-metering equipment vendor/maintenance contractor, and collected by the management company.

iv) Apartments are equipped with a 42 pole panel for each unit. There are 22-32 active circuits dependant on unit size and number of rooms.

v) Quantities of circuits, sizes of panels, feeders and distribution are adequate for modern usage including full air conditioning power.

vi) The project electrical systems are entirely new and without any known defects.

2. Residential Unit General Electrical Provisions

i) Bedrooms
   a) All 120 volt circuits serving bedrooms shall be protected by Arc Fault Interrupter (AFCI) type circuit breakers.
   b) One cable outlet. One telephone outlet.
   c) One wall mounted receptacle with bottom plug controlled by a local switch for lighting purposes.

ii) Kitchen
   a) Three dedicated 1 pole 20 amp separate circuit for microwave, dishwasher and refrigerator.
   b) Dedicated 1 pole 20 amp separate circuit for electric range igniter and range hood.
   c) General receptacles mounted at the counter. Two to three receptacles to a circuit.
   d) Ground fault interrupter type device (GFCI) as required.

ii) Living/Dining Room
   a) Wall mounted receptacle with bottom plug controlled by a local switch located by entrance of room for lighting purposes.
   b) Dining room – dedicated 1 pole, 20 amp separate circuit for an appliance.
   c) Each room shall have its own tel/cable outlet.

iii) Bathrooms
   a) All receptacles to be GFCI type devices fed from a separate circuit.
   b) Each sink shall have its own GFCI type receptacle.

iv) Washer/Dryer closet
   a) Wash machine – dedicated 1 pole 20 amp separate circuit.
   b) Dryer – dedicated 2 pole 40 amp separate circuit.

v) Corridor/Hallway
   a) Provide local annunciating combination smoke/carbon monoxide detector, ceiling mounted in the corridor outside of each sleeping area. Detectors shall be 120 volt type with battery backup.

vi) Foyer Closet
   a) Quad receptacle to provide 120V power for network interfaces.

vii) Outside Roof Terrace

a) All receptacles to be GFCI type and weather proof type devices fed from separate circuit.

3. Commercial Space General Provisions

i) Pipe and wire feeder from utility meter equipment to new distribution panel in tenant space for each commercial tenant. Feeders shall be sized for a capacity of 15 w/s.f.. Exit sign with 3 head emergency light at each commercial space egress door. Temporary light stringers operated from a circuit breaker in distribution panel.

ii) Junction box for connection of commercial tenant space smoke detection, a/c unit shutdown and waterflow/tamper switches to building smoke detection system.

4. Smoke Detection and Waterflow Alarm System

i) A central smoke detection waterflow alarm panel will be provided, with the control panel located in the main lobby for the building.

ii) System shall be analog addressable type system as manufactured by Notifier or equivalent.

iii) Area smoke detection shall be provided for each mechanical equipment room, elevator equipment room, electrical service room, each electrical meter bank room, each elevator lobby, top of each elevator shaft, top of each fire stair, and each control panel location.

iv) System will be provided with duct smoke detectors and a/c unit shutdown for all air systems of 2000 CFM rated and up.

v) System will provide for duct mounted smoke detectors and operation of all fire/smoke dampers.

vi) System will provide for elevator recall connections to each elevator.

vii) System will be equipped to monitor each commercial tenants subsystem, smoke detectors, duct smoke detectors, a/c shutdown and waterflow/tamper switches.

viii) System to be provided with central office connection, remote alarm in super's office, and system printer for reporting and status.

ix) System shall be wired with FDNY approved Teflon wiring installed in EMT type conduit throughout. Riser junction boxes/auxiliary panels to be located in fire stair.

5. Intercom/Lobby Door Control Provisions

i) Intercom functions and Lobby door release functions to be incorporated into the building telephone switch system.

ii) Lobby doors shall be equipped with electrically operated door locks at building entrance doors. Intercom station and keypad shall be provided for communicating to each apartment and door release.

6. Telephone, CATV and Data Cabling Provisions

i) Telephone, Cable TV and Data service will be provided to equipment in the main telephone service/distribution room in the cellar.

ii) Cabling will be run to each unit and terminated in a distribution device.

iii) An empty conduit with drag line only will be provided to connect each commercial tenant space back to the main telephone service room for services to be installed by tenant.

iv) Intercom functions to be provided through building telephone system.

7. Public Area and Emergency Lighting Provisions

i) Public corridor lighting on apartment floors consists of fluorescent down lights for general lighting and low voltage MR16 type accent lights. Fire stairs and back of house areas are equipped with fluorescent fixtures, nominally four feet, two-lamp type. First floor lobby is equipped with low voltage type MR16 down lights and accent lighting with fluorescent cove lights.

ii) Emergency lighting will be provided in all public corridors, fire stairs and egress paths, mechanical equipment rooms, electric service room and elevator machine rooms.

iii) Emergency lighting shall be provided through the use of emergency ballast battery packs in fluorescent light fixtures where possible, and through self contained type, ceiling or wall mounted emergency lights where necessary.

iv) Exit signs will be provide throughout as required by code for egress path indication. Exit sign will be LED illuminated type with integral battery backup.

8. Lightning Protection System

i) No lightning protection system will be provided for the building.

9. Obstruction Signal Lighting System

i) No obstruction lighting (aircraft warning lighting) system to be provided unless this requirement is identified by code consultant as being required.

10. Emergency Power Generation

i) No emergency power generation is required by code for this project and none is to be provided for this project.

M. PLUMBING & FIRE PROTECTION

1. New Domestic Water System

Domestic water service (ductile iron) will be brought to the Building from a 12" street water main in Park Avenue South. Service will be equipped with water meter and backflow prevention device. Domestic water pressure booster system will be provided to increase street water pressure as required delivering domestic water to the plumbing fixtures throughout the Building.

Domestic water distribution system (Type L copper) will be separated into two (2) zones providing maximum static pressure in any zone is not exceeding 85 psi. Capped outlets will be provided for future tenants.
Domestic water will be delivered to plumbing fixtures, interior and exterior hose bibs and mechanical equipment.

Steam generated water heaters will generate hot water. Two water heaters, each sized at 65% of total capacity, will be provided for each water pressure zone.

Hot water distribution system routing will generally follow cold water distribution. Hot water circulation will be provided to maintain water temperature as required by plumbing standards.

2. New Sanitary System

Fully vented sanitary system (cast iron) will be provided to drain plumbing fixtures and equipment rooms throughout the Building. All fixtures will be trapped and vented.

Sanitary wastes from the above ground building will be discharged to the city sewer by gravity. Sanitary wastes from cellar and sub-cellar levels will be discharged to the sumps and pumped by duplex sewage ejectors to the gravity system. Sump pump will be provided in each elevator pit.

3. New Storm Water System

Storm water from roofs, areaways and other areas opened to the outside air will be discharged into the city sewer. Storm water system (cast iron) will be independent from sanitary system throughout the Building; building house sewers will be combined.

4. New Gas System

Low-pressure gas service (black steel-schedule 40) will be metered and extended to gas ranges. Space for future meters for commercial restaurant tenant will be provided.

5. New Fire Protection System

Fire Protection Service will be brought to the Building from 12" water main located in Park Avenue South.

A combined sprinkler/standpipe system will be provided.

An Automatic Fire Pump, located in the sub-cellar will be provided.

A Fire Standpipe System will be provided with fire valves located at the standpipe risers in fire stairs.

An Automatic Sprinkler System (black steel-schedule 10/40) will be provided throughout the Building. Each floor will be considered as a fire zone and equipped with floor control assembly located at the connection to the riser. Sprinkler system will be hydraulically designed based on the following criteria: light hazard occupancy for residential area; ordinary Group I hazard occupancy for storage areas, mechanical and electrical rooms; ordinary group II hazard occupancy for retail areas. Sidewall, concealed pendant, and upright will be installed throughout the building in condo units, retail and common area.

N. Swimming Pools

1. The Sponsor is providing the following structural and mechanical provisions for a future swimming pool on the terrace of Penthouse 1B/2B. Steel framing for the pool and a plywood liner will be installed with a capacity to support the weight loads of a pool that is four feet wide, four feet deep and forty feet long in a location designated on drawing A-215 (which will be provided to a prospective purchaser). The unit owner will be responsible for completing liner details and finishes in a design of their choice. The unit owner will be responsible for all filings to construct the final layout and mechanical systems for the pool. The sponsor will provide connections for water, gas and electricity in a mechanical room on the terrace adjacent to the pool. A separate gas meter and riser will be installed. They will terminate at the pool's mechanical room. The unit owner will be responsible for running any required gas, water and electrical pipes and lines between the pool and the connections in the mechanical room.

O. Recreational Facilities

1. A common fitness room is located in the lower level for use by all residential unit owners. Also, courtyard garden for viewing purposes only on 1st floor and roof top passive use recreation area on main roof (13th floor level).

P. Inspections

1. Conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy.

   - NYC Department of Buildings
   - Elevator
   - Mechanical and Plumbing
   - Boiler
   - Department of Air Resources
   - Compactor
   - Electrical
   - Fire Department

2. Local Law 11: Sponsor will perform the required work as stated in the attached Local Law 11 Report.

Q. Violations

1. Any Building Code Violations will be corrected prior to the issuance of the Permanent Certificate of Occupancy. See searches attached.

2. No asbestos will be used in the construction of the building, ACP-5 Attached.

R. Unit Description

Unit Sizes are calculated from the exterior face of exterior walls adjacent to the unit to the centerline of the demising wall between Units, Corridors, Elevator, and Stairs.

S. Finishes /Appliances

i) Residential Lobby

• Floor	Valverde Lime stone slabs / Pompignon stone slabs / Carpet
• Walls	Pompignon stone tiles / Bisazza mosaic tiles/ Macassar Ebony veneer/ Ebonized oak
• Baseboards.	Flush painted wood base
• Ceiling	Painted gypsum board / Sumi Glass
• Reception desk	Combination of Thassos stone slabs / Rudy Glass / high gloss painted wood
• Court Yard	walls in Cultured stone/ floor pebbles

All finishes as specified, or equivalent.

Interior of Residential Condominium Units, General

- Flooring to be architectural grade white oak, thick, stained and finished with oil-based polyurethane flat finish. Floor boards in random lengths between 6'-0" to 12'-0".
- Painted wood baseboard
- Painted gypsum board walls
- Painted gypsum board ceilings and/or k-dex finished concrete.

ii) Kitchens
(All appliances shall be as specified below, or equivalent)

• Refrigerator	Sub-Zero: 30" width. 611/SS in stainless steel finish Sub-Zero: 36" width. 650/SS in stainless steel finish
• Dishwasher	Bosch: Fully integrated. SHV46C03
• Range/oven	Jenn-Air: 30" width. PRG3000P in stainless steel finish
• Range hood and blower	Broan: 70 cm. P1951M in SS finish. 400CFM blower
• Kitchen Sink	Elkay: ELU-2115in stainless steel finish
• Kitchen sink faucet	T&S: B-0322-04/ BWH4 in pol. chrome finish
• Microwave	Samsung: MW1080STA in stainless steel finish
• Wine cooler	U-Line: 'Origins' 15 WC in stainless steel finish
• Soap dispenser	Franke: Series 902 in polished chrome
• Upper cabinets	Custom factory-finished satin lacquer finish. Color TBD
• Base cabinets	Natural walnut w/ satin catalyzed lacquer finish
• Floor	White oak planks
• Walls	Painted gypsum board
• Countertop	Stainless steel
• Island top	Calacatta marble slab in honed finish
• Backsplash	Royal Grey 24x8 tiles
• Ceiling	Painted gypsum board
• Under cabinet lighting	Alkco: Little inch for standard T5 lamps w/ Alkco HP Ballast. White finish

iii) Master Bathroom
(All fixtures & accessories shall be as specified below, or equivalent)

• Tub	Kohler: K-840 Maestro in white
• Toilet	Toto: Carolina, MS884114 in white
• Faucets	Ann Sacks: One Collection 8" widespread lavatory
• Sink	Kohler: Ladena K-2215 in white
• Shower control	Ann Sacks: One Collection ¾" thermostatic valve with lever handle trim AS7198-PN ROUGH-402-K-NA in polished chrome and ¾"volume control
• Shower head, arm, and flange	Watermark Designs: pan rain head 12" SS-RH080 w/ 18" ceiling arm w/ flange (SS-605AF) @ 260 Park Ave. or w/ 12" ceiling arm with flange (SS-604AF) @ 48 E. 21st Street and 49 E. 20th Street. All in polished chrome
• Paper holder	Vola: T12 in polished chrome
• Towel bar	Vola: T19-8 (31 ½") in polished chrome
• Walls/ Floor	'Silver Travertine' 24"X24" tiles in honed finish
• Ceiling	Painted gypsum board

iv) Second Bathroom
(All fixtures & accessories shall be as specified below, or equivalent)

- Tub — Kohler: 5'-6" Dynametric K-515 (outlet at L) in white
  Kohler: 5'-6" Dynametric K-516 (outlet at R) in white
- Toilet — Kohler: Rialto K-3386
- Sink — Kohler: Purist K-2314-1 in white finish
- Sink faucet — Vola: HV3L w/ pop-up waste in polished chrome finish
- Shower, head, arm & flange
  Brasstech: head (210) in polished chrome,
  flange (206) in polished chrome,
  arm (200) in polished chrome
- Shower only — Vola: pressure balanced temp control: 300 S Series less shower head
- Tub/ shower control — Vola: tub spout VOL-16-020C in polished chrome,
  With thermostatic valve & Diverter rough VOL-99-3400V, trim VOL-16-TR-3401, remote in-wall outlet fitting VOL-99-200M
- Paper holder — Vola: T12 in polished chrome
- Towel bar — Vola: T19-6 (23 ½") in polished chrome
- Mirror — Safety mirror with wood frame
- Floor — 24"x24" Royal Gray stone tiles in honed finish
- Walls — 3"X6" Tordo Metro tile glossy
- Ceiling — Painted gypsum board

v) Master Bathroom / Second Bathroom
(All fixtures & accessories shall be as specified below, or equivalent)

- Tub — Kohler: 5'-6" Maestro bath drain in white
- Toilet — Kohler: Rialto K-3386
- Sink — Kohler: Purist K-2314-1 in white
- Sink faucet — Vola: HV3L with pop-up waste
- Shower, head, arm & flange
  Brasstech: head (210) in polished chrome,
  flange (206) in polished chrome,
  arm (200) in polished chrome
- Shower only — Vola: pressure balanced temp control: 300 S Series
- Wall-mounted bath spout
  Vola: 9" tub spout & thermostatic valve VOL-3121 in polished chrome,
  Rough body VOL-99-3100
- Tub/ shower control — Vola: tub spout VOL-16-020C in polished chrome,
  flange VOL-16-001, thermostatic valve & Diverter rough VOL-99-3400V, trim VOL-16-TR-3401,
  remote in-wall outlet fitting VOL-99-200M
- Paper holder — Vola: T12 in polished chrome
- Towel bar — Vola: T19-6 (23 ½") in polished chrome
- Mirror — Safety mirror with wood frame
- Shower enclosure — Frameless glass w/ integral 18" towel bar
- Floor — 24"x24" Royal Gray stone tiles in honed finish
- Walls — 3"X6" Tordo Metro Tile glossy
- Ceiling — Painted gypsum board

vi) Powder Room
(All fixtures & accessories shall be as specified below, or equivalent)

• Toilet	Kohler: Rialto K-3386
• Sink	Duravit: Happy D. Series washbasin w/ metal console D14009. Trap # 0050361000
• Faucet	Vola: faucet (112) w/ 160 mm spout in pol. chrome
• Paper holder	Vola: T12 in polished chrome
• Towel holder	Vola: T15 in polished chrome
• Mirror	Safety mirror w/ beveled edge
• Floor	Calacatta Marble 18x18 tiles
• Walls	Dal tile glass mosaic tile & painted gyp wall
• Ceiling	Painted gypsum board

vii) Laundry Room/Closet
(All appliances shall be as specified below, or equivalent)

• Washer	Asko: W6761 in white finish
• Dryer	Bosh in white finish (Electric)
• Floor	Dal tile 12x12 porcelain tile
• Walls	Painted gyp wall
• Ceiling	Painted gypsum board

viii) Typ. Corridors

• Accent Wall	Wall covering, Environments cork #2955 - slate
• Corridor Walls	Wall covering, Parchment #parch 208
• Field Carpet	AM Collections #jb933/6, 100 border and transition, nylon, 48oz,
• Saddles:	"Emperador Dark" in polished finish

viv) Roof Terrace Corridors

• Walls:	Wolf Gordon, "bay linen" color: washed denim # y44483bl
• Saddles:	Congaree Granite, honed finish
• Floor	12"x12" porcelain tile, "Porcealto" color: cd40 grigi granite

vv) Cellar Corridors

• Floor	Wall-To-Wall Carpet: Karastan Contract. Style: Jewel Cave #Kc101
• Walls	'Innovations' Wall covering: 'Alchemy' Color: #78807 Mint
• Ceiling	Painted gypsum board

vvi) Fitness Room

• Floor	Wall-To-Wall Carpet: Karastan Contract. Style: Jewel Cave #KC101
• Ceiling	2'x2' Acoustic Ceiling Tile: Orion 270 'Clima Plus.' Item: 4867
• Custom Tile Mural	3/4"X3/4" Bisazza Glass Mosaic Tile: 2089(2)
• Walls	'Innovations' Wall covering: 'Alchemy' Color: #78869 Kiwi & #78807
• Walls	Mirror

vvii) Fitness Bathroom

• Toilet	Kohler: San Rafael K-3398
• Sink	Duravit: Happy D. Series washbasin w/ metal console D14009
• Faucet	Kohler: 'Stillness' K-T944-4 wall-mount lavatory faucet In PC
• Paper holder	Vola: T12 in polished chrome
• Hand Dryer	World Dryers: Surface-Mounted Dryer (Model A) white finish
• Mirror	Frameless Safety mirror w/ beveled edge
• Lockers	Lockers By Penco Products: 4-Tier 'Vanguard' Locker without kegs
• Floor	18"X18" Val Verde Stone Tile. honed finish
• Saddle	Val Verde Stone Slab honed finish
• Walls	8"X8" Gloss White Ceramic Tile: 'Polaris' Pl-02 / & Paint
• Ceiling	Painted gypsum board

Seal



Signature of Architect

July 14, 2004

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DOB Violations

Premises: 260 PARK AVENUE SOUTH MANHATTAN **BIN: 1016213** **Block:**

NUMBER	TYPE	STATUS	FILE
V 030575C12022025-75	DOB VIOLATION - ACTIVE		00/0
V 041884P01A	DOB VIOLATION - ACTIVE		00/0
V* 072077E8321	DOB VIOLATION DISMISSED	DISMISSED	00/0
DISMISSAL DATE:	AGENCY LICENSE:	BADGE NO.:	
V* 012782E87554	DOB VIOLATION DISMISSED	DISMISSED	01/2
DISMISSAL DATE: 03/19/1985	AGENCY LICENSE:	BADGE NO.:	
V* 011483LL55	DOB VIOLATION DISMISSED	DISMISSED	01/1
DISMISSAL DATE: 10/03/1988	AGENCY LICENSE:	BADGE NO.:	
V* 022384LL5MINI00302	DOB VIOLATION DISMISSED	DISMISSED	02/2
DISMISSAL DATE: 06/12/1984	AGENCY LICENSE:	BADGE NO.:	
V* 102185E139952	DOB VIOLATION DISMISSED	DISMISSED	10/2
DISMISSAL DATE: 05/06/1987	AGENCY LICENSE:	BADGE NO.:	
V* 060986E144752	DOB VIOLATION DISMISSED	DISMISSED	06/0
DISMISSAL DATE: 12/14/1987	AGENCY LICENSE:	BADGE NO.:	
V 080802L1198NRF50698	DOB VIOLATION - ACTIVE	ACTIVE	08/0
V* 013089LL5E30023	DOB VIOLATION DISMISSED	DISMISSED	01/3

Next

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DOB Violations

Premises: 260 PARK AVENUE SOUTH MANHATTAN BIN: 1016213 Block:

NUMBER	TYPE	STATUS	FILE DA
V 013089LL5C30097	DOB VIOLATION - ACTIVE	ACTIVE	01/30/19
V 013089LL5P30025	DOB VIOLATION - ACTIVE	ACTIVE	01/30/19
V 060299E9013/108364	DOB VIOLATION - ACTIVE	ACTIVE	06/02/19
V 060299E9013/108365	DOB VIOLATION - ACTIVE	ACTIVE	06/02/19
V 071100E9444/125452	DOB VIOLATION - ACTIVE	ACTIVE	07/11/20
V 092501E9013/143532	DOB VIOLATION - ACTIVE	ACTIVE	09/25/20
V 092501E9013/143533	DOB VIOLATION - ACTIVE	ACTIVE	09/25/20
V 110602E9011/162858	DOB VIOLATION - ACTIVE	ACTIVE	11/06/20
V 091203E9444/182913	DOB VIOLATION - ACTIVE	ACTIVE	09/12/20
V 091203E9444/182914	DOB VIOLATION - ACTIVE	ACTIVE	09/12/20

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DOB Violations

Premises: 260 PARK AVENUE SOUTH MANHATTAN **BIN: 1016213** **Block:**

NUMBER	TYPE	STATUS	FILE DA
V 013089LL5C30097	DOB VIOLATION - ACTIVE	ACTIVE	01/30/19
V 013089LL5P30025	DOB VIOLATION - ACTIVE	ACTIVE	01/30/19
V 060299E9013/108364	DOB VIOLATION - ACTIVE	ACTIVE	06/02/19
V 060299E9013/108365	DOB VIOLATION - ACTIVE	ACTIVE	06/02/19
V 071100E9444/125452	DOB VIOLATION - ACTIVE	ACTIVE	07/11/20
V 092501E9013/143532	DOB VIOLATION - ACTIVE	ACTIVE	09/25/20
V 092501E9013/143533	DOB VIOLATION - ACTIVE	ACTIVE	09/25/20
V 110602E9011/162858	DOB VIOLATION - ACTIVE	ACTIVE	11/06/20
V 091203E9444/182913	DOB VIOLATION - ACTIVE	ACTIVE	09/12/20
V 091203E9444/182914	DOB VIOLATION - ACTIVE	ACTIVE	09/12/20

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DOB Violations

Premises: 260 PARK AVENUE SOUTH MANHATTAN BIN: 1016213 Block:

NUMBER	TYPE	STATUS	FILE DA
V 091203E9444/182915	DOB VIOLATION - ACTIVE	ACTIVE	09/12/2(
V 091203E9444/182916	DOB VIOLATION - ACTIVE	ACTIVE	09/12/2(

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NEW YORK CITY LOCAL LAW 11 OF 1998
SUBSEQUENT CYCLE INSPECTION REPORT

260 Park Avenue South

New York, NY 10010

Lot 45

October 6th, 2003

Prepared by:

Goldstein Associates, PLLC / Consulting Engineers

31 West 27th Street

New York, NY 10001

Project # A2097.00



REPORT ON THE CRITICAL EXAMINATION OF EXTERIOR WALLS AND APPURTENANCES AS PER SECTION 27-129 OF THE NEW YORK CITY ADMINISTRATIVE CODE. AMENDED AND RECORDED BY THE CITY ON APRIL 15, 1998 – LOCAL LAW 11/98 CYCLE 5

A. GENERAL INFORMATION

1.	DATES OF START AND COMPLETION OF INSPECTION:	September 5, 2003 – September 26, 2003
2.	ADDRESS, A.K.A (IF ANY) AND LOCATION RELATIVE TO NEAREST STREETS:	260 Park Avenue South, New York, NY 10010 South side of E. 21st St and North side of E. 20th St b/t Park Ave So and Bdwy
3.	BLOCK #	849
4.	LOT #	45
5.	CERTIFICATE OF OCCUPANCY:	
6.	USAGE:	Residential
7.	APPROXIMATE AGE OF BUILDING:	Approx. 95 years
8.	LANDMARK STATUS:	Yes
9.	OWNER (NAME, ADDRESS, PRINCIPAL OFFICER'S NAME AND PHONE NUMBER):	260 Park Ave. South, LLC. 500 Fifth Avenue New York, NY 10101 Yitzchak Tessler (212) 869-1900
10.	AGENT FOR OWNER (NAME, ADDRESS, PRINCIPAL OFFICER'S NAME AND PHONE NUMBER):	260 Park Ave. South, LLC. 500 Fifth Avenue New York, NY 10101 Yitzchak Tessler (212) 869-1900
11.	SUPERINTENDENT (NAME & PHONE NUMBER):	[redacted]

B. DESCRIPTION OF BUILDING

1.	NUMBER OF STORIES:		12
2.	DIMENSIONS:	Height: Plan dimensions:	±145' North elevation (21st St) ±75'-0" South elevation (20th St) ±37'-6"
3.	FRONTAGES:		a. 21st St b. 20th St
4.	STRUCTURAL SYSTEM:		Structural steel frame
5.	SETBACKS:		None
6.	PENTHOUSE AND BULKHEADS:		One story stair bulkhead

C. DESCRIPTION OF WALLS SUBJECT TO CRITICAL EXAMINATION

1.	EXTERIOR WALL CONSTRUCTION:	1st to 3rd floor: Stone veneer Above 3rd floor: Brick veneer
2.	AGE OF EXTERIOR WALL CONSTRUCTON:	Approx. 95 years
3.	EXTERIOR FIRE ESCAPES:	One fire escape in courtyard
4.	BALCONIES:	None
5.	MARQUEES:	None
6.	SIGNS:	None
7.	PARAPETS:	Brick and Stone
8.	WINDOW A/C UNITS:	None
9.	POTTED PLANTS:	None
10.	WATER TABLE - CORNICE:	Stone and metal roof cornice and stone watertable at the 4th and 5th floor levels. Overhang approximately 1 to 2 feet from face of façade.
11.	OTHER EXTERIOR APPURTENANCES:	None

D. STATUS OF EXTERIOR MAINTENANCE

1.	BRIEF HISTORY OF PREVIOUS SETTLEMENTS, MAJOR REPAIR & REVISIONS TO EXTERIOR ENCLOSURES, IF AVAILABLE:	Exterior masonry repairs have been performed. Several sections of terra cotta have been rebuilt. Joints throughout the building have been repointed. The roof was resurfaced several years ago. A few years ago, loose and cracked ornamental terra cotta had been repaired from above the 3rd floor façade.
2.	DATE & STATUS OF PREVIOUS LL10 REPORT:	The most recent report available concerning the façade (January, 1997; written in accordance with Local Law 10 of 1980) was carefully reviewed, and no unsafe conditions were mentioned. Condition requiring precautionary work is addressed below.
3.	CONDITION RECORDED IN PREVIOUS REPORT:	"Surface deterioration/peeling was observed on the brick & coating of the return walls at upper floors. Peeling paint on the metal (upper) portion of the cornice. Deterioration of windows was observed at several locations."

4.	STATUS OF THE REPAIRS AND MAINTENANCE WITH RESPECT TO PRIOR CONDITIONS:	As indicated in Item 1 above, exterior repair work has been performed in the past.
5.	STATUS OF WATERTIGHTNESS OF THE WALLS AT PRESENT TIME:	No leaks reported or apparent during inspection.

E. PROCEDURES USED FOR THE EXAMINATION

1.	METHOD, EXTENT, LOCATION AND DATES OF ALL PHYSICAL EXAMINATIONS:	Inspection performed on September 5, 2003 along 21st St façade, September 26th, 2003 along 20th St façade. All inspections were made from hanging scaffold lowered from roof parapet to top of 1st floor.
2.	OTHER PROCEDURES USED:	Digital photography and sketches made during examination to show location of observed conditions. Visual inspection made with camera equipped with telephoto lens.

F. RESULTS OF THIS EXAMINATION

1. UNSAFE CONDITIONS INCLUDING RECOMMENDED REMEDIAL WORK:

   (a) Above 4th floor windows on 20th St façade: Brick header (soldier course) is cracking at each end and appears to be tilting out away from the façade. Also, the steel lintel below this course of bricks is rusted and warped. This area to be immediately shored until permanent remedial measures are implemented (see Picture No 1).

   (b) Broken glass windows were observed along the 21st St façade. Some pieces are extremely sharp and easily chipped off. Broken glass to be removed (see Picture No 2).

2. SAFE CONDITIONS WITH REPAIR AND MAINTENANCE PROGRAM (INCLUDING RECOMMENDED REMEDIAL WORK):
   The observed conditions listed below can be characterized as safe with repair and maintenance program, and are followed by corresponding recommended work and corrective measures preceded by the denoting letter "R". The safe conditions with repair, maintenance program and corrective measures are recommended to inhibit the observed conditions from developing into unsafe conditions.

   (a) The mortar joints at both facades (underneath parapet, underneath stone windowsills, at façade edges, other general areas) are deteriorated which could cause water penetration and accelerated brick deterioration.
   R - A restoration program should be developed and all deteriorated joints should be raked and repointed (see picture No 3 & No 4).

3. CAUSES OF REPORTED CONDITONS: Wear and tear over extended time period.

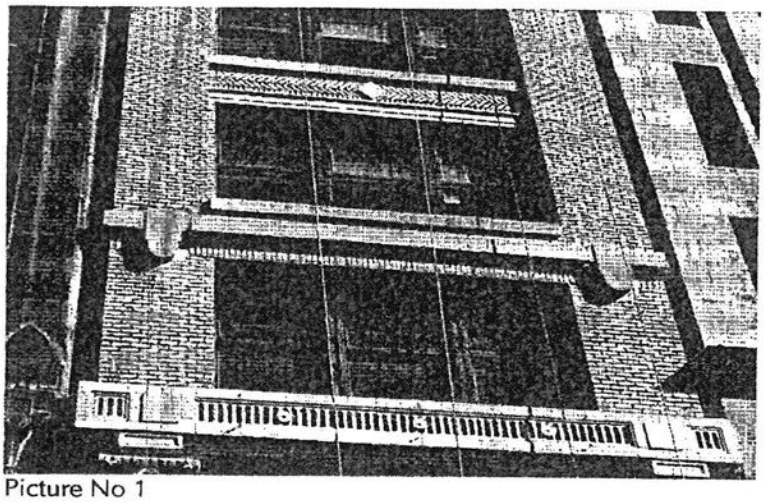
4. TIME FRAME FOR RECOMMENDED REPAIR AND MAINTENANCE:

   A. UNSAFE CONDITIONS: 90 Days
   B. SAFE WITH REPAIR AND MAINTENANCE: 5 years

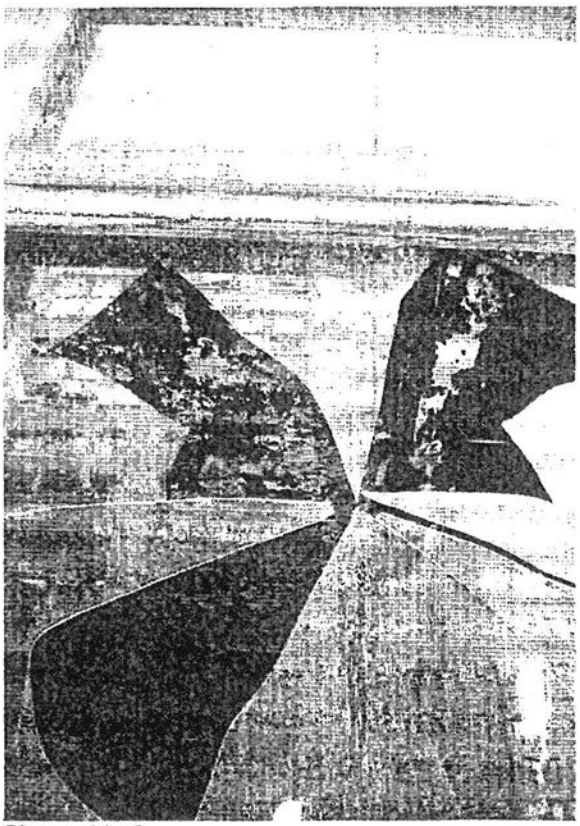
5. REPAIRS THAT REQUIRE BUILDING PERMIT: N/A

6. STATUS OF THE BUILDING: Unsafe with repair and maintenance program.

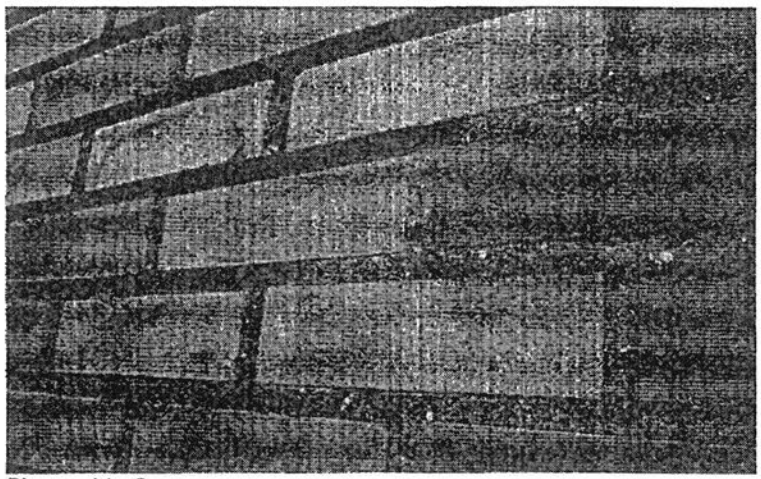
G. PHOTOS:



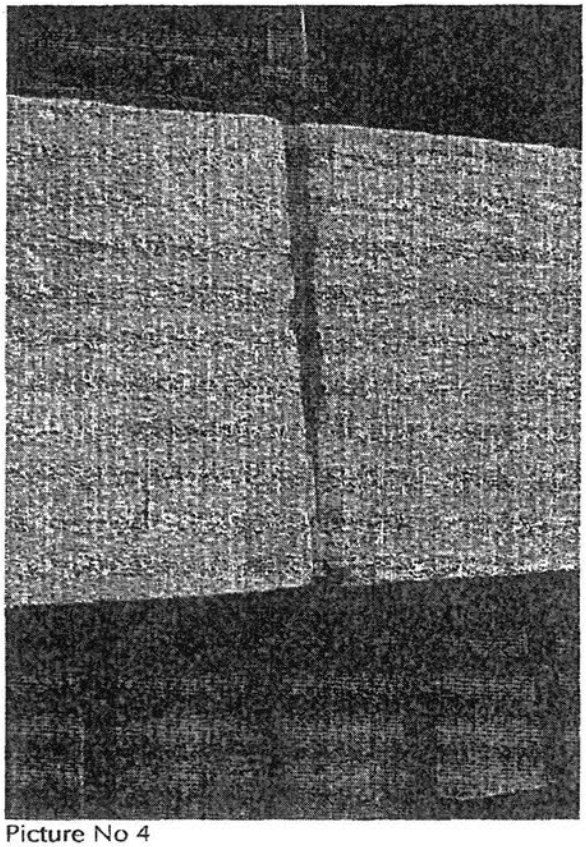
Picture No 1



Picture No 2



Picture No 3



Picture No 4

H. SKETCHES/DRAWINGS:

None

I. GENERAL NOTES:

The condition of the exterior walls not covered by Local Law 11/98 was excluded from this report.

The accuracy of this report is limited to what can reasonably be inspected utilizing binocular surveillance from easily accessible ground and roof areas, as well as from the representative scaffold inspection drop. Conditions of the wall backup and/or structural framing and fastenings are not covered in this report. We have been retained in accordance with section 27-129 of the New York City Administrative Building Code, which allows critical examination using the above techniques. This report was not intended for the determination of any causes for the conditions noted above. This engineer has been retained exclusively for the critical examination of the building walls and appurtenances thereof, preparation and filing of this report, all in compliance with Section 27-129 of the Administrative Building Code of New York City, i.e. Local Law 11/98.

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END OF REPORT

NEW YORK CITY LOCAL LAW 11 OF 1998
SUBSEQUENT CYCLE INSPECTION REPORT

260 Park Avenue South

New York, NY 10010

Lot 43

October 6th, 2003

Prepared by:

Goldstein Associates, PLLC / Consulting Engineers

31 West 27th Street

New York, NY 10001

Project # A2097.00



REPORT ON THE CRITICAL EXAMINATION OF EXTERIOR WALLS AND APPURTENANCES AS PER SECTION 27-129 OF THE NEW YORK CITY ADMINISTRATIVE CODE. AMENDED AND RECORDED BY THE CITY ON APRIL 15, 1998 – LOCAL LAW 11/98 CYCLE 5

A. GENERAL INFORMATION

1.	DATES OF START AND COMPLETION OF INSPECTION:	July 22, 2003 – July 25, 2003
2.	ADDRESS, A.K.A (IF ANY) AND LOCATION RELATIVE TO NEAREST STREETS:	260 Park Avenue South, New York, NY 10010 N.E. corner of E. 21st St and Park Ave South
3.	BLOCK #	849
4.	LOT #	43
5.	CERTIFICATE OF OCCUPANCY:	
6.	USAGE:	Residential
7.	APPROXIMATE AGE OF BUILDING:	Approx. 85 years
8.	LANDMARK STATUS:	Yes
9.	OWNER (NAME, ADDRESS, PRINCIPAL OFFICER'S NAME AND PHONE NUMBER):	260 Park Ave. South, LLC. 500 Fifth Avenue New York, NY 10101 Yitzchak Tessler (212) 869-1900
10.	AGENT FOR OWNER (NAME, ADDRESS, PRINCIPAL OFFICER'S NAME AND PHONE NUMBER):	260 Park Ave. South, LLC. 500 Fifth Avenue New York, NY 10101 Yitzchak Tessler (212) 869-1900
11.	SUPERINTENDENT (NAME & PHONE NUMBER):	[redacted]

B. DESCRIPTION OF BUILDING

1.	NUMBER OF STORIES:		8
2.	DIMENSIONS:	Height: Plan dimensions:	±120′ North elevation (21st St) ±100′-0″ East elevation (20th St) ±100′-0″
3.	FRONTAGES:		a. 21st St b. Park Avenue South
4.	STRUCTURAL SYSTEM:		Structural steel frame
5.	SETBACKS:		None
6.	PENTHOUSE AND BULKHEADS:		One story stair bulkhead

C. DESCRIPTION OF WALLS SUBJECT TO CRITICAL EXAMINATION

1.	EXTERIOR WALL CONSTRUCTION:	Terra Cotta with a single 20ft wide by 2-story high marble-faced entrance area along Park Avenue So.
2.	AGE OF EXTERIOR WALL CONSTRUCTON:	Approx. 85 years
3.	EXTERIOR FIRE ESCAPES:	None
4.	BALCONIES:	None
5.	MARQUEES:	None
6.	SIGNS:	None
7.	PARAPETS:	Terra Cotta
8.	WINDOW A/C UNITS:	None
9.	POTTED PLANTS:	None
10.	WATER TABLE - CORNICE:	Terra Cotta roof cornice and watertable at the 3rd floor level. Overhang approximately 1 foot from face of façade.
11.	OTHER EXTERIOR APPURTENANCES:	Flagpole secured to Park Avenue So façade at 3rd floor level.

D. STATUS OF EXTERIOR MAINTENANCE

1.	BRIEF HISTORY OF PREVIOUS SETTLEMENTS, MAJOR REPAIR & REVISIONS TO EXTERIOR ENCLOSURES, IF AVAILABLE:	Exterior masonry repairs have been performed. Joints throughout the building have been repointed. Much of the Terra Cotta and parapet exterior has had cracks caulked. A few years ago, a substantial amount of façade repair work was performed, including removing loose materials, replacing defective masonry materials, repairing lintels, windows, sills, etc. as necessary. Several years ago the roof was resurfaced.
2.	DATE & STATUS OF PREVIOUS LL10 REPORT:	The most recent report available concerning the façade (February, 1997; written in accordance with Local Law 10 of 1980) was carefully reviewed, and no unsafe conditions were mentioned. Condition requiring precautionary work is addressed below.
3.	CONDITION RECORDED IN PREVIOUS REPORT:	"A broken window was observed. Cracking in masonry that could result in a section of masonry loosening at the first floor was observed. Deterioration of coating on the parapet interior was observed at several locations on the roof."

4.	STATUS OF THE REPAIRS AND MAINTENANCE WITH RESPECT TO PRIOR CONDITIONS:	As indicated in Item 1 above, exterior repair work has been performed in the past.
5.	STATUS OF WATERTIGHTNESS OF THE WALLS AT PRESENT TIME:	No leaks reported or apparent during inspection.

E. PROCEDURES USED FOR THE EXAMINATION

1.	METHOD, EXTENT, LOCATION AND DATES OF ALL PHYSICAL EXAMINATIONS:	Inspection performed on July 22nd, 2003 along 21st St façade, July 25th, 2003 along Park Avenue South façade. All inspections were made from hanging scaffold lowered from roof parapet to top of 1st floor.
2.	OTHER PROCEDURES USED:	Digital photography and sketches made during examination to show location of observed conditions. Visual inspection made with camera equipped with telephoto lens.

F. RESULTS OF THIS EXAMINATION

1. UNSAFE CONDITIONS INCLUDING RECOMMENDED REMEDIAL WORK:

   No unsafe conditions were observed as of the last date of inspection.

2. SAFE CONDITIONS WITH REPAIR AND MAINTENANCE PROGRAM (INCLUDING RECOMMENDED REMEDIAL WORK):
   The observed conditions listed below can be characterized as safe with repair and maintenance program, and are followed by corresponding recommended work and corrective measures preceded by the denoting letter "R". The safe conditions with repair, maintenance program and corrective measures are recommended to inhibit the observed conditions from developing into unsafe conditions.

   (a) The mortar joints at both facades (many areas, including the parapet walls and corners of window openings) are deteriorated which could cause water penetration and accelerated stone deterioration. Some caulked cracks in stone faces are missing parts of the caulk. Spalling of stones was observed. Some loosening of mortar joints was also observed, especially around window sills.
   R - A restoration program should be developed and all deteriorated joints should be raked and repointed. All cracks that are missing caulk should be re-caulked. Spalled areas should be patched to prevent further spalling (see picture No 1, No 2, & No. 3).

   (b) The Northeast corner of the building has vertical cracks that have been caulked, as well as metal straps used to keep the cracked corner stones in place. Most of the straps are rusting.
   R - A restoration/inspection program should be developed and any deteriorated straps should be replaced. Any cracks that are missing caulk should be re-caulked. In addition, probes should be made to investigate the conditions of the backing and steel column in the locations of the metal straps. Subsequent repair may be required (see picture No 4).

3. CAUSES OF REPORTED CONDITONS: Wear and tear over extended time period.

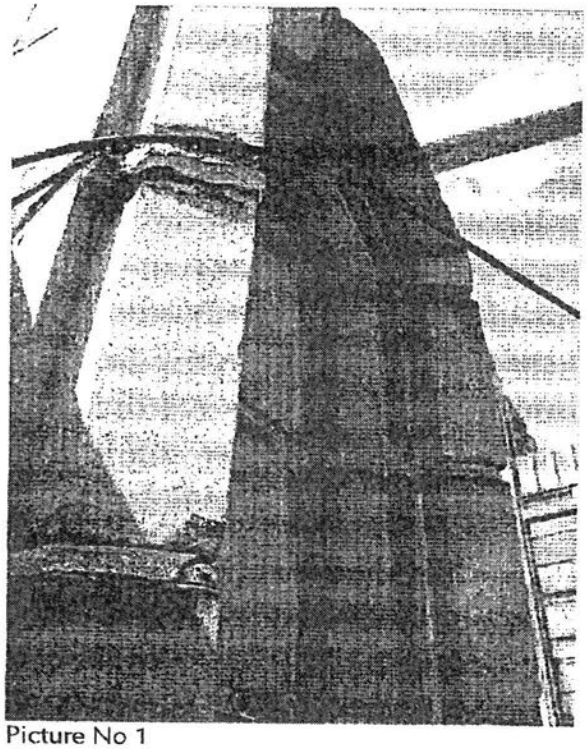
4. TIME FRAME FOR RECOMMENDED REPAIR AND MAINTENANCE:

   A. UNSAFE CONDITIONS: 30 Days
   B. SAFE WITH REPAIR AND MAINTENANCE: 5 years

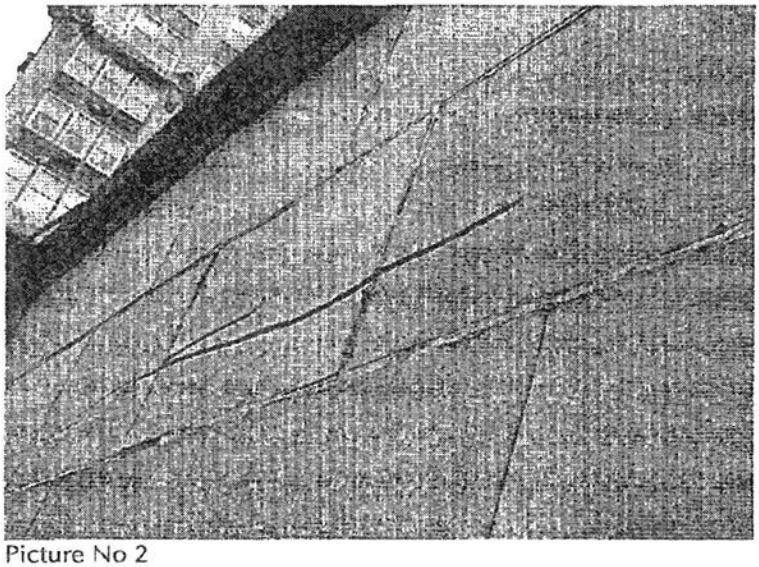
5. REPAIRS THAT REQUIRE BUILDING PERMIT: N/A

6. STATUS OF THE BUILDING: Safe with repair and maintenance program.

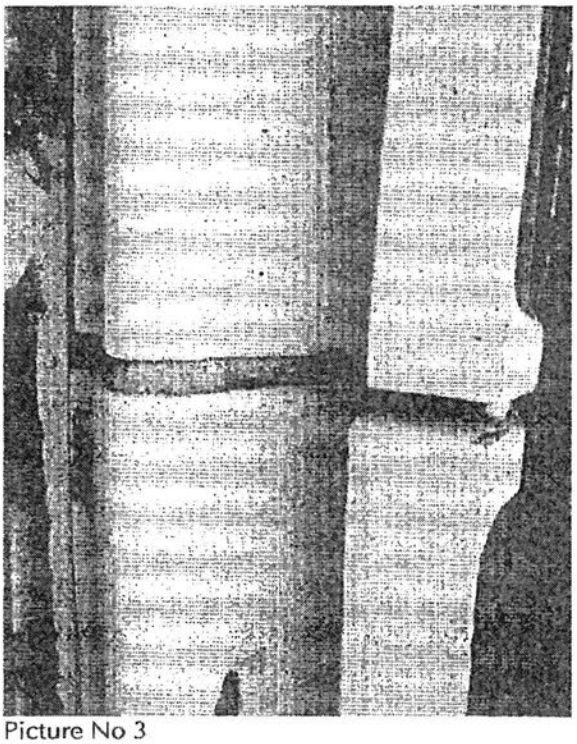
G. PHOTOS:



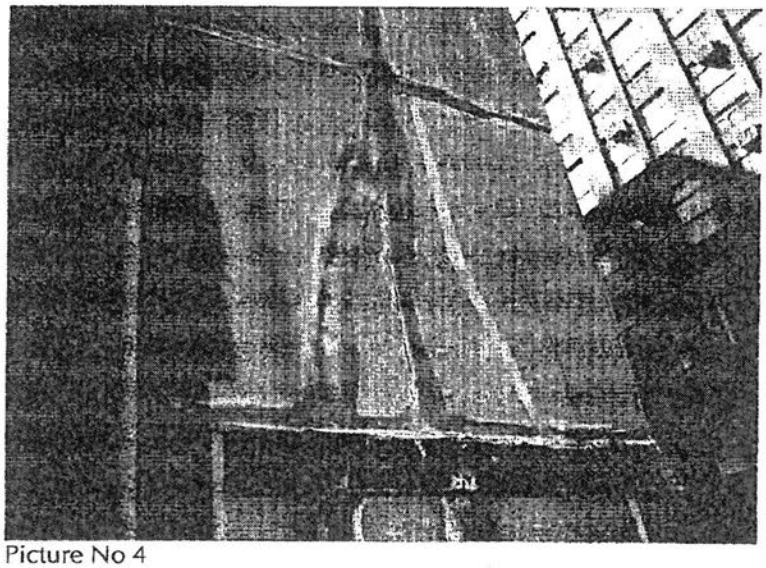
Picture No 1



Picture No 2



Picture No 3



Picture No 4

H. SKETCHES/DRAWINGS:

None

I. GENERAL NOTES:

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END OF REPORT

JW

FOR OFFICIAL USE ONLY

1. _____ NYC Buildings Dept. Application #

ACP 5 Fee $_____

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

www.nyc.gov/dep

ONL TYPEWRITTEN FORMS WILL BE ACCEPTED

NOT AN ASBESTOS PROJECT

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 48 East 21st Street Borough Manhattan Zip 10010

AKA N/A 3. Block 849 4. Lot 45

5. Building Owner 260 Park Avenue South. LLC Tel. # (212) 869-1900

6. Address 150 Nassau Street State NY Zip 10038

7. Contact Person Yitzchack Tessler 8. Tel. # (212) 869-1900

9. Description of the Entire Scope of Work

Interior alteration , the work includes erection of new partitions and drop ceilings, install new plumbing and plumbing fixtures, install new sprinkler, fire alarm and a/c systems, new finishes.

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date _____ of the Entire Scope of Work.

11. I, Jorge Gajer (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 4/29/04 (Date) in accordance with Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
- ☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
- ☐ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
- ☑ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
- ☐ e. normally non-friable ACM shall be disturbed/removed. Specify amount: _____ square feet
- ☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. **RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:**

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO	ASSUMED ACM
Base-12	entire	wall plaster	9		✔	
Basemnt	entire	elbow pipe insulation	3		✔	
Base-12	entire	Other visible surfaces	0		✔	
Warning:	Should the contractor find insulation o	n pipes or ducts that became				
	exposed, the contractor should stop,	working and immediatly				
	contact an asbestos investigator.					

13. Analytical Laboratory EMSL Analytical inc.

14. ELAP # 11506 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 4/30/04

16. **I hereby declare the information provided herein is true and complete.**

NYC DEP Certified Asbestos Investigator's Signature | 94654 (Certificate Number) | 5/2/04 (Date) | (718) 756-6205 (Daytime Telephone Number)

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

* In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR

CITY OF NEW YORK
JORGE GAJER
CERTIFIED ASBESTOS INVESTIGATOR

ACP5 2/2001

FOR OFFICIAL USE ONLY

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ACP 5 Fee $_____

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Asbestos Control Program

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- ☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

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Base-12	entire	wall plaster	7		✔	
Basemnt	entire	elbow pipe insulation	3		✔	
1st-12	entire	Insulation under wooden floor	3		✔	
6th	middle of the floor	floor beam fireproofing	3		✔	
5th	entire	residual backing of floor tiles	1		✔	
1st	entire	Vinyl floor tiles	0			✔
7th	west of service elevators	Vinyl floor tiles	0			✔

13. Analytical Laboratory EMSL Analytical inc.

14. ELAP # 11506 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 4/29/04 5/1/04

16. **I hereby declare the information provided herein is true and complete.**

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CITY OF NEW YORK JORGE GAJER CERTIFIED ASBESTOS INVESTIGATOR

ACP5 2/2001

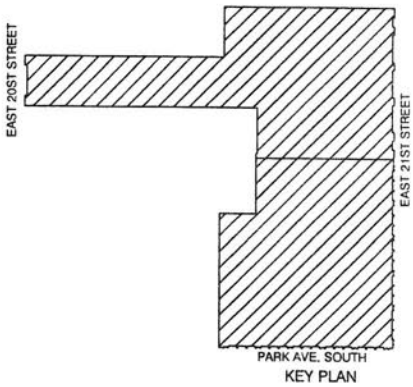
FLOOR PLANS

260 PARK AVE. SOUTH

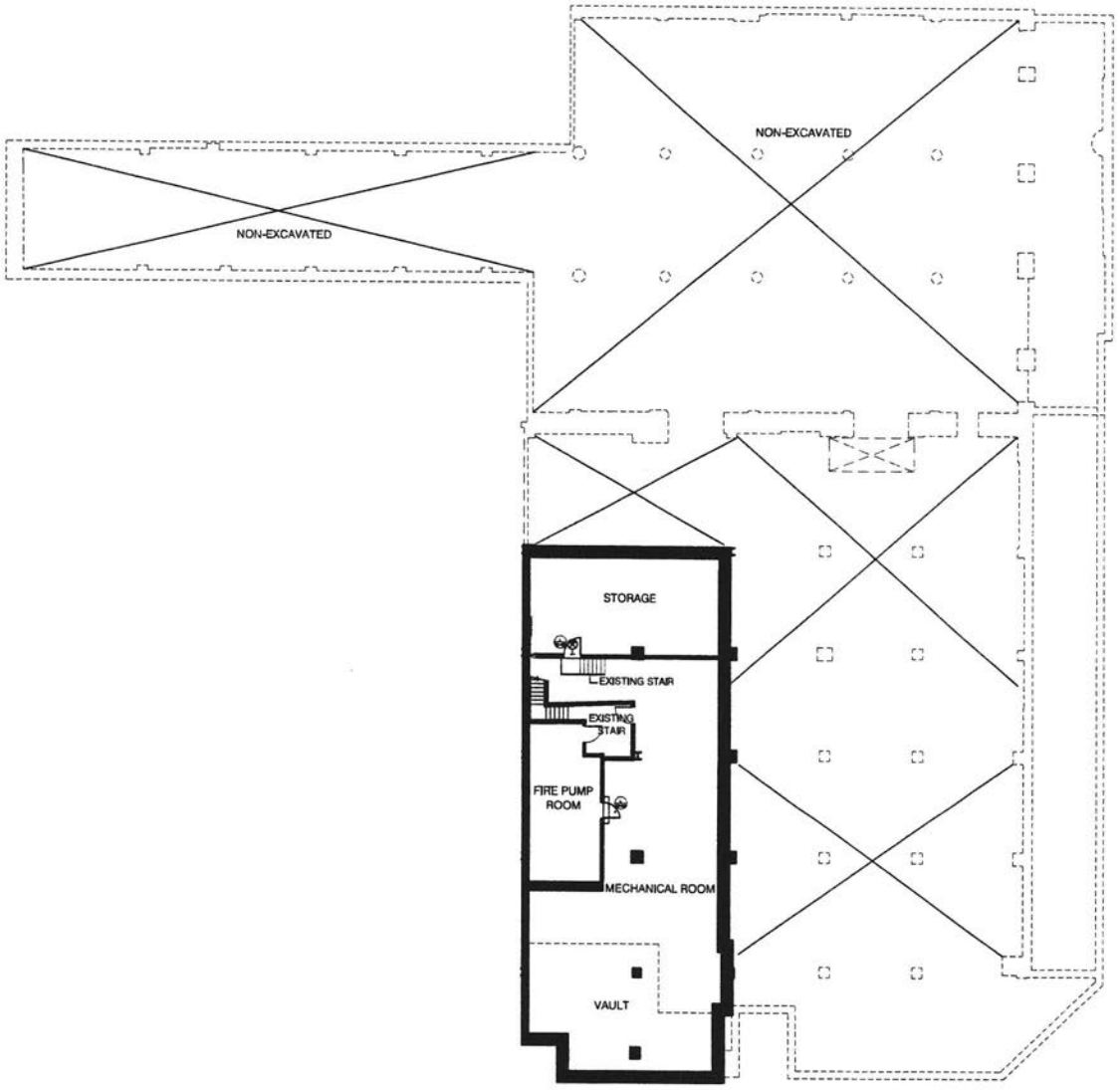
SUB-CELLAR FLOOR

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.



KEY PLAN



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

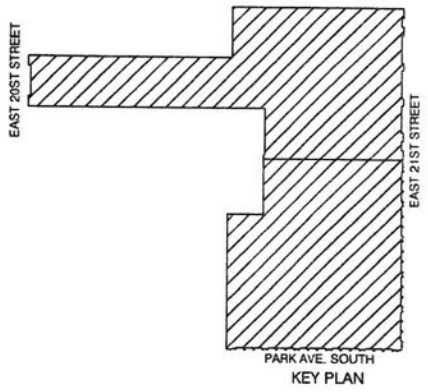
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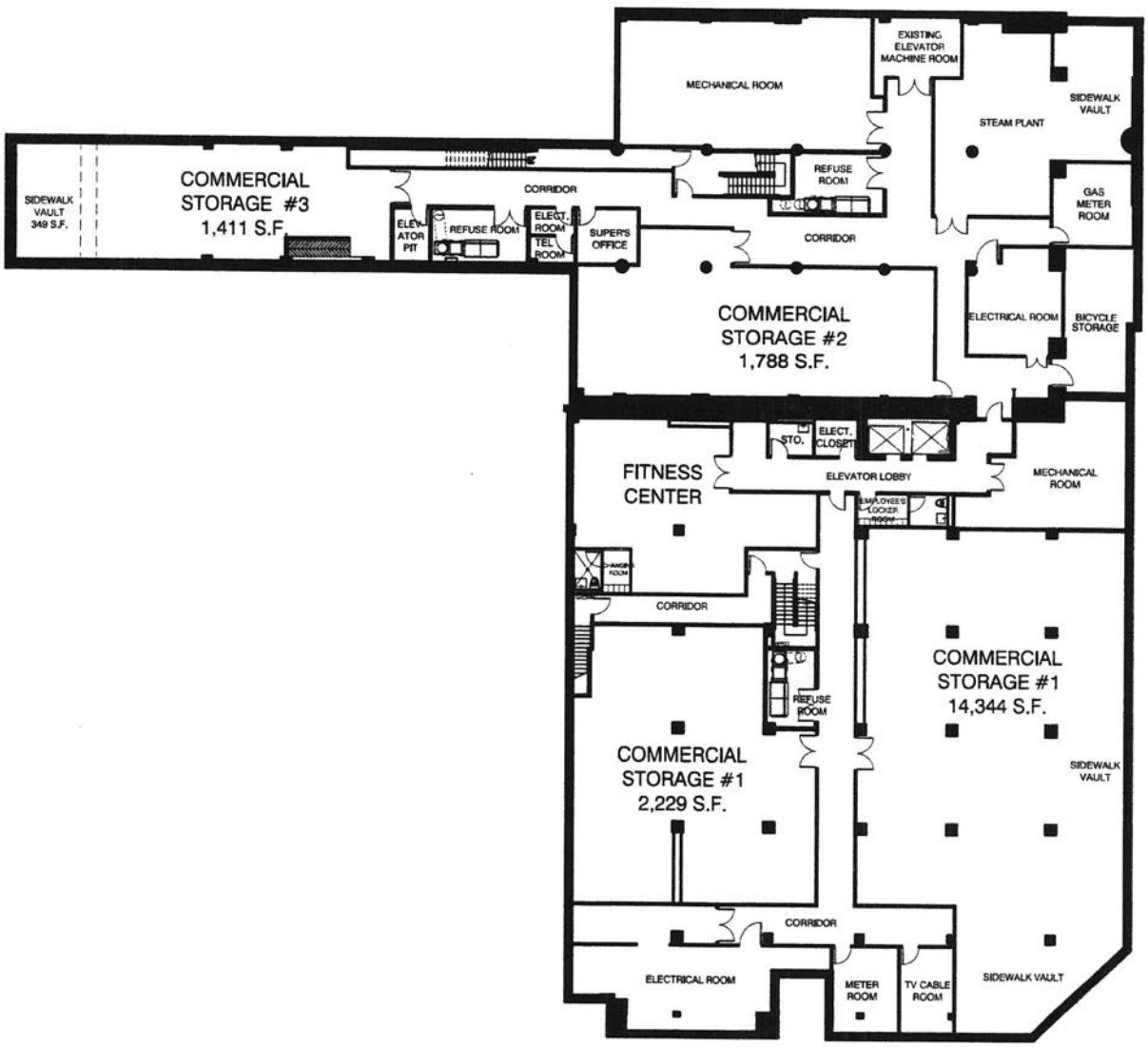
260 PARK AVE. SOUTH

CELLAR FLOOR

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

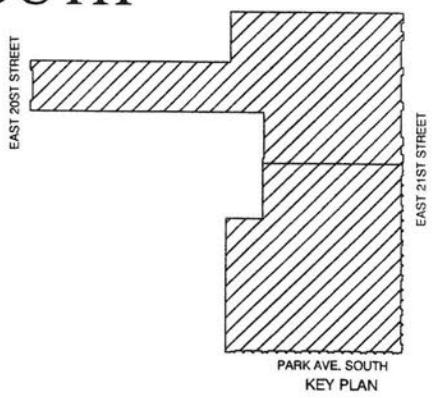
8 0 8 20 40

260 PARK AVE. SOUTH

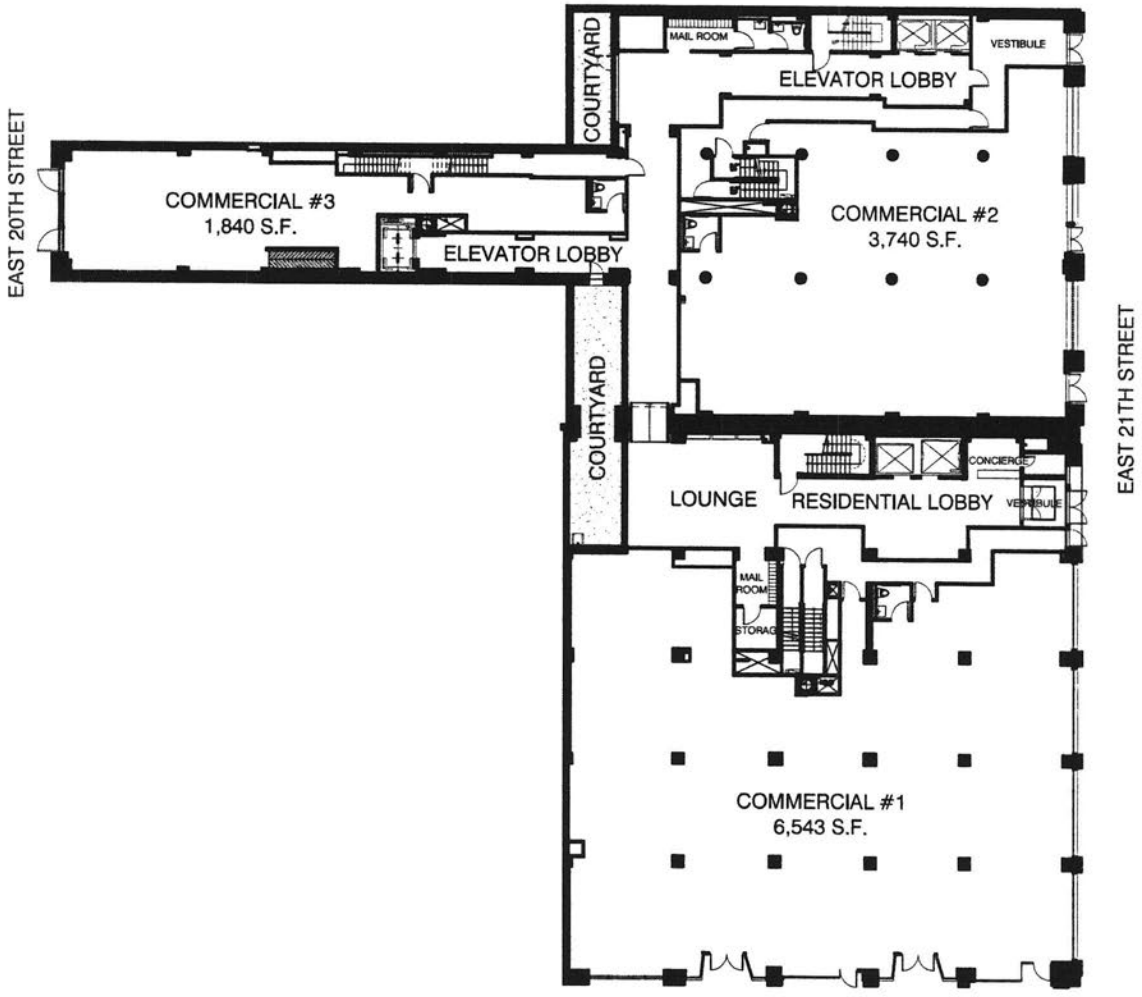
FLOOR 1

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KEY PLAN



260 PARK AVENUE SOUTH

260 PARK AVE. SOUTH
NEW YORK, NEW YORK

8 0 8 20 40

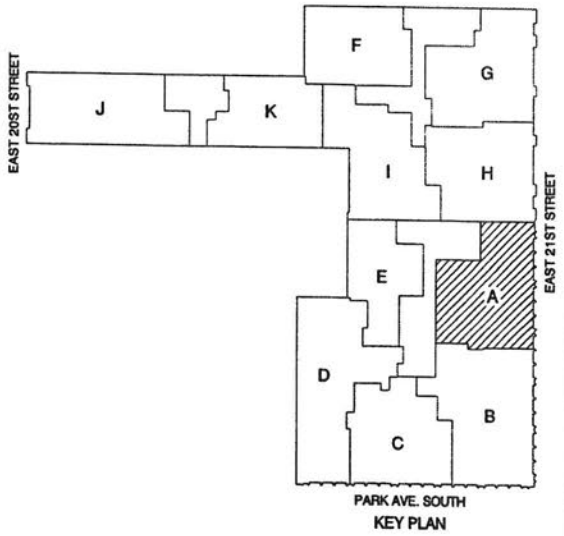
260 PARK AVE. SOUTH

UNIT 2A
2 BEDROOMS
2.5 BATHS

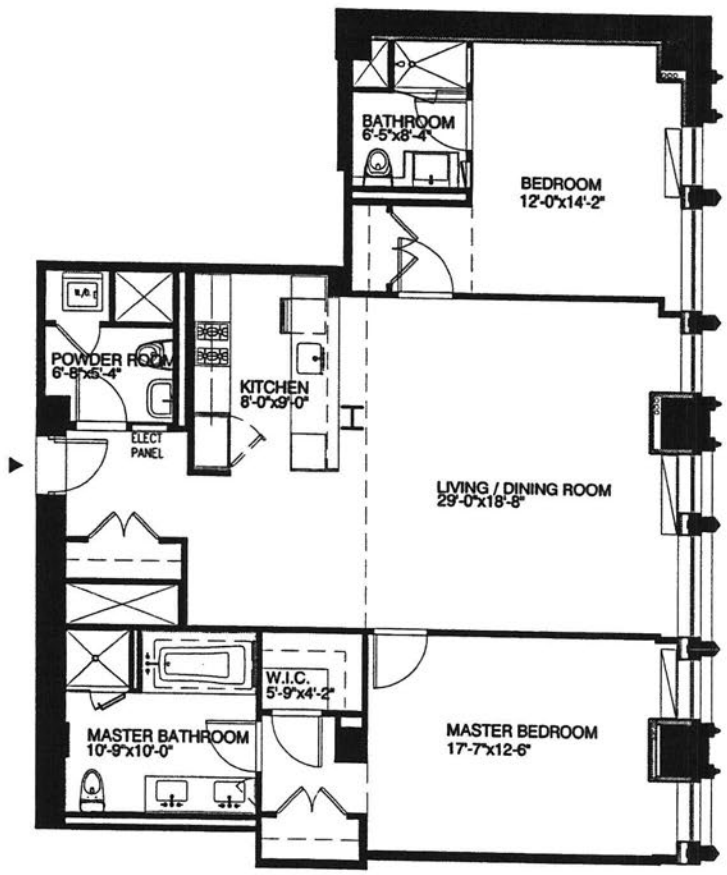
APARTMENT
AREA
1,535 SF

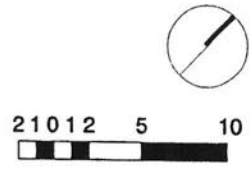
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

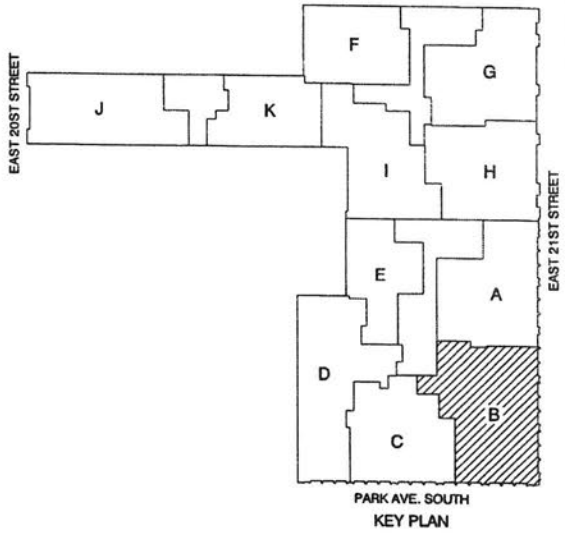
UNIT 2B
2 BEDROOMS
(OPTION-3 BEDROOMS)

2.5 BATHS

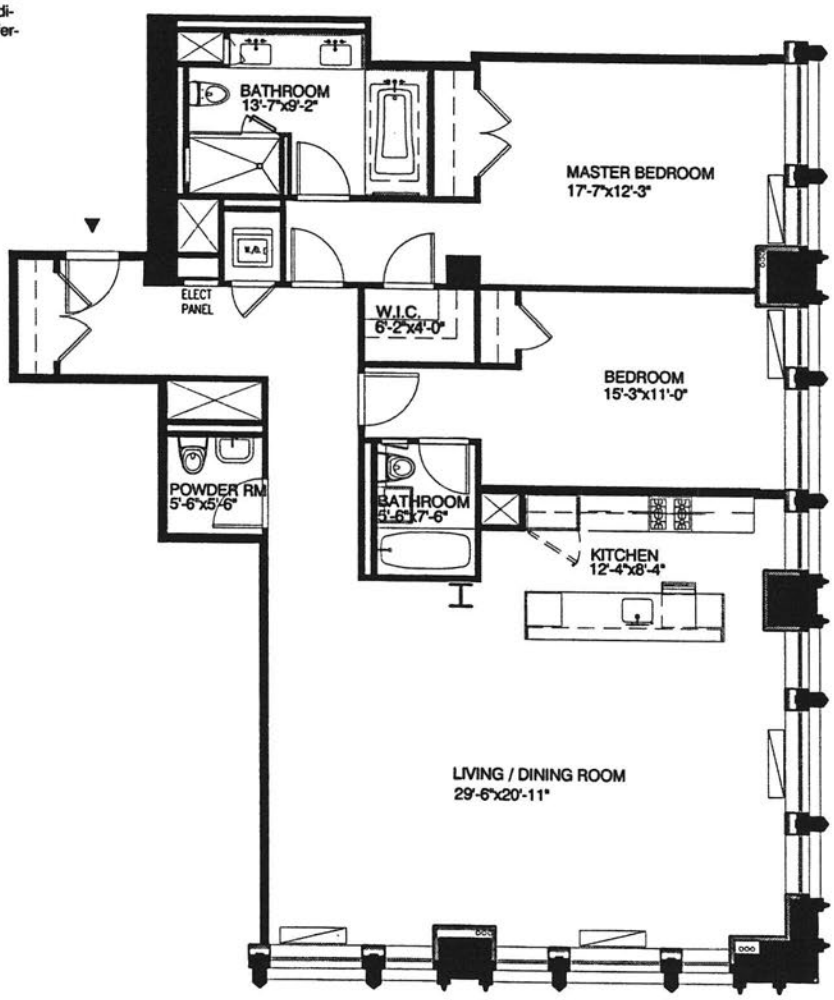
APARTMENT
AREA
1,880 SF

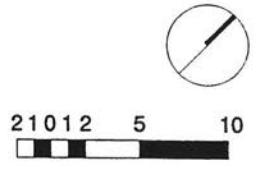
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NEW YORK, NEW YORK

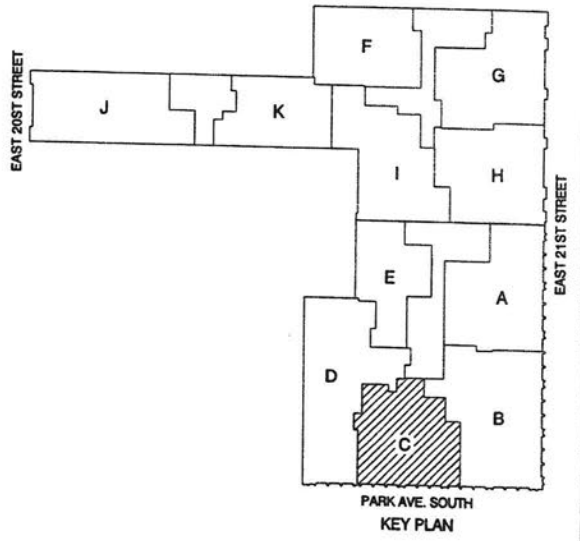
260 PARK AVE. SOUTH

UNIT 2C
2 BEDROOMS
2 BATHS

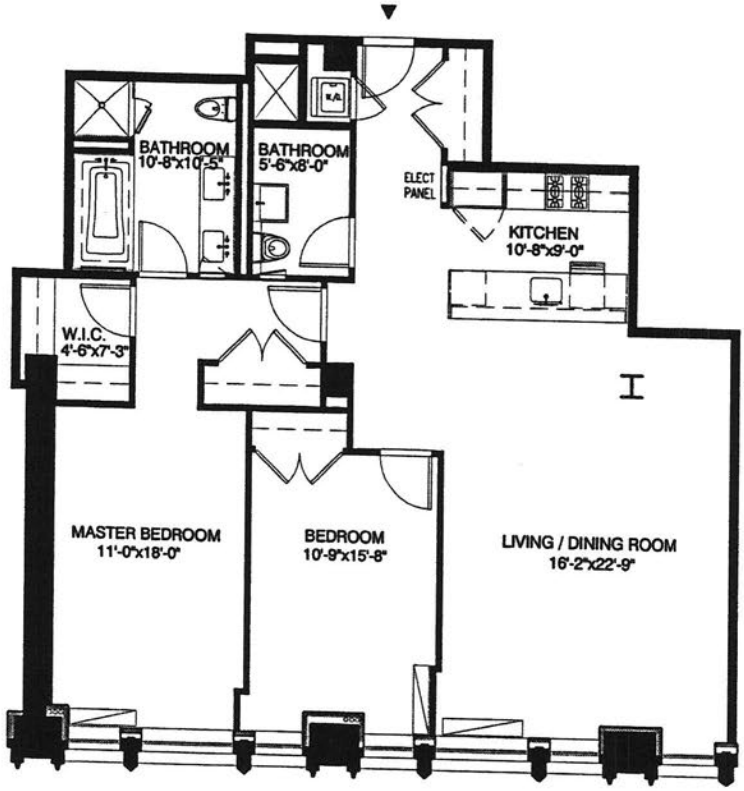
APARTMENT
AREA
1,407 SF

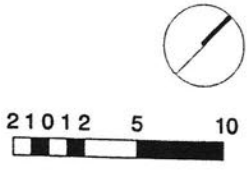
All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.



KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

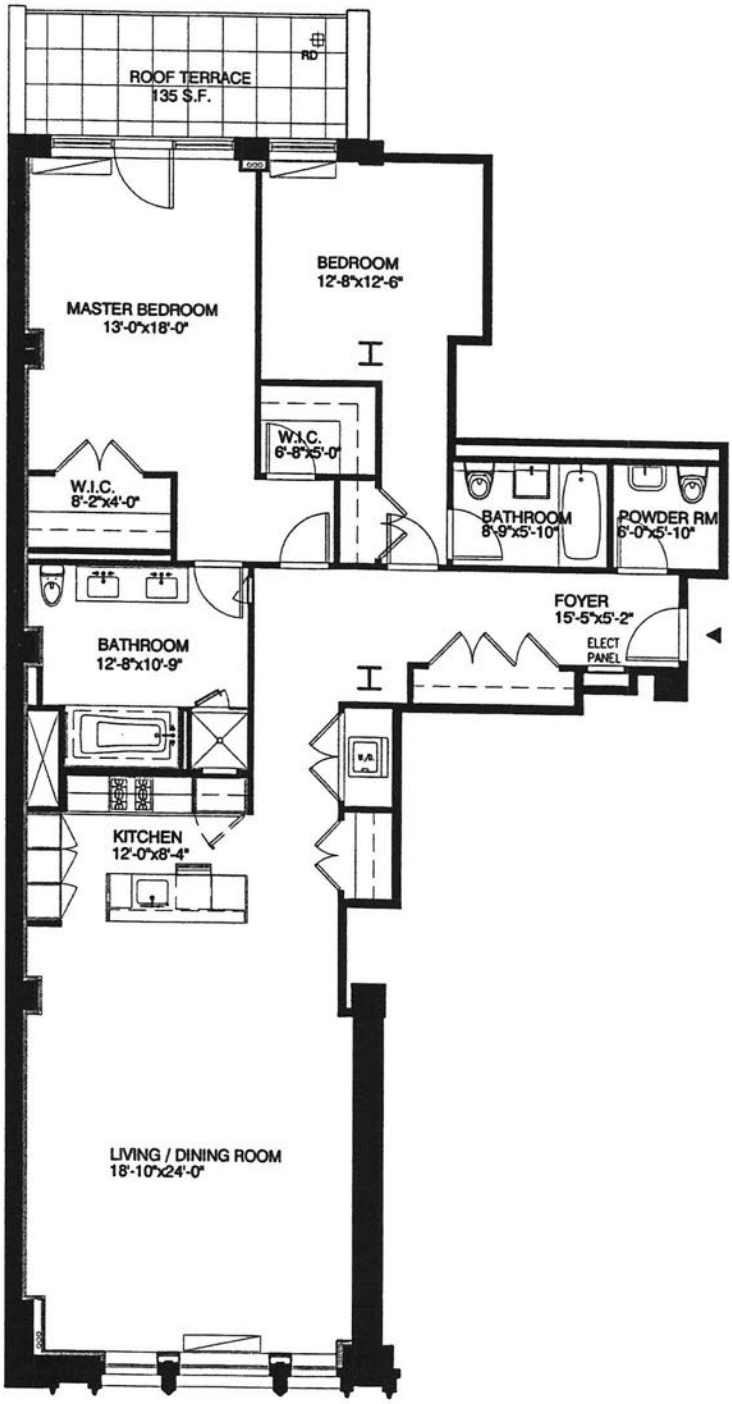
UNIT 2D
2 BEDROOMS
2.5 BATHS

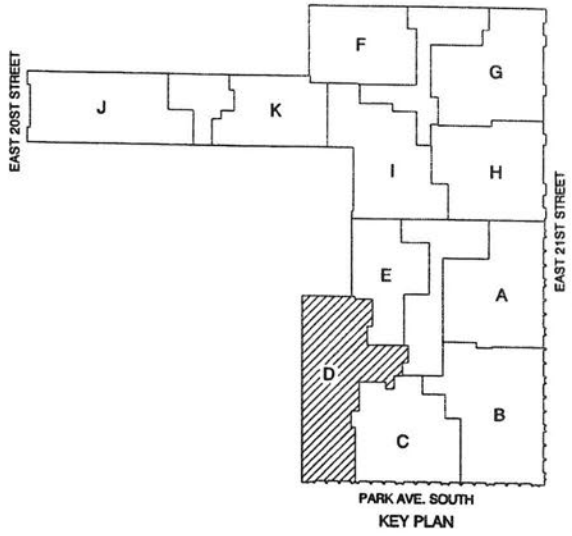
APARTMENT AREA
1,819 SF

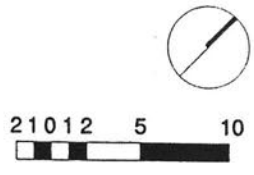
TERRACE AREA
135 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

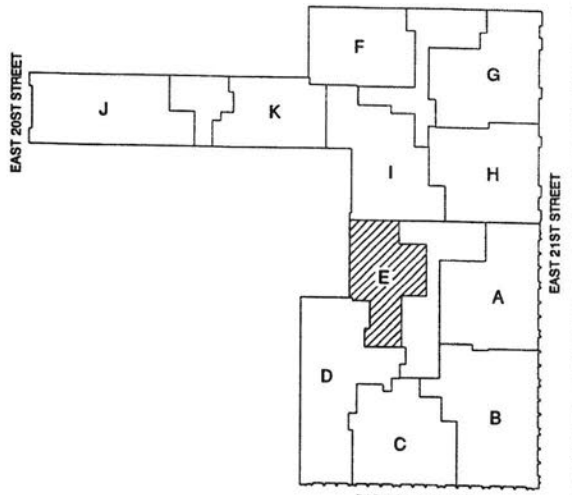
UNIT 2E / 3E
DUPLEX LOFT
2.5 BATHS

APARTMENT AREA
1,662 SF

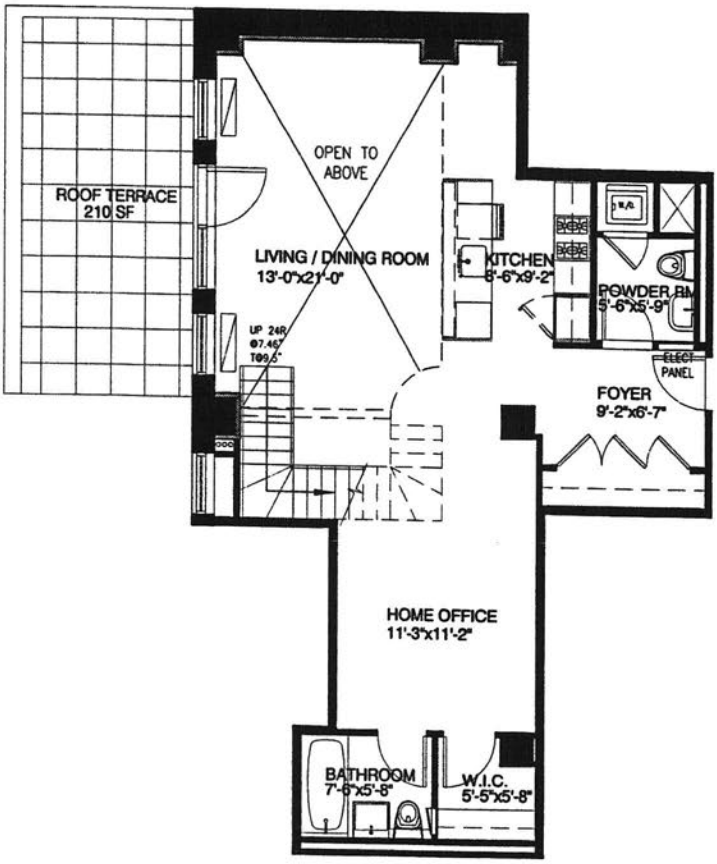
TERRACE AREA
210 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

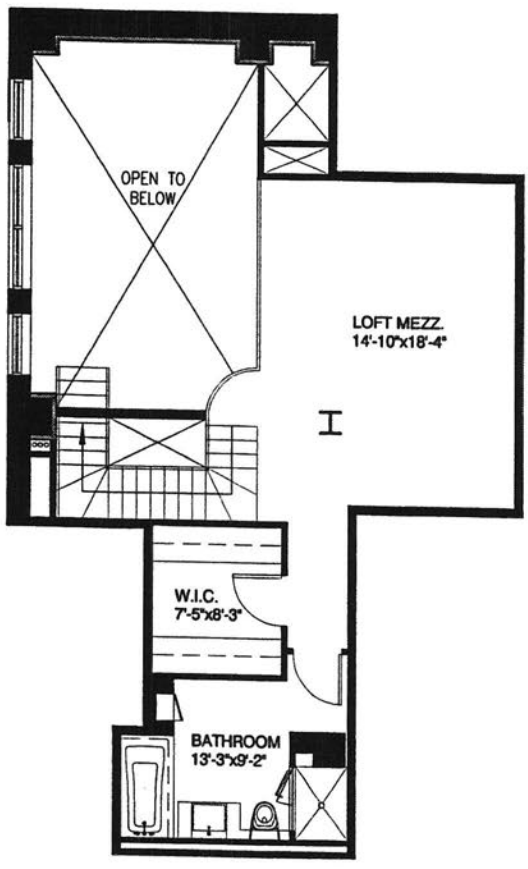
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KEY PLAN



LOWER DUPLEX



UPPER DUPLEX





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

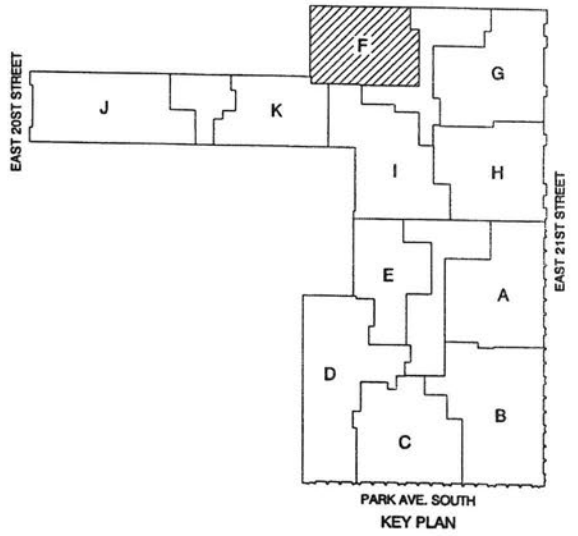
260 PARK AVE. SOUTH

UNIT 2F
1 BEDROOM
1.5 BATHS

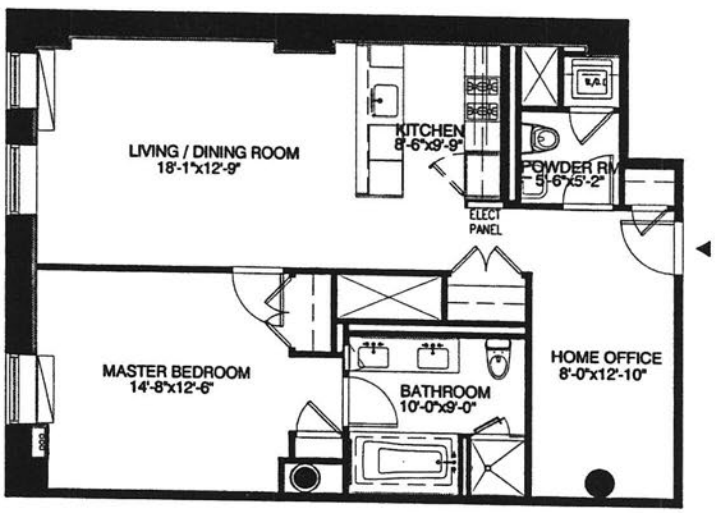
APARTMENT
AREA
1,037 SF

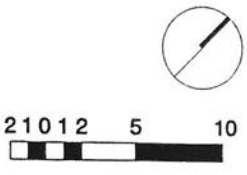
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

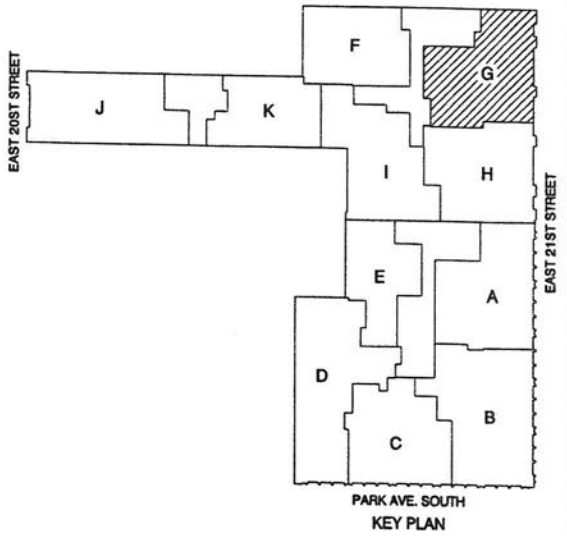
260 PARK AVE. SOUTH

UNIT 2G
2 BEDROOMS
2.5 BATHS

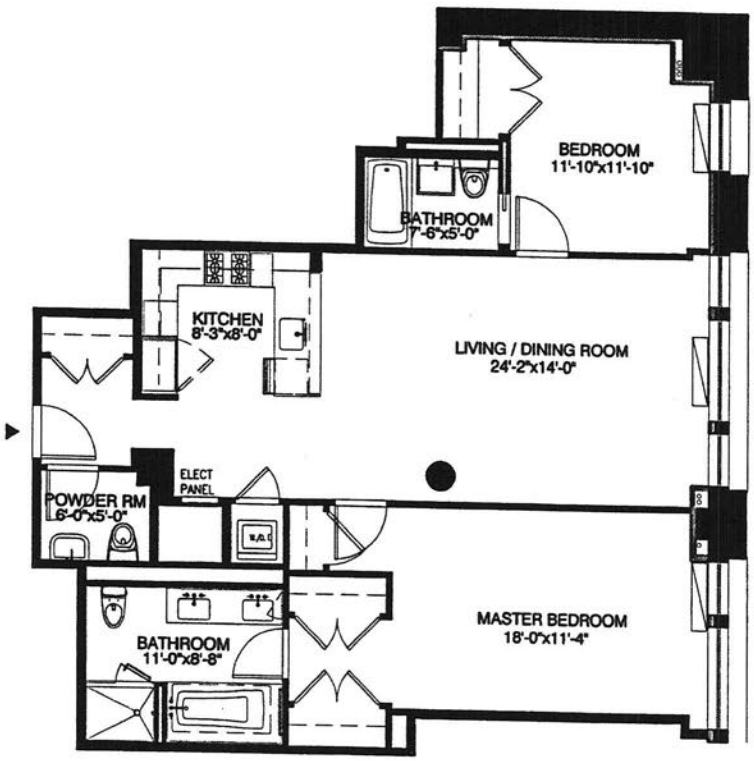
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

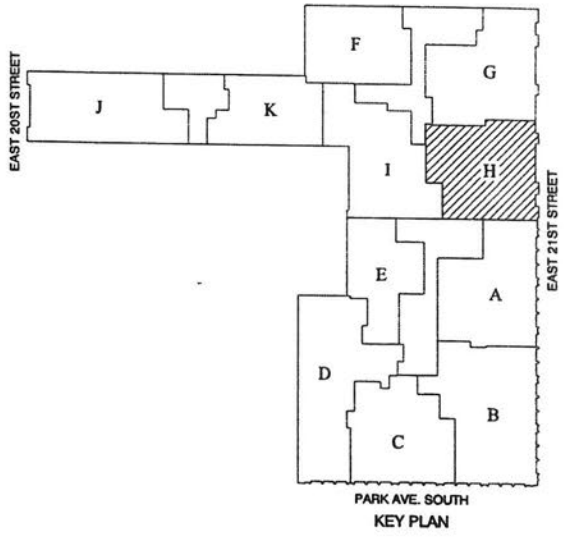
260 PARK AVE. SOUTH

UNIT 2H
2 BEDROOMS
2.5 BATHS

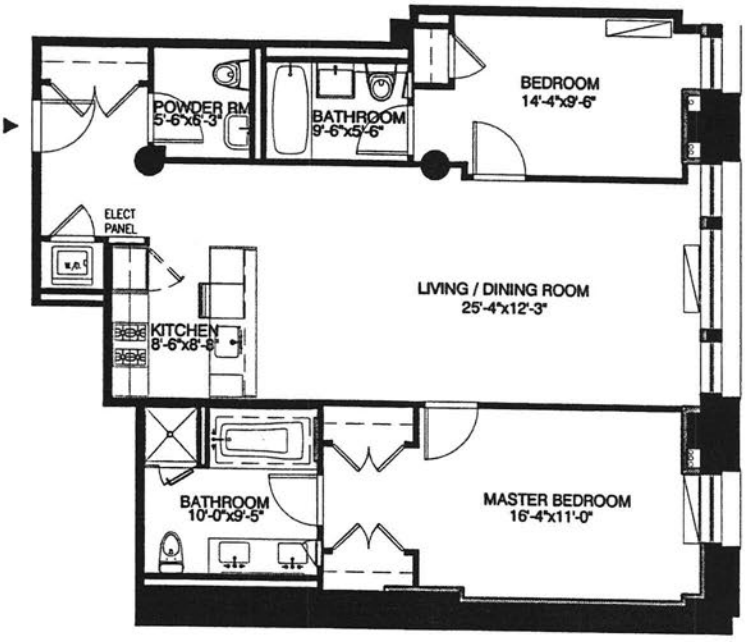
APARTMENT
AREA
1,281 SF

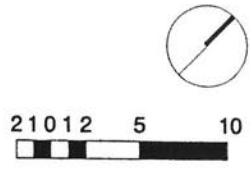
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 21
2 BEDROOMS
HOME OFFICE
2.5 BATHS

APARTMENT
AREA

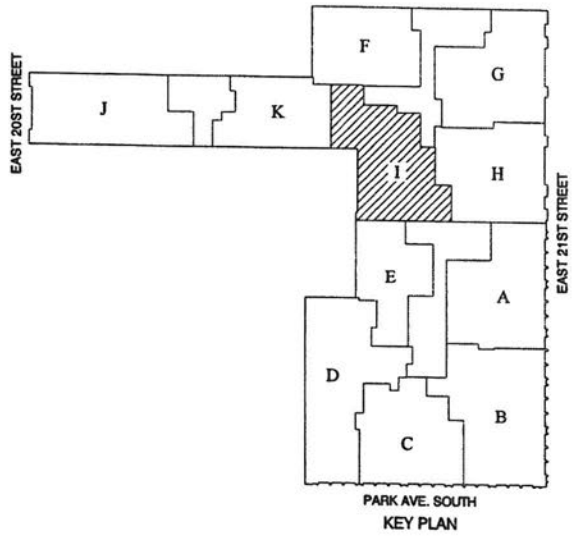
1,328 SF

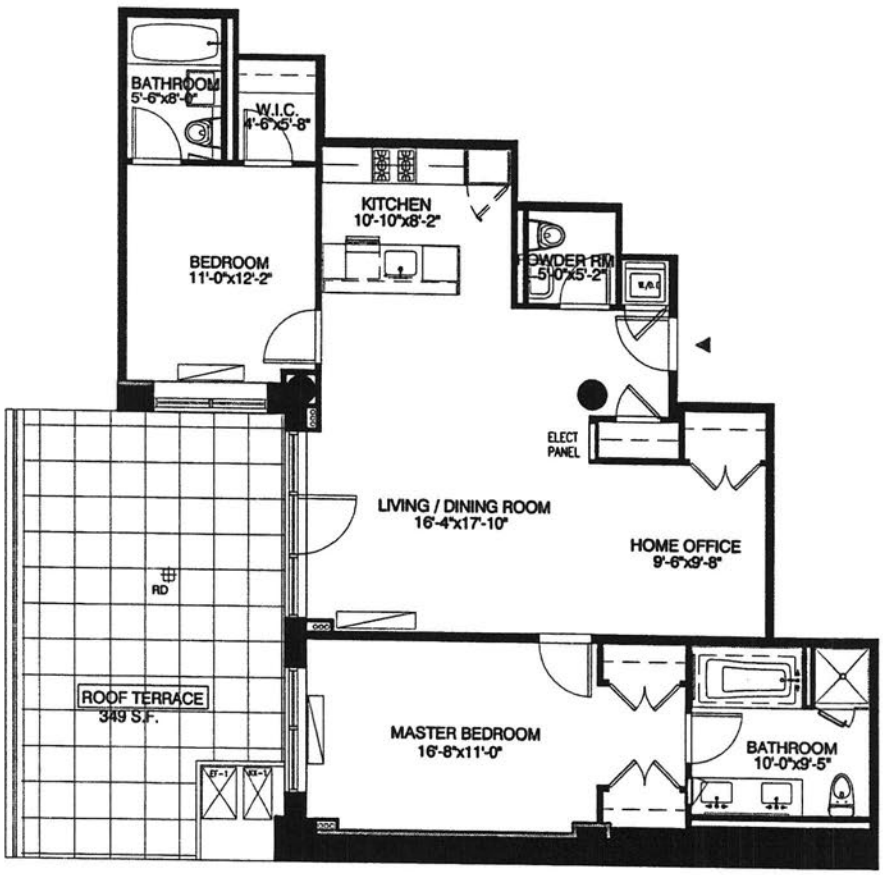
TERRACE
AREA

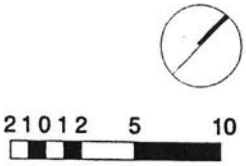
349 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

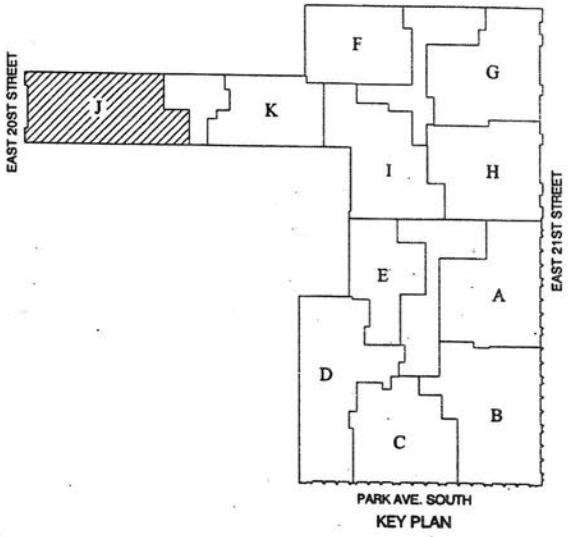
260 PARK AVE. SOUTH

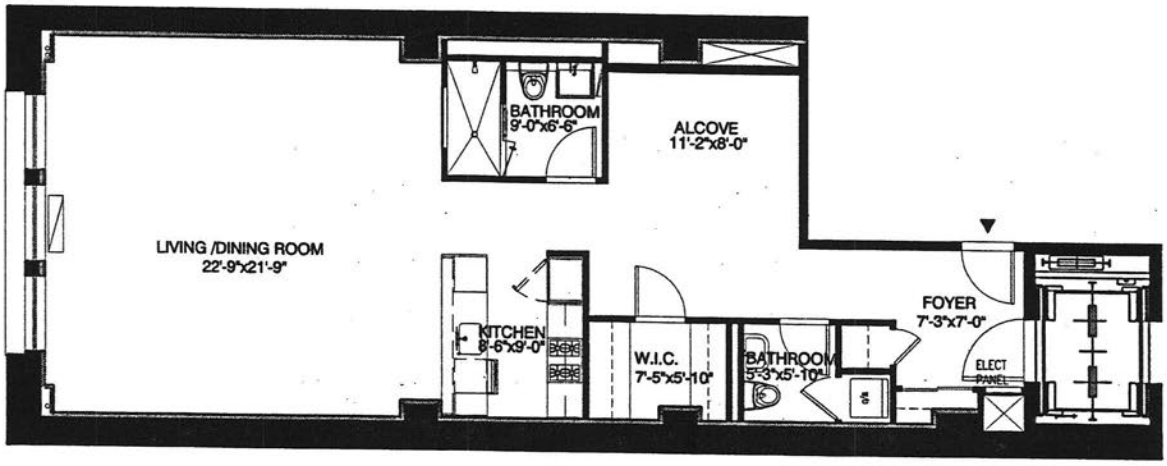
UNIT 2J
LOFT
1.5 BATHS

APARTMENT
AREA
1,288 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

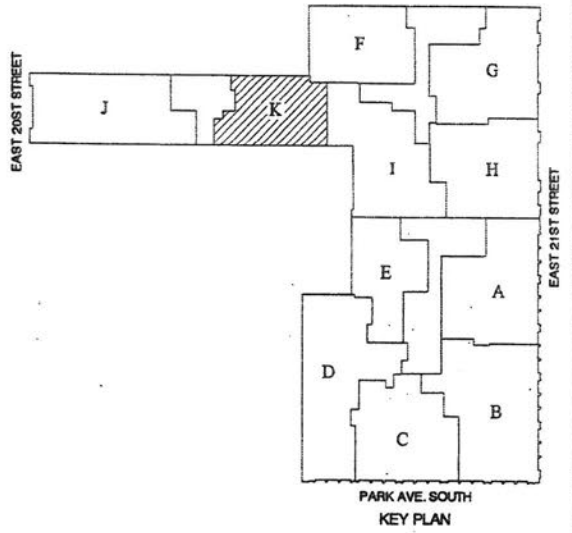
260 PARK AVE. SOUTH

UNIT 2K
1 BEDROOM
1 BATH

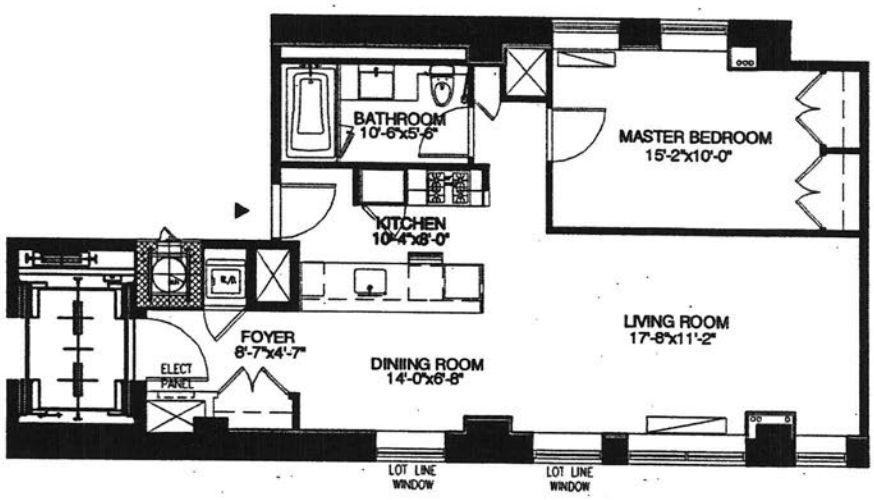
APARTMENT
AREA
917 SF

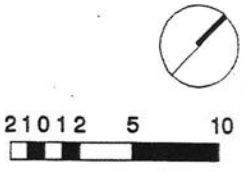
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

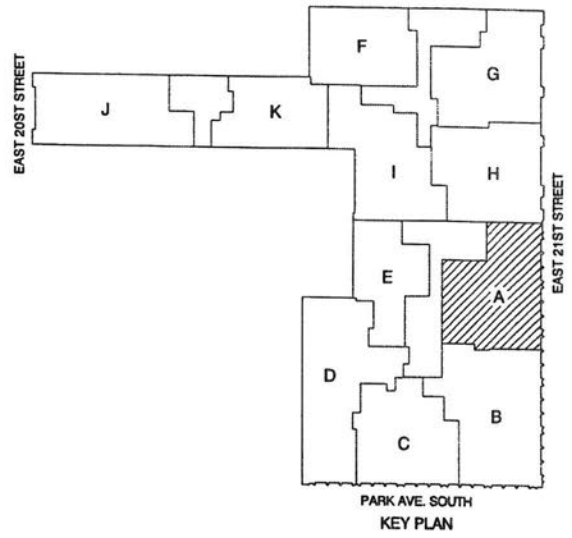
260 PARK AVE. SOUTH

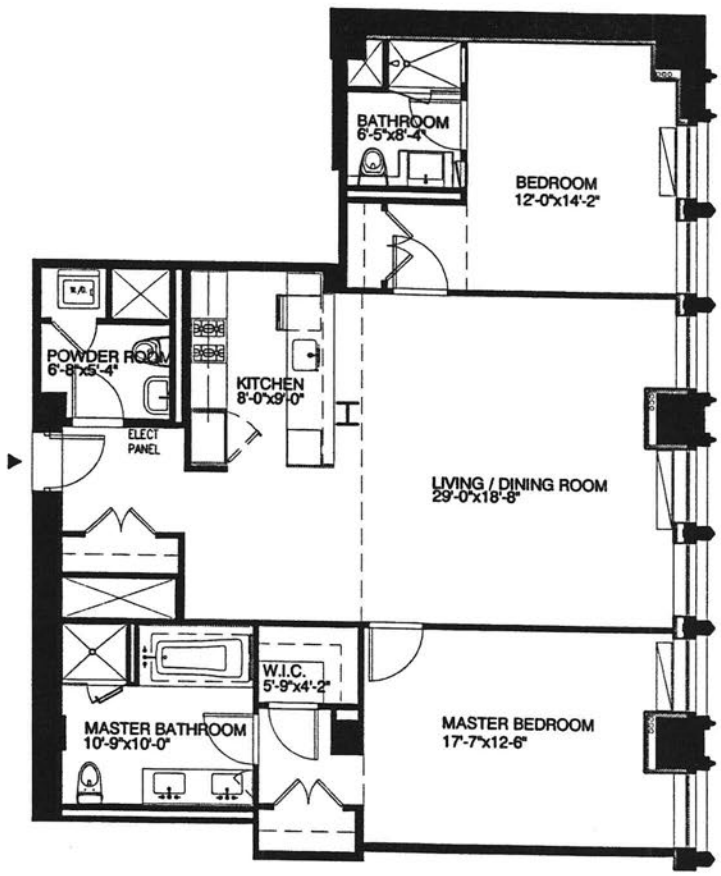
UNIT 3A
2 BEDROOMS
2.5 BATHS

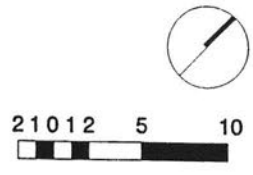
APARTMENT
AREA
1,535 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

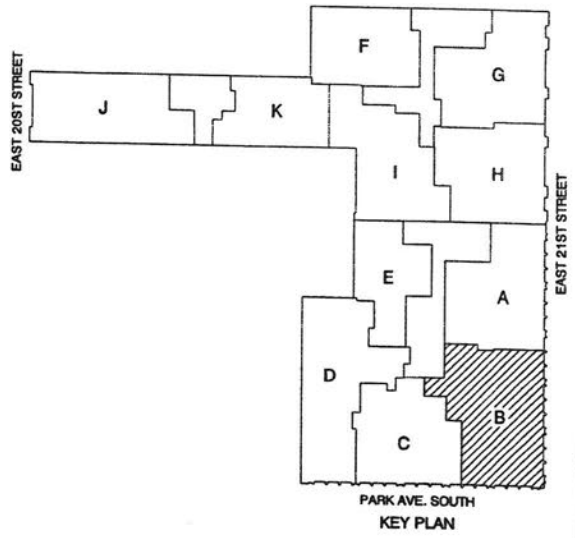
UNIT 3B
2 BEDROOMS
(OPTION-3 BEDROOMS)

2.5 BATHS

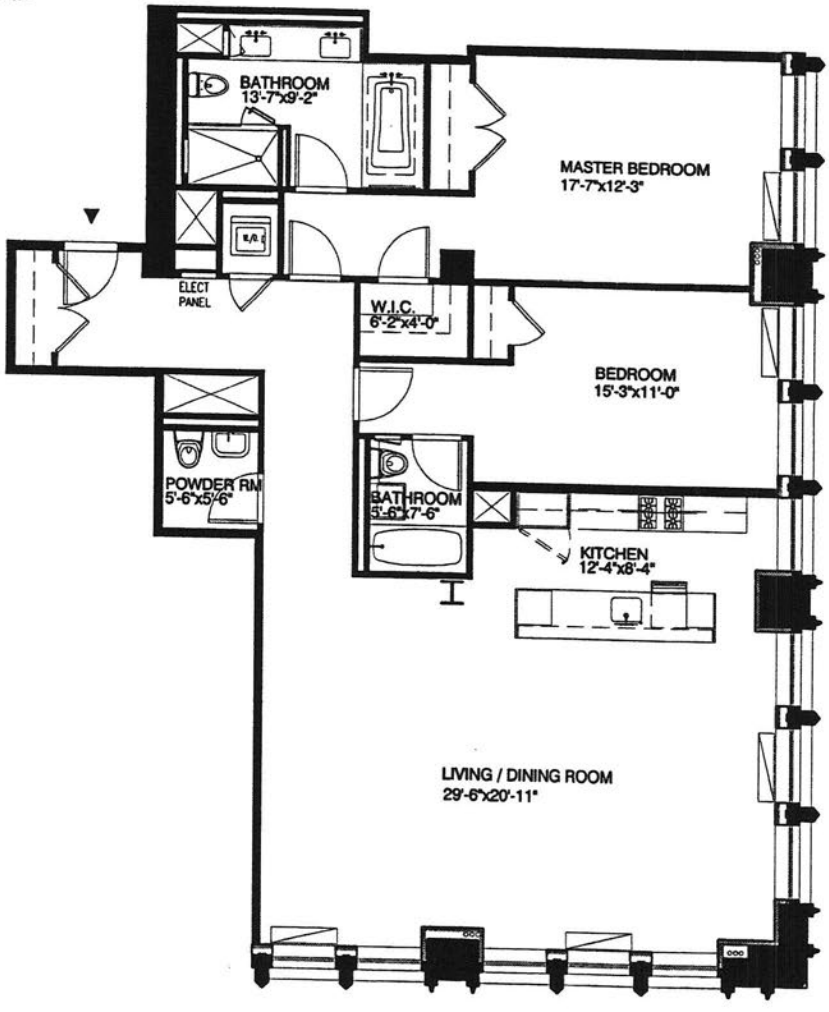
APARTMENT
AREA
1,880 SF

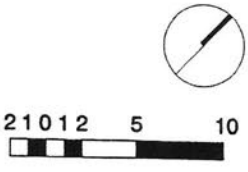
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

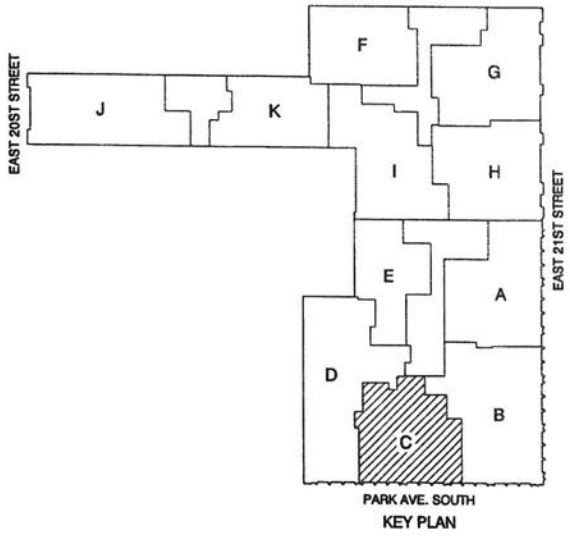
260 PARK AVE. SOUTH

UNIT 3C
2 BEDROOMS
2 BATHS

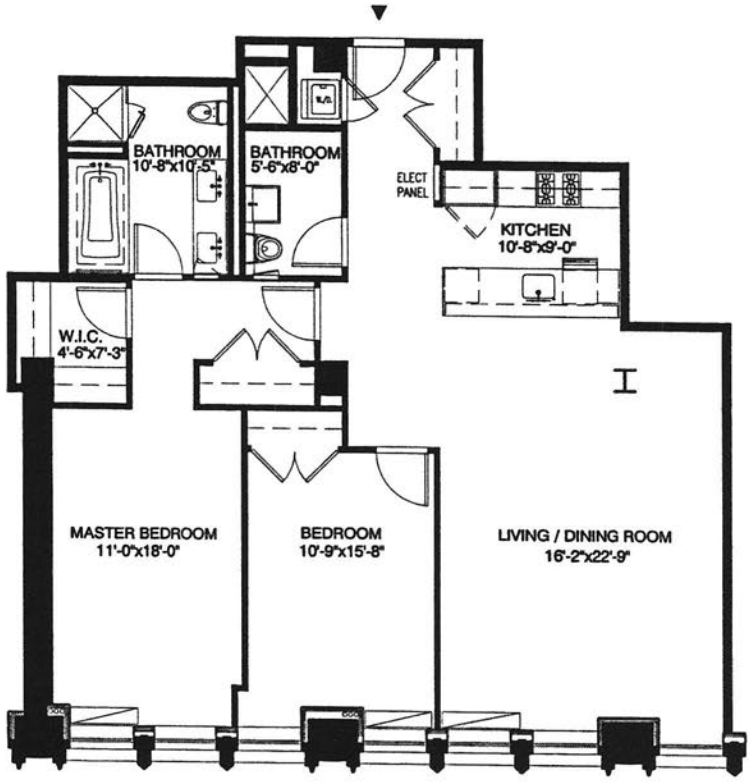
APARTMENT
AREA
1,407 SF

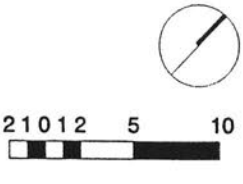
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

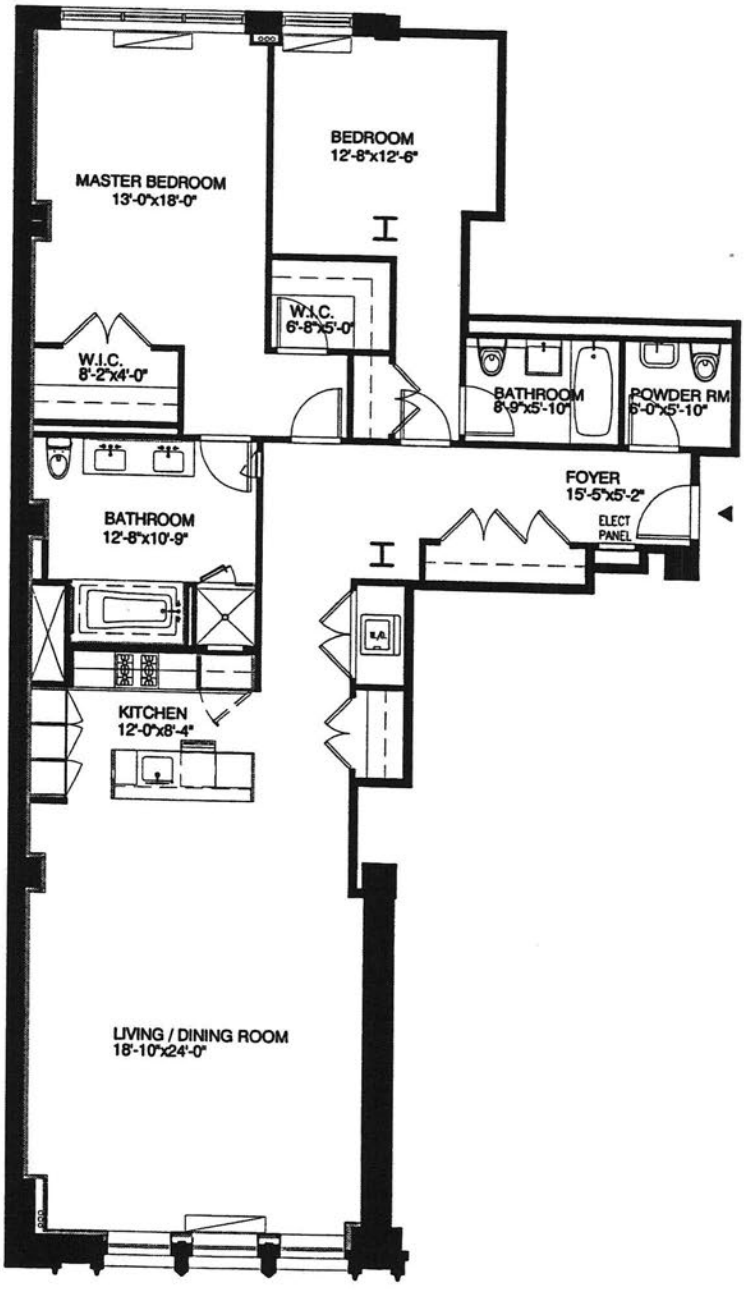
260 PARK AVE. SOUTH

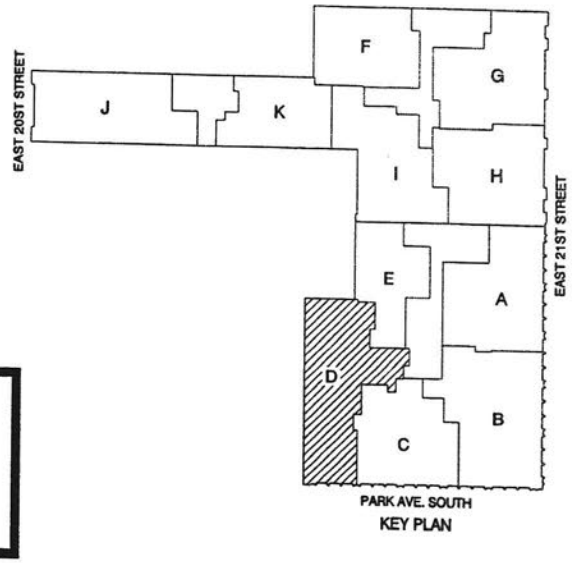
UNIT 3D
2 BEDROOMS
2.5 BATHS

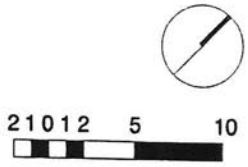
APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

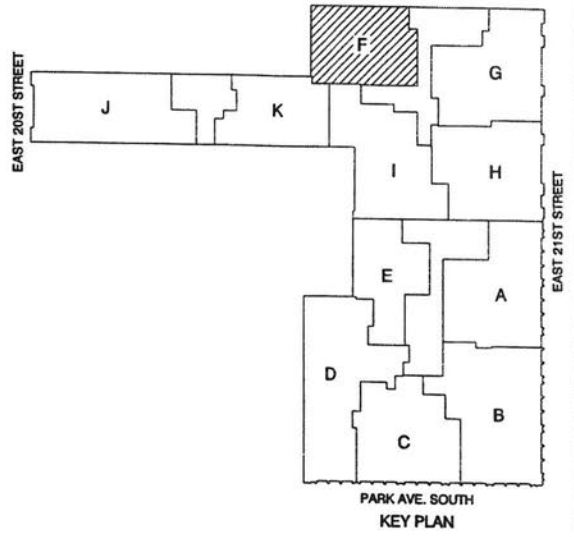
260 PARK AVE. SOUTH

UNIT 3F
1 BEDROOM
1.5 BATHS

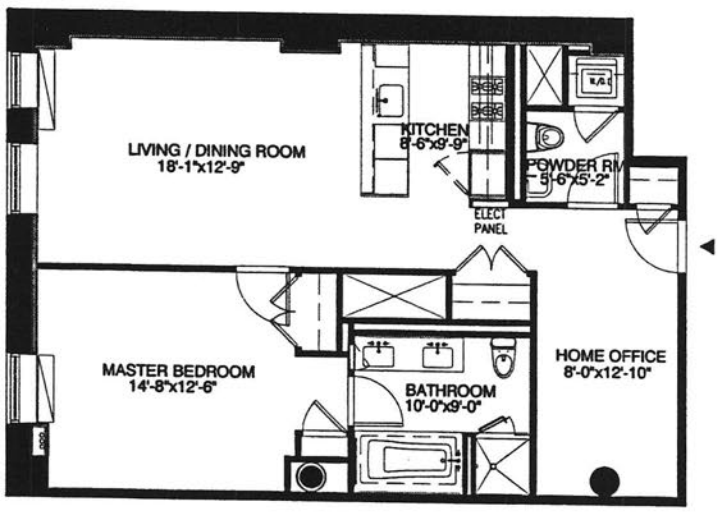
APARTMENT
AREA
1,037 SF

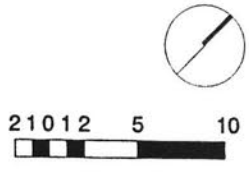
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

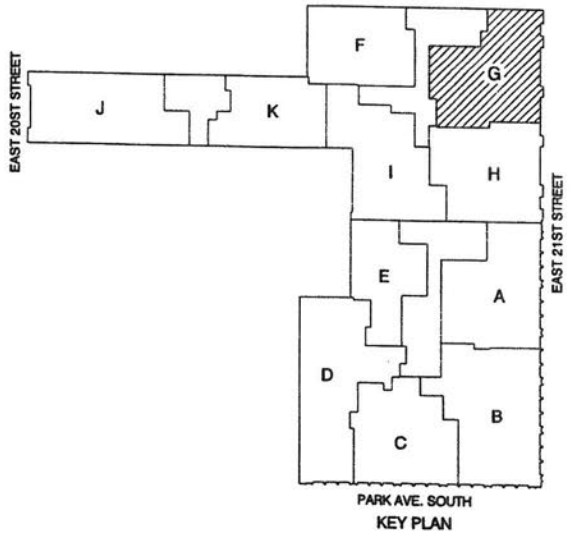
260 PARK AVE. SOUTH

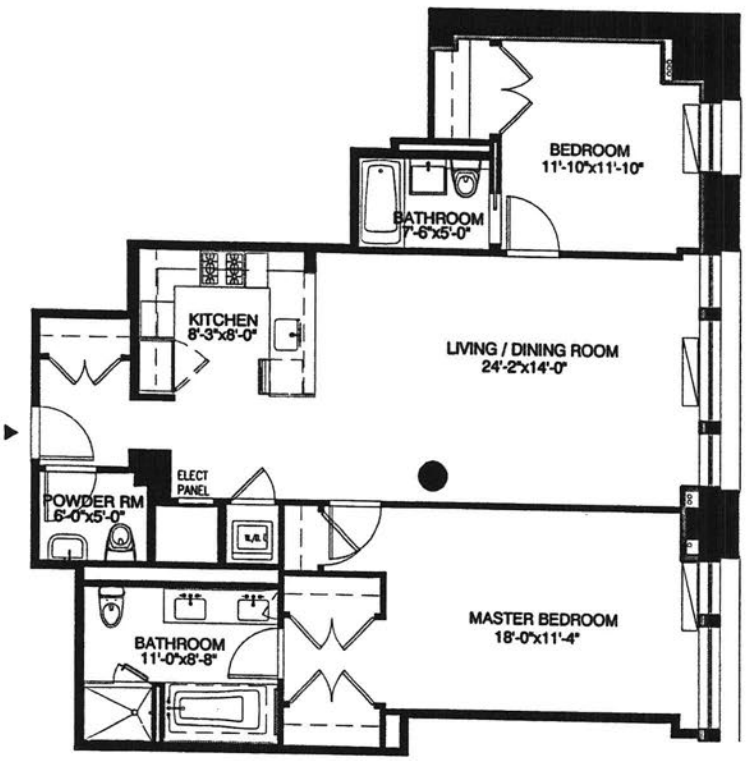
UNIT 3G
2 BEDROOMS
2.5 BATHS

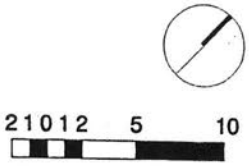
APARTMENT
AREA
1,340 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

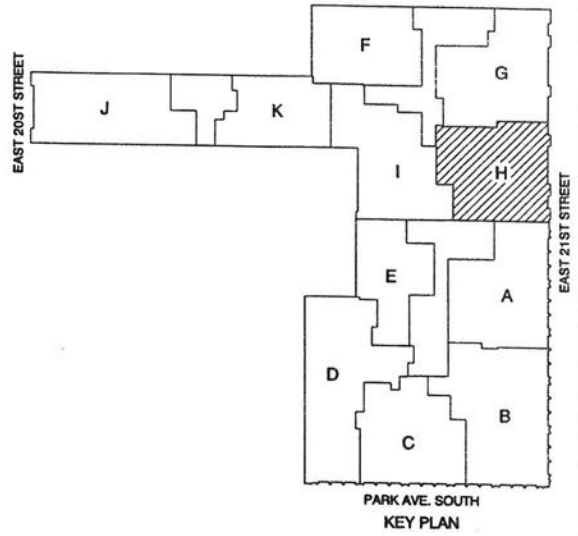
260 PARK AVE. SOUTH

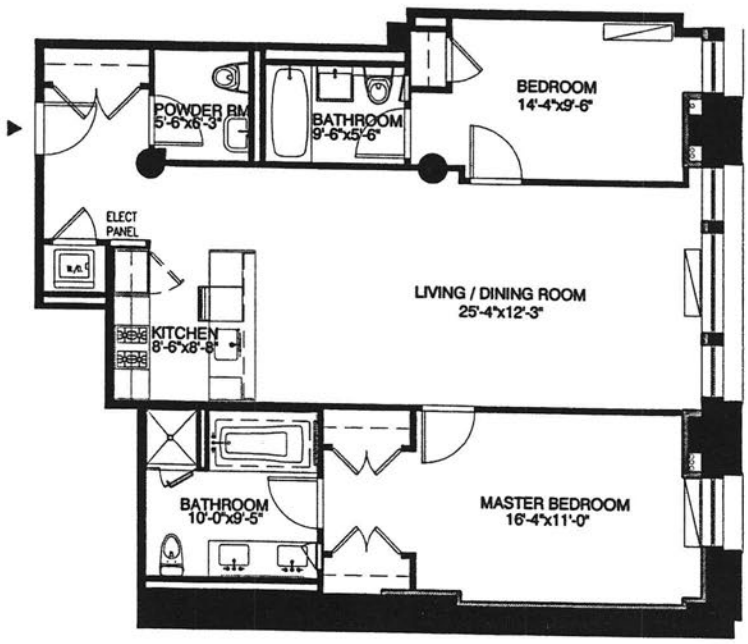
UNIT 3H
2 BEDROOMS
2.5 BATHS

APARTMENT
AREA
1,281 SF

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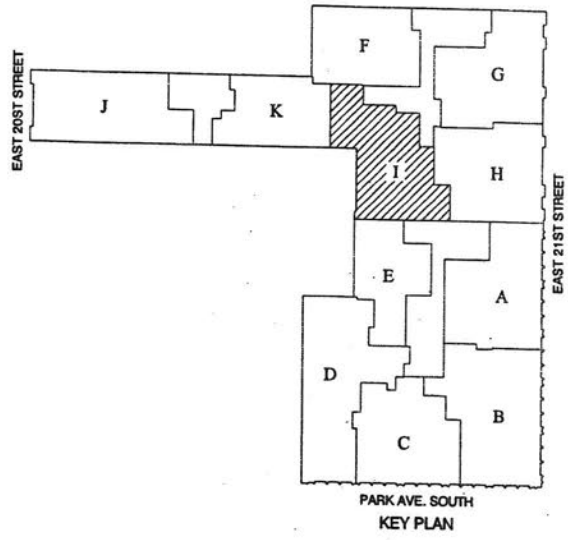


260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 3 I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

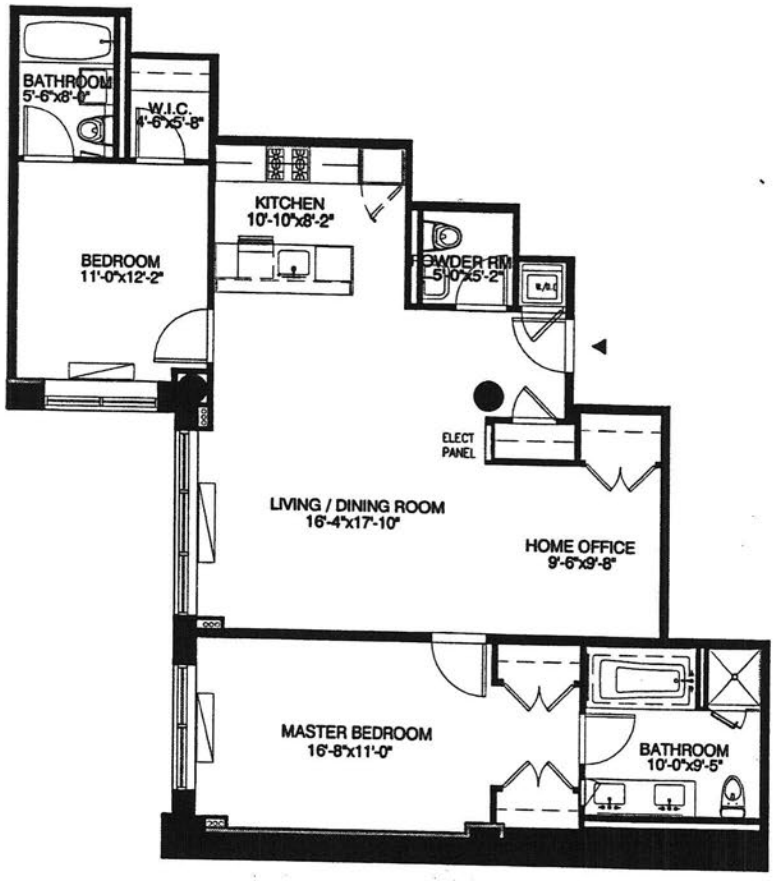
APARTMENT
AREA
1,328 SF

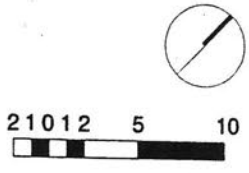


KEY PLAN

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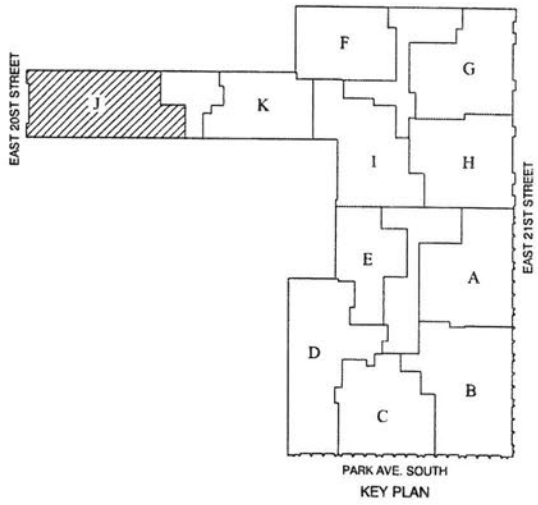
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 3J / 4J
DUPLEX
2 BEDROOM
HOME OFFICE
2.5 BATHS

APARTMENT
AREA

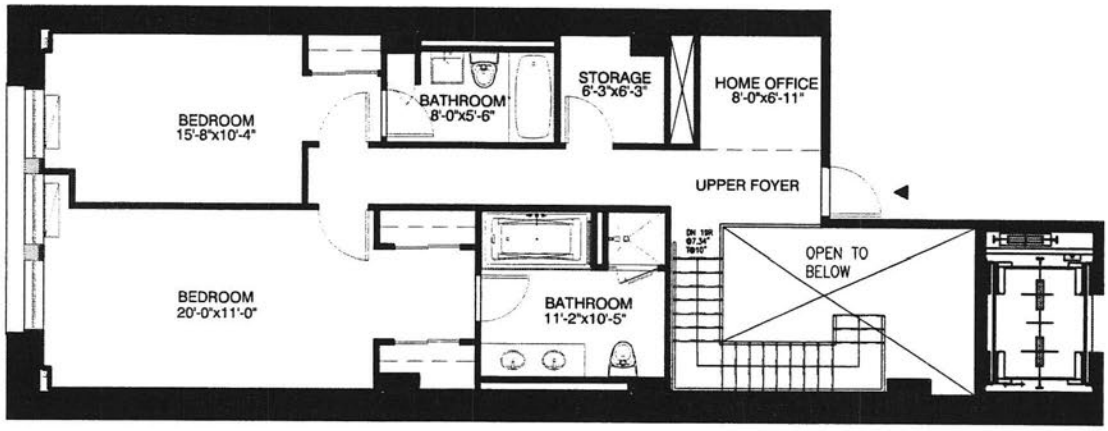
2,431 SF



KEY PLAN

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UPPER DUPLEX



LOWER DUPLEX

21012 5 10

260 PARK AVE. SOUTH
NEW YORK, NEW YORK

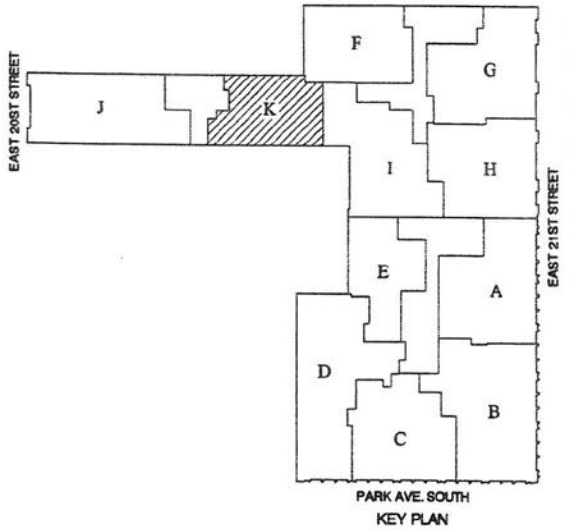
260 PARK AVE. SOUTH

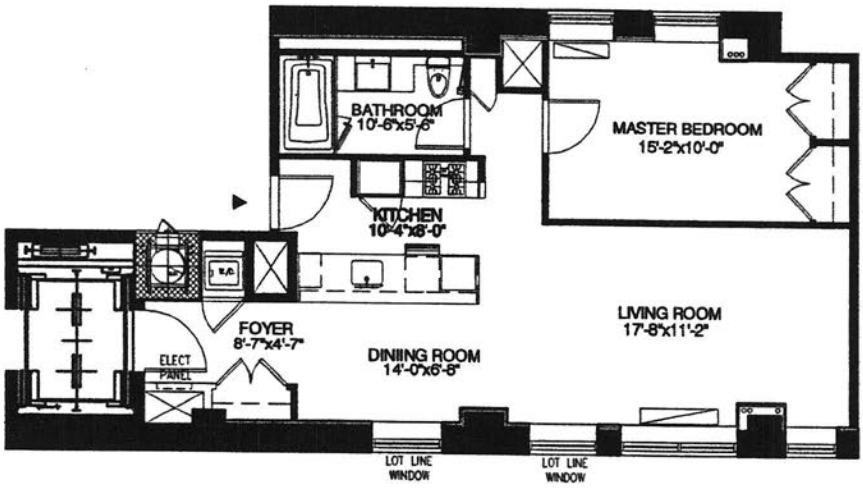
UNIT 3K
1 BEDROOM
1 BATH

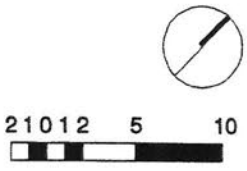
APARTMENT
AREA
917 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

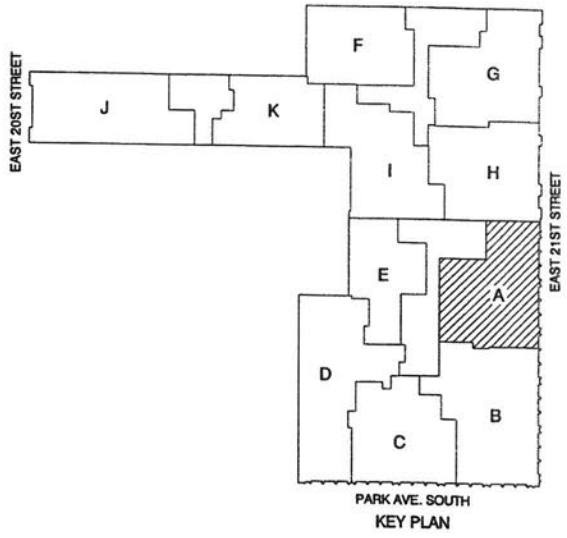
260 PARK AVE. SOUTH

UNIT 4A
2 BEDROOMS
2.5 BATHS

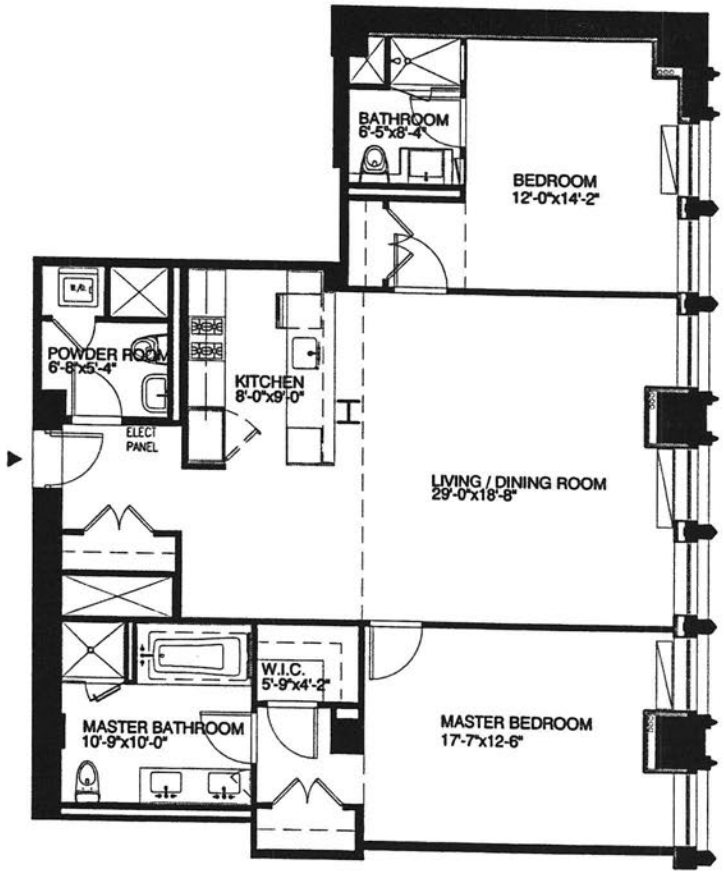
APARTMENT
AREA
1,535 SF

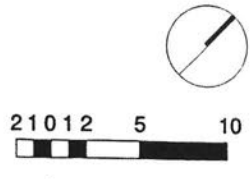
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

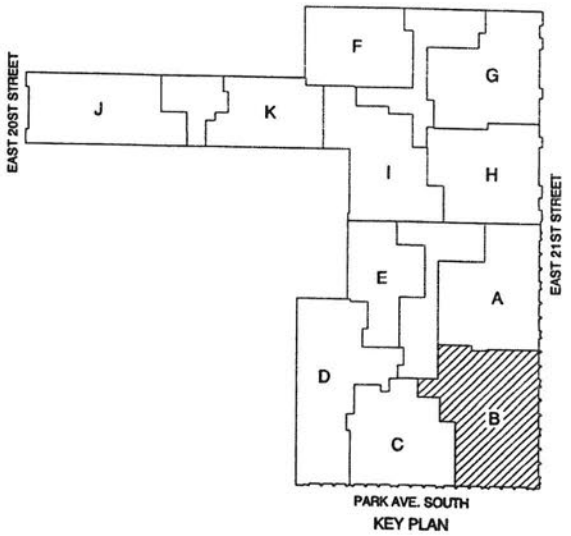
UNIT 4B
2 BEDROOMS
(OPTION-3 BEDROOMS)

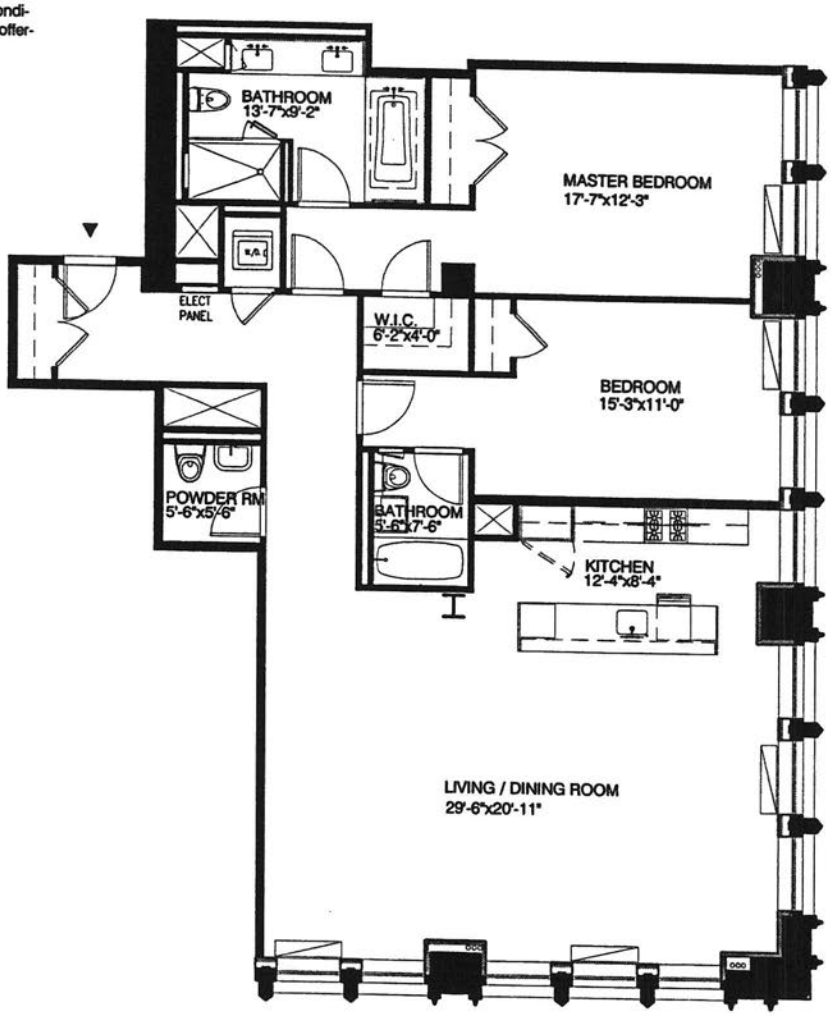
2.5 BATHS

APARTMENT
AREA
1,880 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

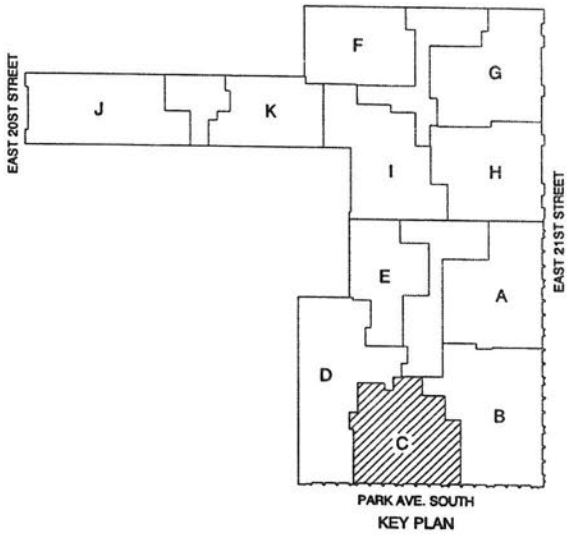
260 PARK AVE. SOUTH

UNIT 4C
2 BEDROOMS
2 BATHS

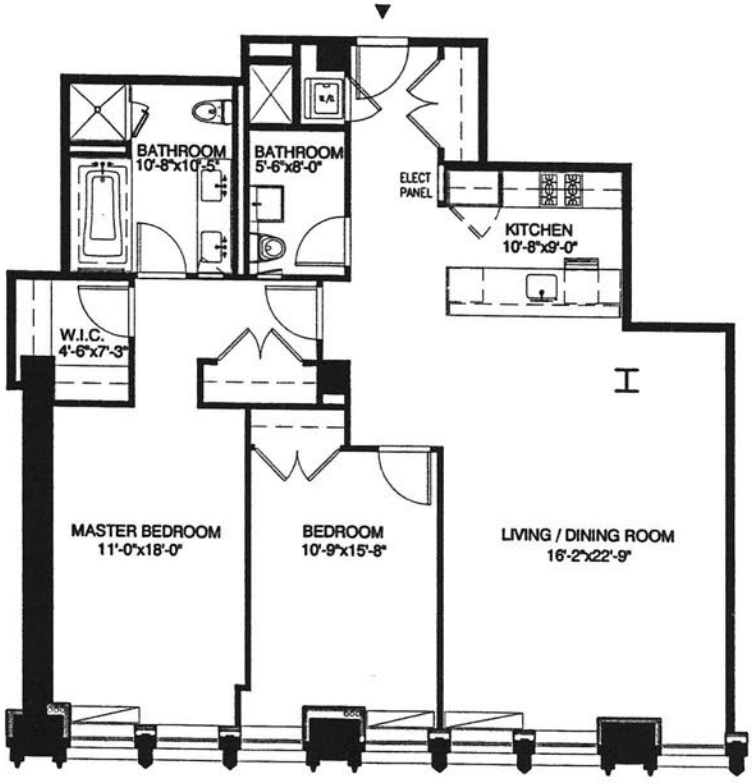
APARTMENT
AREA
1,407 SF

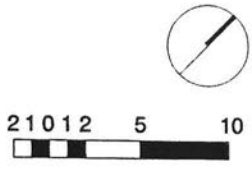
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

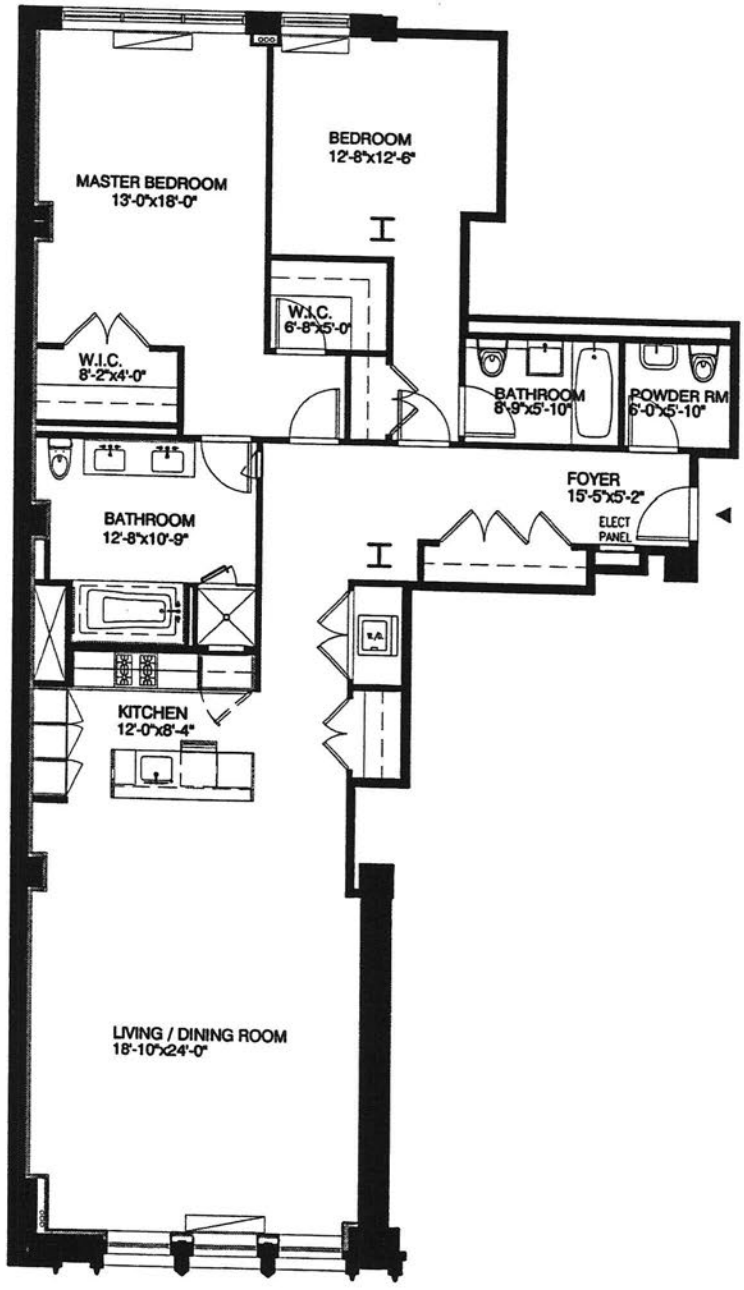
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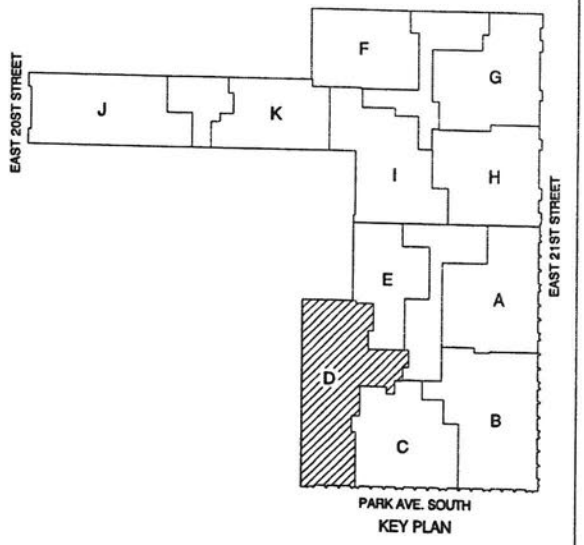
UNIT 4D
2 BEDROOMS
2.5 BATHS

APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

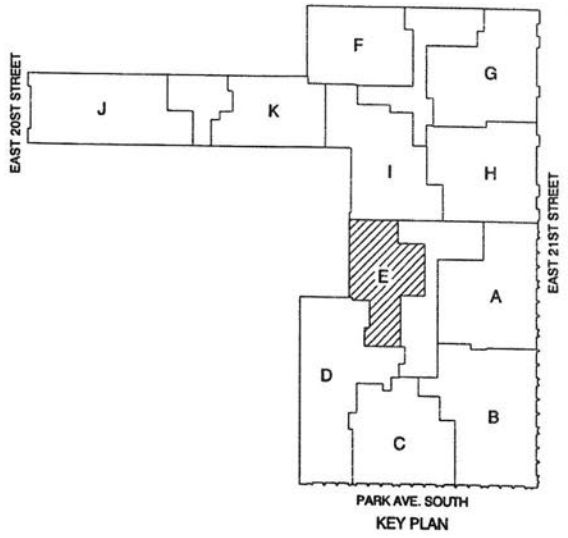
260 PARK AVE. SOUTH

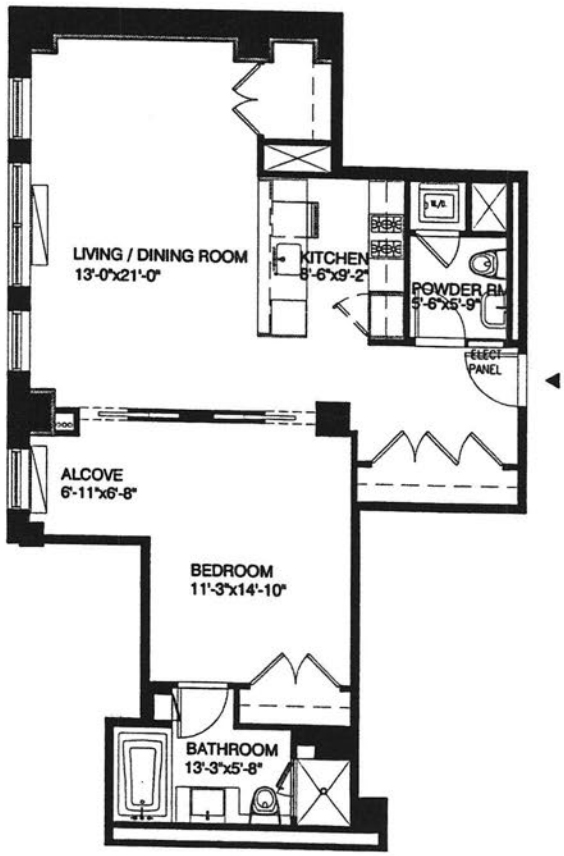
UNIT 4E
1 BEDROOM
1.5 BATHS

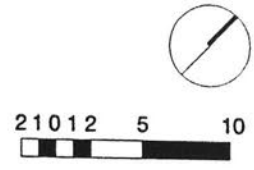
APARTMENT
AREA
994 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

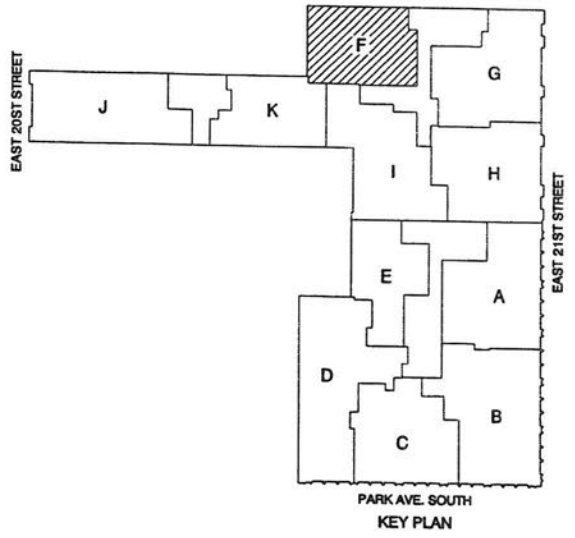
260 PARK AVE. SOUTH

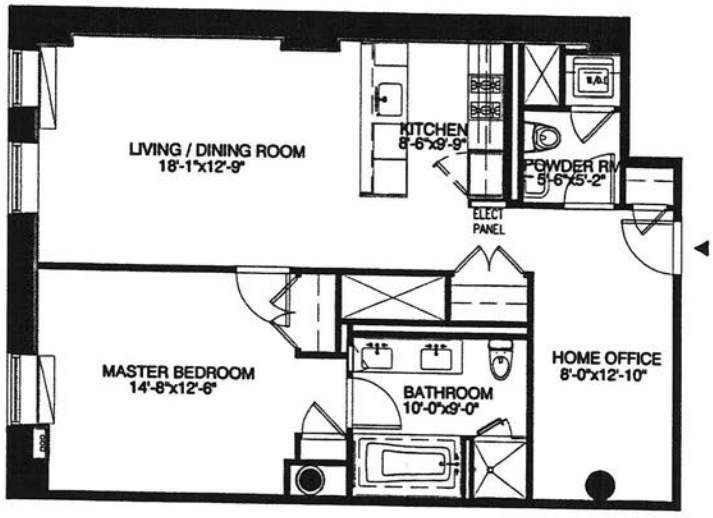
UNIT 4F
1 BEDROOM
1.5 BATHS

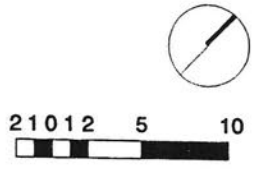
APARTMENT
AREA
1,037 SF

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260 PARK AVE. SOUTH
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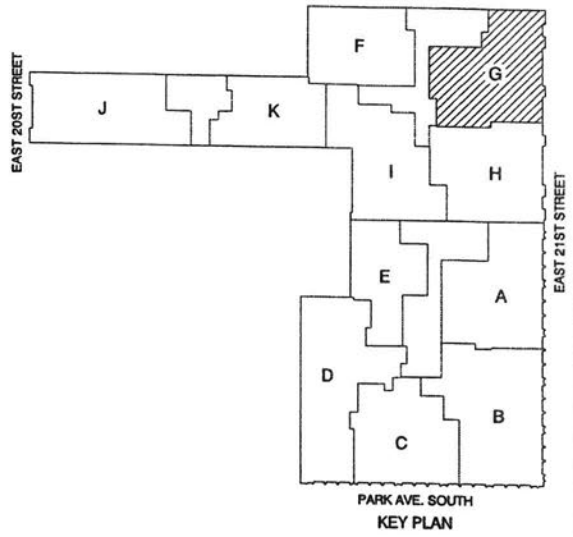
260 PARK AVE. SOUTH

UNIT 4G
2 BEDROOMS
2.5 BATHS

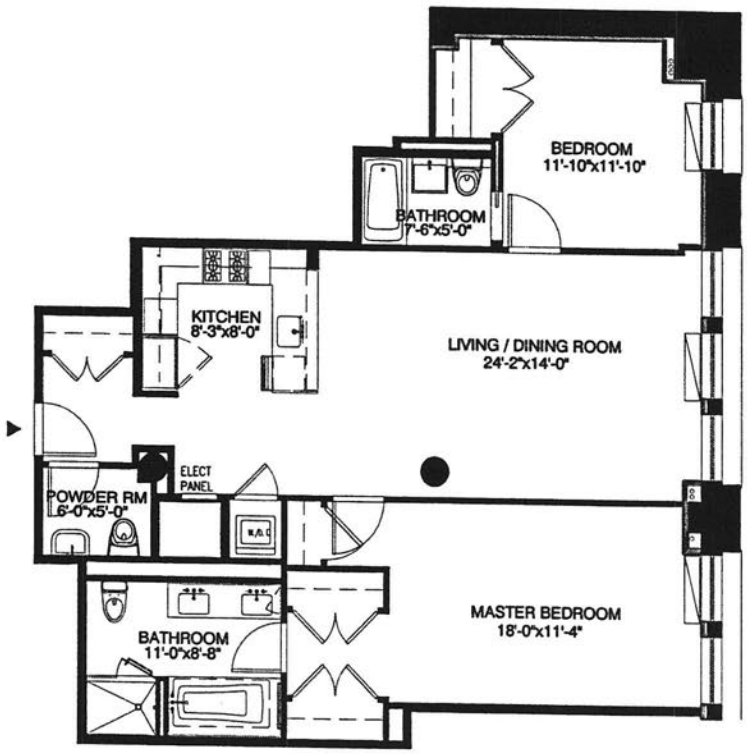
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

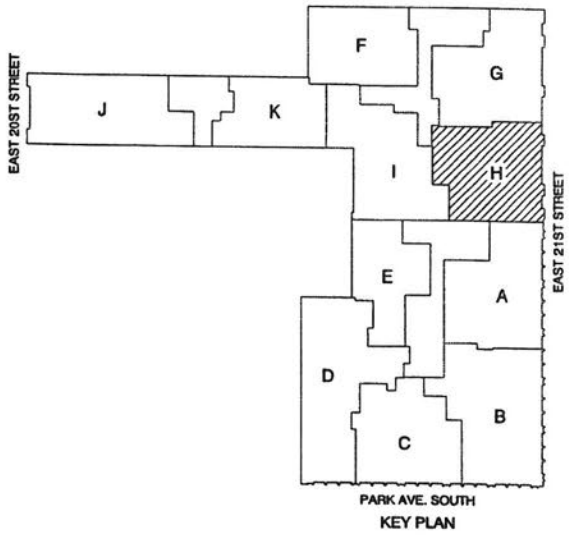
260 PARK AVE. SOUTH

UNIT 4H
2 BEDROOMS
2.5 BATHS

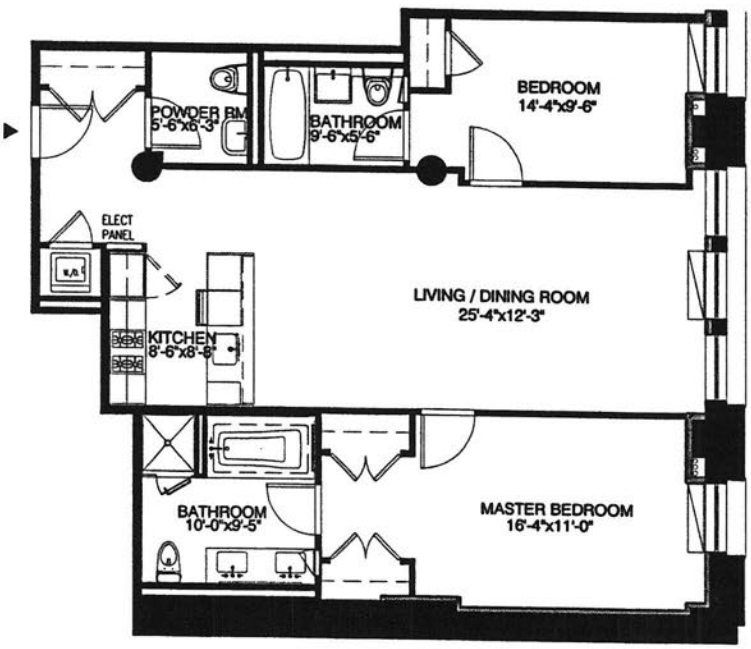
APARTMENT
AREA
1,281 SF

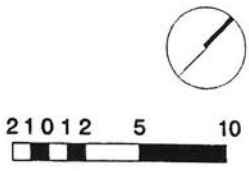
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KEY PLAN

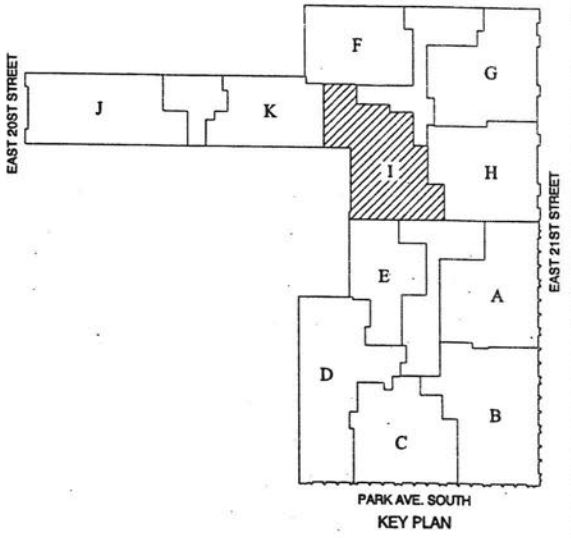




260 PARK AVE. SOUTH
NEW YORK, NEW YORK

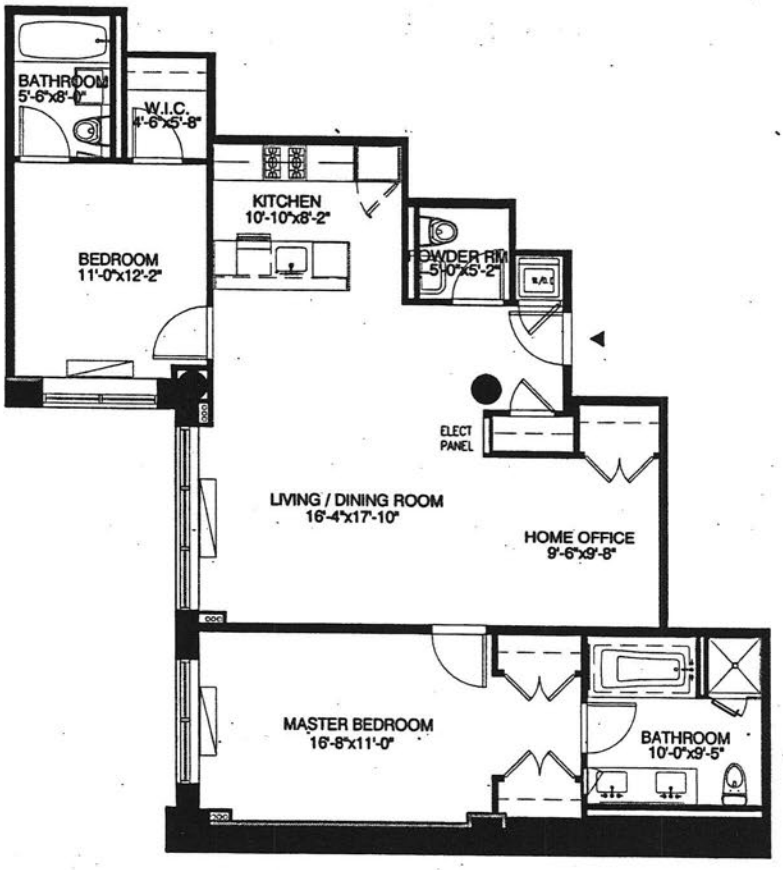
260 PARK AVE. SOUTH

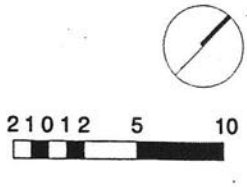
UNIT 4I
2 BEDROOMS
HOME OFFICE
2.5 BATHS
APARTMENT
AREA
1,328 SF



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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

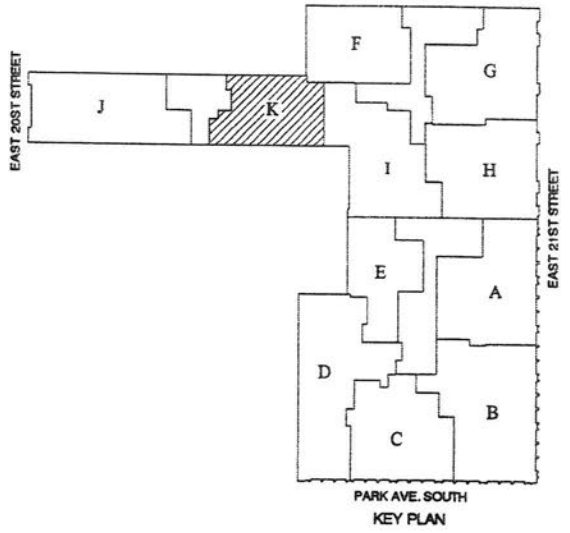
260 PARK AVE. SOUTH

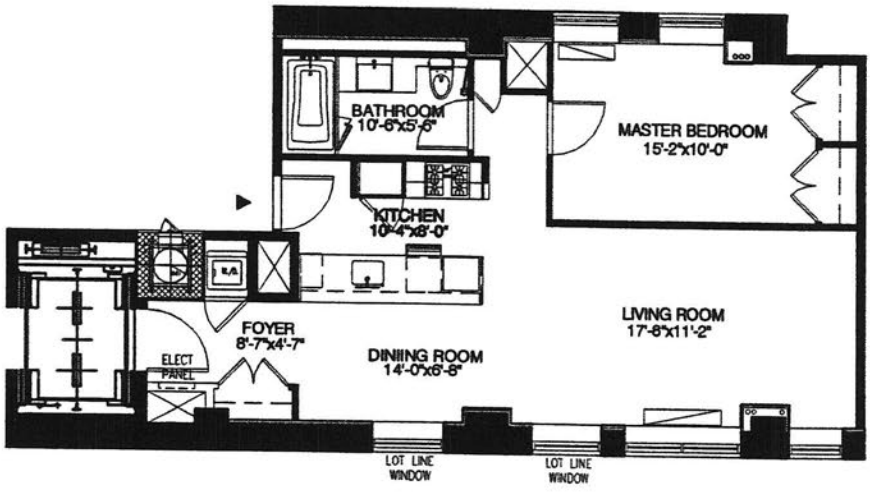
UNIT 4K
1 BEDROOM
1 BATH

APARTMENT
AREA
917 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

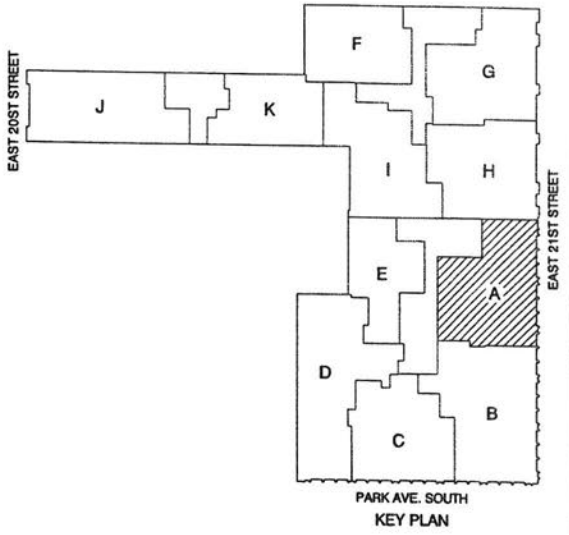
260 PARK AVE. SOUTH

UNIT 5A
2 BEDROOMS
2.5 BATHS

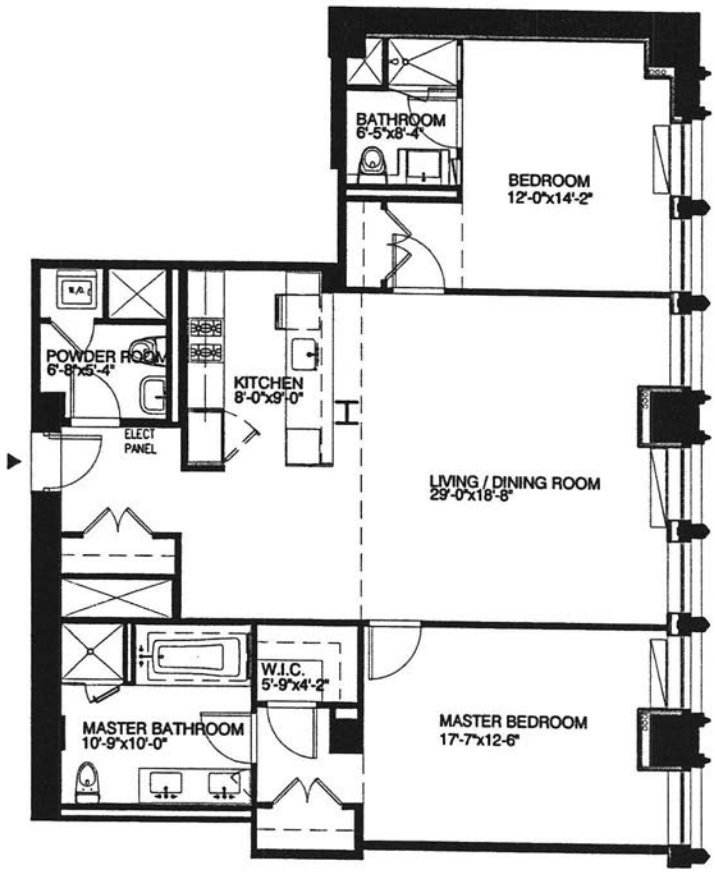
APARTMENT
AREA
1,535 SF

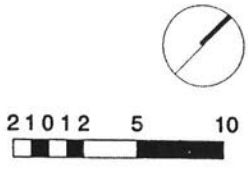
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 5B
2 BEDROOMS
(OPTION-3 BEDROOMS)

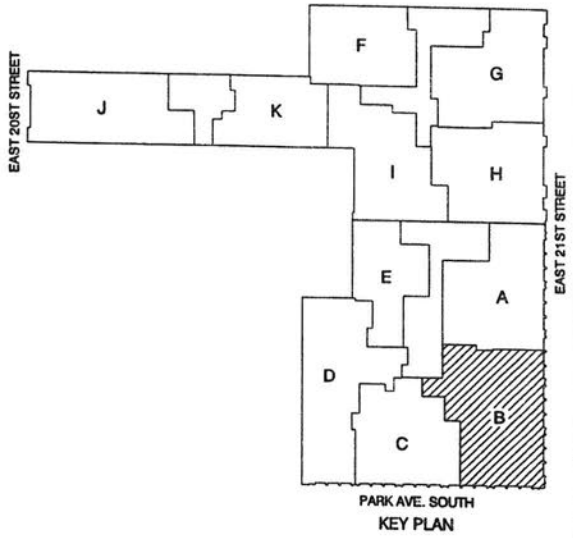
2.5 BATHS

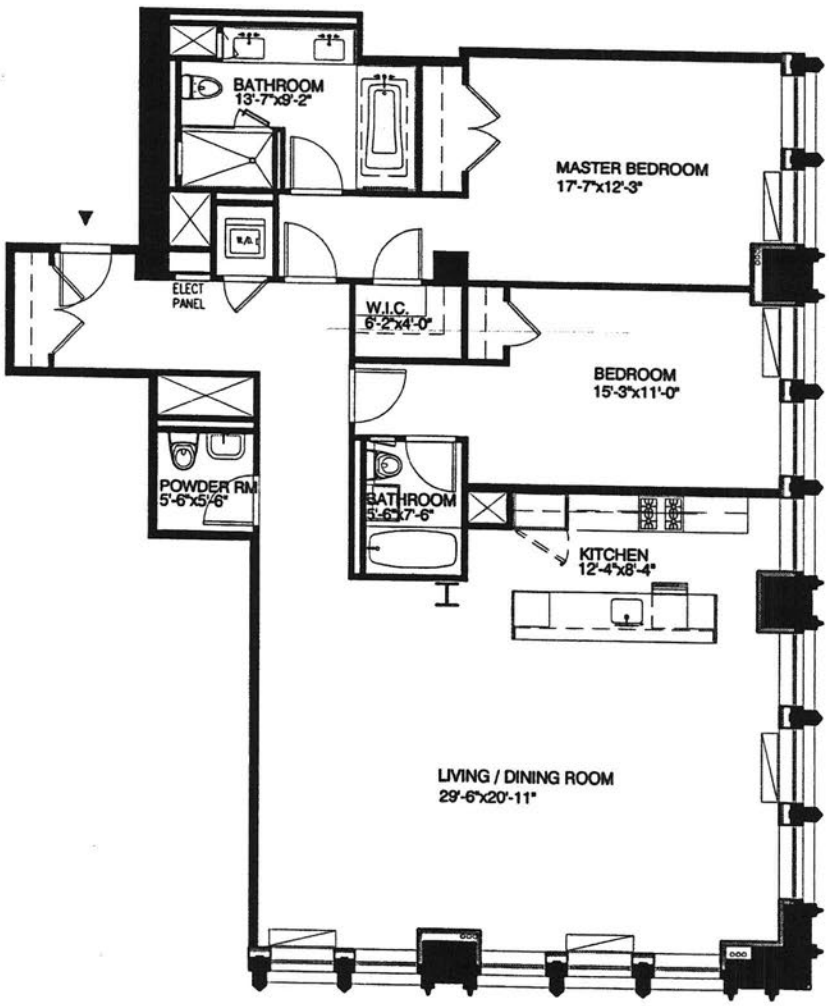
APARTMENT
AREA

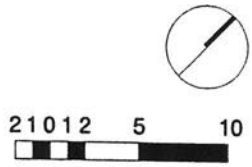
1,880 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

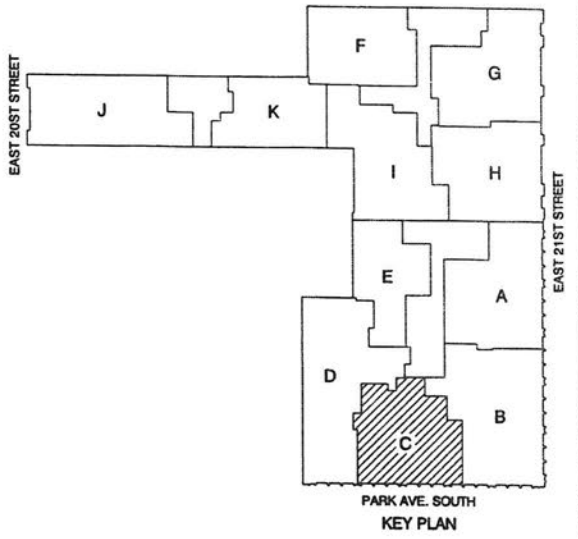
260 PARK AVE. SOUTH

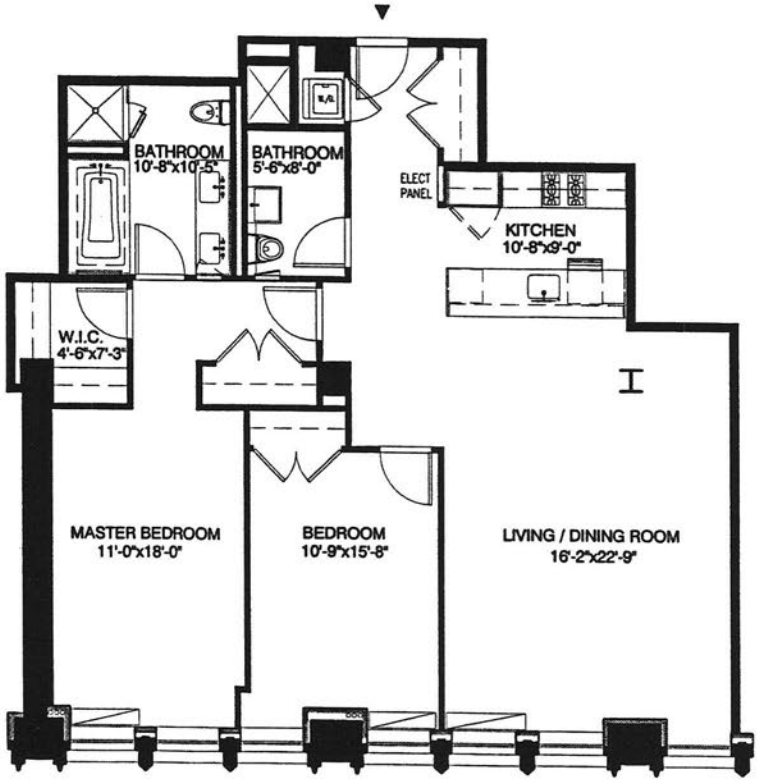
UNIT 5C
2 BEDROOMS
2 BATHS

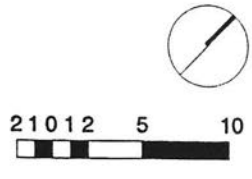
APARTMENT
AREA
1,407 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

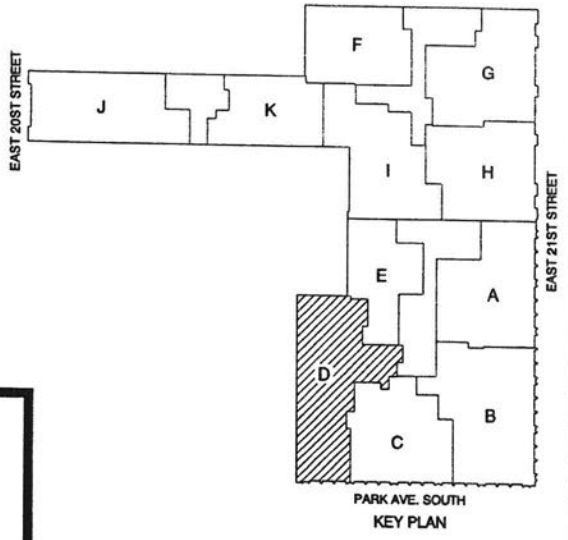
260 PARK AVE. SOUTH

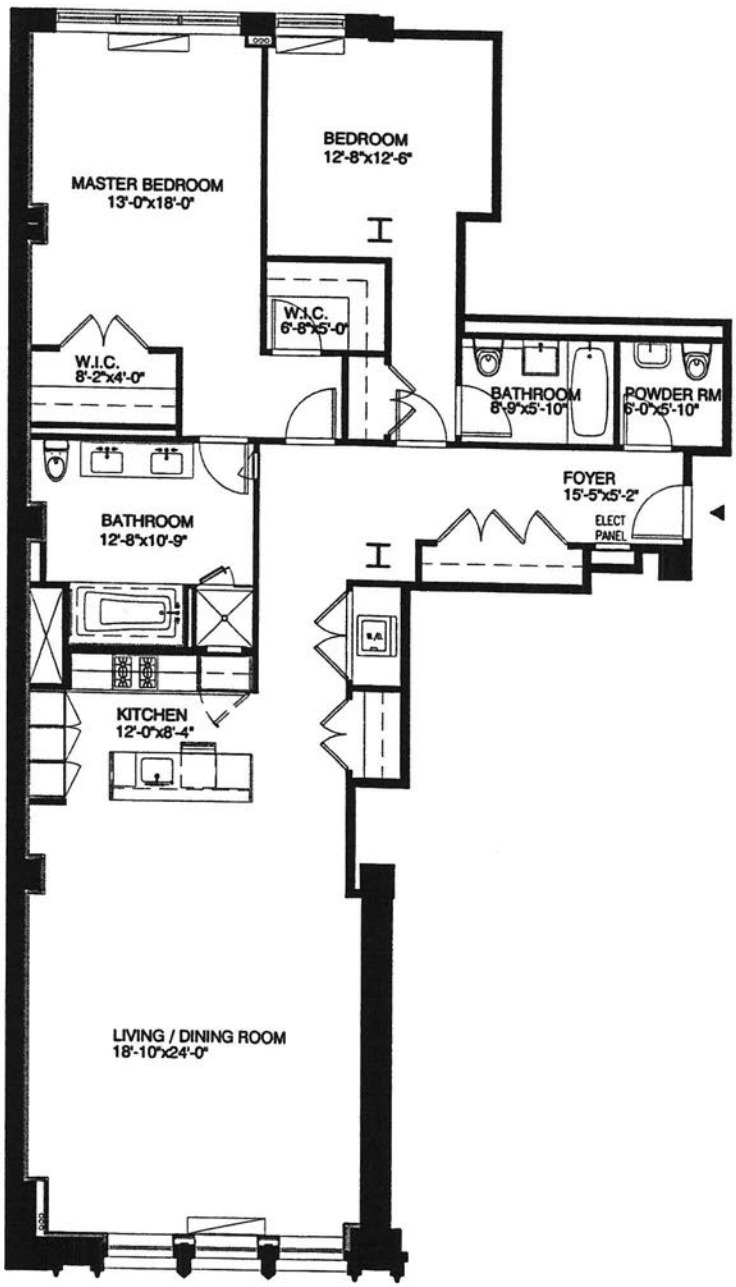
UNIT 5D
2 BEDROOMS
2.5 BATHS

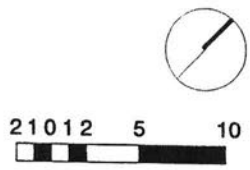
APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

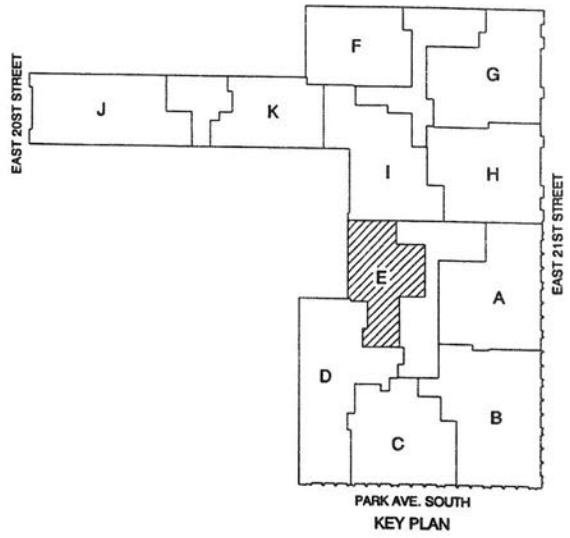
260 PARK AVE. SOUTH

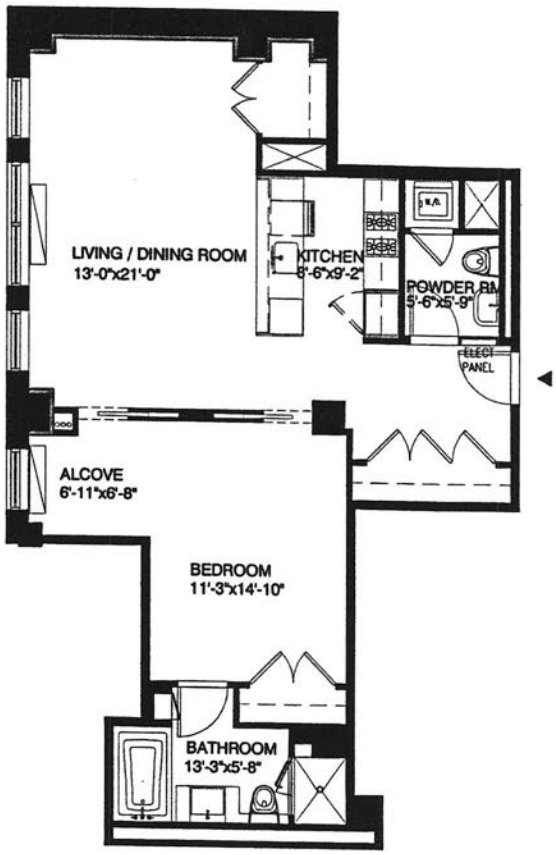
UNIT 5E
1 BEDROOM
1.5 BATHS

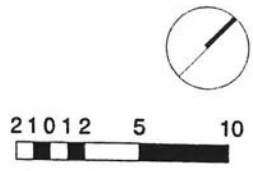
APARTMENT
AREA
994 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

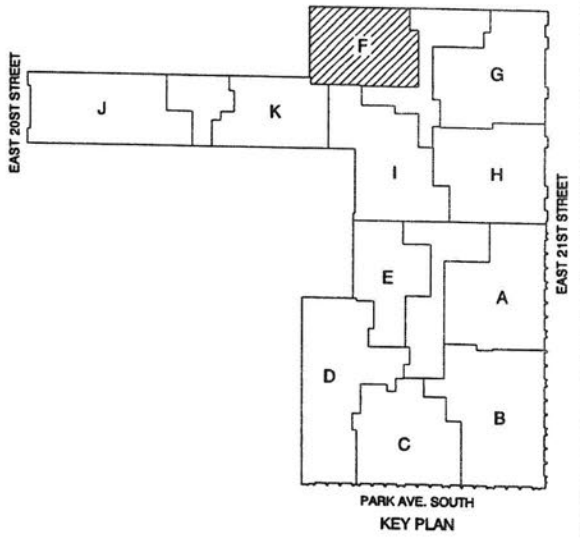
260 PARK AVE. SOUTH

UNIT 5F
1 BEDROOM
1.5 BATHS

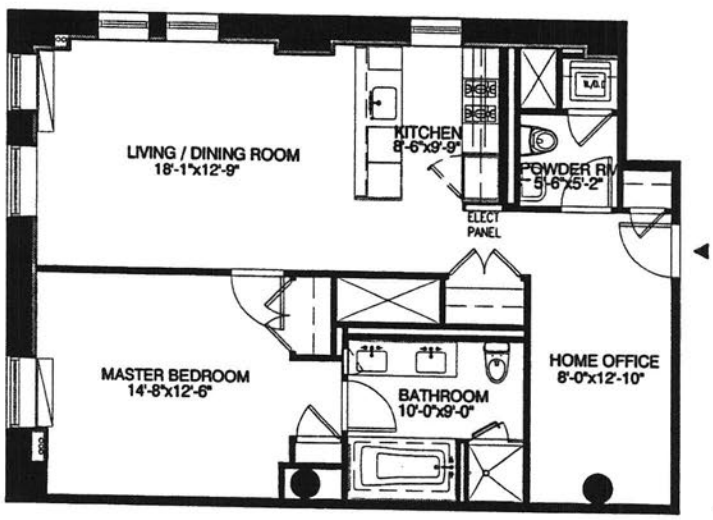
APARTMENT
AREA
1,037 SF

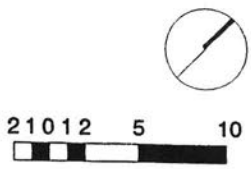
All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.



KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

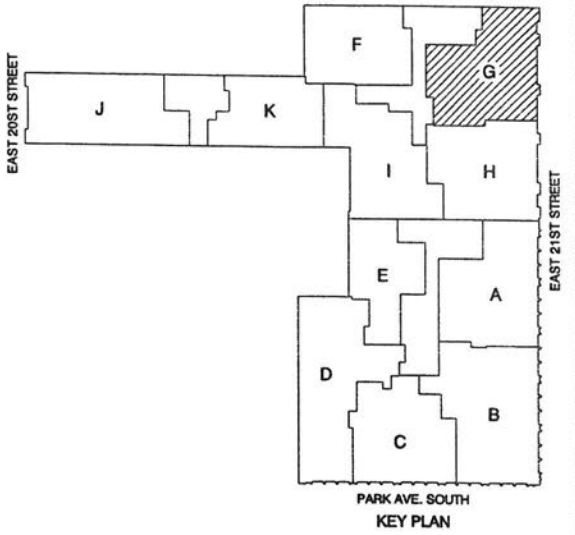
260 PARK AVE. SOUTH

UNIT 5G
2 BEDROOMS
2.5 BATHS

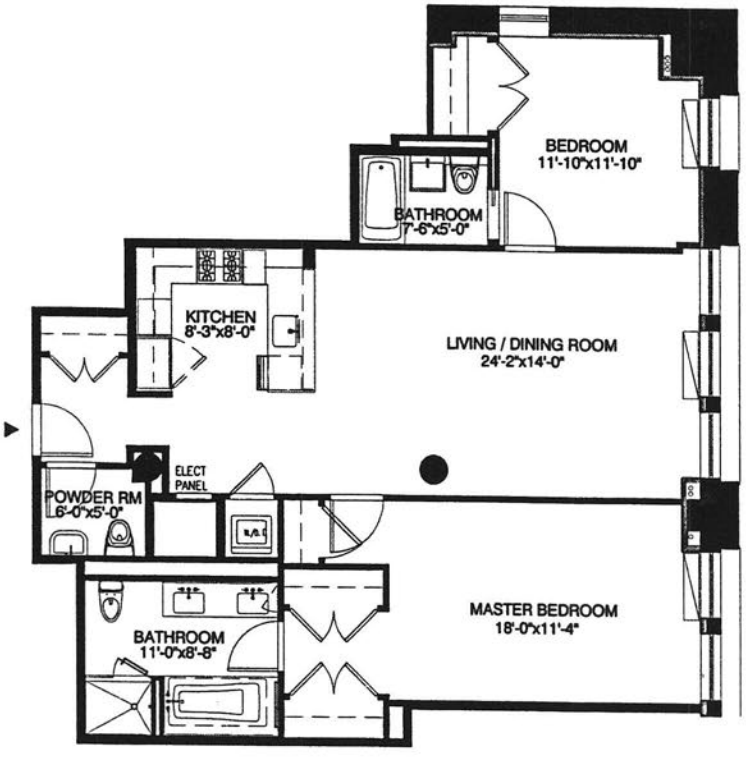
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

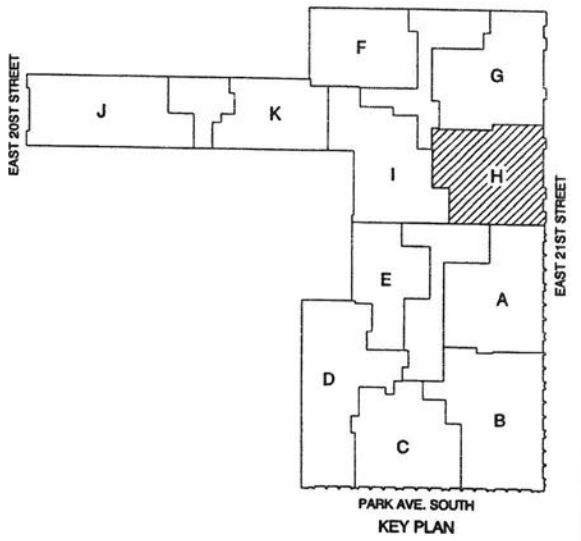
260 PARK AVE. SOUTH

UNIT 5H
2 BEDROOMS
2.5 BATHS

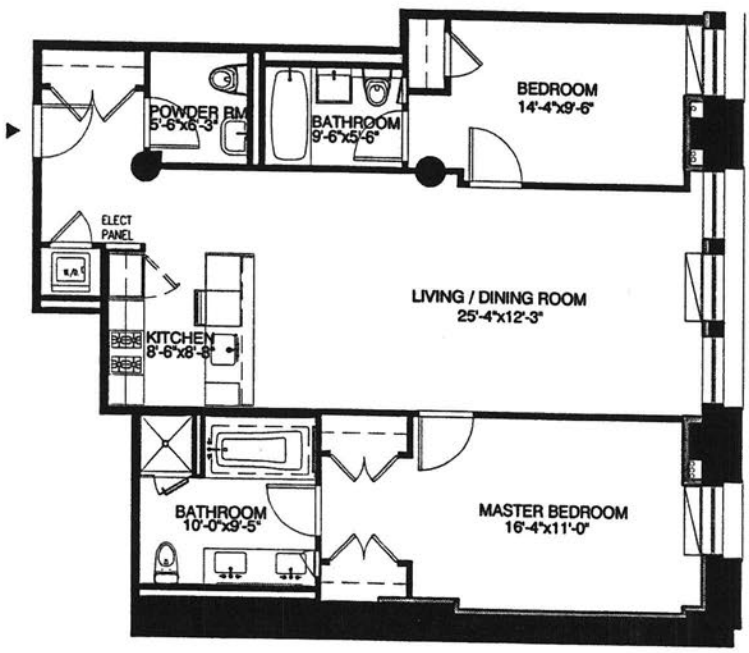
APARTMENT
AREA
1,281 SF

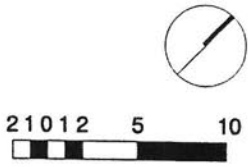
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KEY PLAN



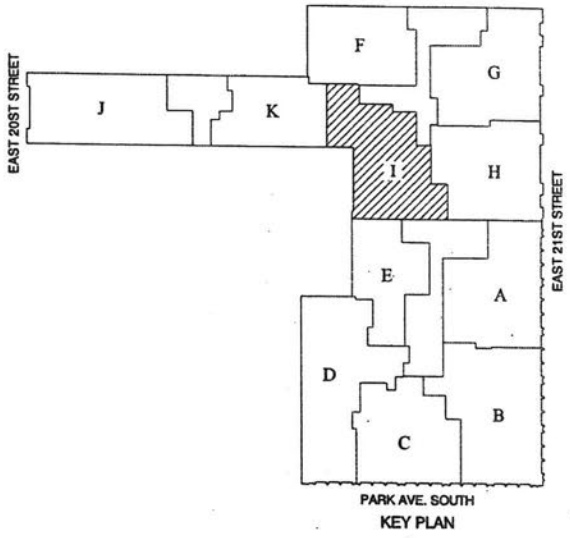


260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 5I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

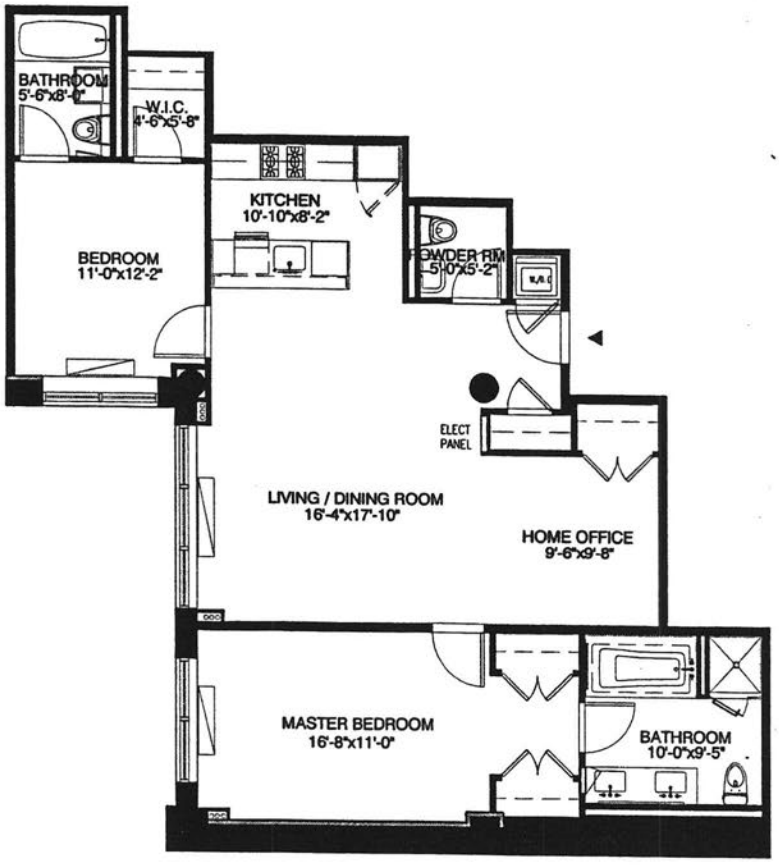
APARTMENT
AREA
1,328 SF

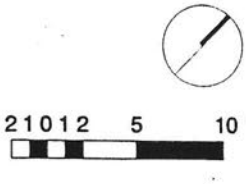


KEY PLAN

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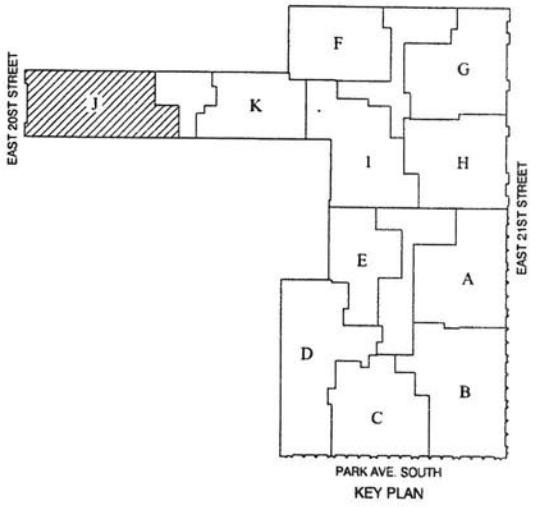
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 5J / 6J
DUPLEX
2 BEDROOM
HOME OFFICE
2.5 BATHS

APARTMENT
AREA

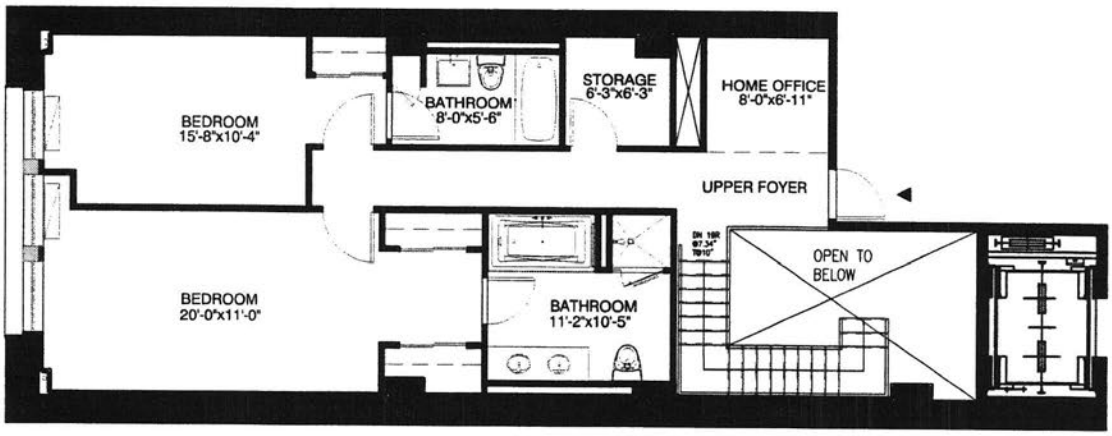
2,525 SF



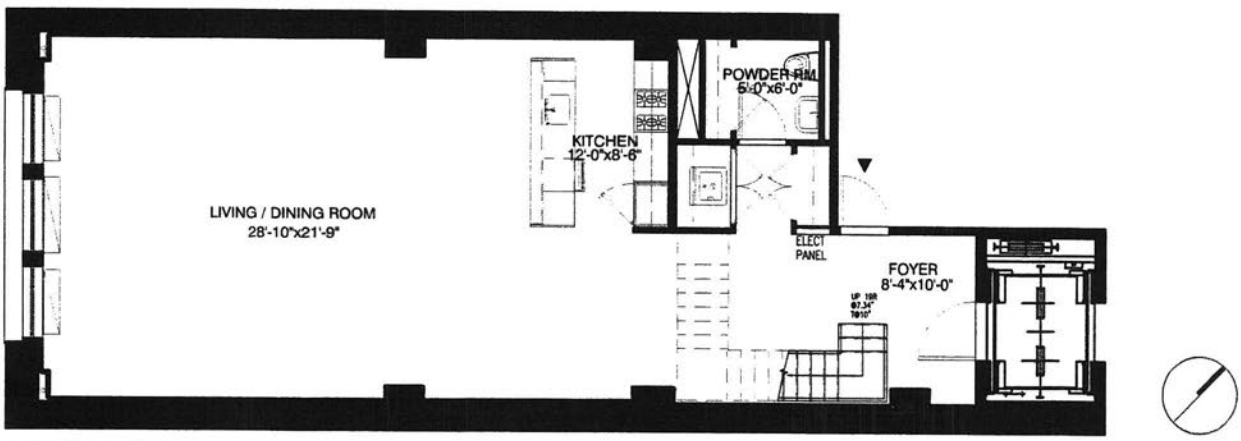
KEY PLAN

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UPPER DUPLEX



LOWER DUPLEX

21012 5 10

260 PARK AVE. SOUTH
NEW YORK, NEW YORK

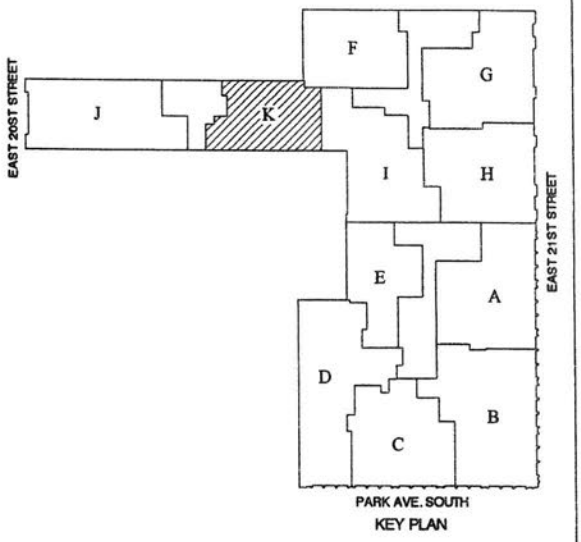
260 PARK AVE. SOUTH

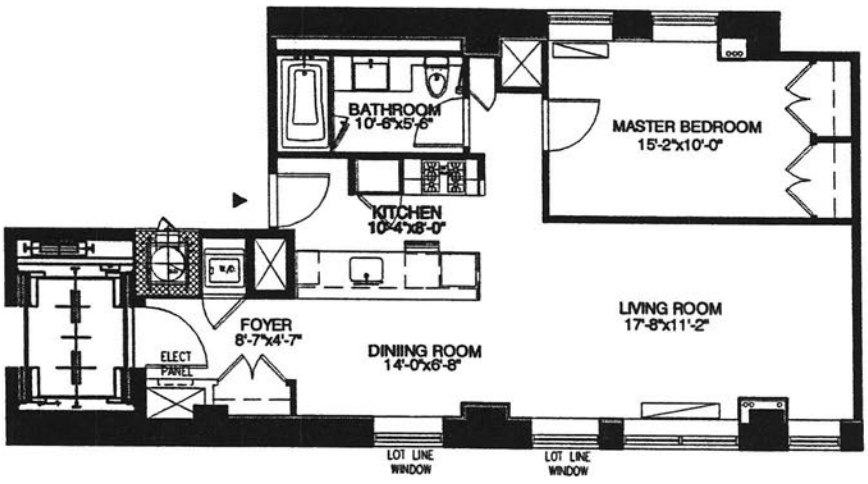
UNIT 5K
1 BEDROOM
1 BATH

APARTMENT
AREA
917 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

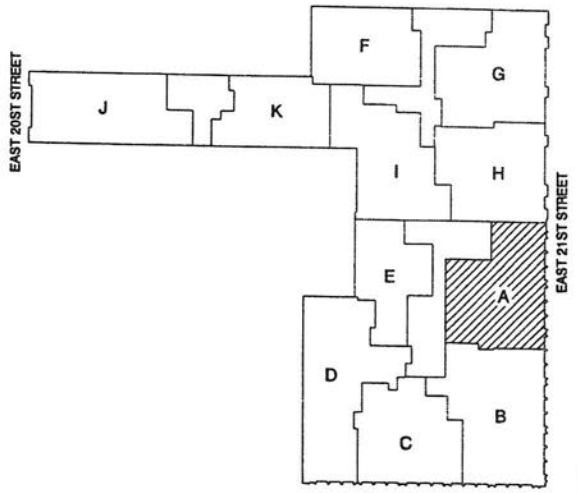
260 PARK AVE. SOUTH

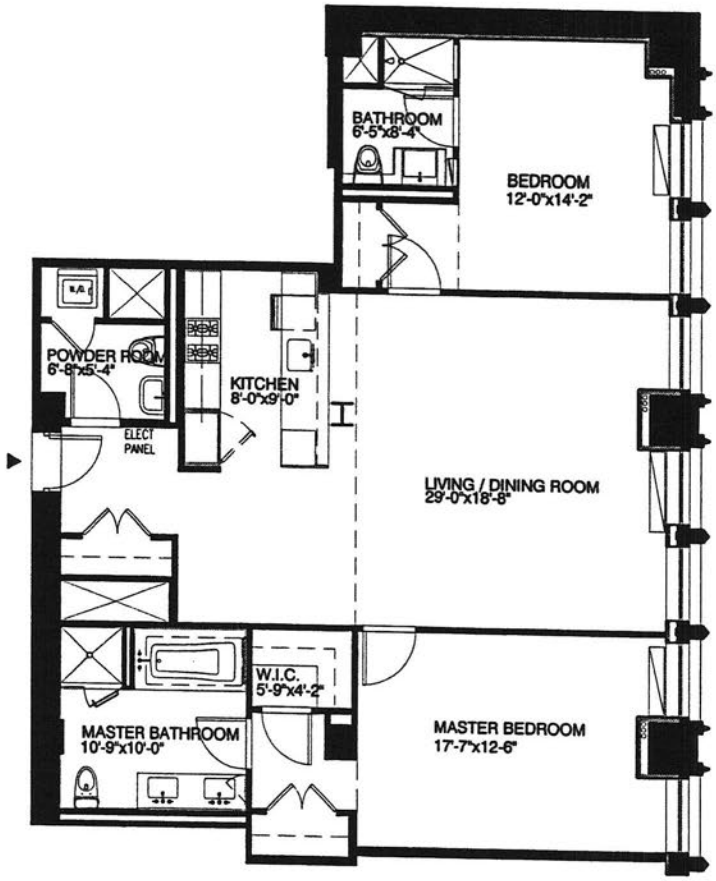
UNIT 6A
2 BEDROOMS
2.5 BATHS

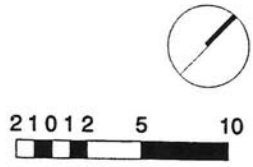
APARTMENT
AREA
1,535 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 6B
2 BEDROOMS
(OPTION-3 BEDROOMS)

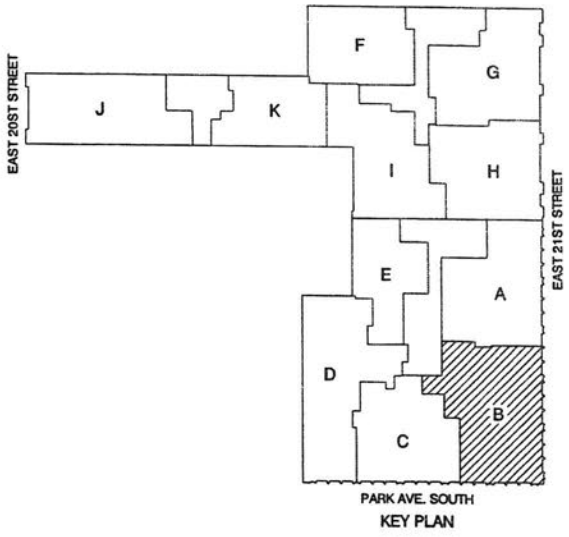
2.5 BATHS

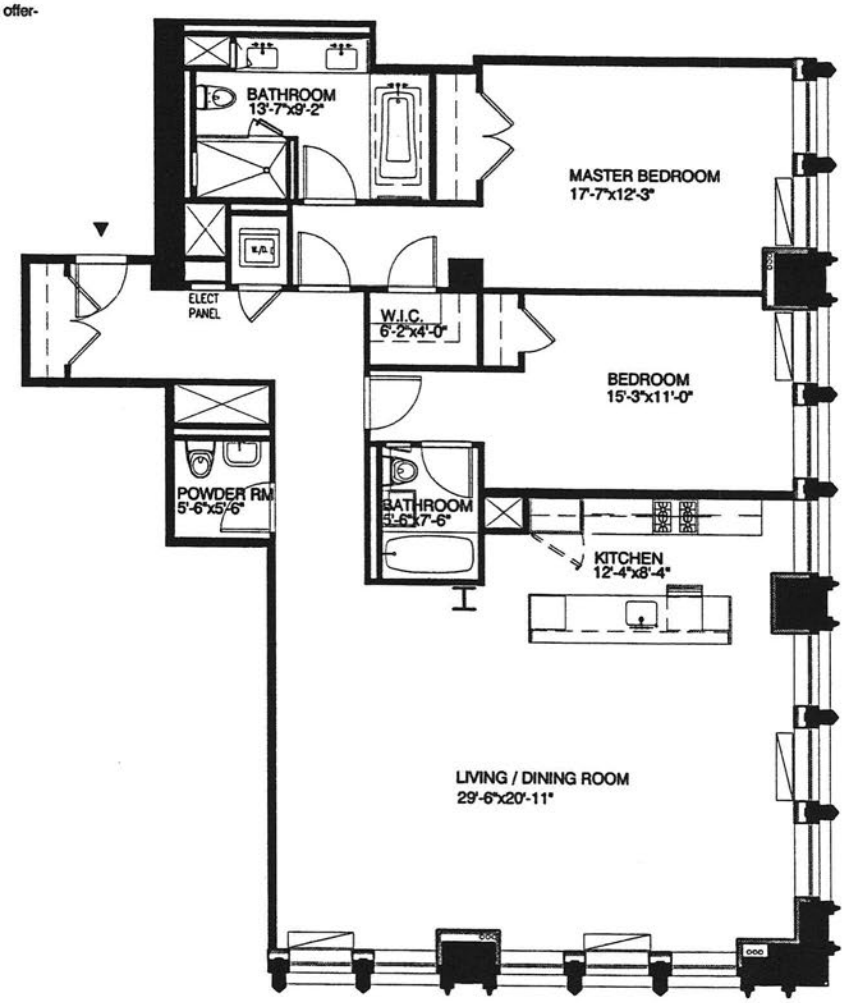
APARTMENT
AREA

1,880 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

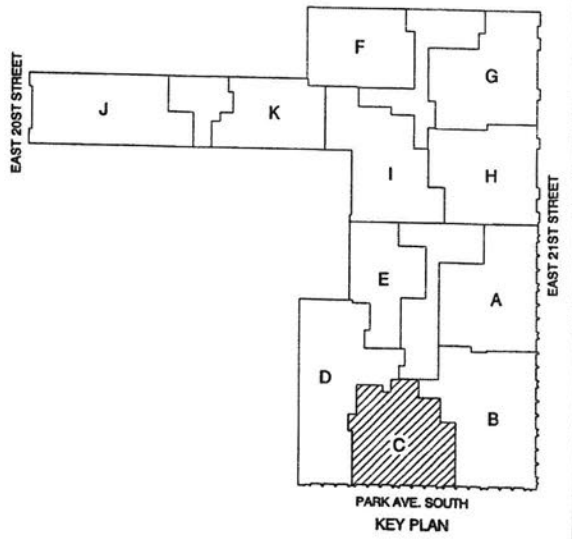
260 PARK AVE. SOUTH

UNIT 6C
2 BEDROOMS
2 BATHS

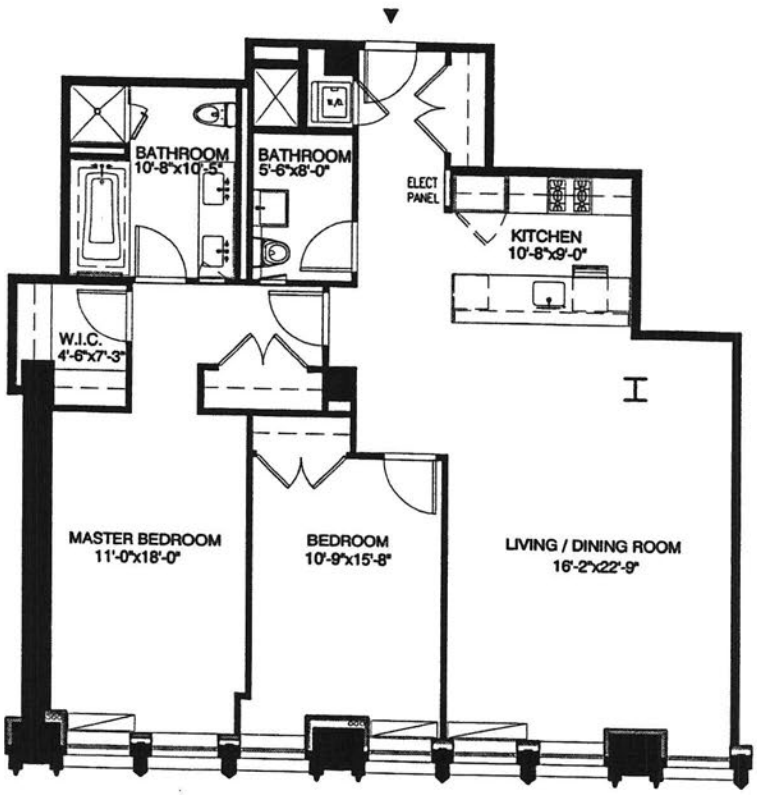
APARTMENT
AREA
1,407 SF

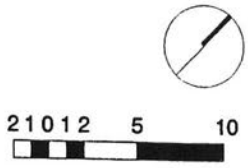
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

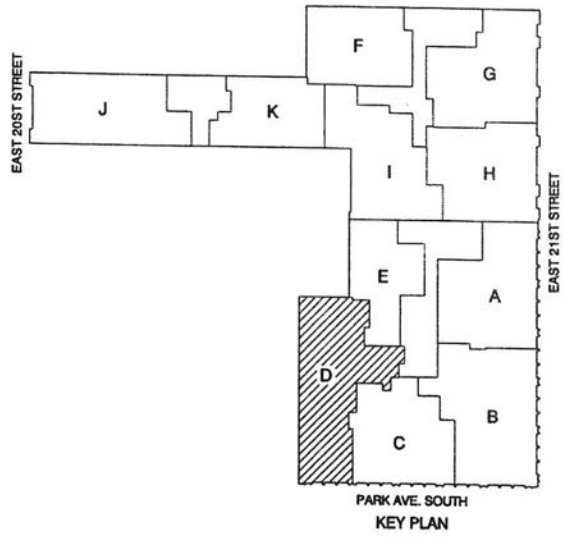
260 PARK AVE. SOUTH

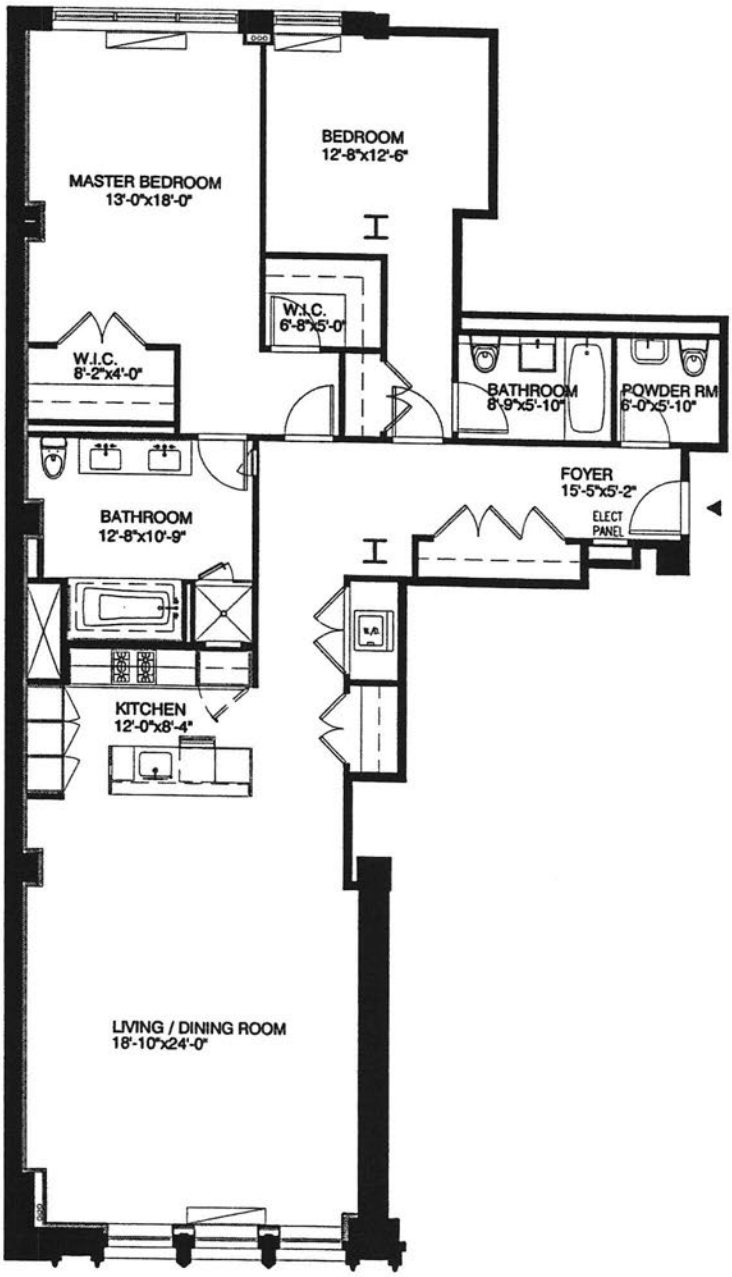
UNIT 6D
2 BEDROOMS
2.5 BATHS

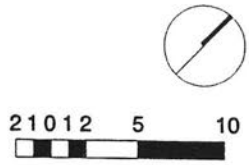
APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

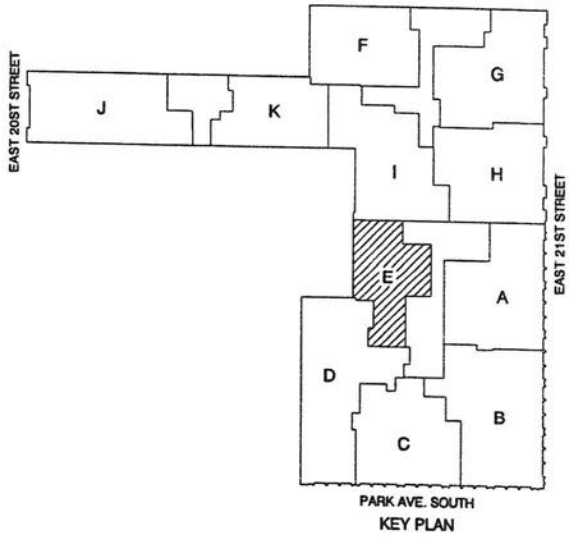
260 PARK AVE. SOUTH

UNIT 6E
1 BEDROOM
1.5 BATHS

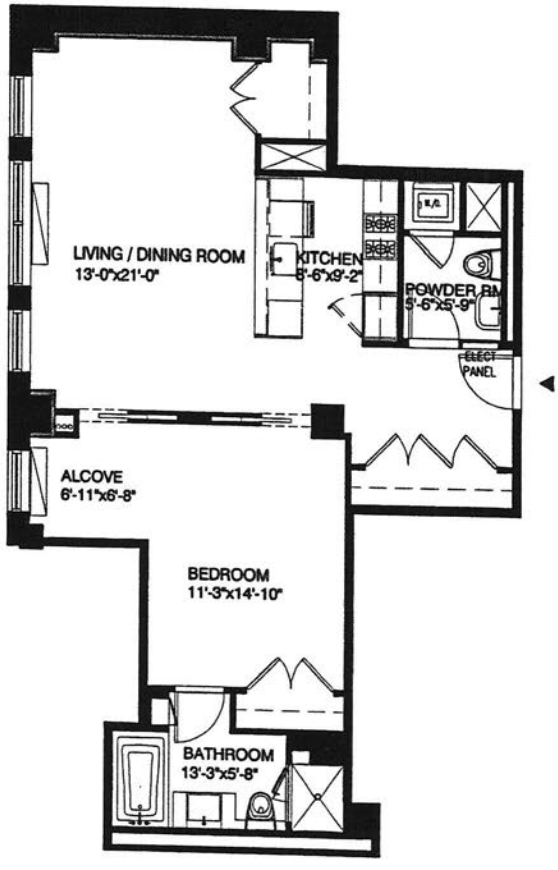
APARTMENT
AREA
994 SF

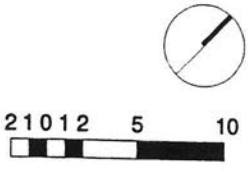
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

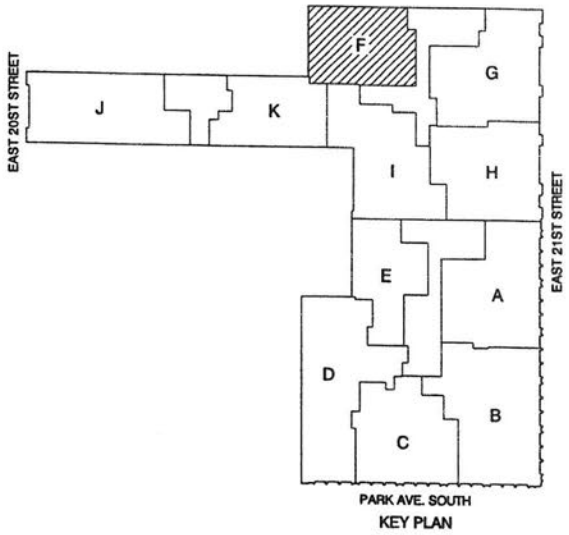
260 PARK AVE. SOUTH

UNIT 6F
1 BEDROOM
1.5 BATHS

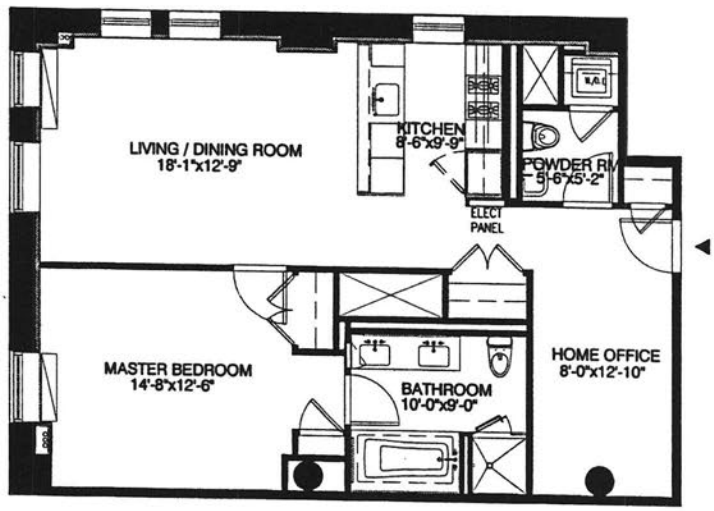
APARTMENT
AREA
1,037 SF

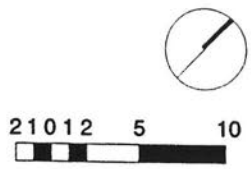
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

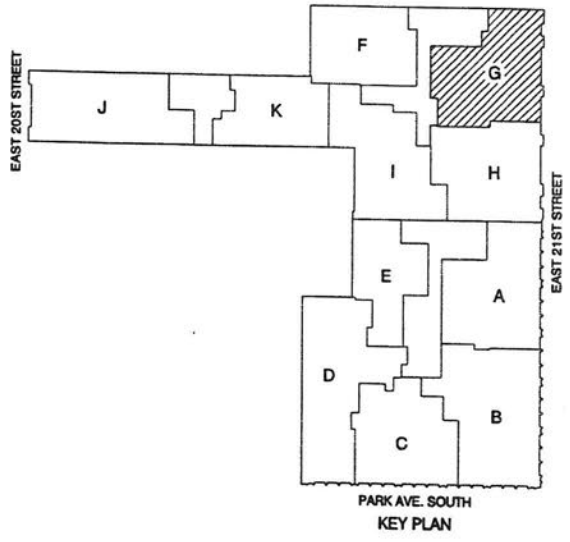
260 PARK AVE. SOUTH

UNIT 6G
2 BEDROOMS
2.5 BATHS

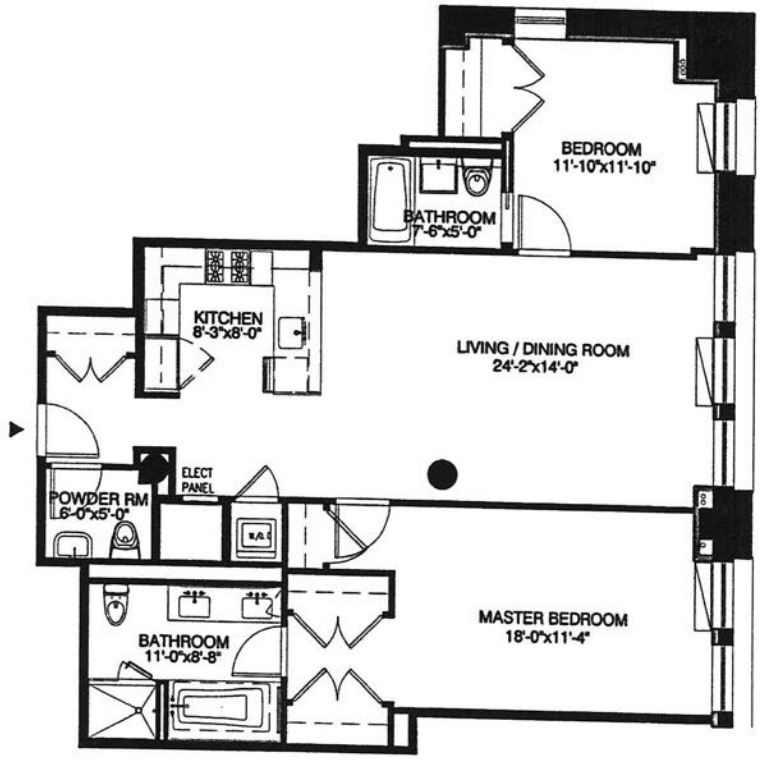
APARTMENT
AREA
1,340 SF

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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

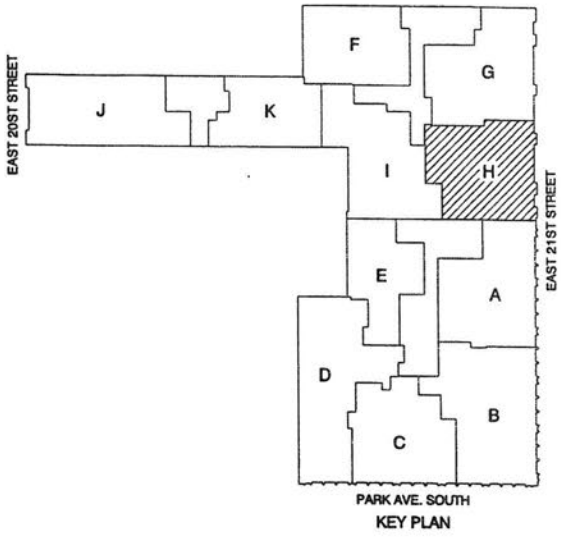
260 PARK AVE. SOUTH

UNIT 6H
2 BEDROOMS
2.5 BATHS

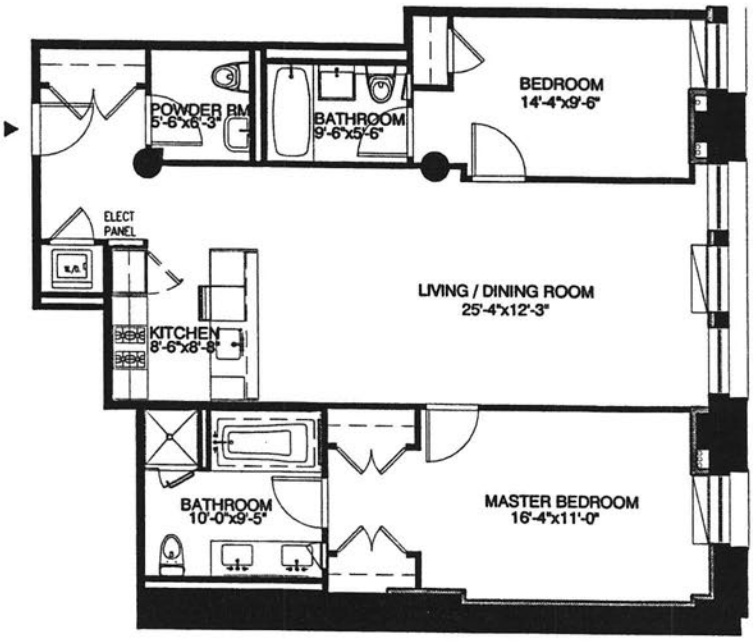
APARTMENT
AREA
1,281 SF

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KEY PLAN







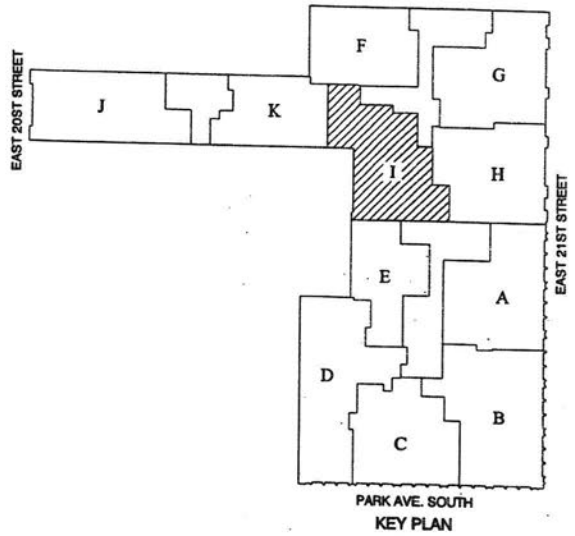
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 6I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

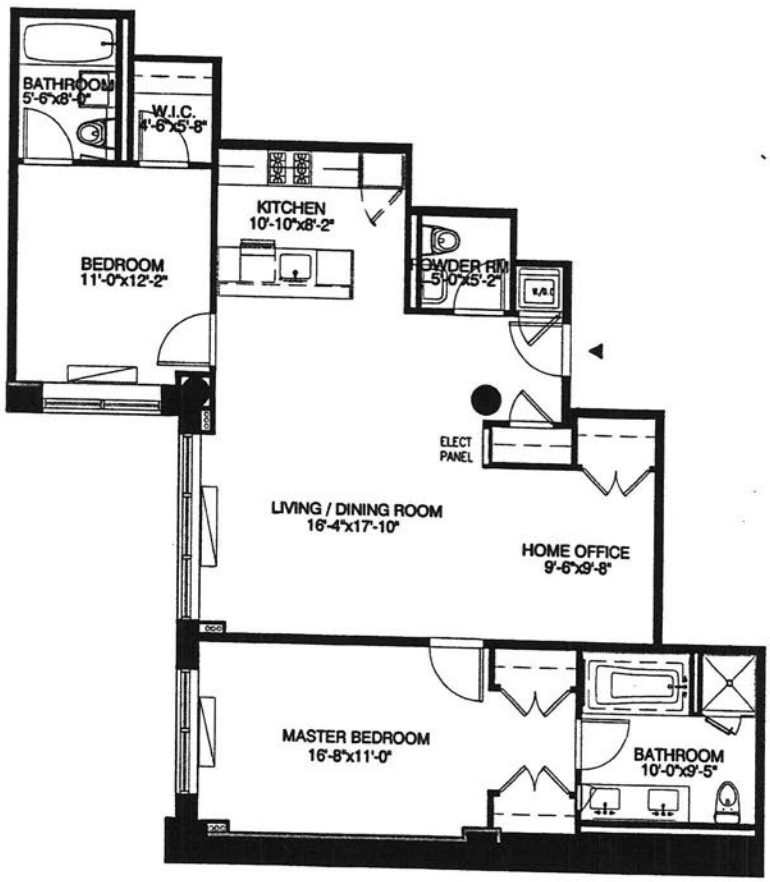
APARTMENT
AREA

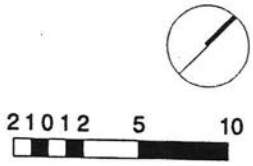
1,328 SF



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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

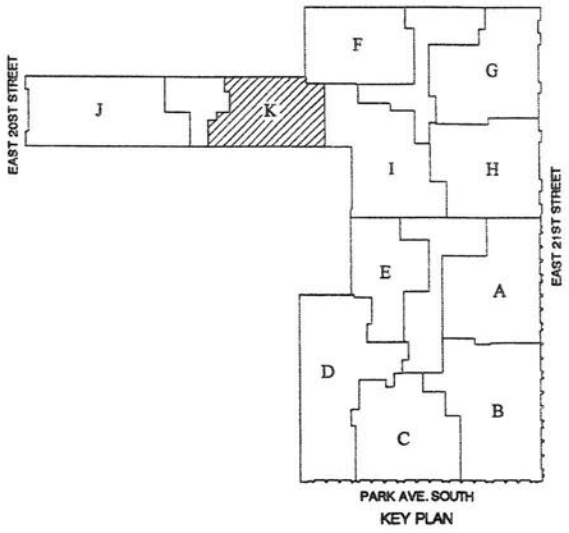
260 PARK AVE. SOUTH

UNIT 6K
1 BEDROOM
1 BATH

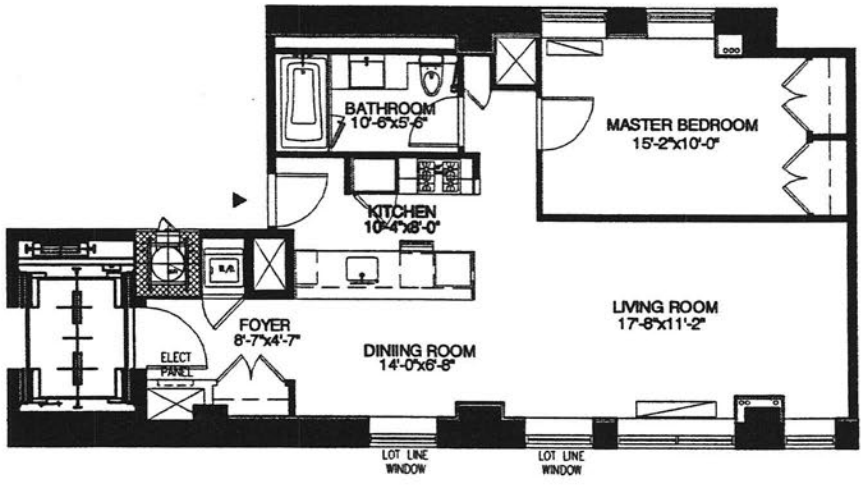
APARTMENT
AREA
917 SF

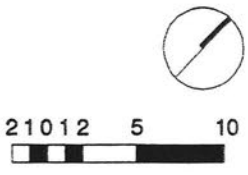
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

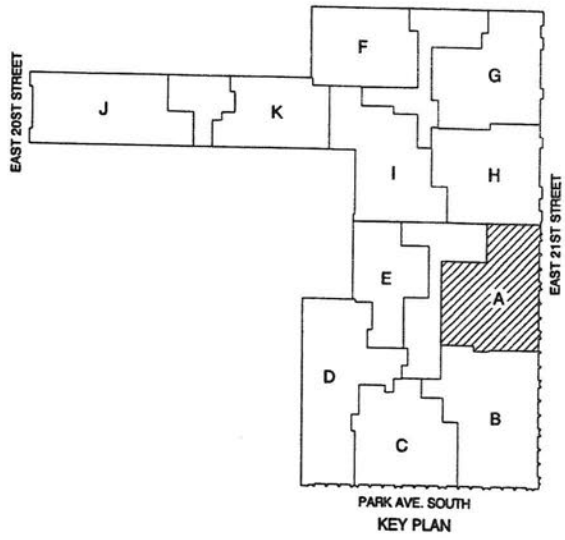
260 PARK AVE. SOUTH

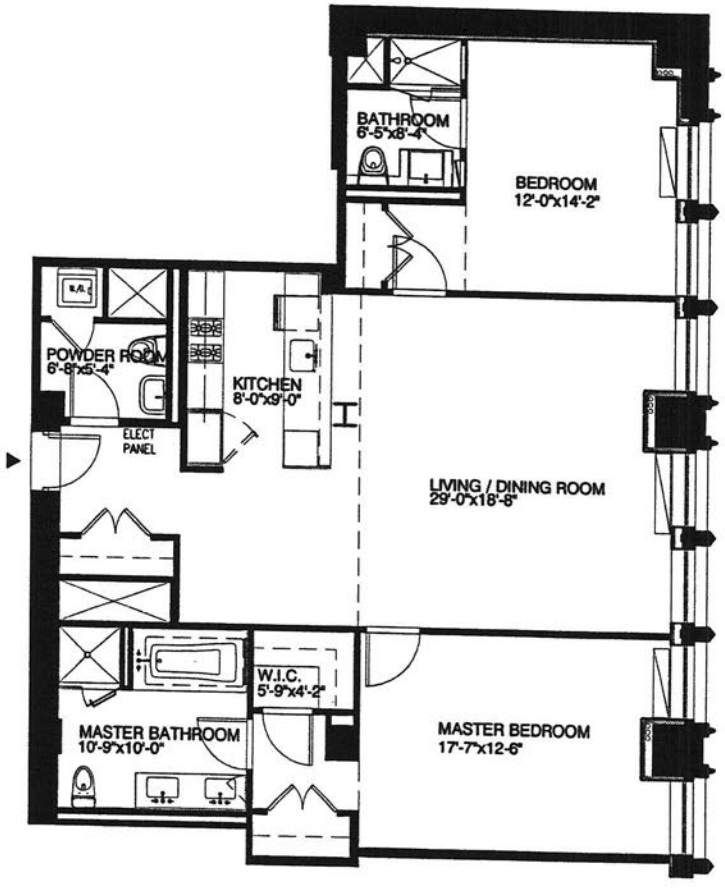
UNIT 7A
2 BEDROOMS
2.5 BATHS

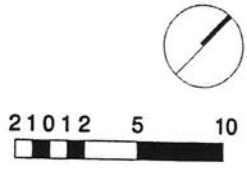
APARTMENT
AREA
1,535 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

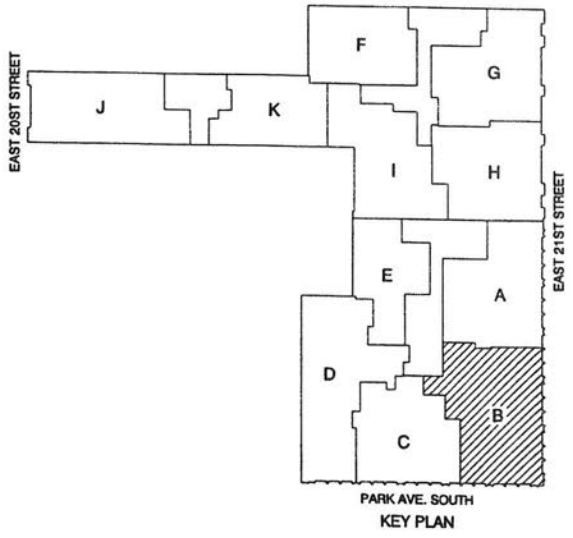
UNIT 7B
2 BEDROOMS
(OPTION-3 BEDROOMS)

2.5 BATHS

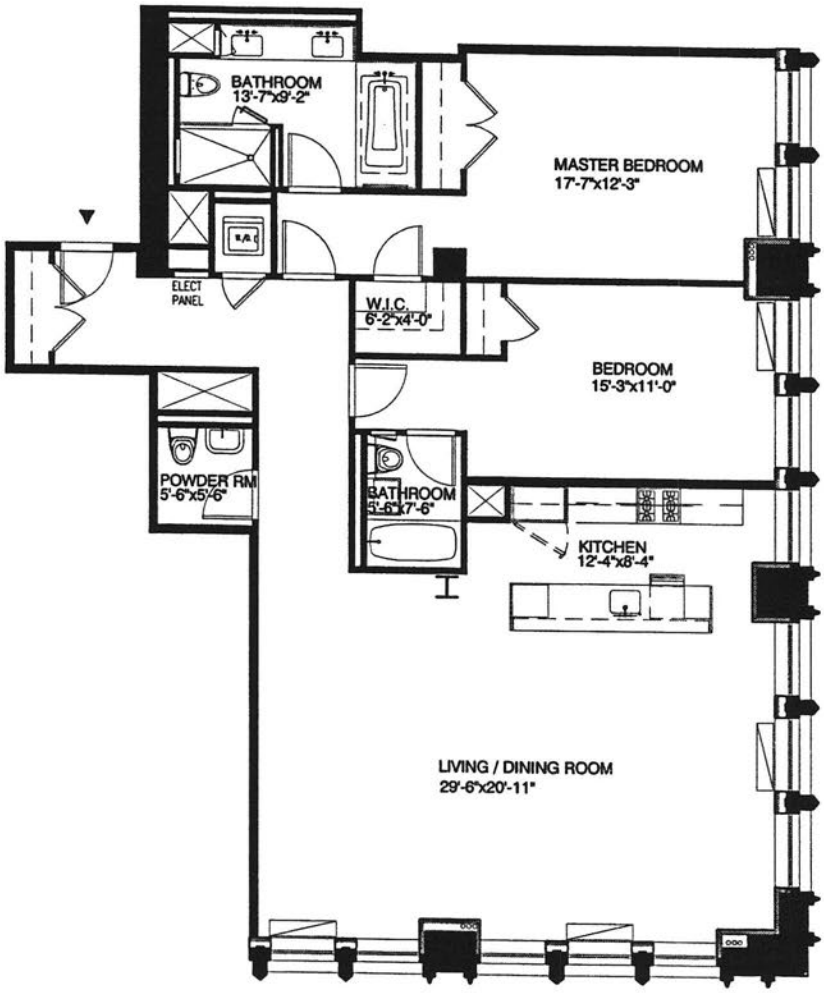
APARTMENT
AREA
1,880 SF

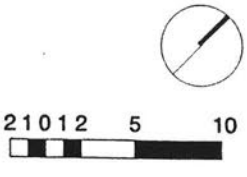
All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.



KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

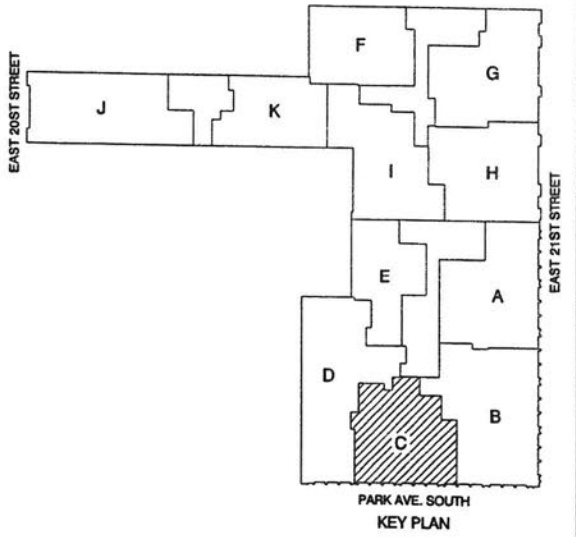
260 PARK AVE. SOUTH

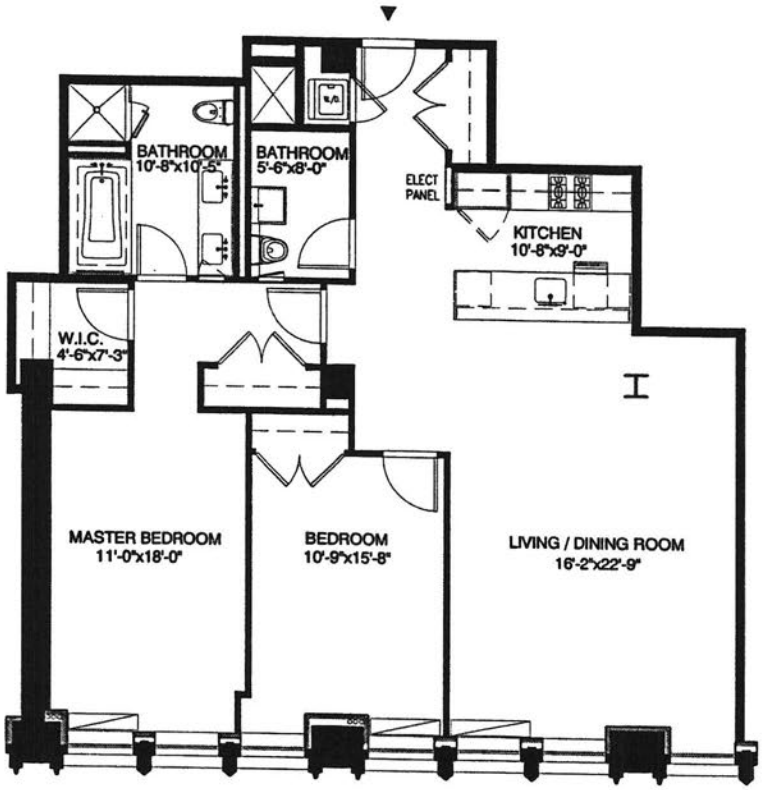
UNIT 7C
2 BEDROOMS
2 BATHS

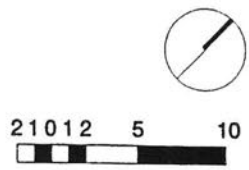
APARTMENT
AREA
1,407 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

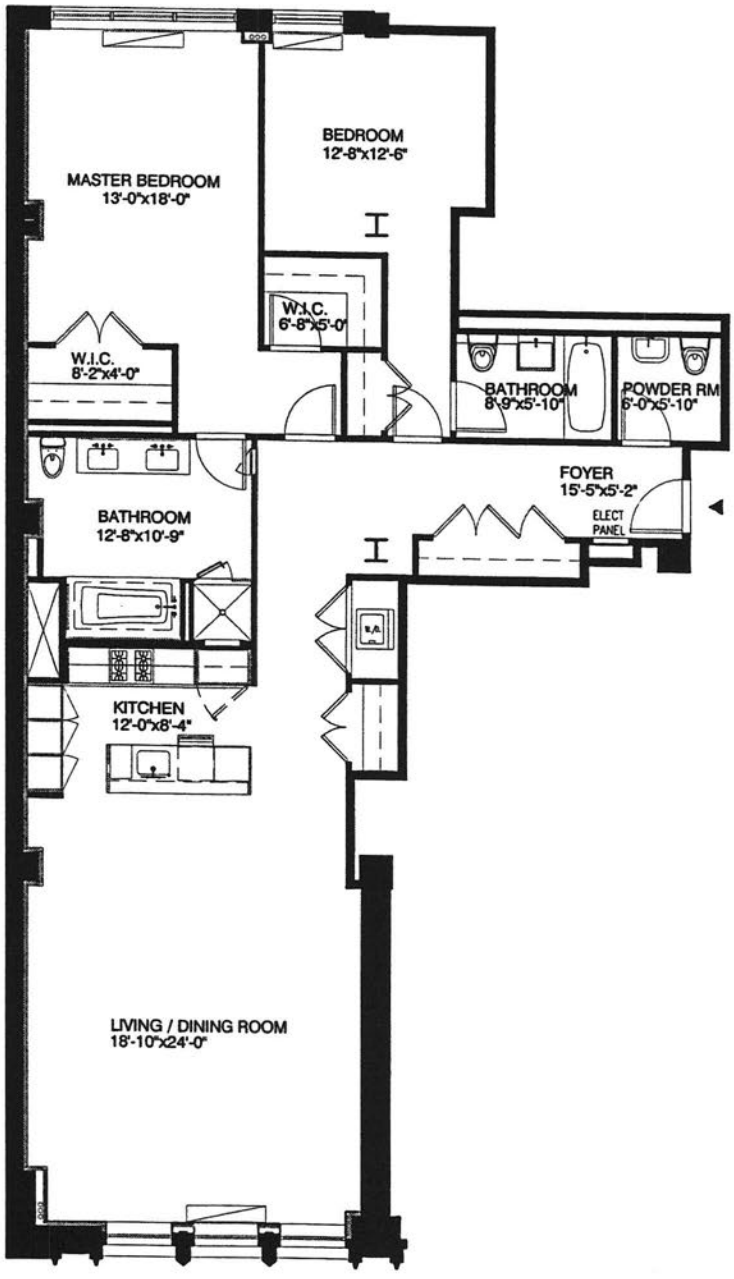
260 PARK AVE. SOUTH

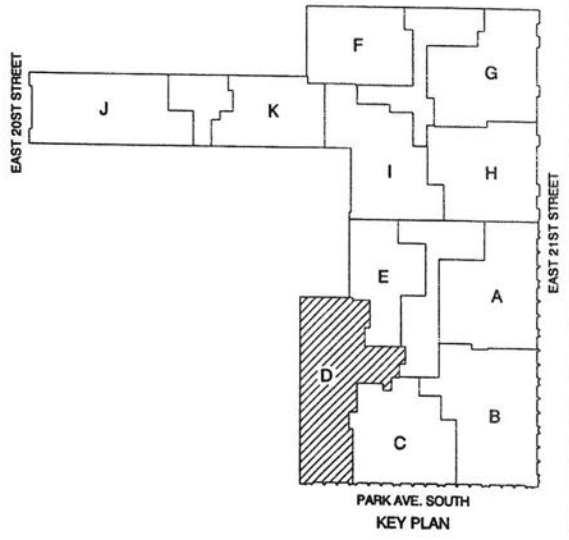
UNIT 7D
2 BEDROOMS
2.5 BATHS

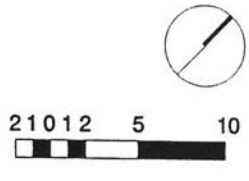
APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

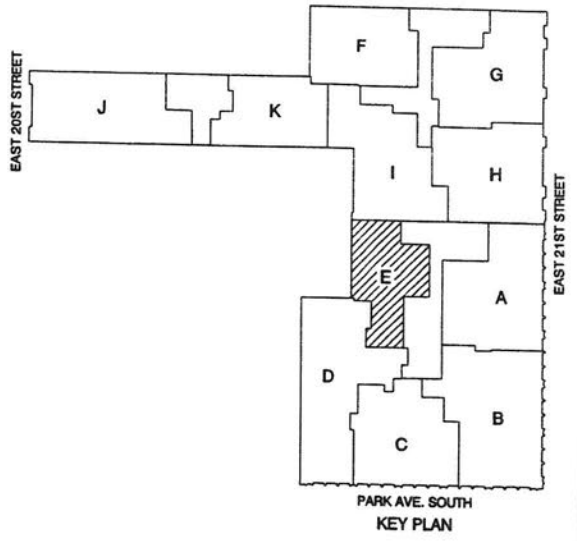
260 PARK AVE. SOUTH

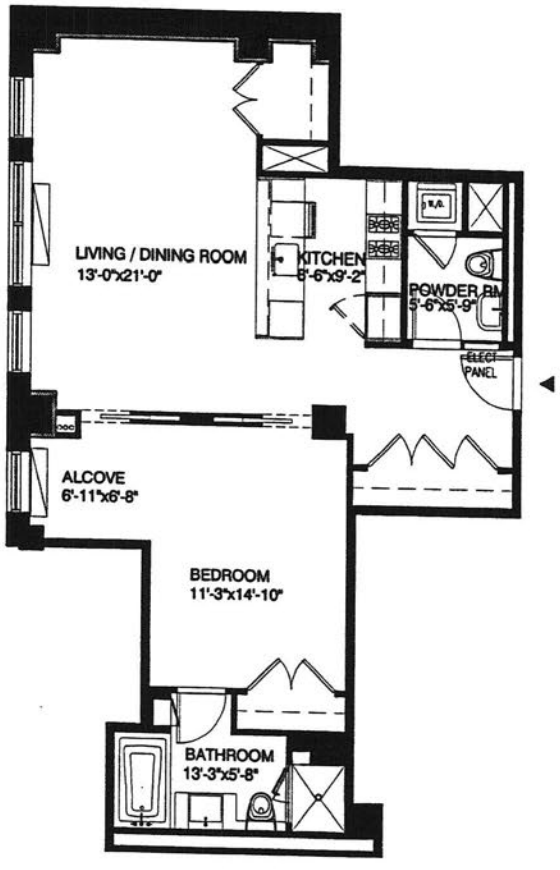
UNIT 7E
1 BEDROOM
1.5 BATHS

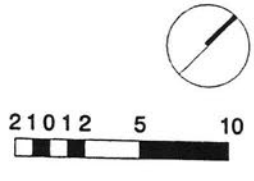
APARTMENT
AREA
994 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

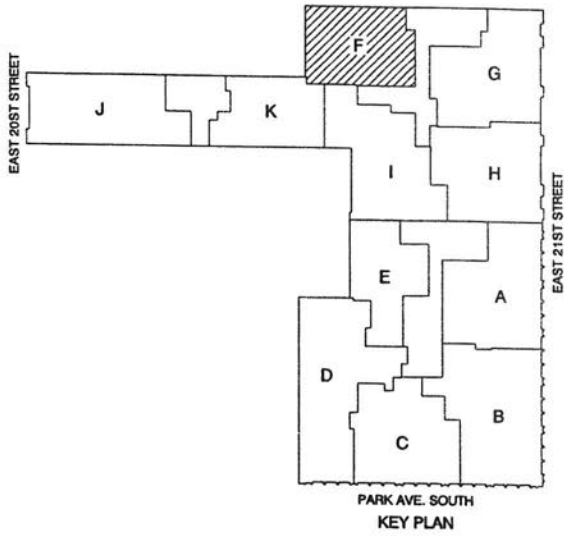
260 PARK AVE. SOUTH

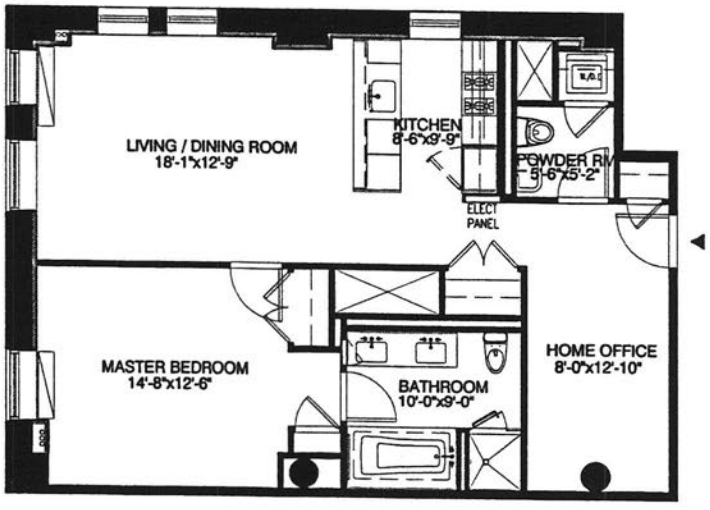
UNIT 7F
1 BEDROOM
1.5 BATHS

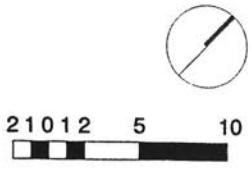
APARTMENT
AREA
1,037 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

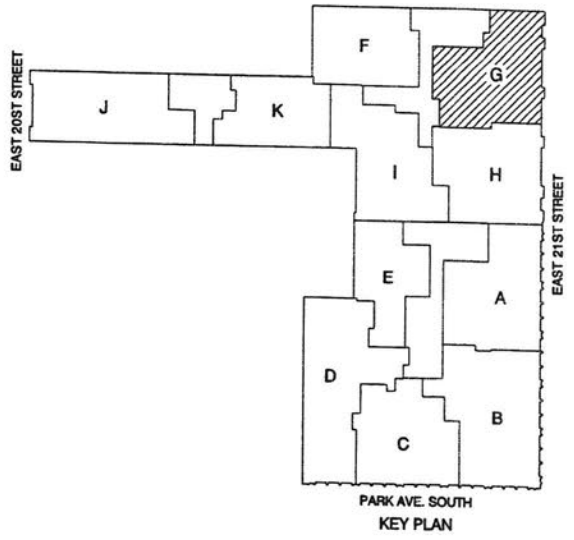
260 PARK AVE. SOUTH

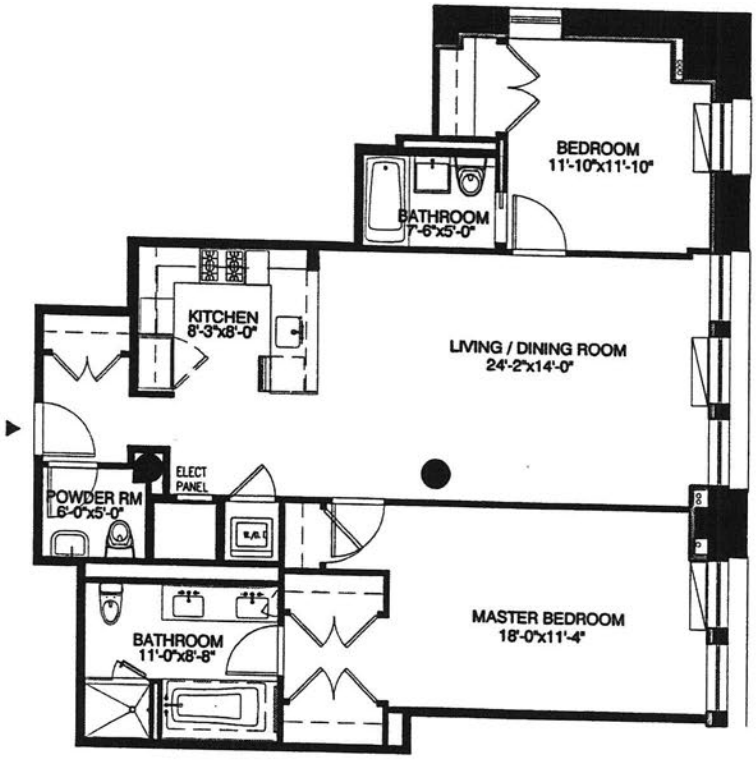
UNIT 7G
2 BEDROOMS
2.5 BATHS

APARTMENT
AREA
1,340 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

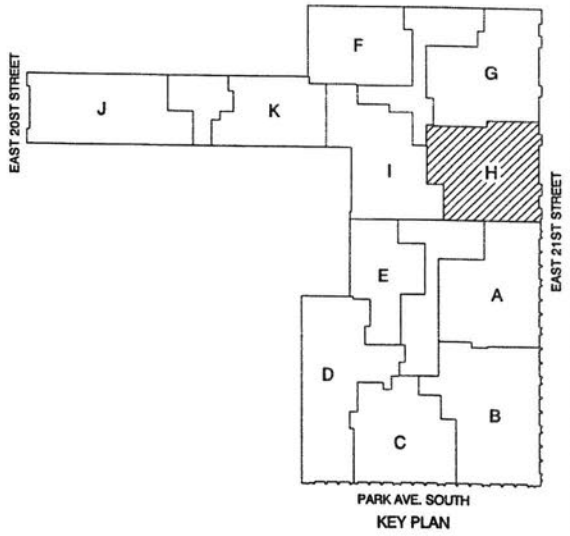
260 PARK AVE. SOUTH

UNIT 7H
2 BEDROOMS
2.5 BATHS

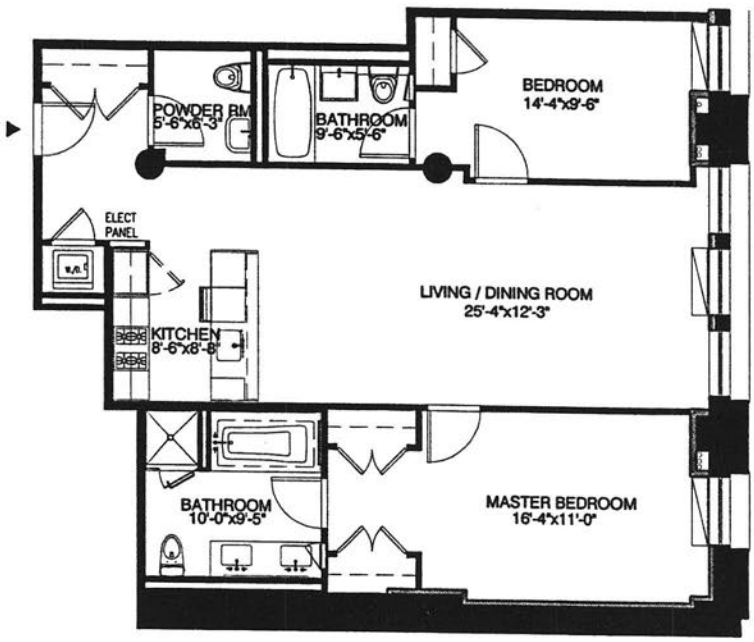
APARTMENT
AREA
1,281 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

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KEY PLAN







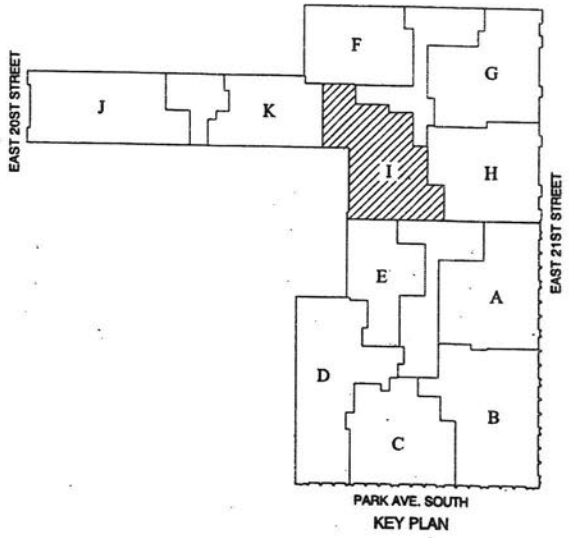
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 7I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

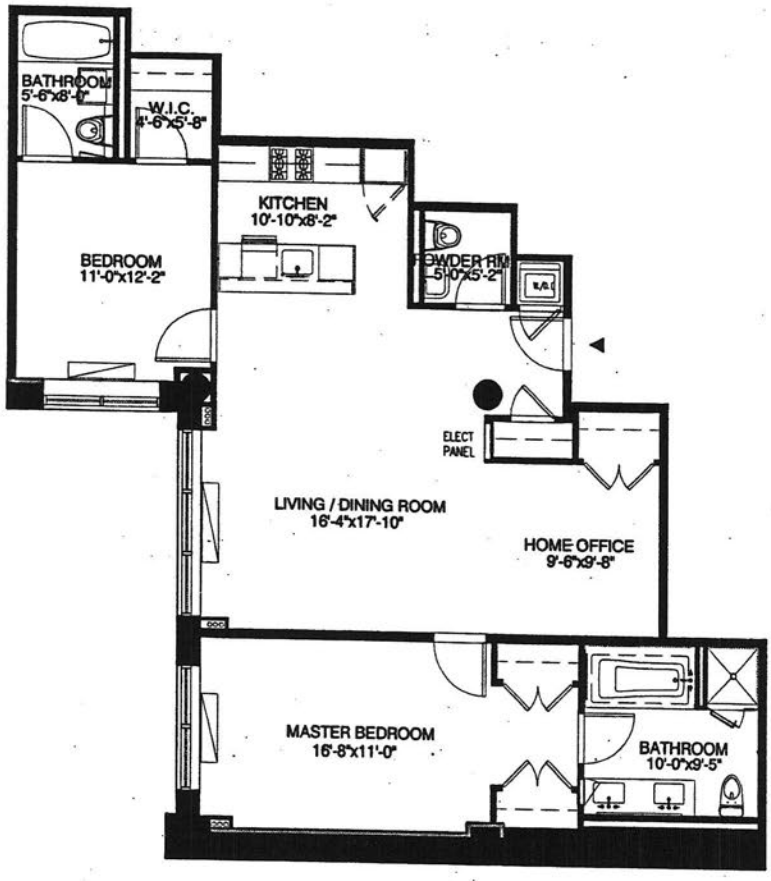
APARTMENT
AREA

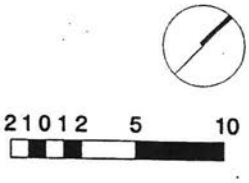
1,328 SF



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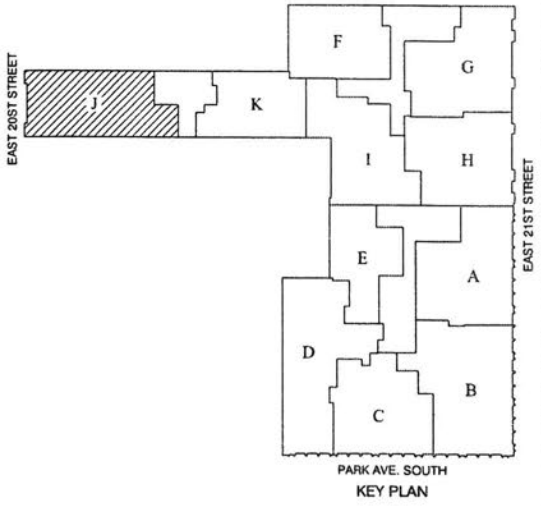


260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 7J / 8J
DUPLEX
2 BEDROOM
HOME OFFICE
2.5 BATHS

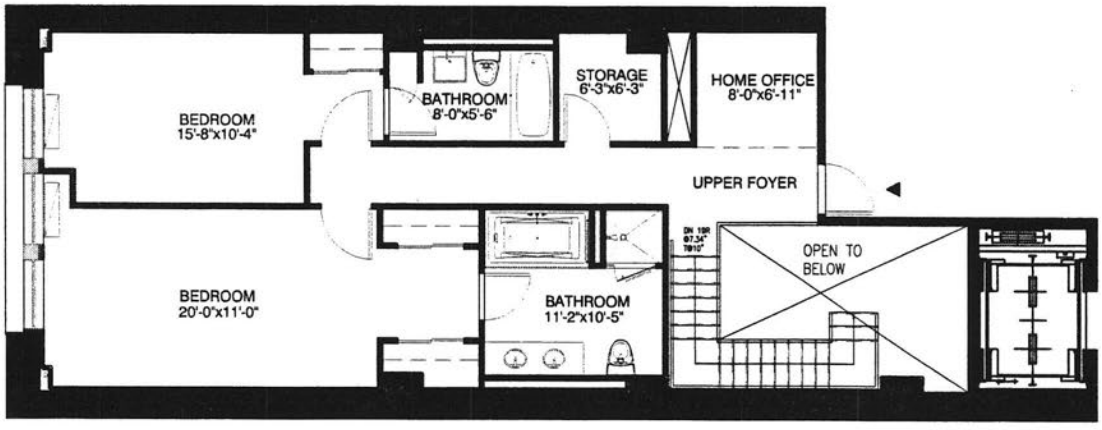
APARTMENT
AREA
2,525 SF



KEY PLAN

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

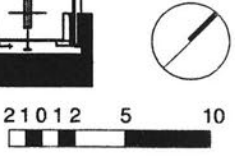
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UPPER DUPLEX



LOWER DUPLEX



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

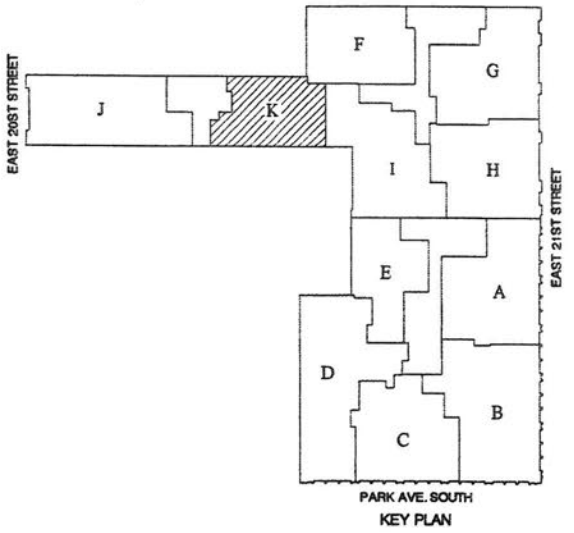
260 PARK AVE. SOUTH

UNIT 7K
1 BEDROOM
1 BATH

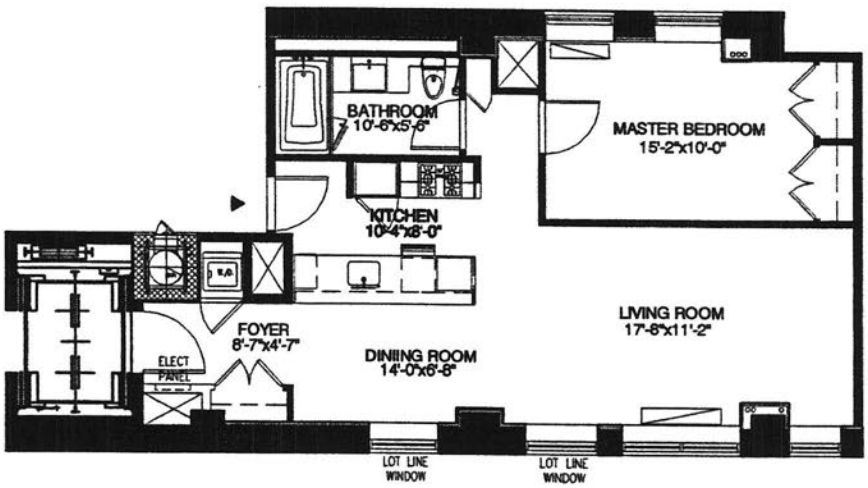
APARTMENT
AREA
917 SF

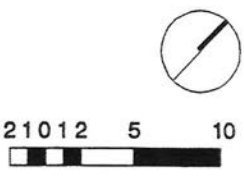
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

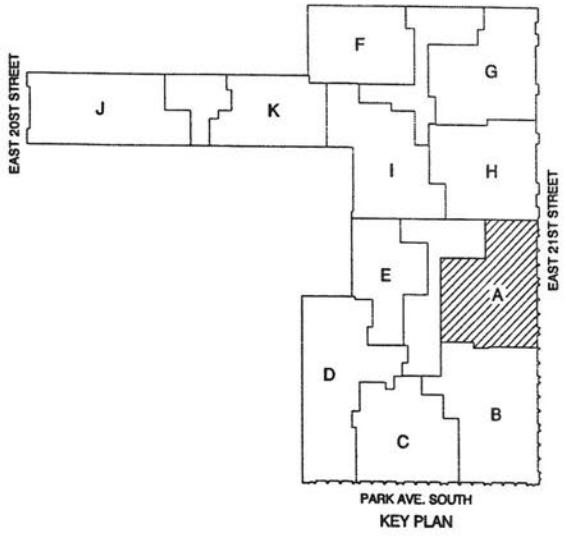
260 PARK AVE. SOUTH

UNIT 8A
2 BEDROOMS
2.5 BATHS

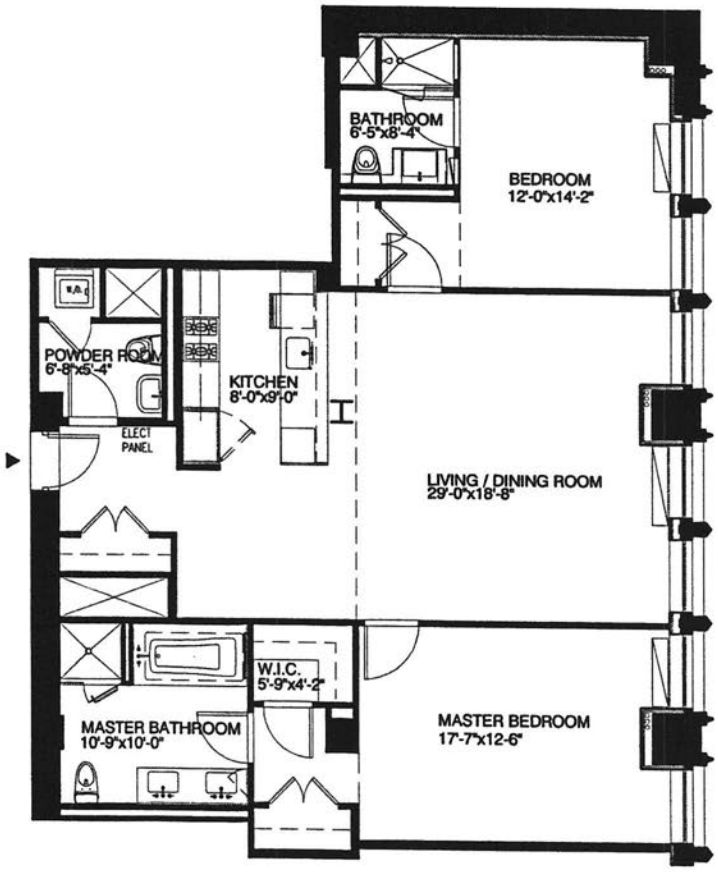
APARTMENT
AREA
1,535 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 8B
2 BEDROOMS
(OPTION-3 BEDROOMS)

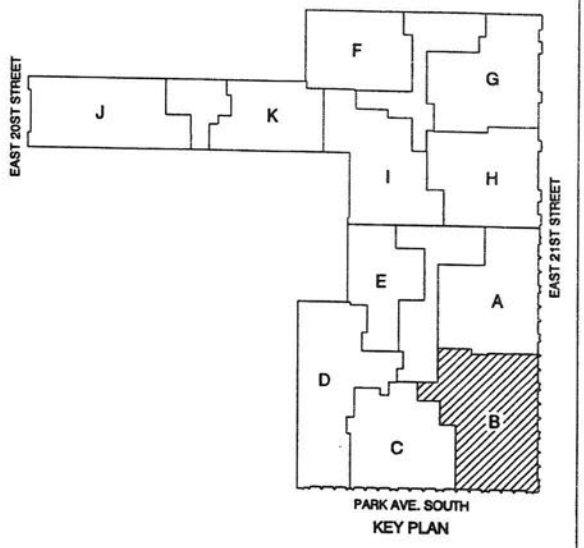
2.5 BATHS

APARTMENT
AREA

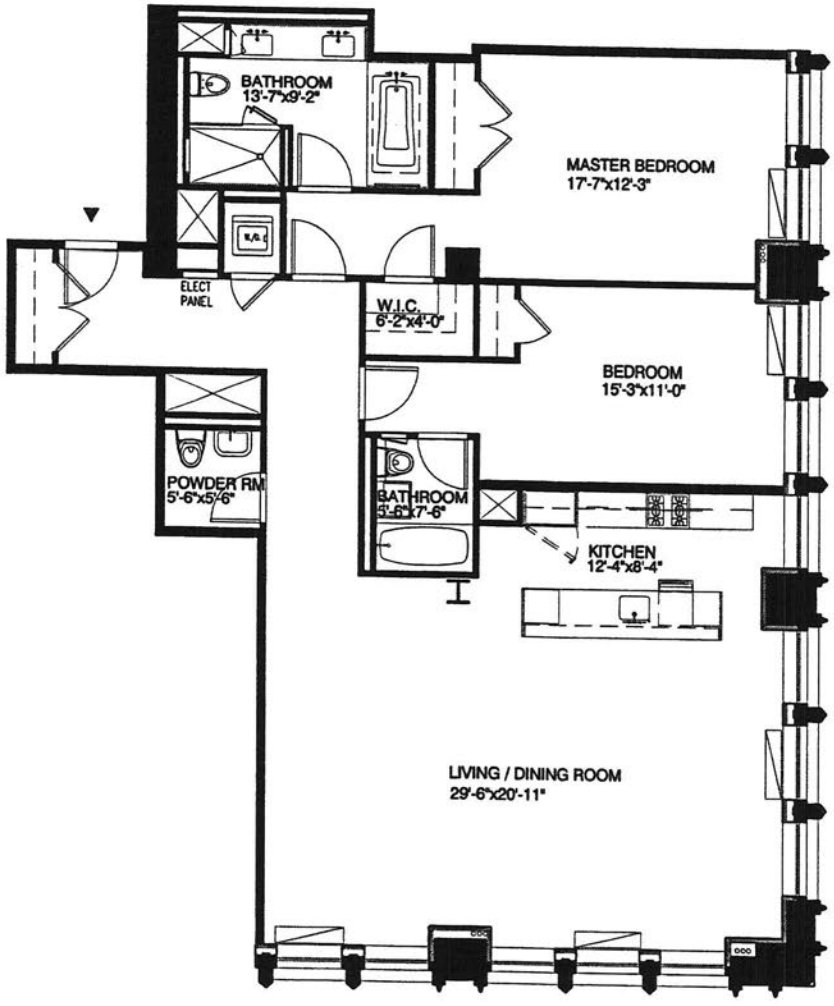
1,880 SF

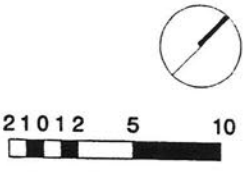
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

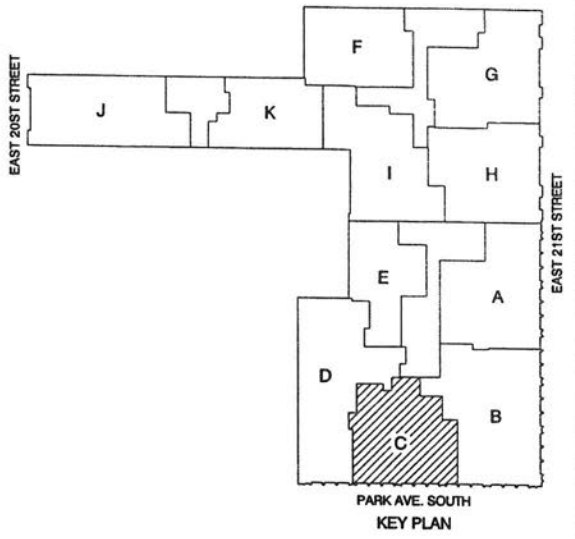
260 PARK AVE. SOUTH

UNIT 8C
2 BEDROOMS
2 BATHS

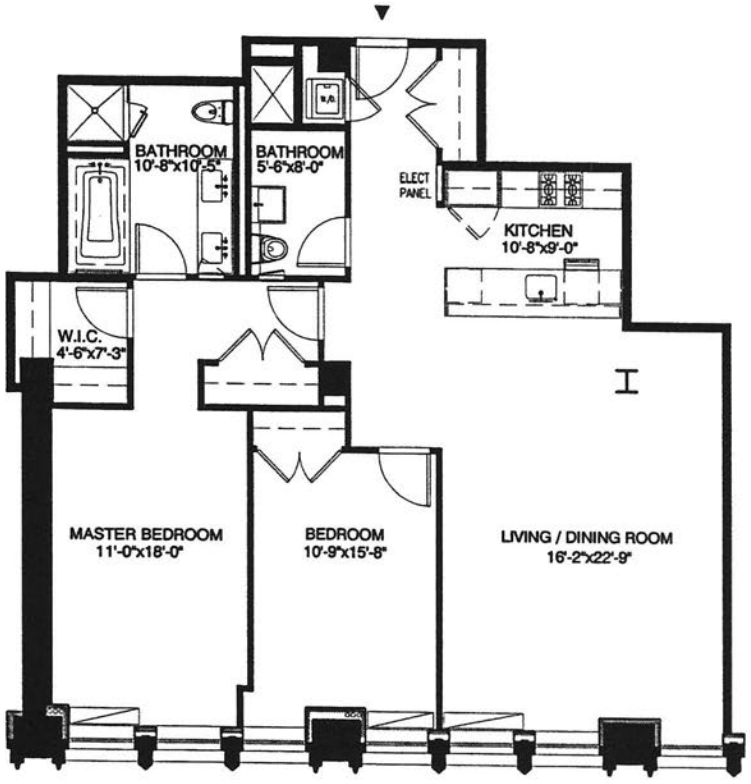
APARTMENT
AREA
1,407 SF

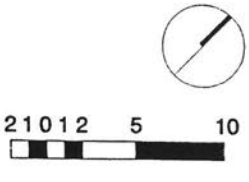
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

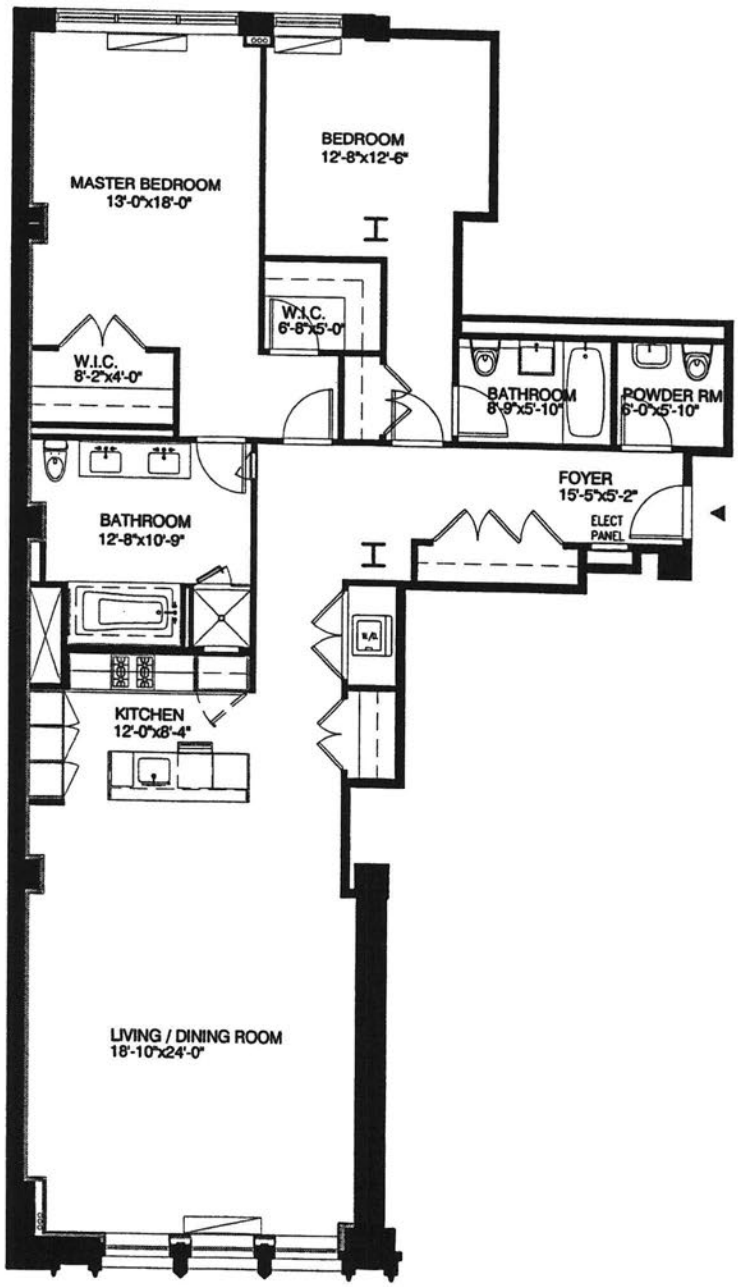
260 PARK AVE. SOUTH

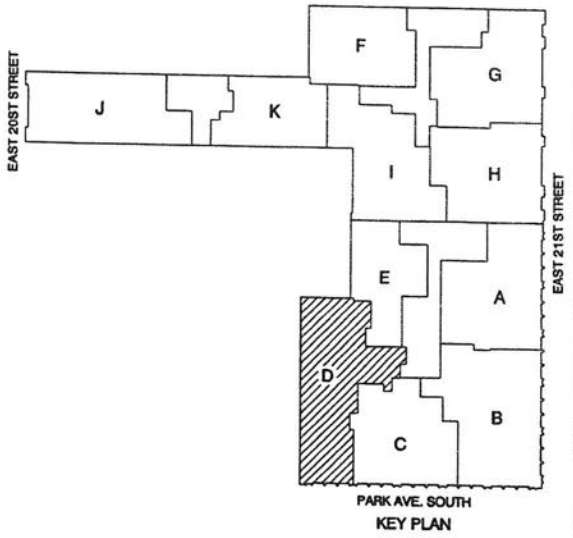
UNIT 8D
2 BEDROOMS
2.5 BATHS

APARTMENT
AREA
1,819 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

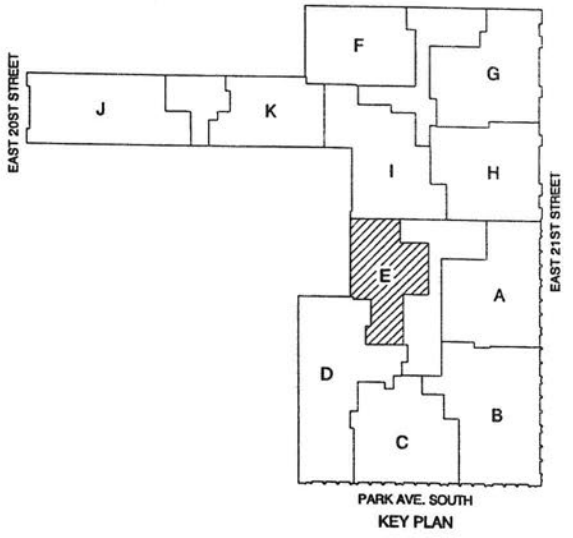
260 PARK AVE. SOUTH

UNIT 8E
1 BEDROOM
1.5 BATHS

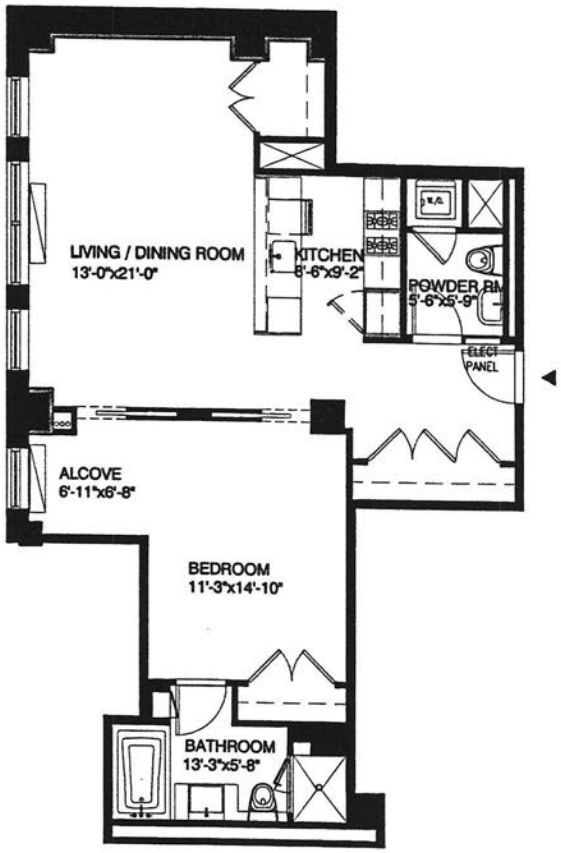
APARTMENT
AREA
994 SF

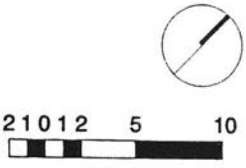
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

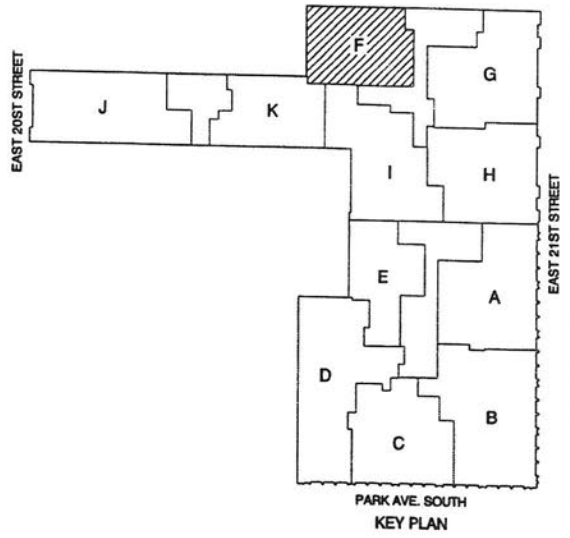
260 PARK AVE. SOUTH

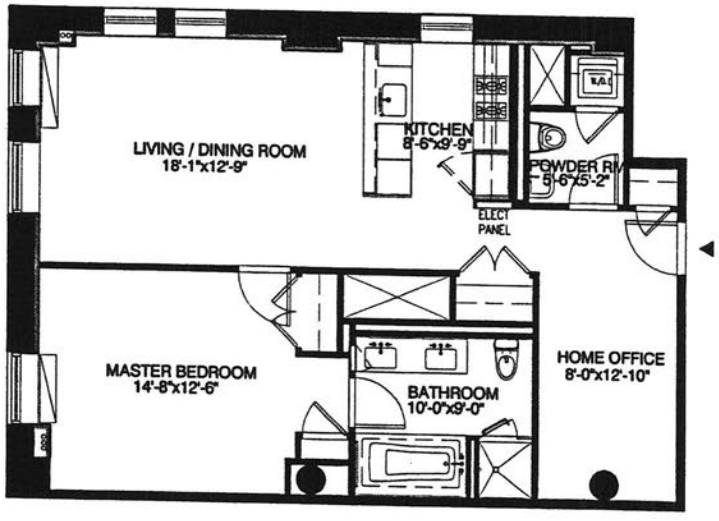
UNIT 8F
1 BEDROOM
1.5 BATHS

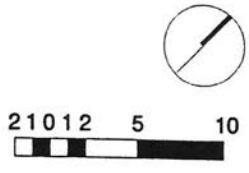
APARTMENT
AREA
1,037 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

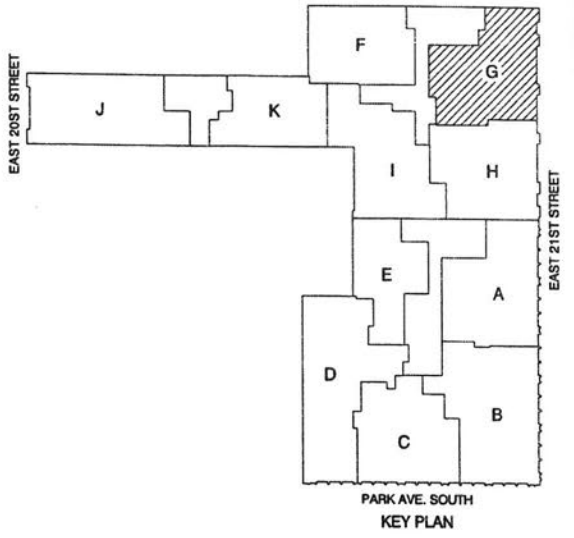
260 PARK AVE. SOUTH

UNIT 8G
2 BEDROOMS
2.5 BATHS

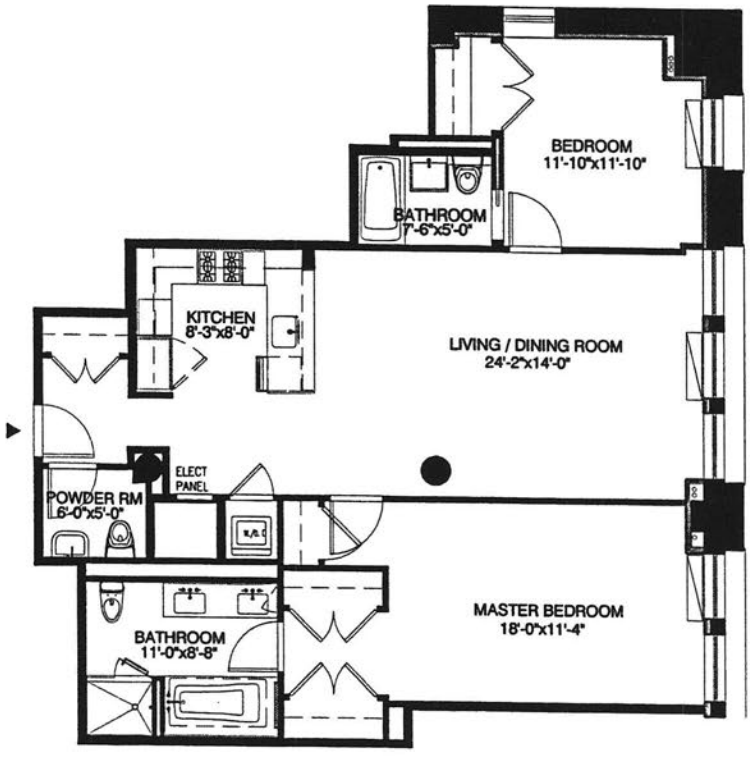
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

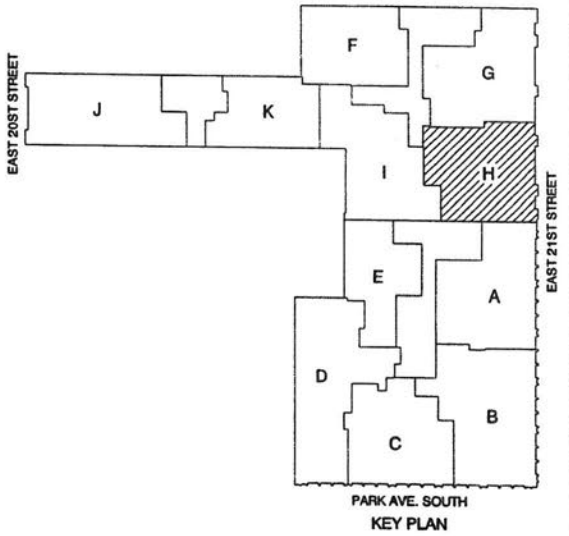
260 PARK AVE. SOUTH

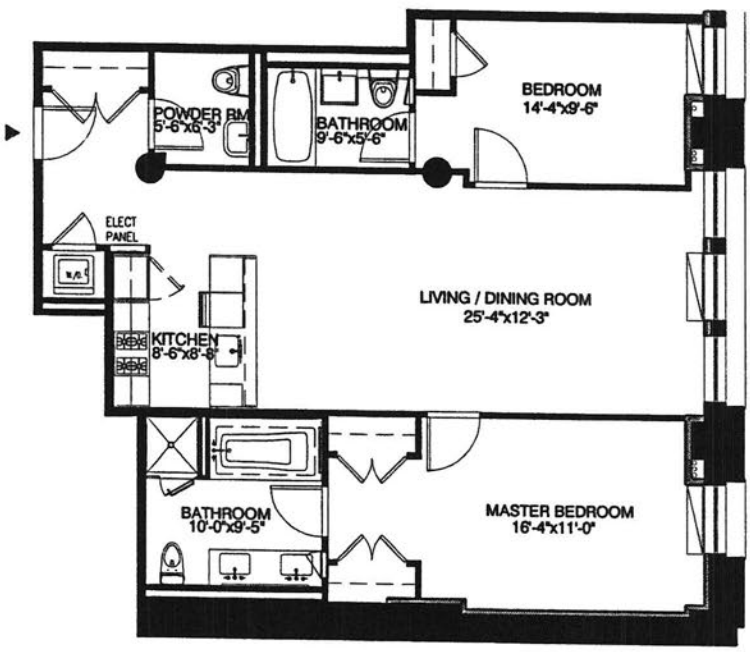
UNIT 8H
2 BEDROOMS
2.5 BATHS

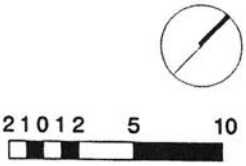
APARTMENT
AREA
1,281 SF

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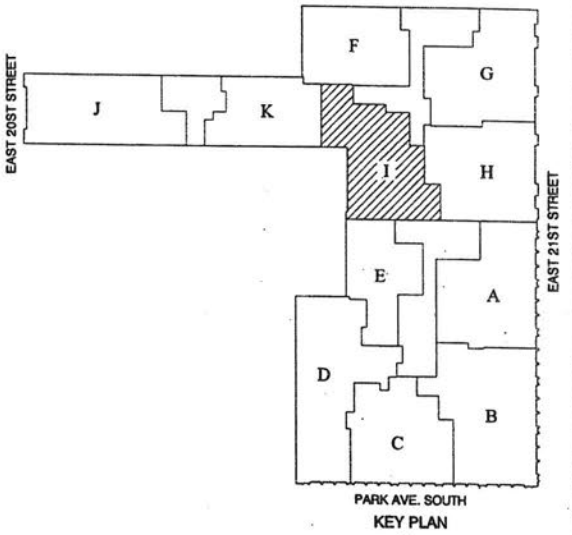


260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 8 I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

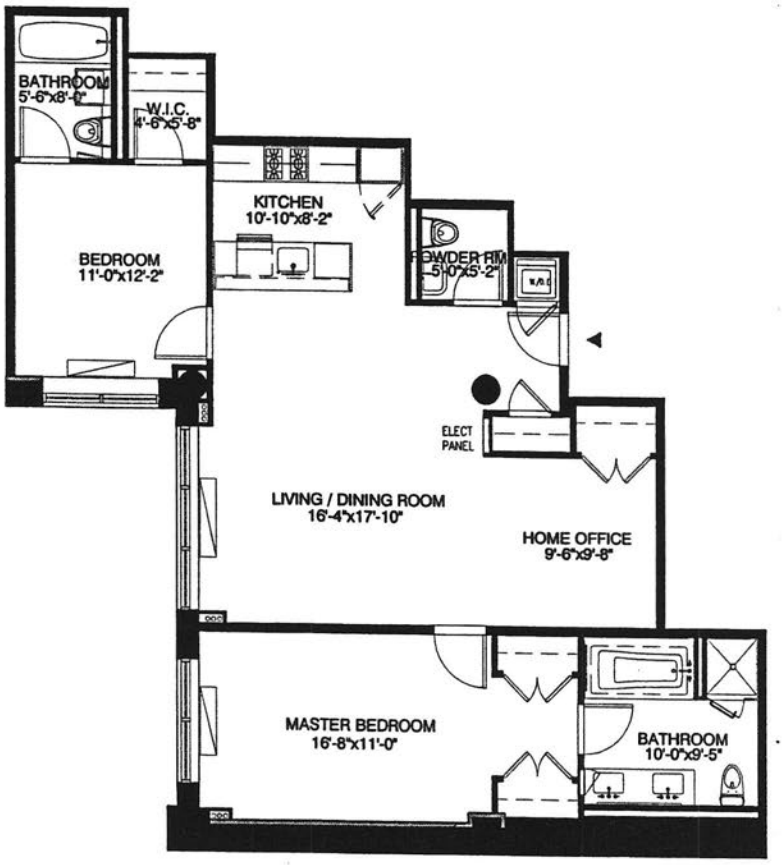
APARTMENT
AREA
1,328 SF

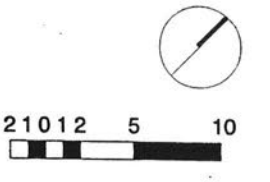


KEY PLAN

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

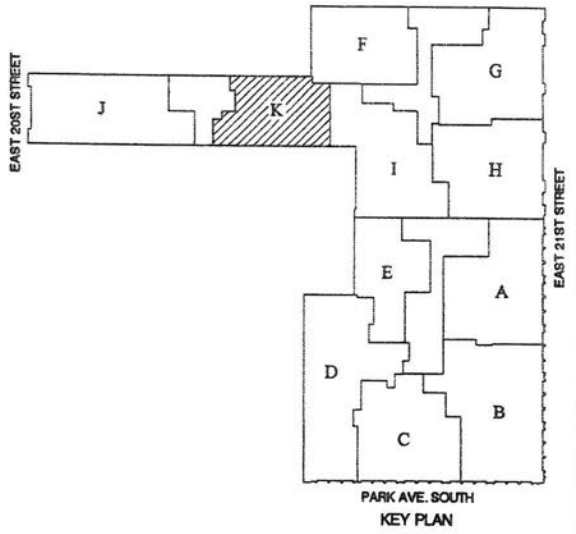
260 PARK AVE. SOUTH

UNIT 8K
1 BEDROOM
1 BATH

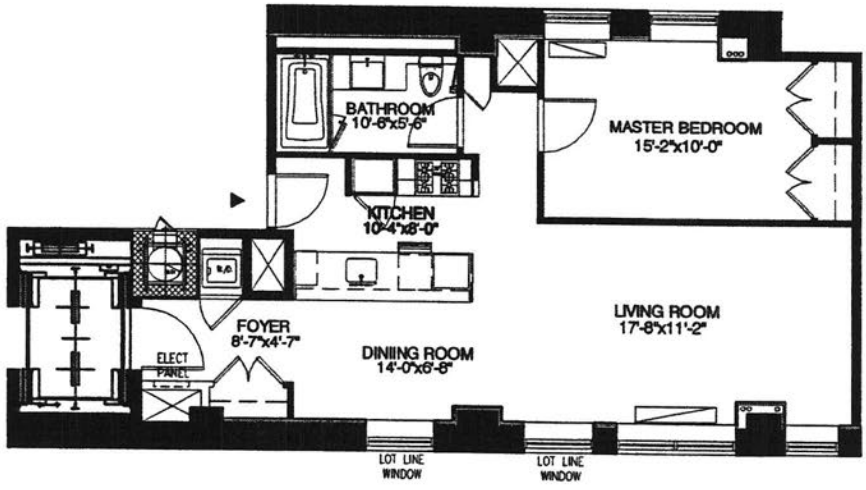
APARTMENT
AREA
917 SF

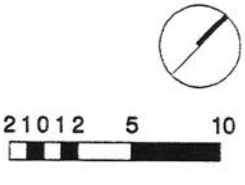
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

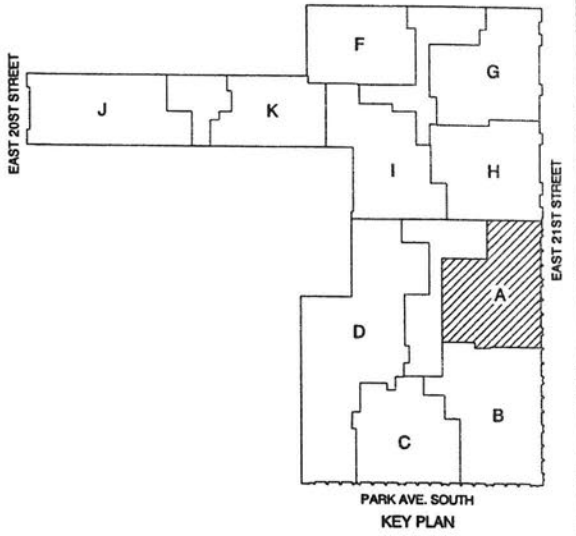
260 PARK AVE. SOUTH

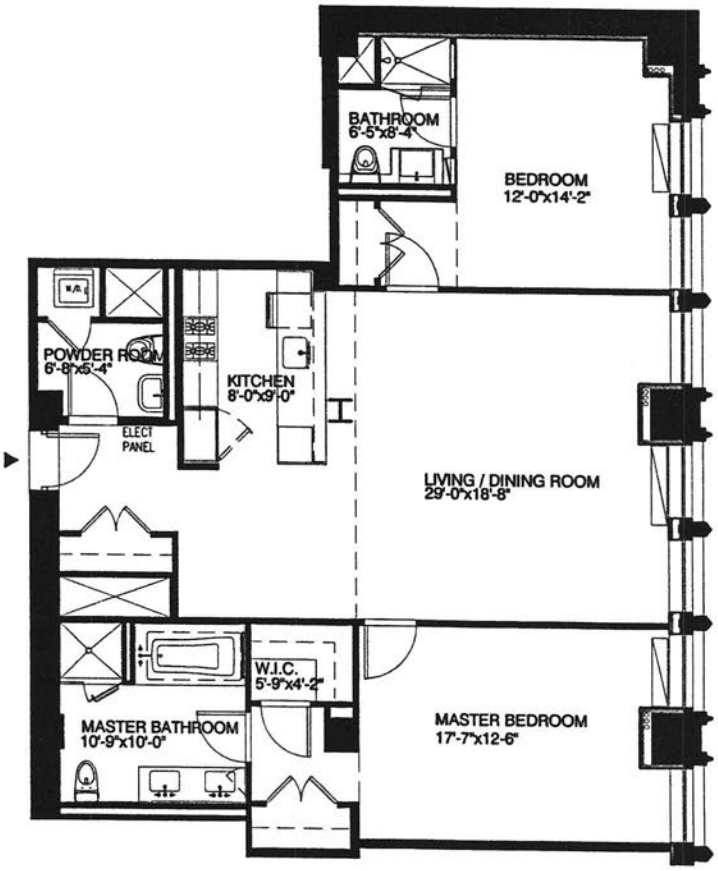
UNIT 9A
2 BEDROOMS
2.5 BATHS

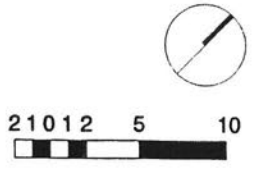
APARTMENT
AREA
1,535 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

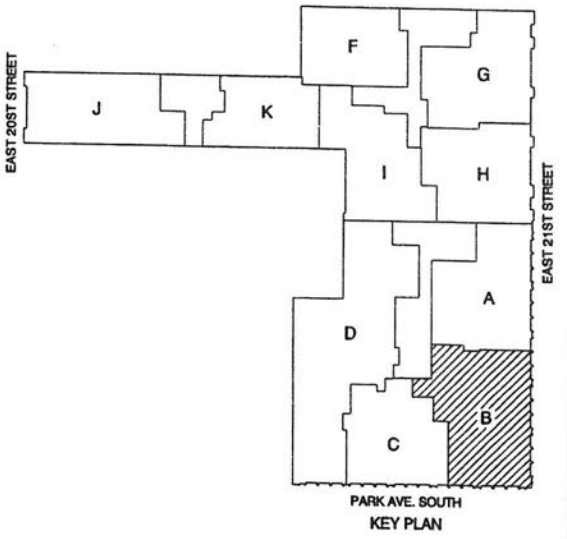
UNIT 9B
2 BEDROOMS
(OPTION-3 BEDROOMS)

2.5 BATHS

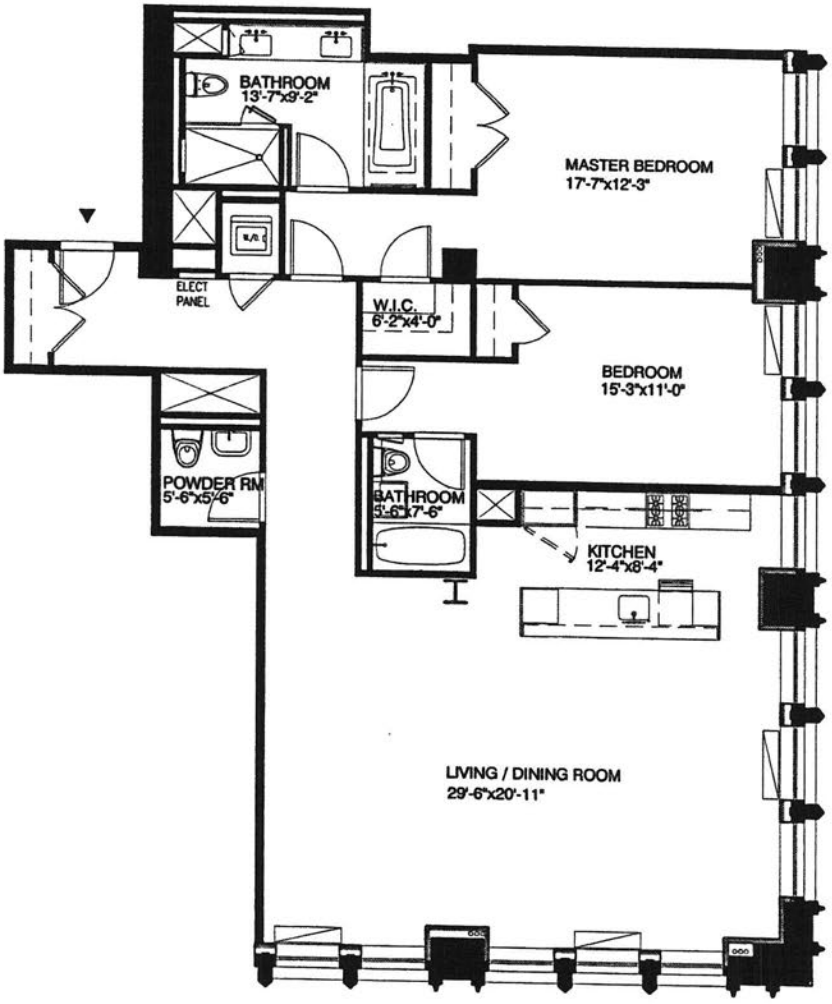
APARTMENT
AREA
1,880 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

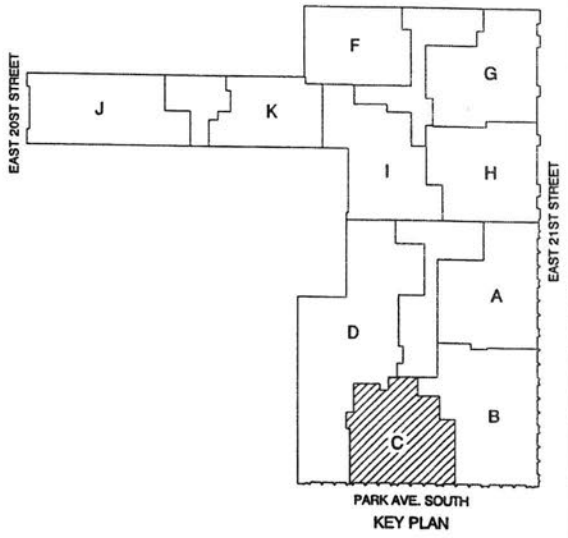
260 PARK AVE. SOUTH

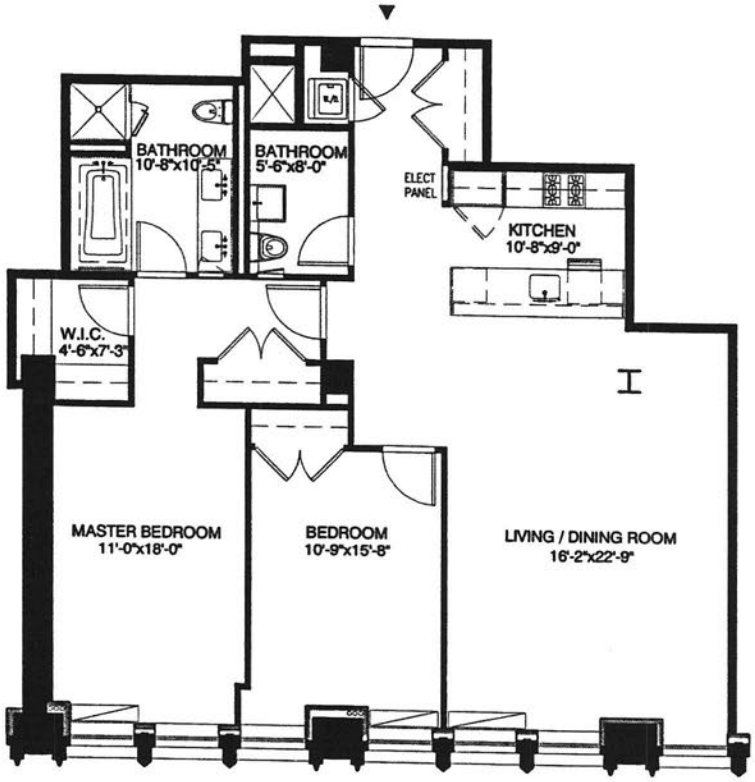
UNIT 9C
2 BEDROOMS
2 BATHS

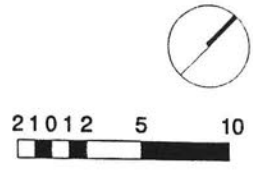
APARTMENT
AREA
1,407 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

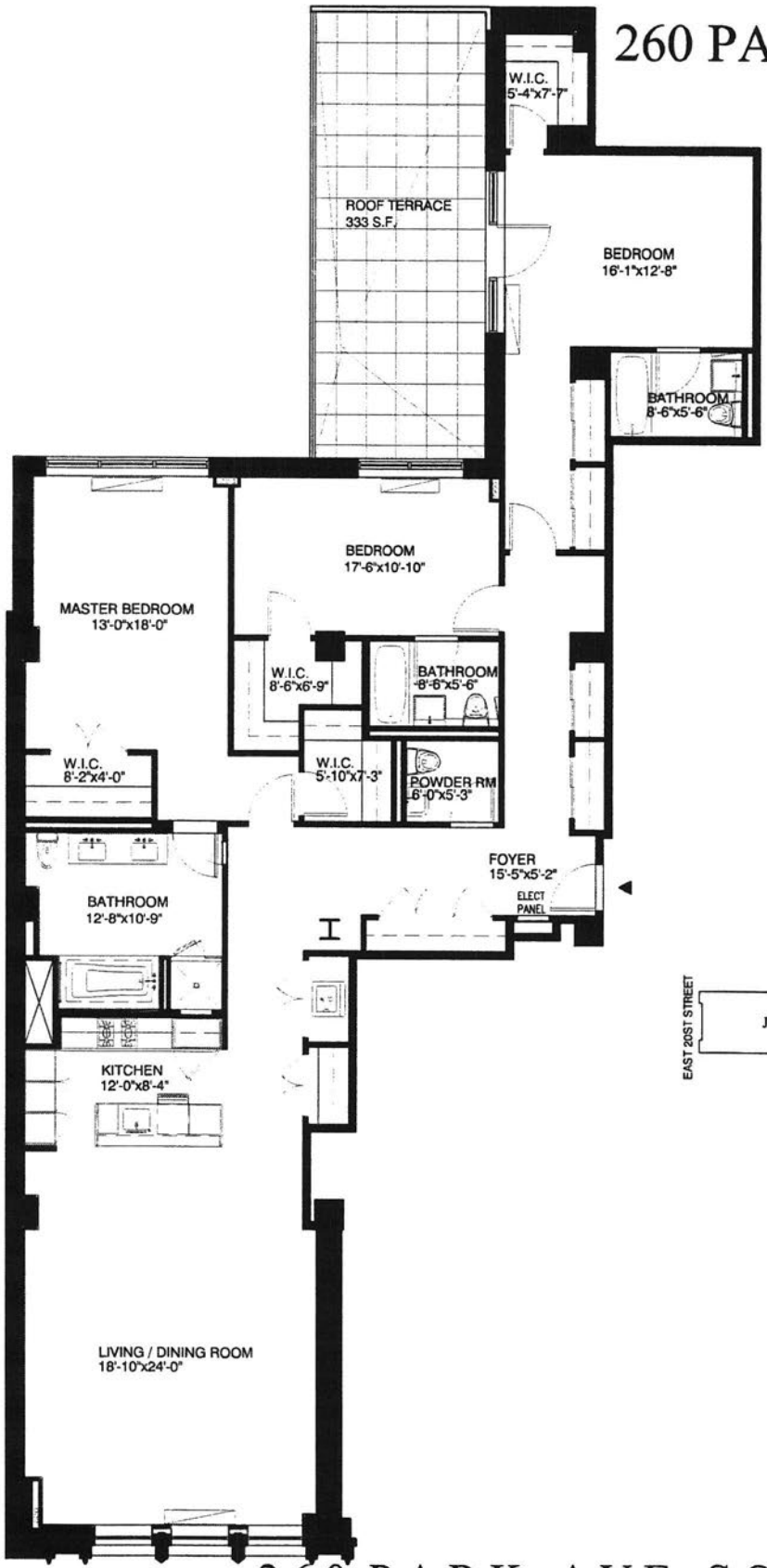
UNIT 9D
3 BEDROOMS
3.5 BATHS

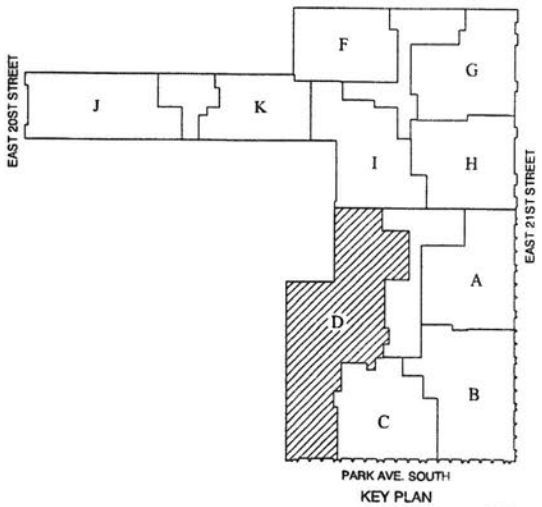
APARTMENT AREA
2,466 SF

TERRACE AREA
333 SF

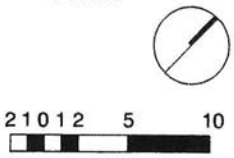
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KEY PLAN



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

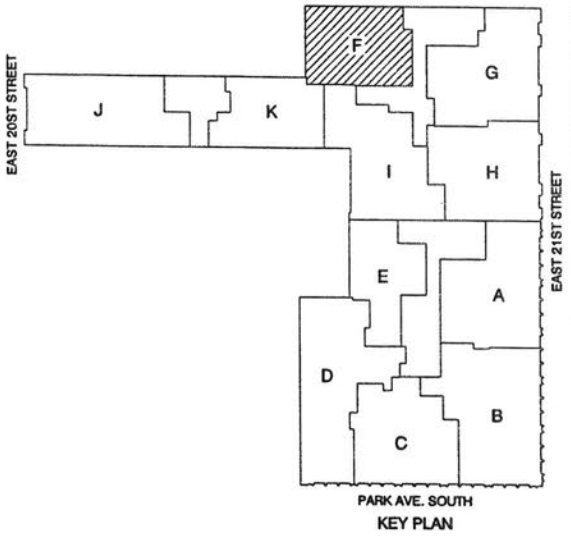
260 PARK AVE. SOUTH

UNIT 9F
1 BEDROOM
1.5 BATHS

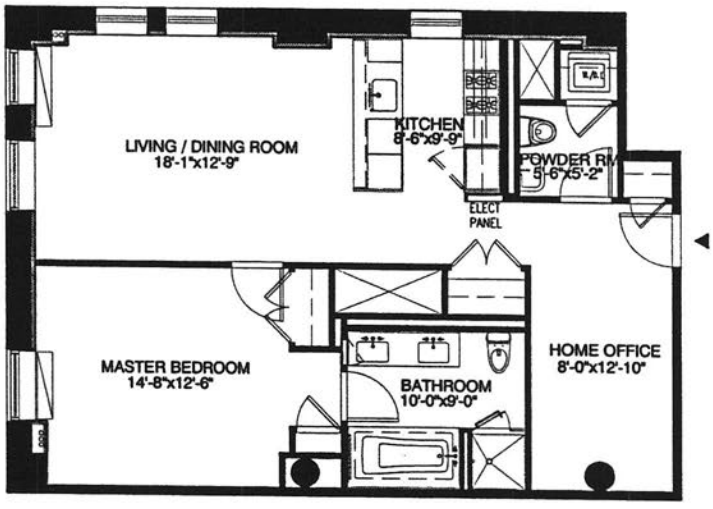
APARTMENT
AREA
1,037 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

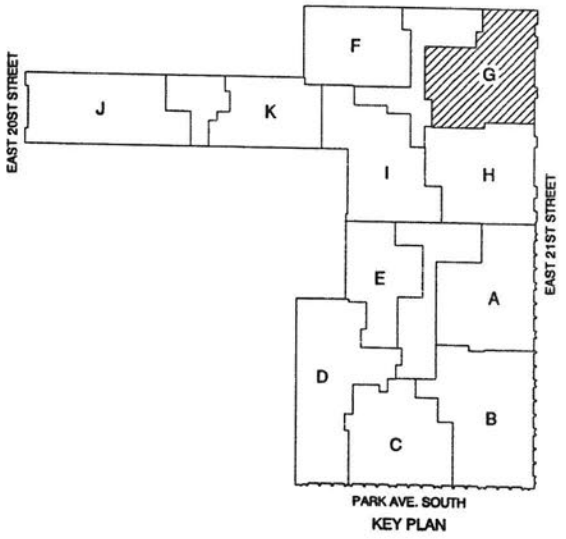
260 PARK AVE. SOUTH

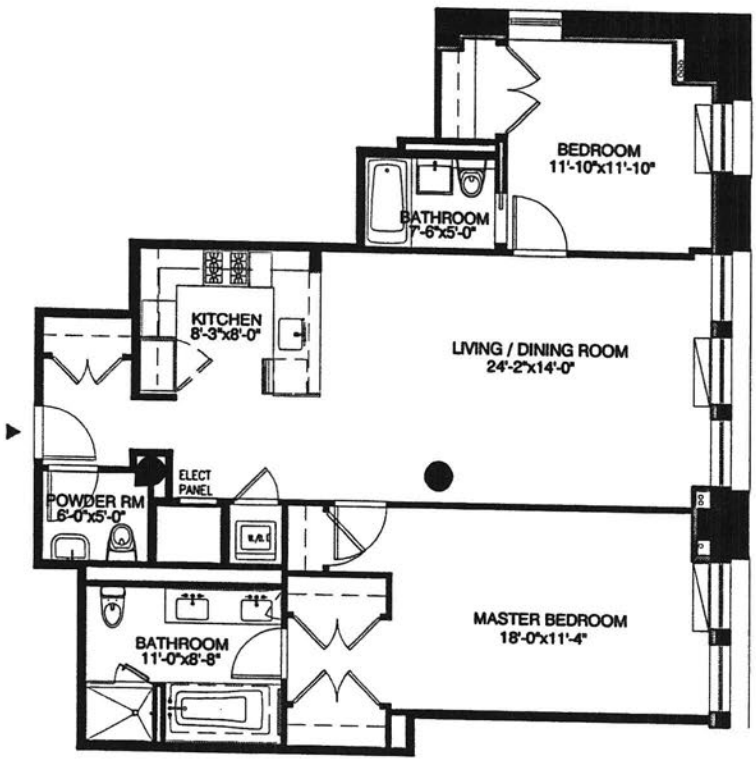
UNIT 9G
2 BEDROOMS
2.5 BATHS

APARTMENT
AREA
1,340 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

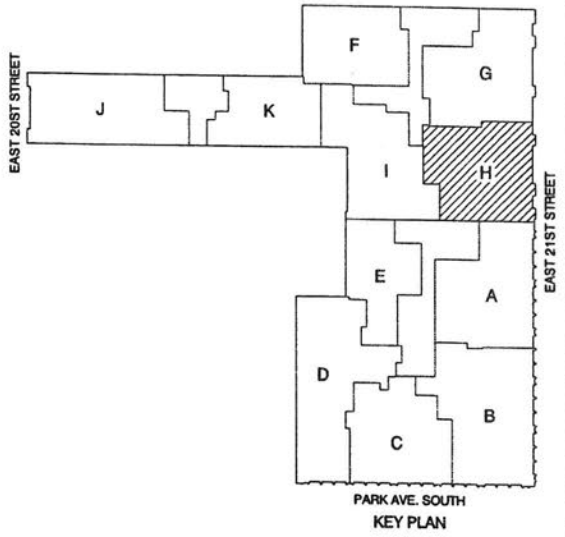
260 PARK AVE. SOUTH

UNIT 9H
2 BEDROOMS
2.5 BATHS

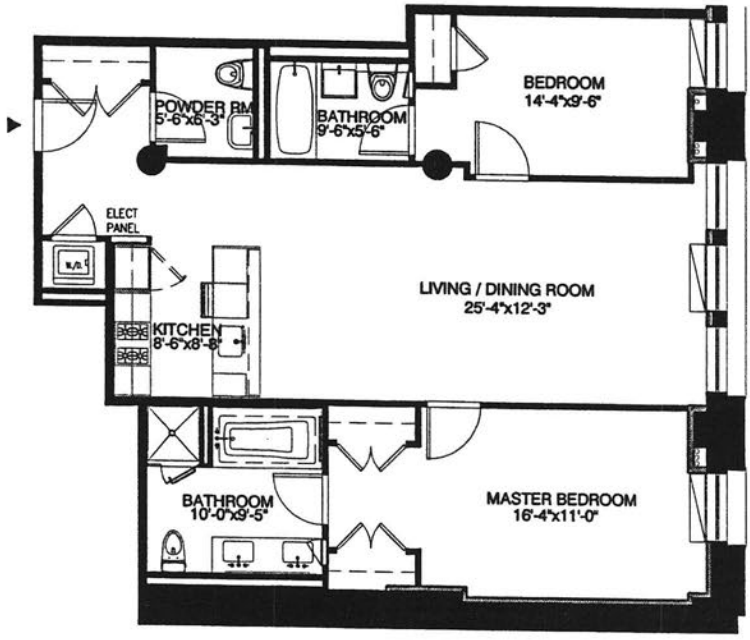
APARTMENT
AREA
1,281 SF

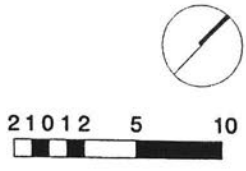
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KEY PLAN



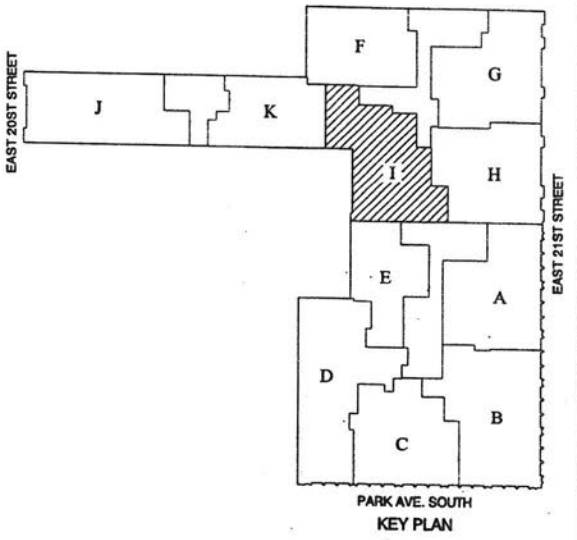


260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

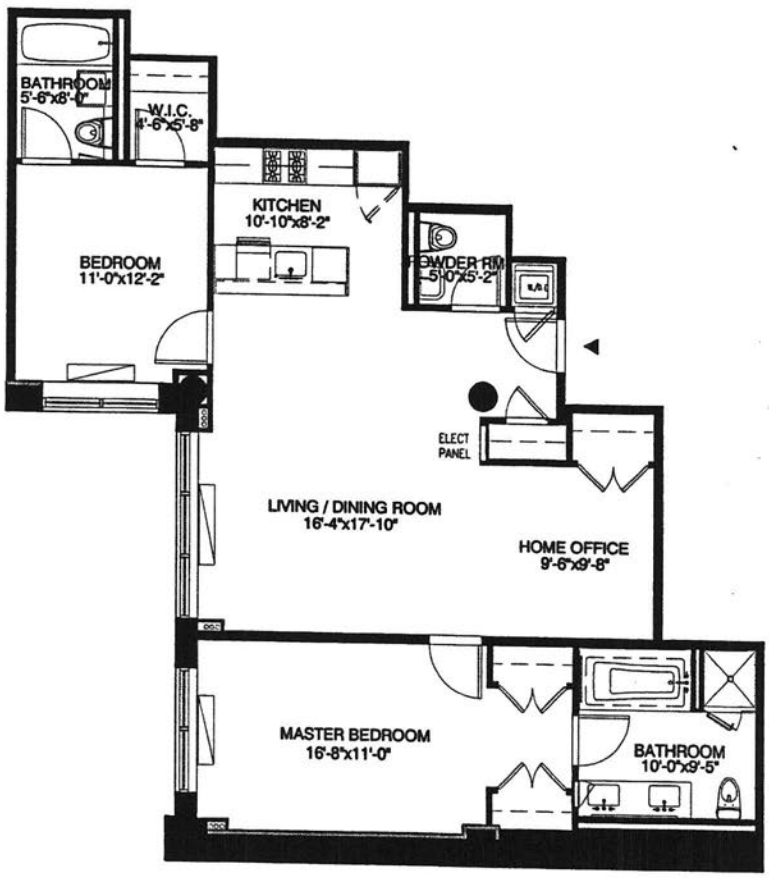
UNIT 9 I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

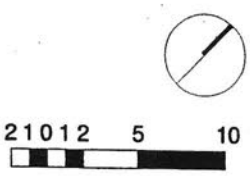
APARTMENT
AREA
1,328 SF



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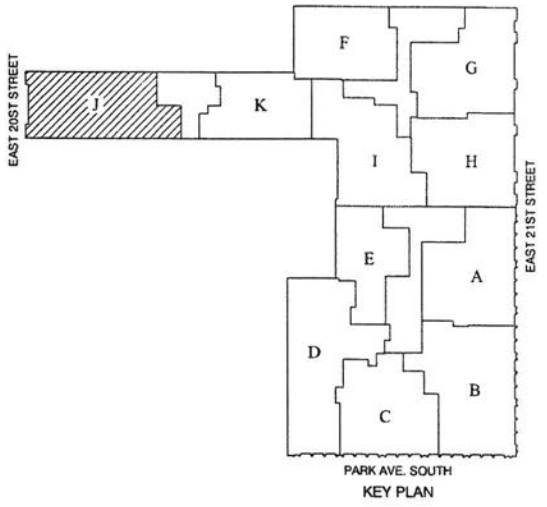
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 9J / 10J
DUPLEX
2 BEDROOM
HOME OFFICE
2.5 BATHS

APARTMENT
AREA

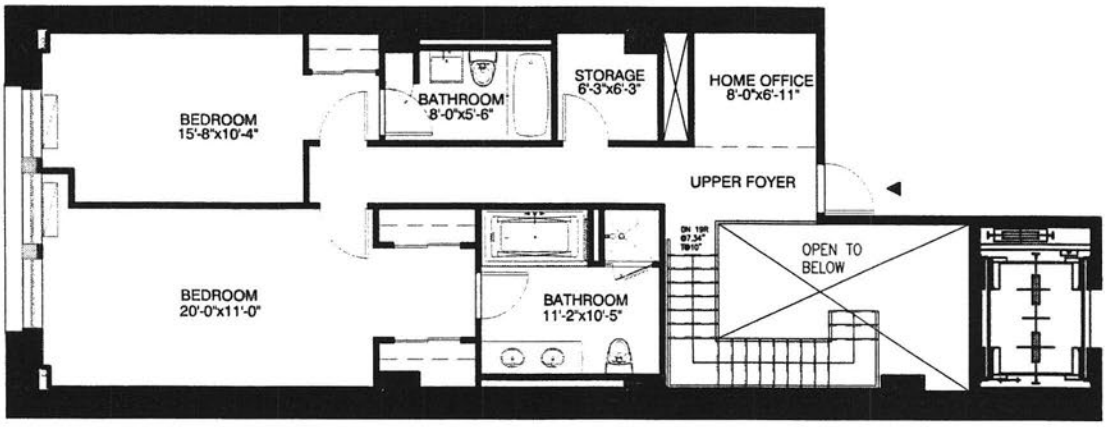
2,525 SF



KEY PLAN

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UPPER DUPLEX



LOWER DUPLEX

21012 5 10

260 PARK AVE. SOUTH
NEW YORK, NEW YORK

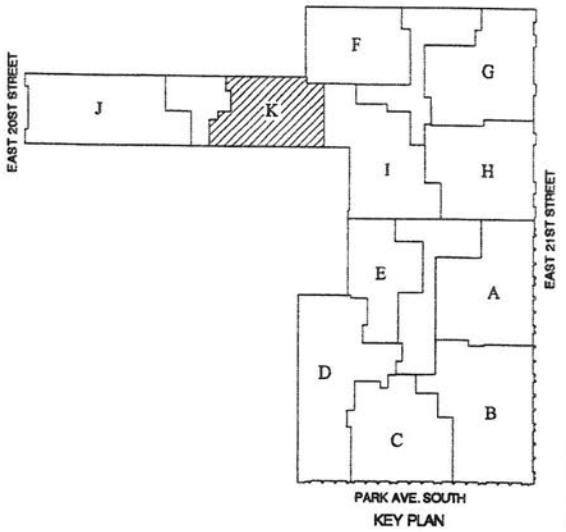
260 PARK AVE. SOUTH

UNIT 9K
1 BEDROOM
1 BATH

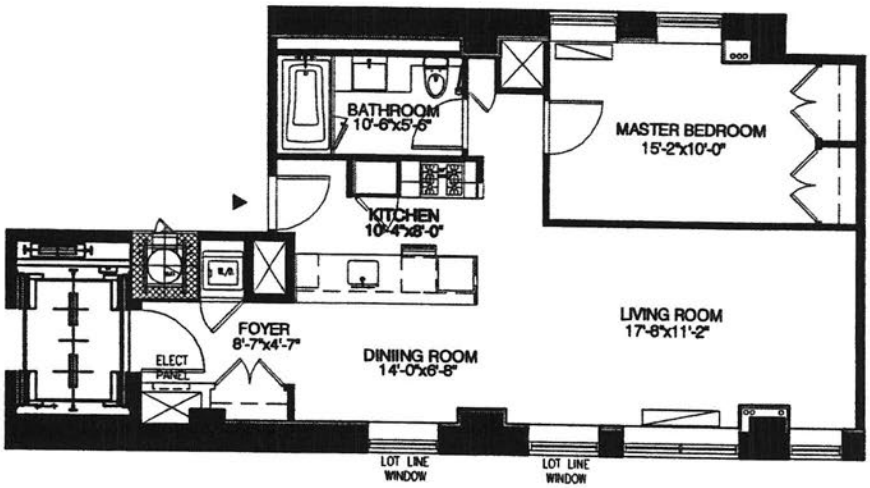
APARTMENT
AREA
917 SF

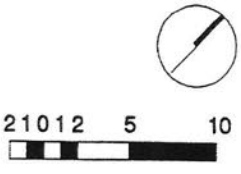
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

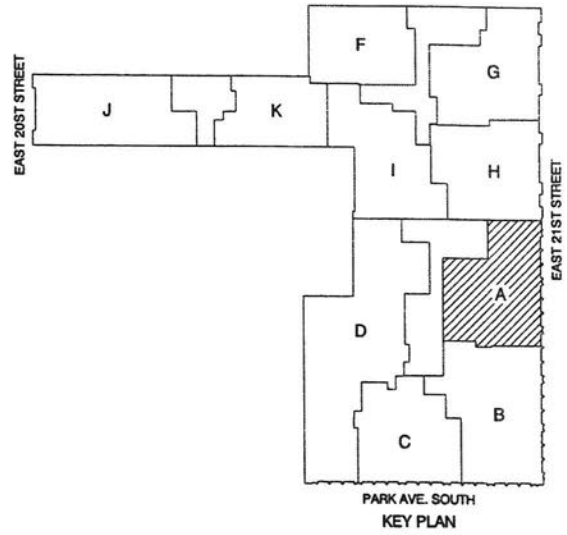
260 PARK AVE. SOUTH

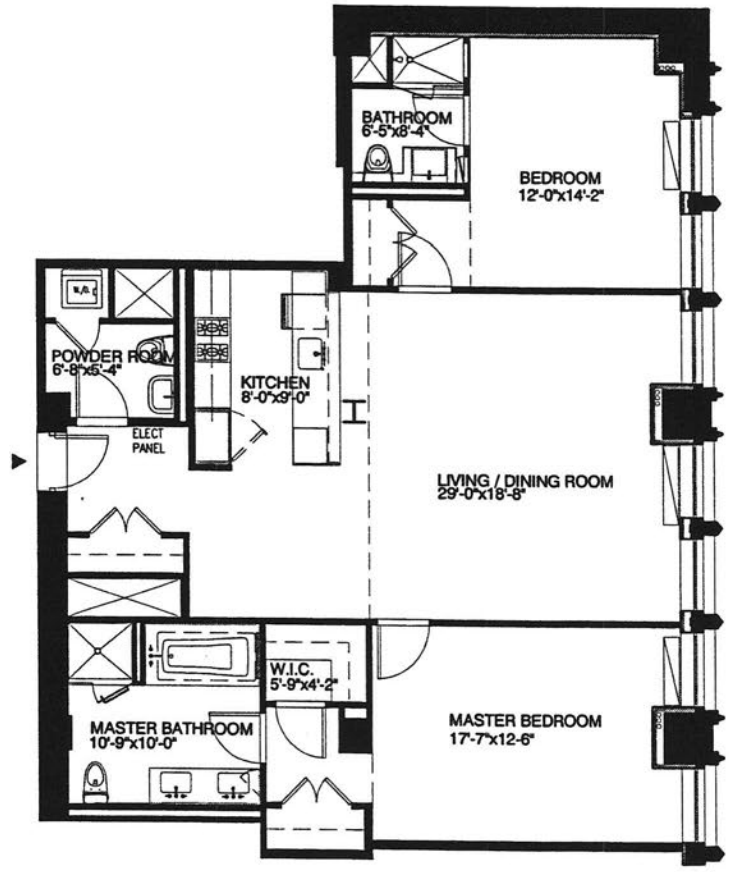
UNIT 10A
2 BEDROOMS
2.5 BATHS

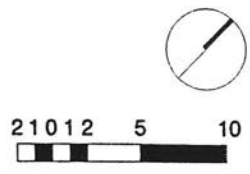
APARTMENT
AREA
1,535 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

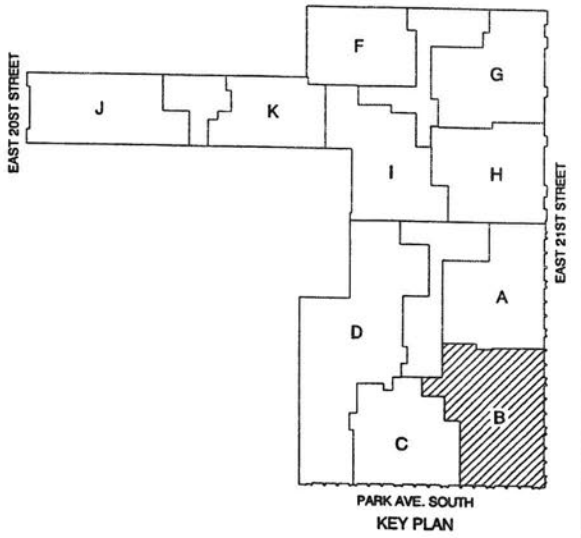
UNIT 10B
2 BEDROOMS
(OPTION-3 BEDROOMS)

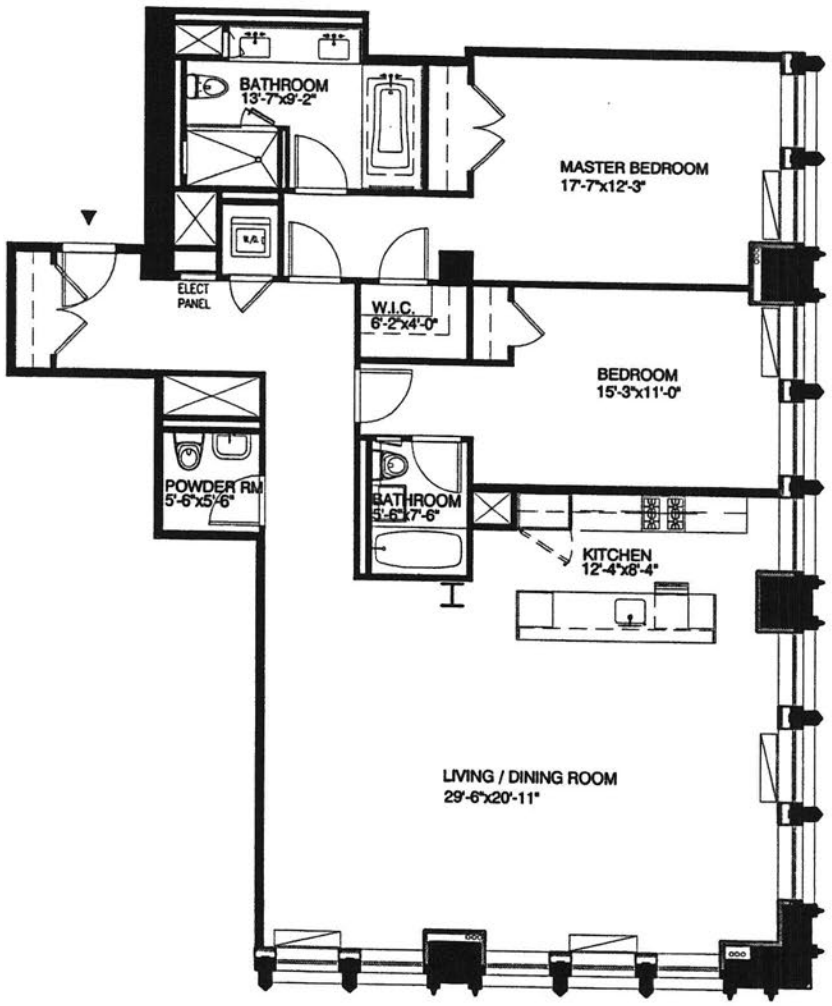
2.5 BATHS

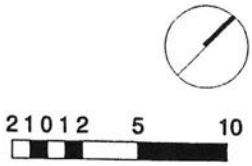
APARTMENT
AREA
1,880 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

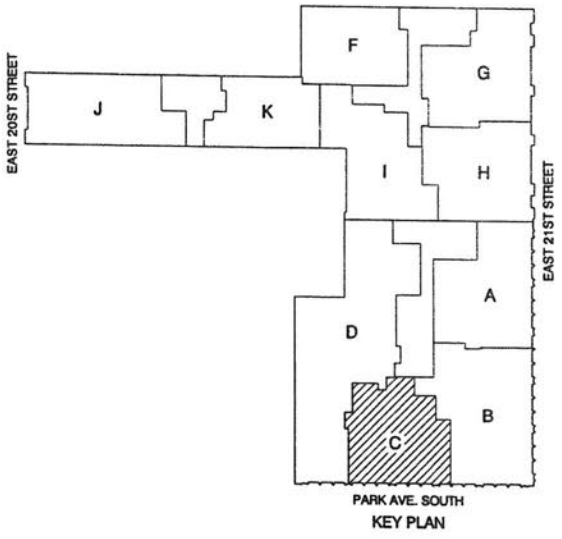
260 PARK AVE. SOUTH

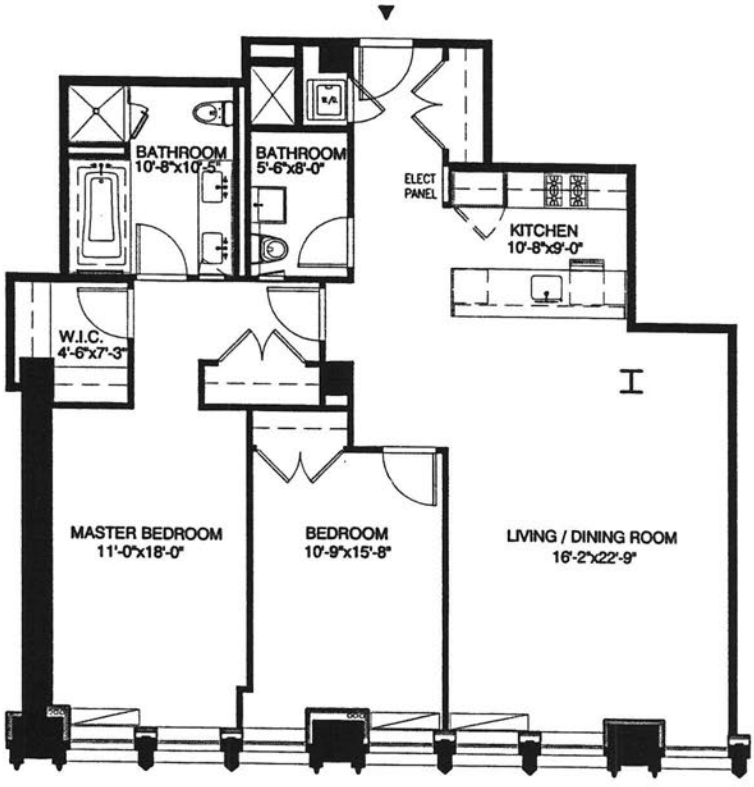
UNIT 10C
2 BEDROOMS
2 BATHS

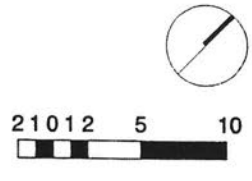
APARTMENT
AREA
1,407 SF

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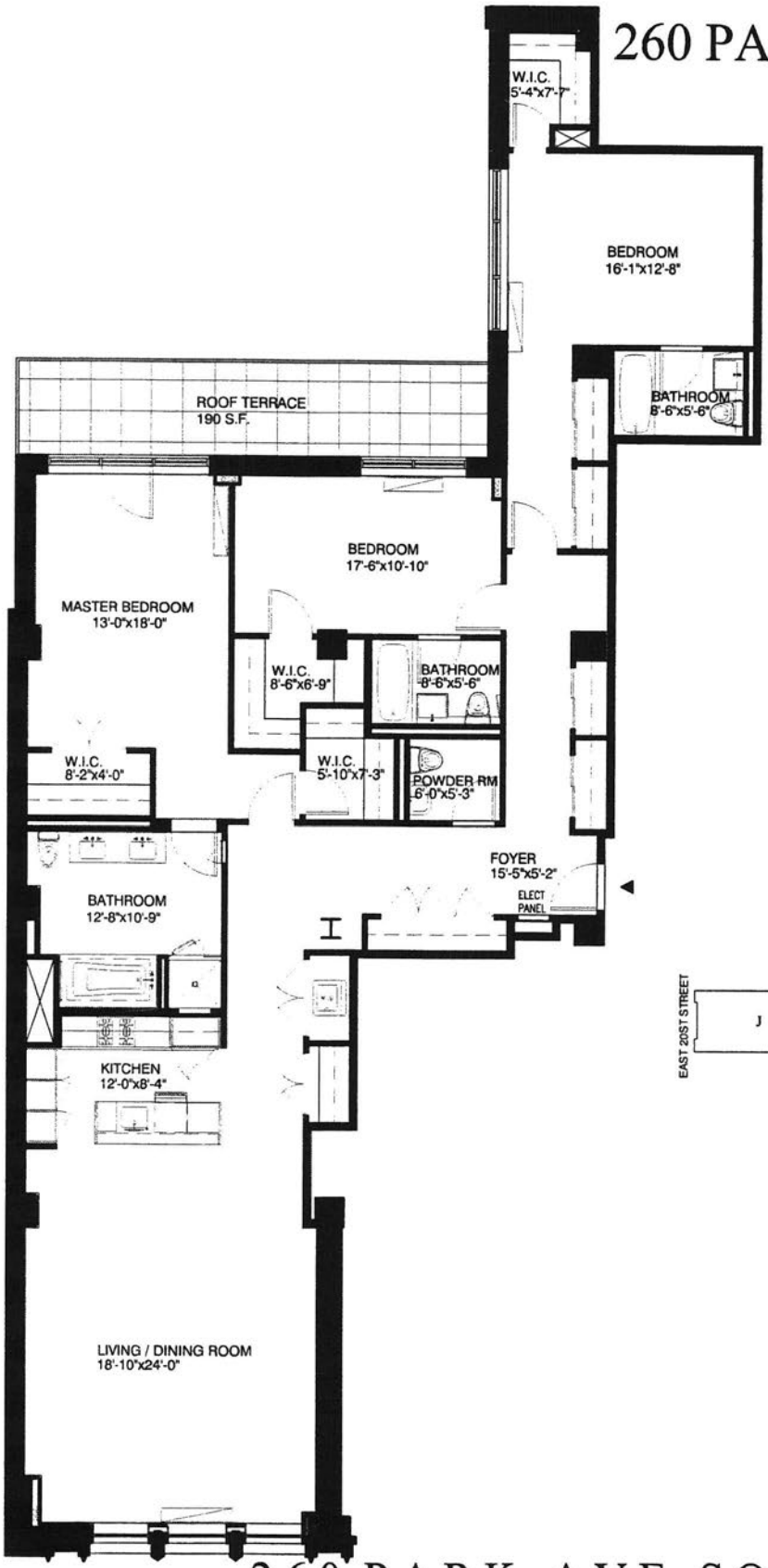






260 PARK AVE. SOUTH
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260 PARK AVE. SOUTH



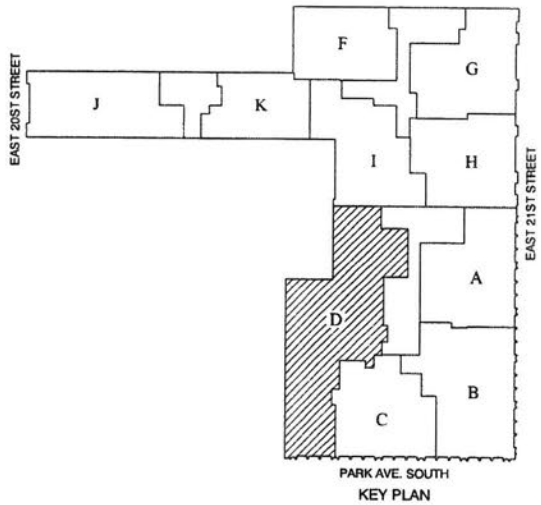
UNIT 10D
3 BEDROOMS
3.5 BATHS

APARTMENT AREA
2,466 SF

TERRACE AREA
190 SF

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KEY PLAN



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

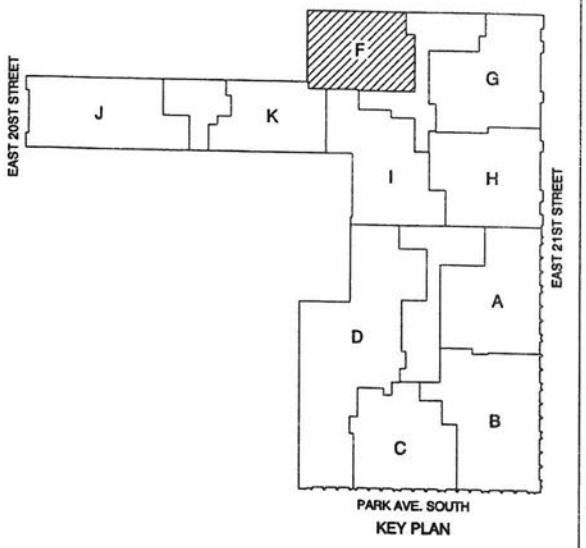
260 PARK AVE. SOUTH

UNIT 10F
1 BEDROOM
1.5 BATHS

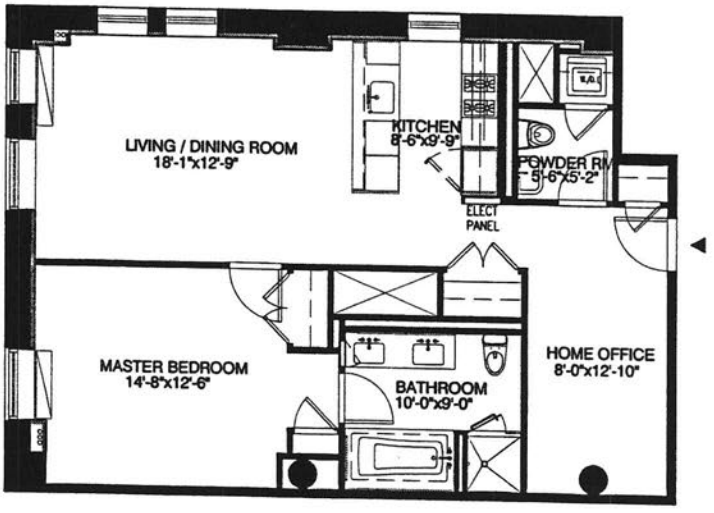
APARTMENT
AREA
1,037 SF

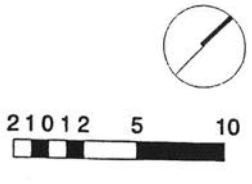
All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

We reserve the right to make changes due to unforeseen conditions, in accordance with the offering plan.



KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

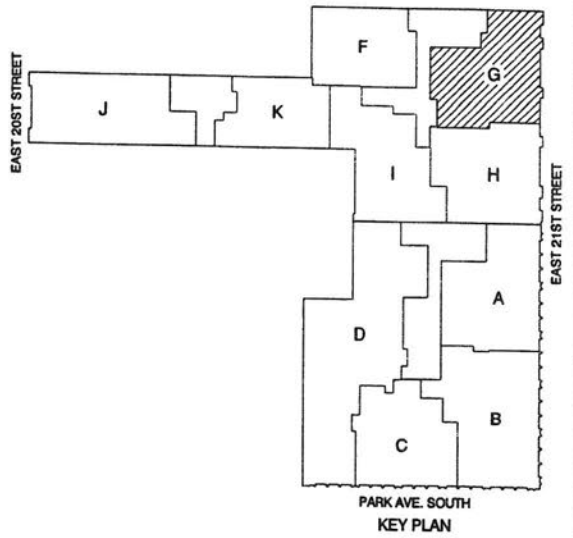
260 PARK AVE. SOUTH

UNIT 10G
2 BEDROOMS
2.5 BATHS

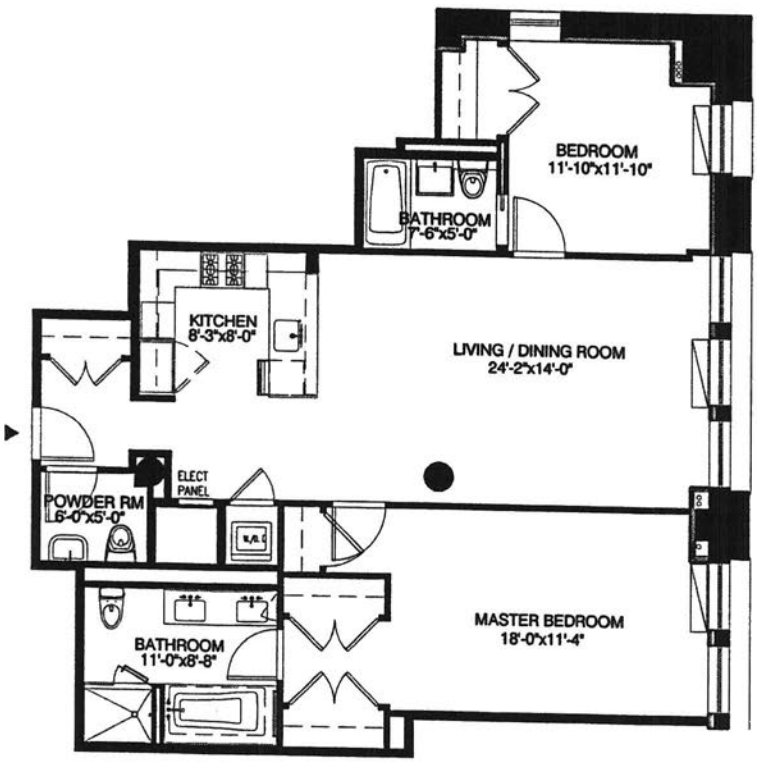
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

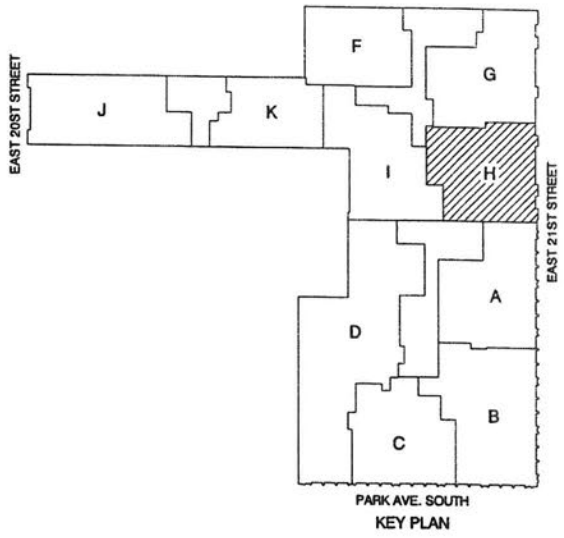
260 PARK AVE. SOUTH

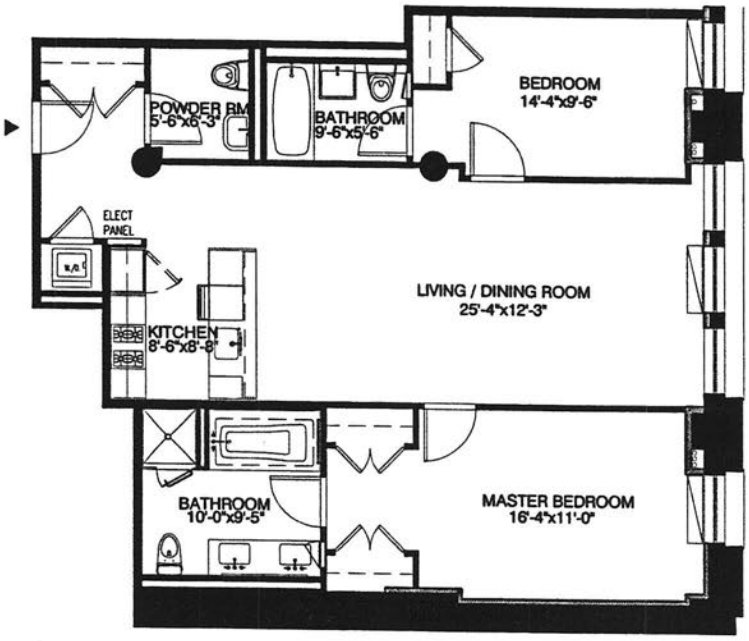
UNIT 10H
2 BEDROOMS
2.5 BATHS

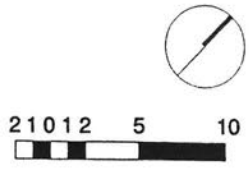
APARTMENT
AREA
1,281 SF

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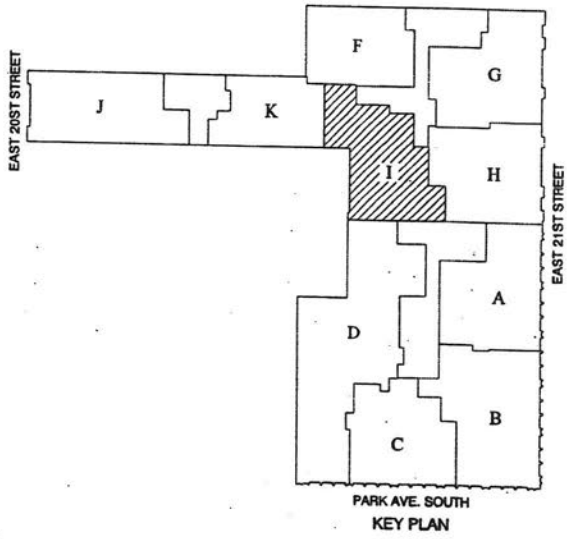
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

UNIT 10I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

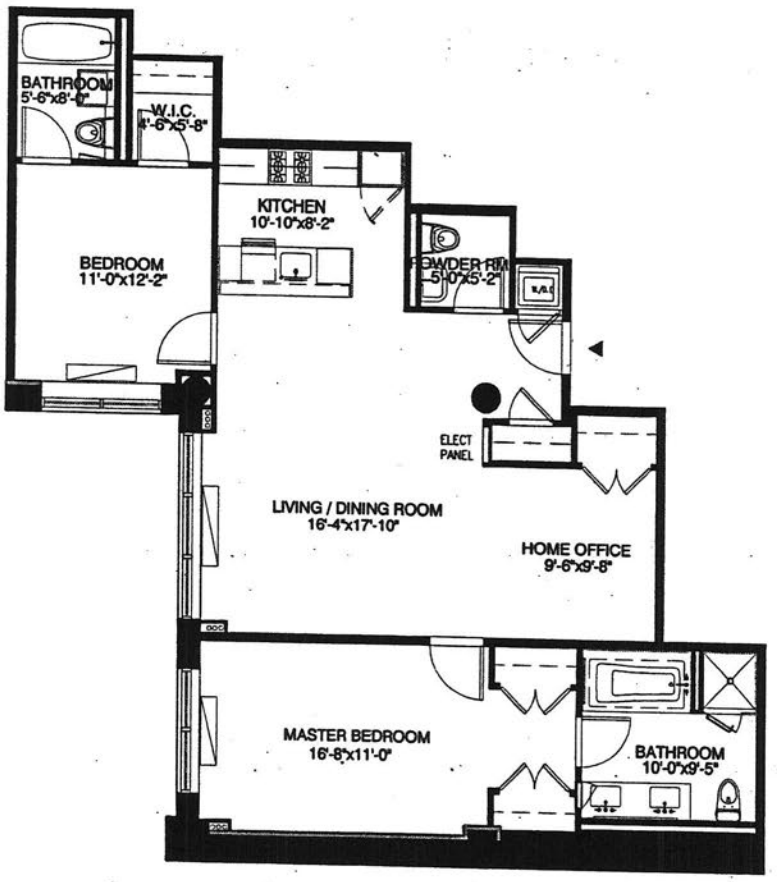
APARTMENT
AREA

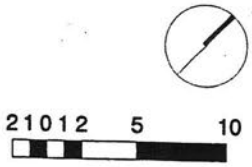
1,328 SF



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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

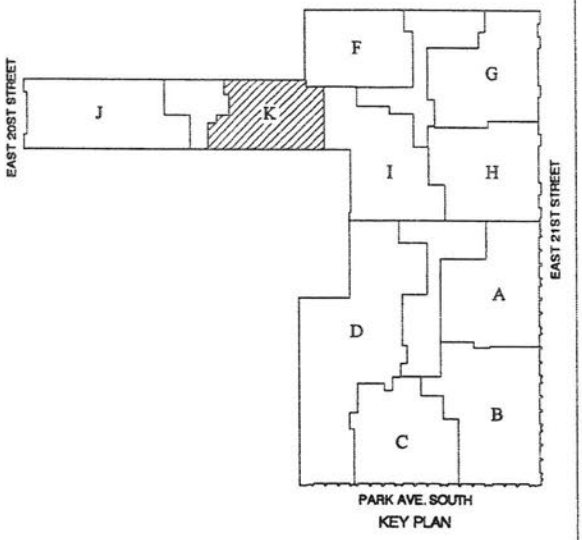
260 PARK AVE. SOUTH

UNIT 10K
1 BEDROOM
1 BATH

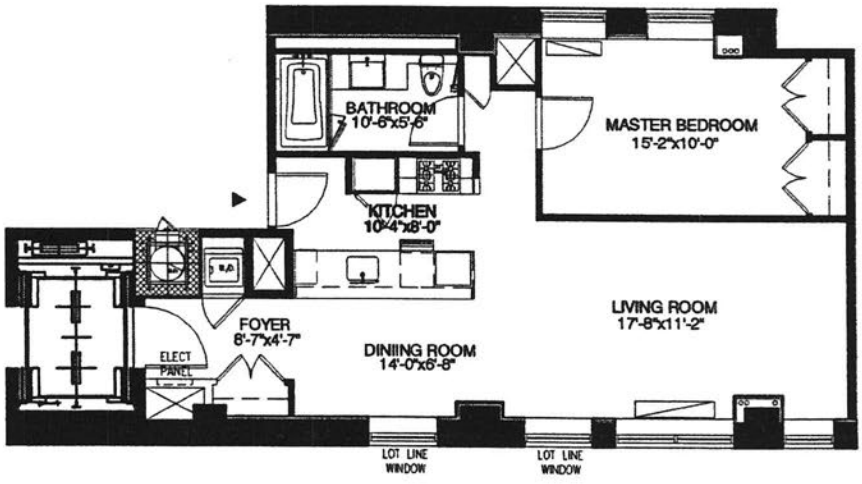
APARTMENT
AREA
917 SF

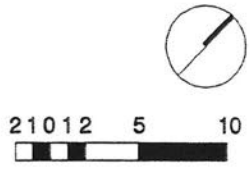
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

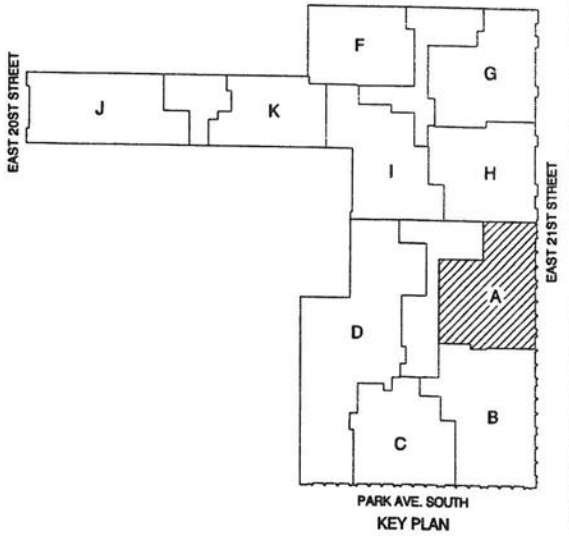
260 PARK AVE. SOUTH

UNIT 11A
2 BEDROOMS
2.5 BATHS

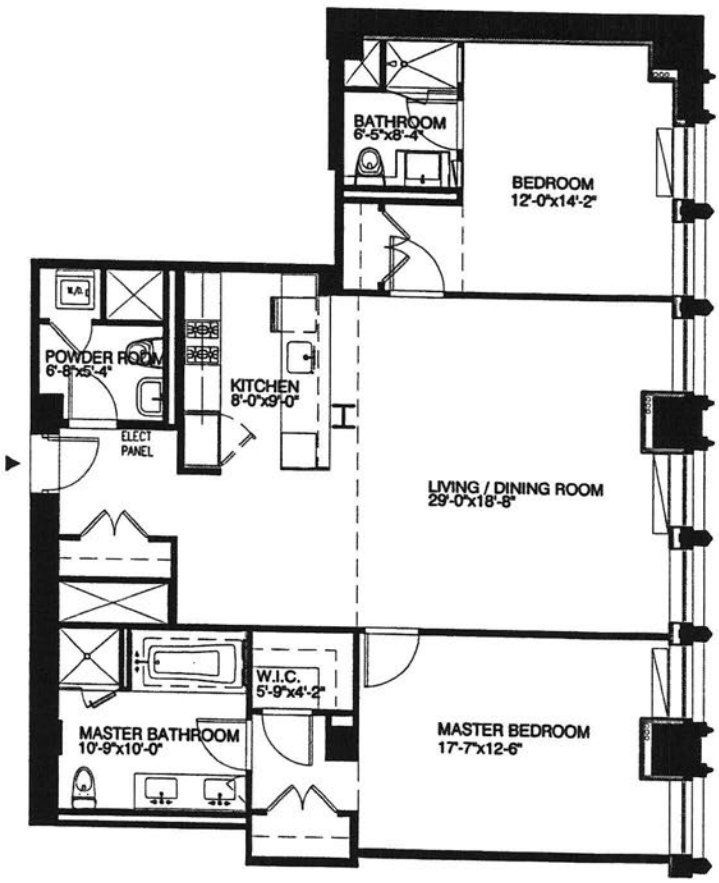
APARTMENT
AREA
1,535 SF

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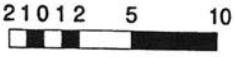
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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

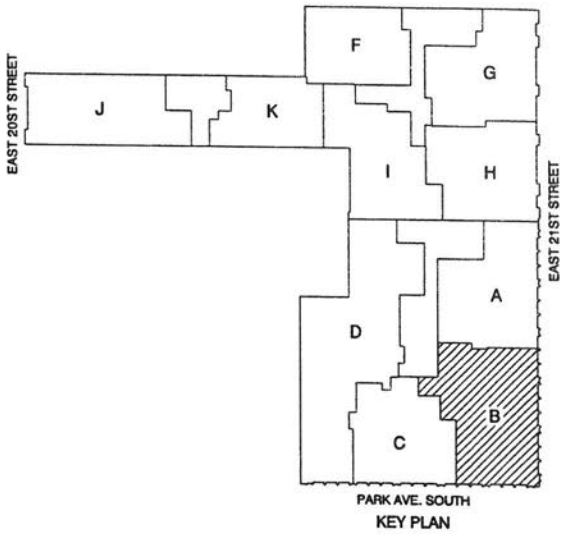
UNIT 11B
2 BEDROOMS
(OPTION-3 BEDROOMS)

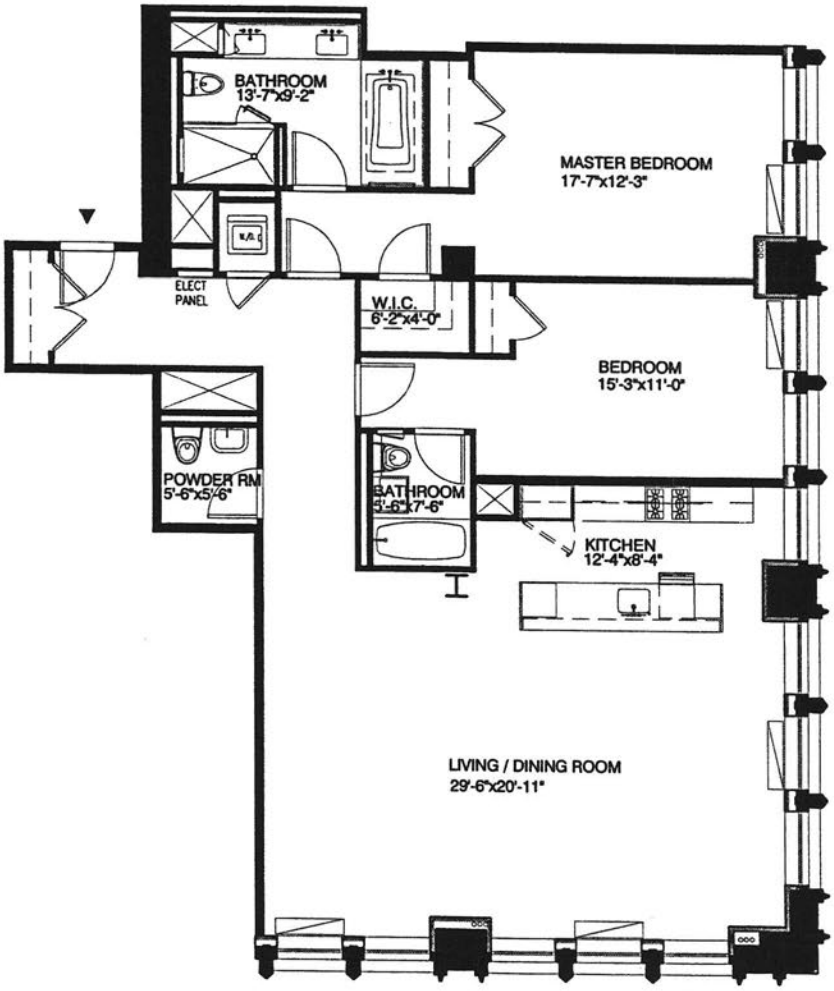
2.5 BATHS

APARTMENT
AREA
1,880 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

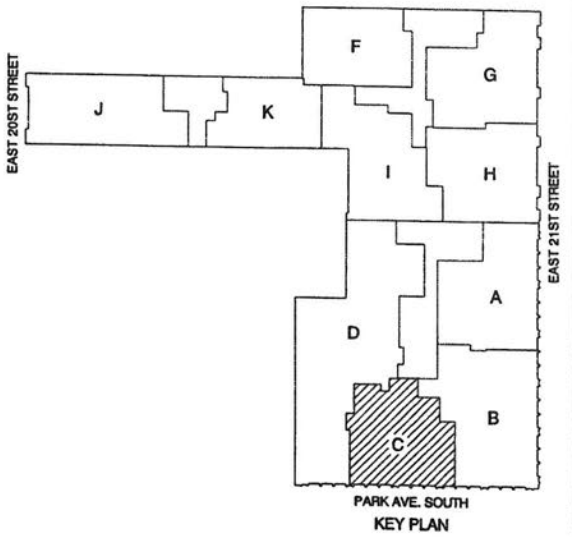
260 PARK AVE. SOUTH

UNIT 11C
2 BEDROOMS
2 BATHS

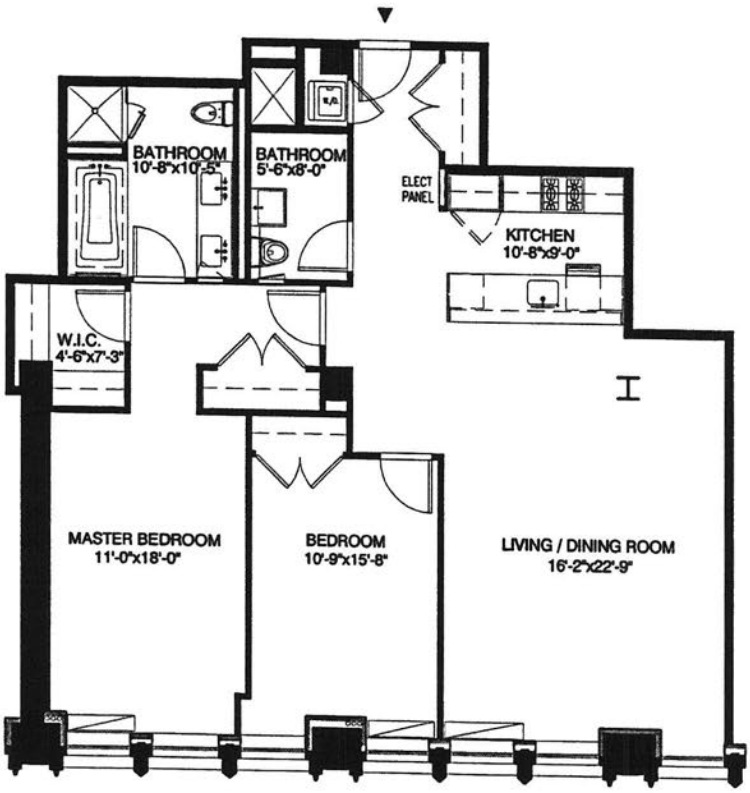
APARTMENT
AREA
1,407 SF

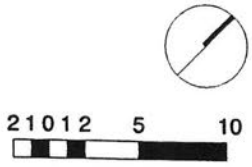
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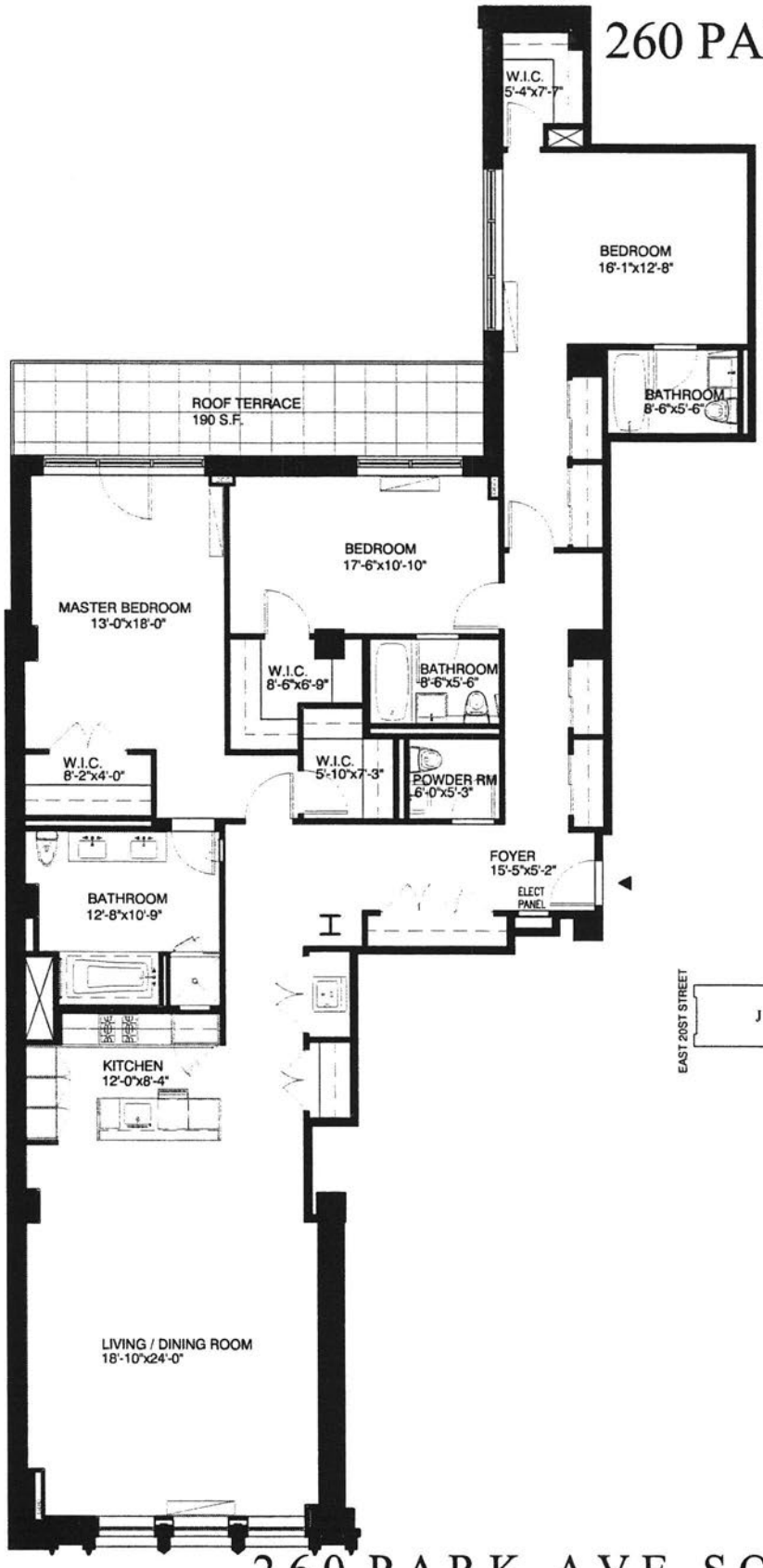
KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH



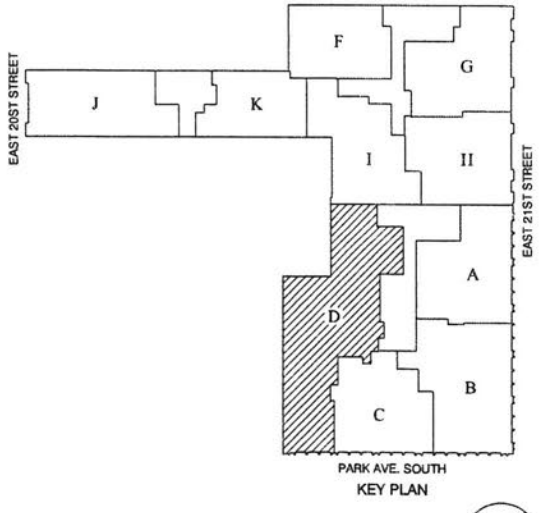
UNIT 11D
3 BEDROOMS
3.5 BATHS

APARTMENT AREA
2,466 SF

TERRACE AREA
190 SF

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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

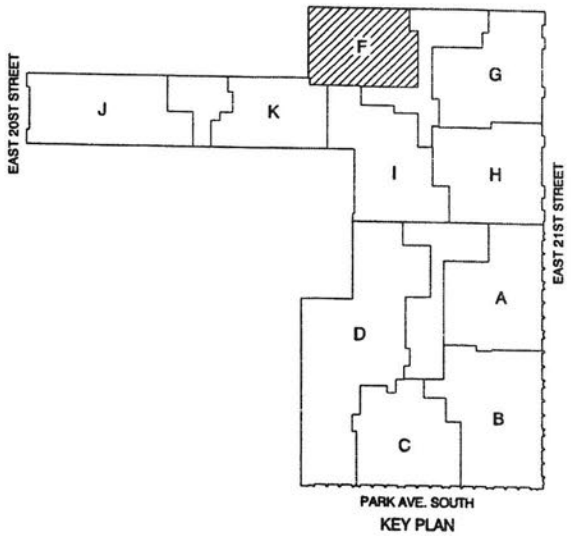
260 PARK AVE. SOUTH

UNIT 11F
1 BEDROOM
1.5 BATHS

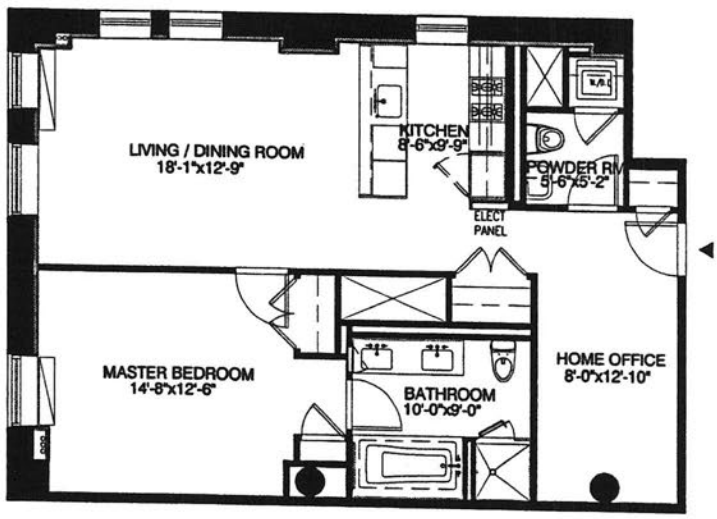
APARTMENT
AREA
1,037 SF

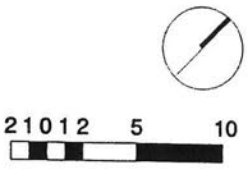
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

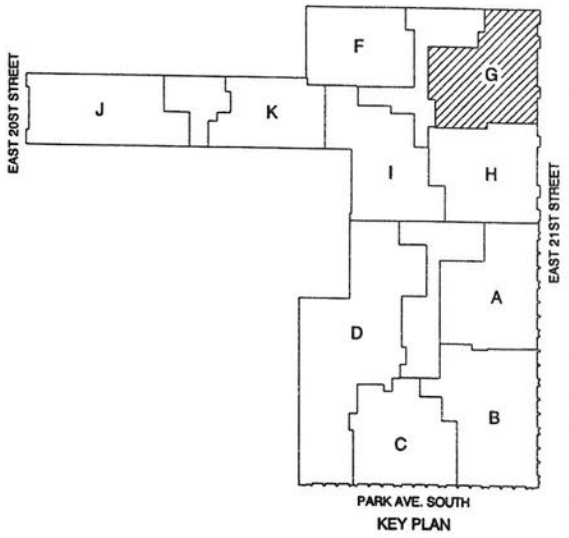
260 PARK AVE. SOUTH

UNIT 11G
2 BEDROOMS
2.5 BATHS

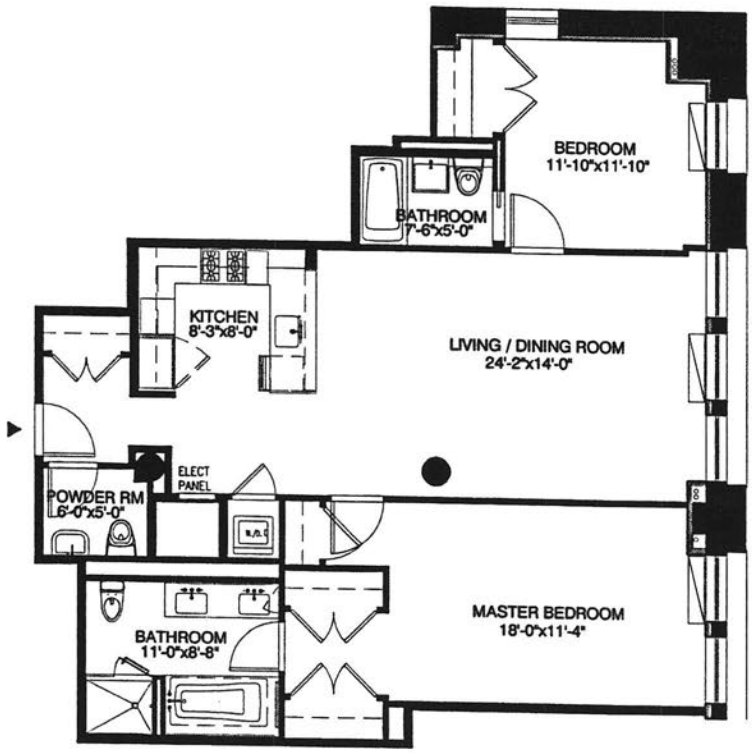
APARTMENT
AREA
1,340 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

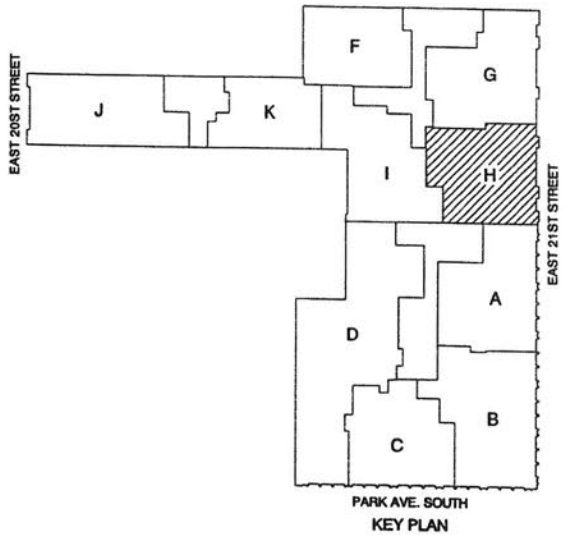
260 PARK AVE. SOUTH

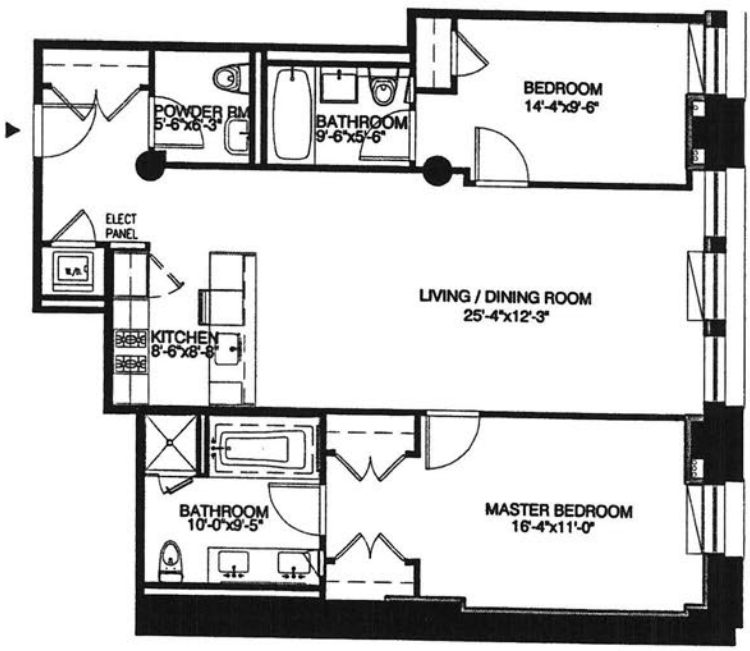
UNIT 11H
2 BEDROOMS
2.5 BATHS

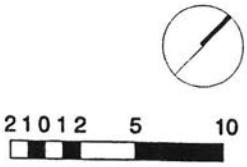
APARTMENT
AREA
1,281 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

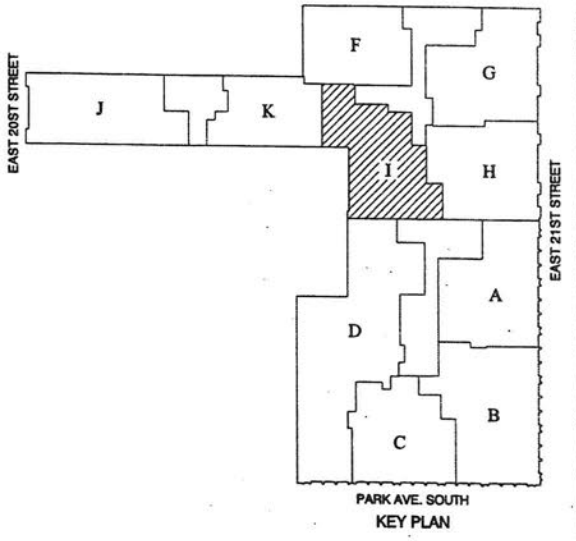
UNIT 11 I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

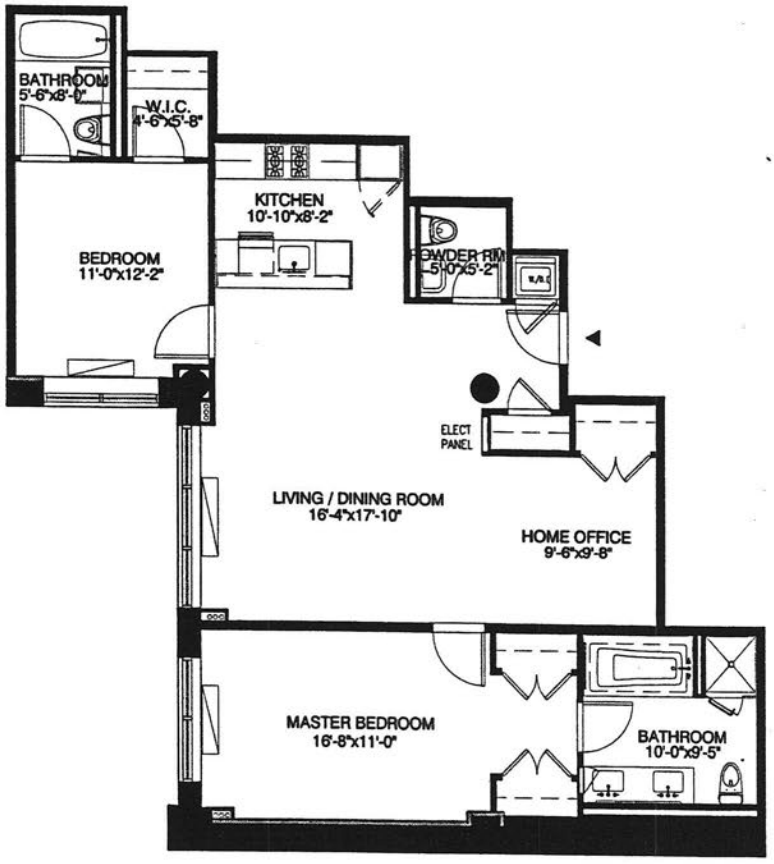
APARTMENT
AREA

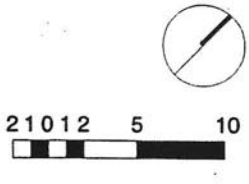
1,328 SF

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

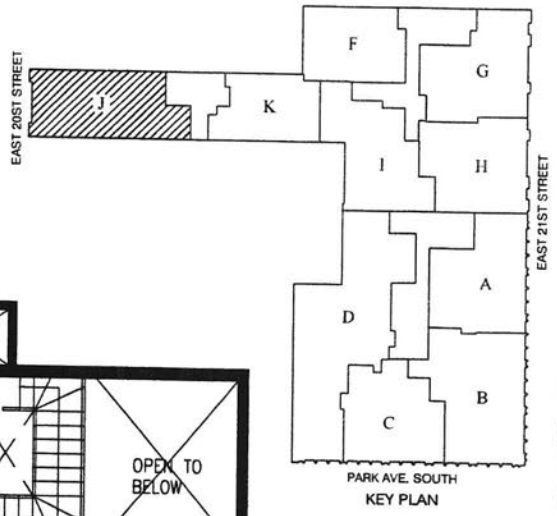
260 PARK AVE. SOUTH

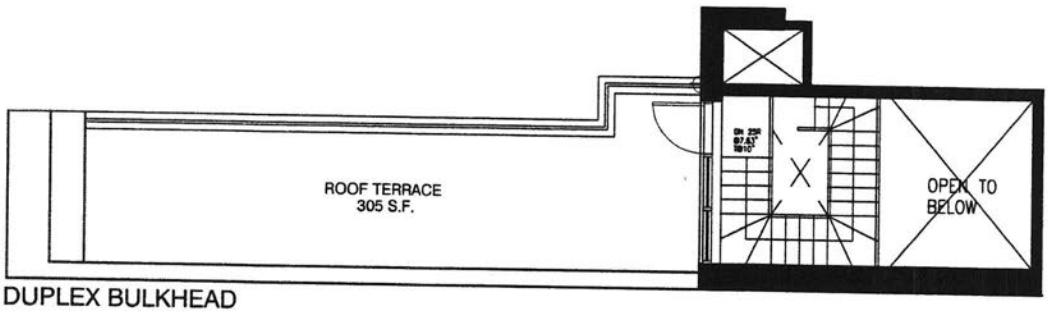
UNIT 11J / 12J
DUPLEX
2 BEDROOM
HOME OFFICE
2.5 BATHS

APARTMENT AREA
2,624 SF

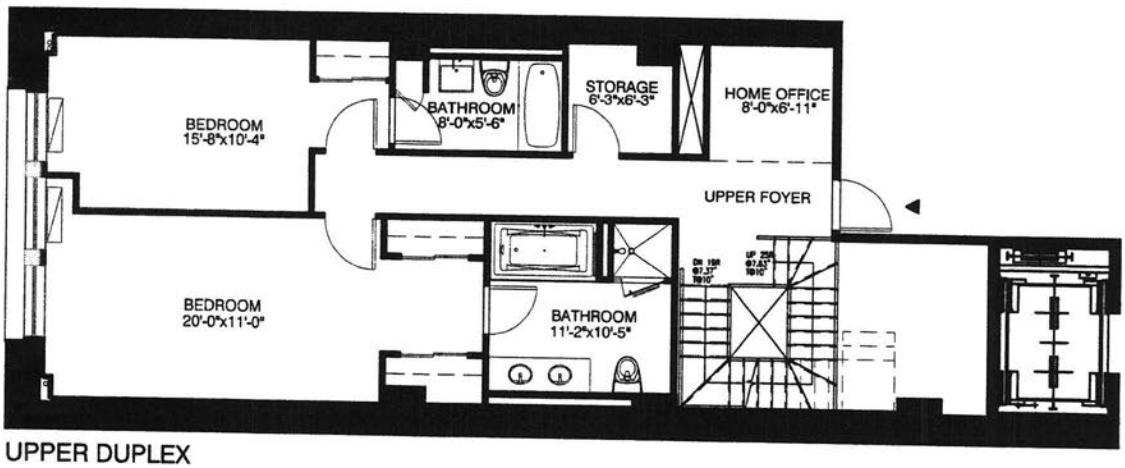
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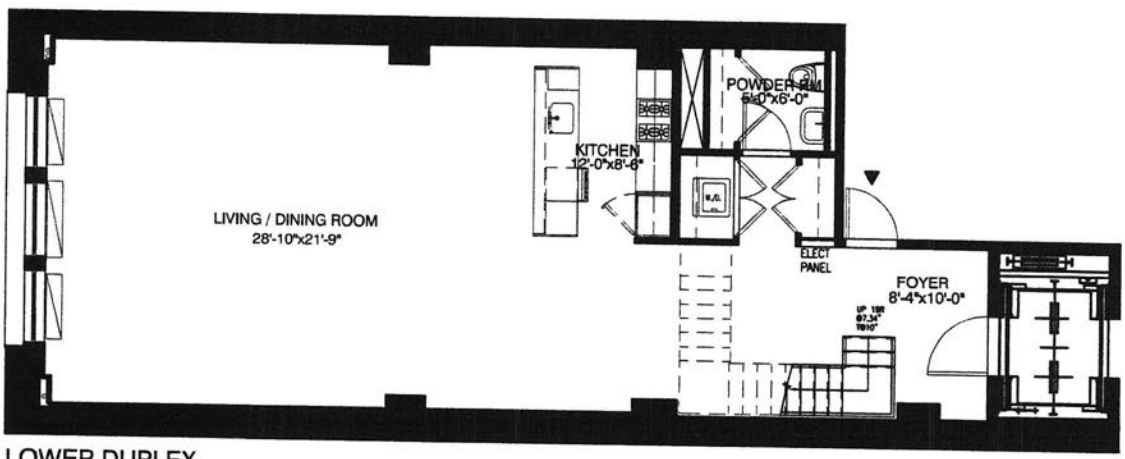




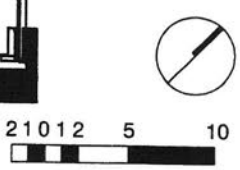
DUPLEX BULKHEAD



UPPER DUPLEX



LOWER DUPLEX



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

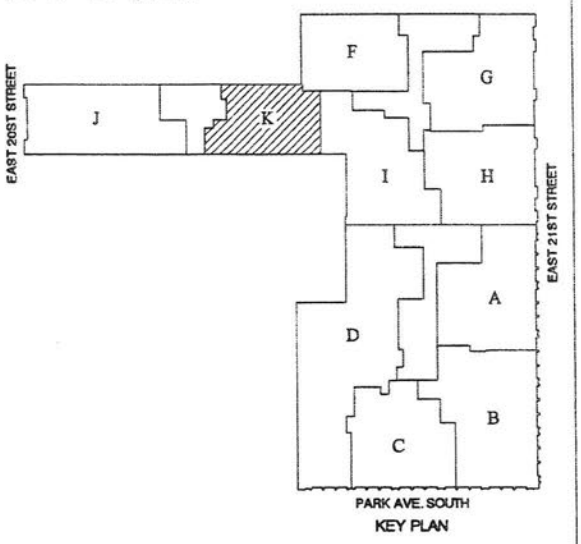
260 PARK AVE. SOUTH

UNIT 11K
1 BEDROOM
1 BATH

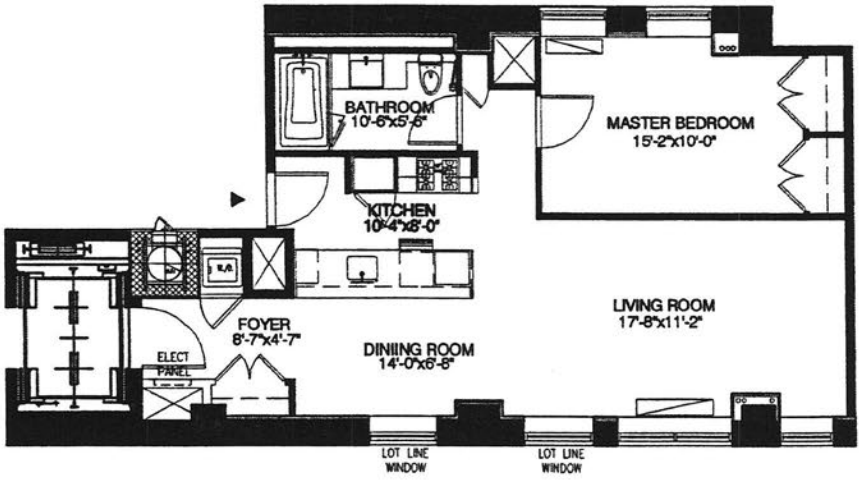
APARTMENT
AREA
917 SF

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KEY PLAN







260 PARK AVE. SOUTH
NEW YORK, NEW YORK

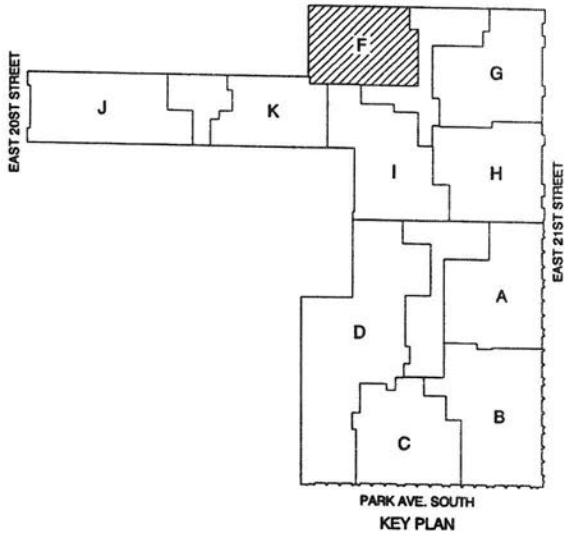
260 PARK AVE. SOUTH

UNIT 12F
1 BEDROOM
1.5 BATHS

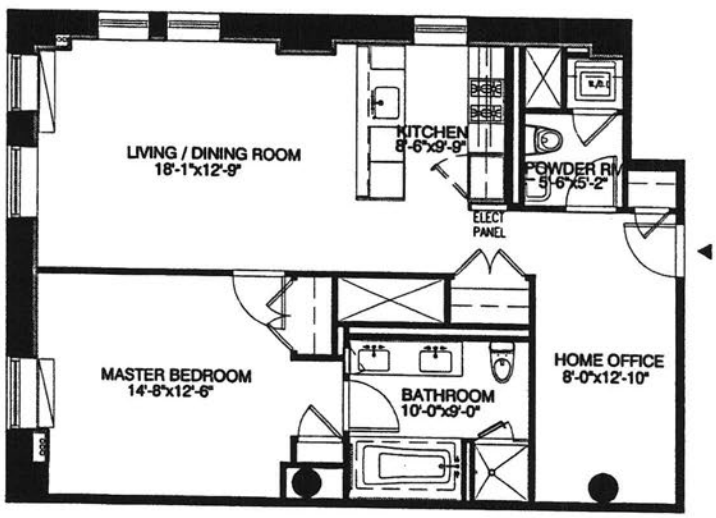
APARTMENT
AREA
1,037 SF

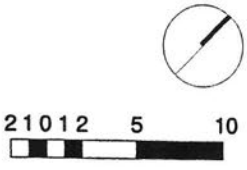
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

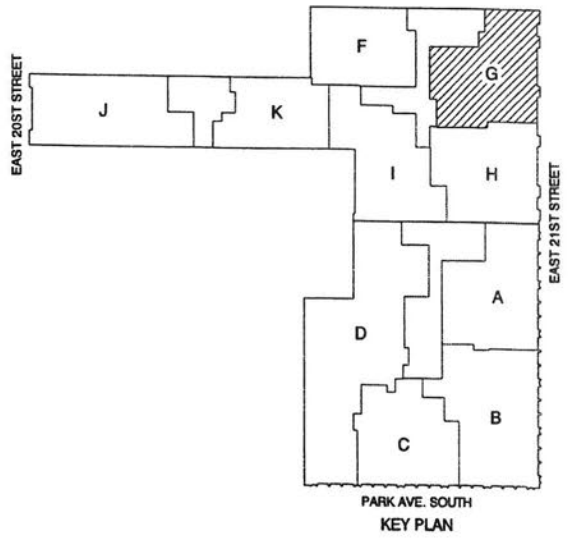
260 PARK AVE. SOUTH

UNIT 12G
2 BEDROOMS
2.5 BATHS

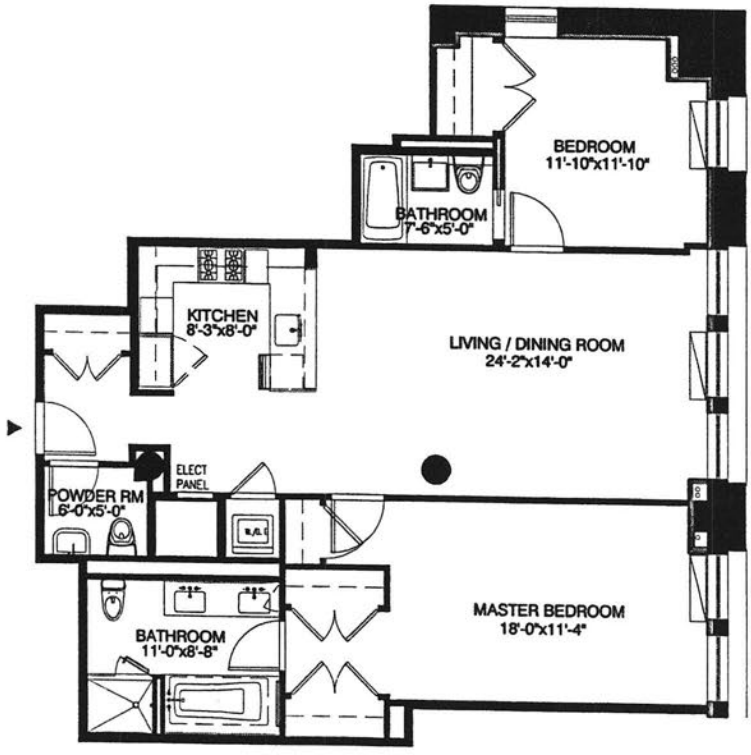
APARTMENT
AREA
1,340 SF

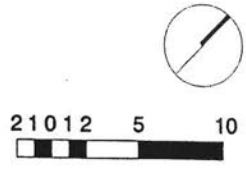
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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

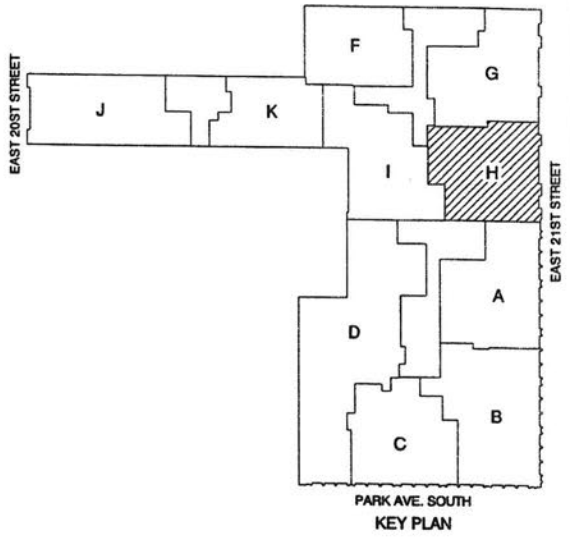
260 PARK AVE. SOUTH

UNIT 12H
2 BEDROOMS
2.5 BATHS

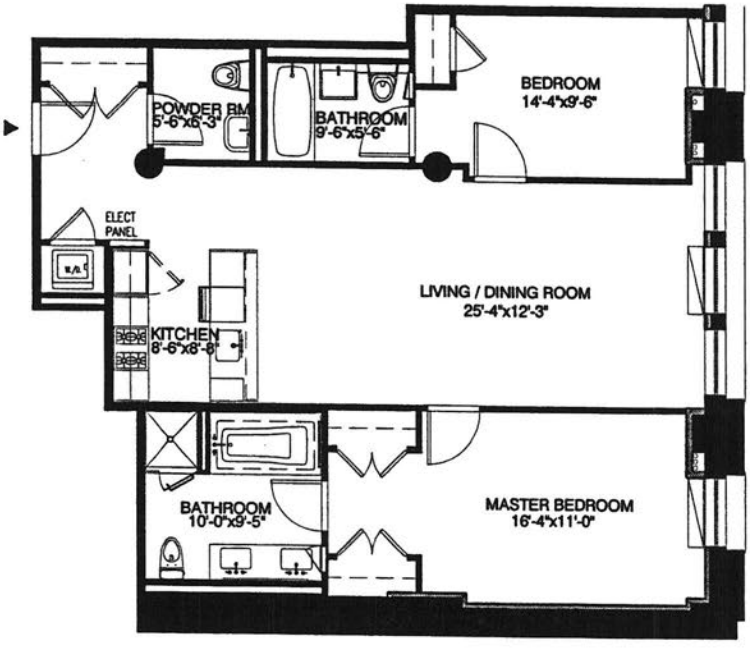
APARTMENT
AREA
1,281 SF

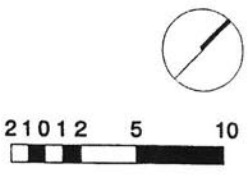
All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

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KEY PLAN





260 PARK AVE. SOUTH
NEW YORK, NEW YORK

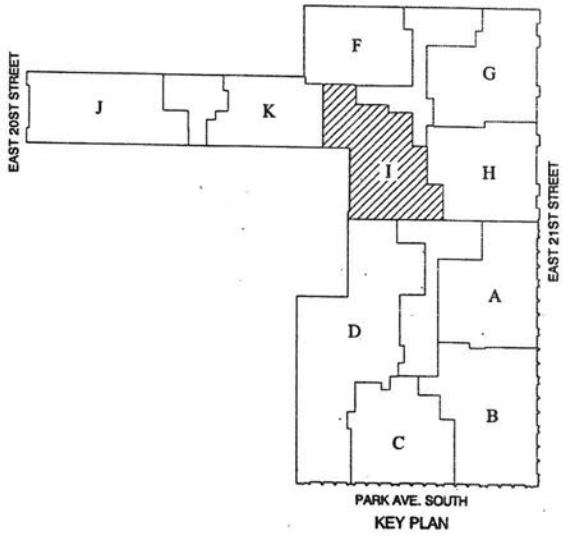
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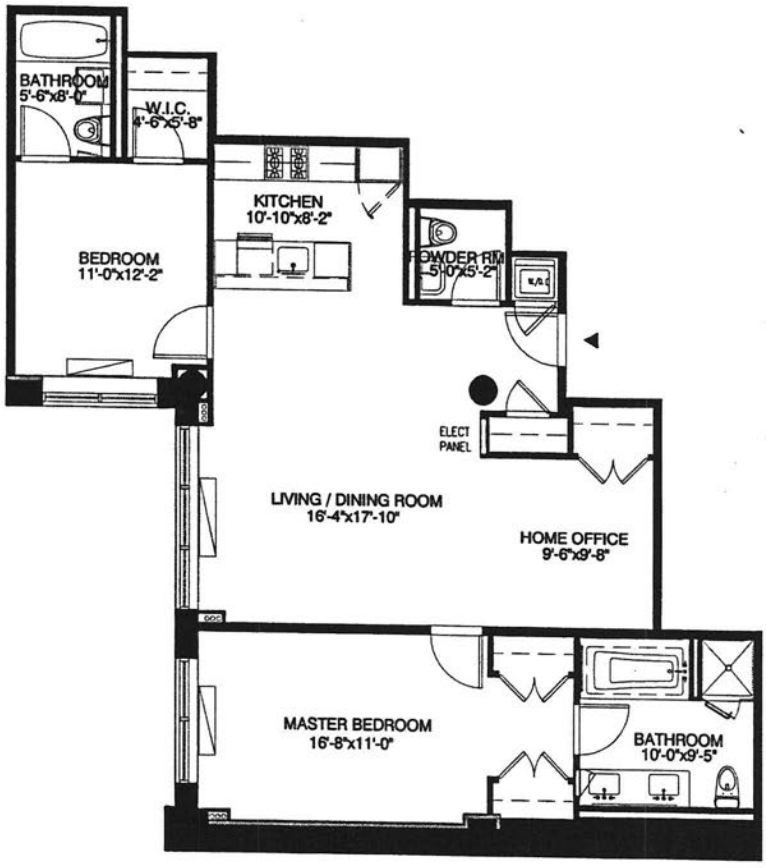
UNIT 12I
2 BEDROOMS
HOME OFFICE
2.5 BATHS

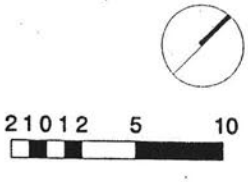
APARTMENT
AREA
1,328 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

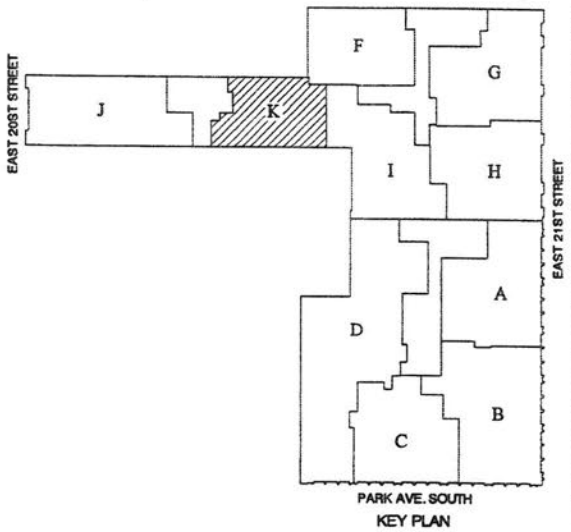
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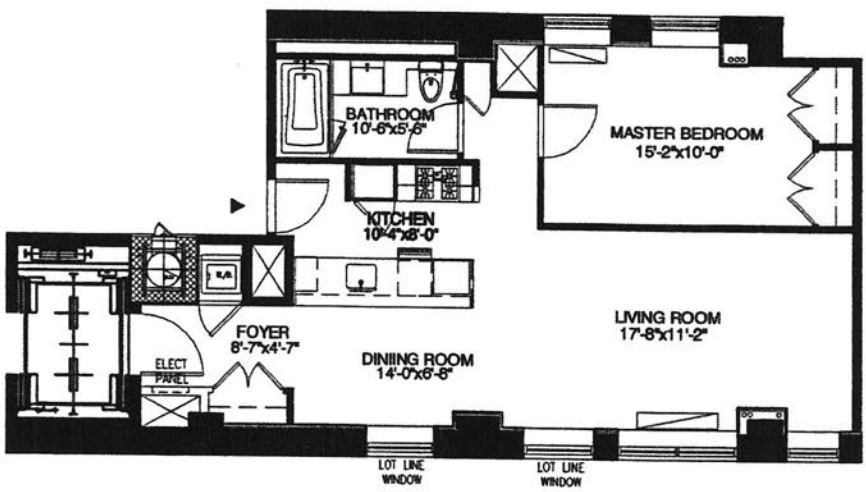
UNIT 12K
1 BEDROOM
1 BATH

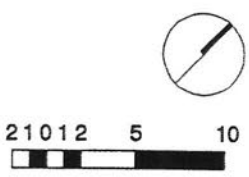
APARTMENT
AREA
917 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

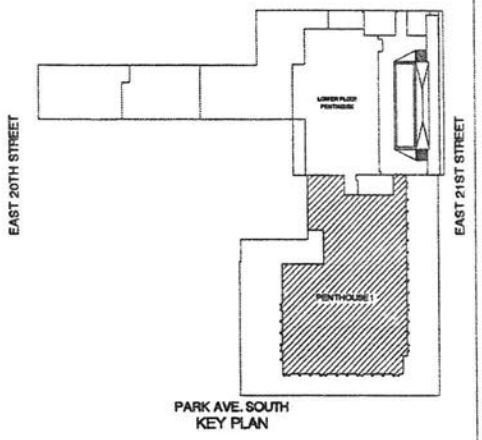
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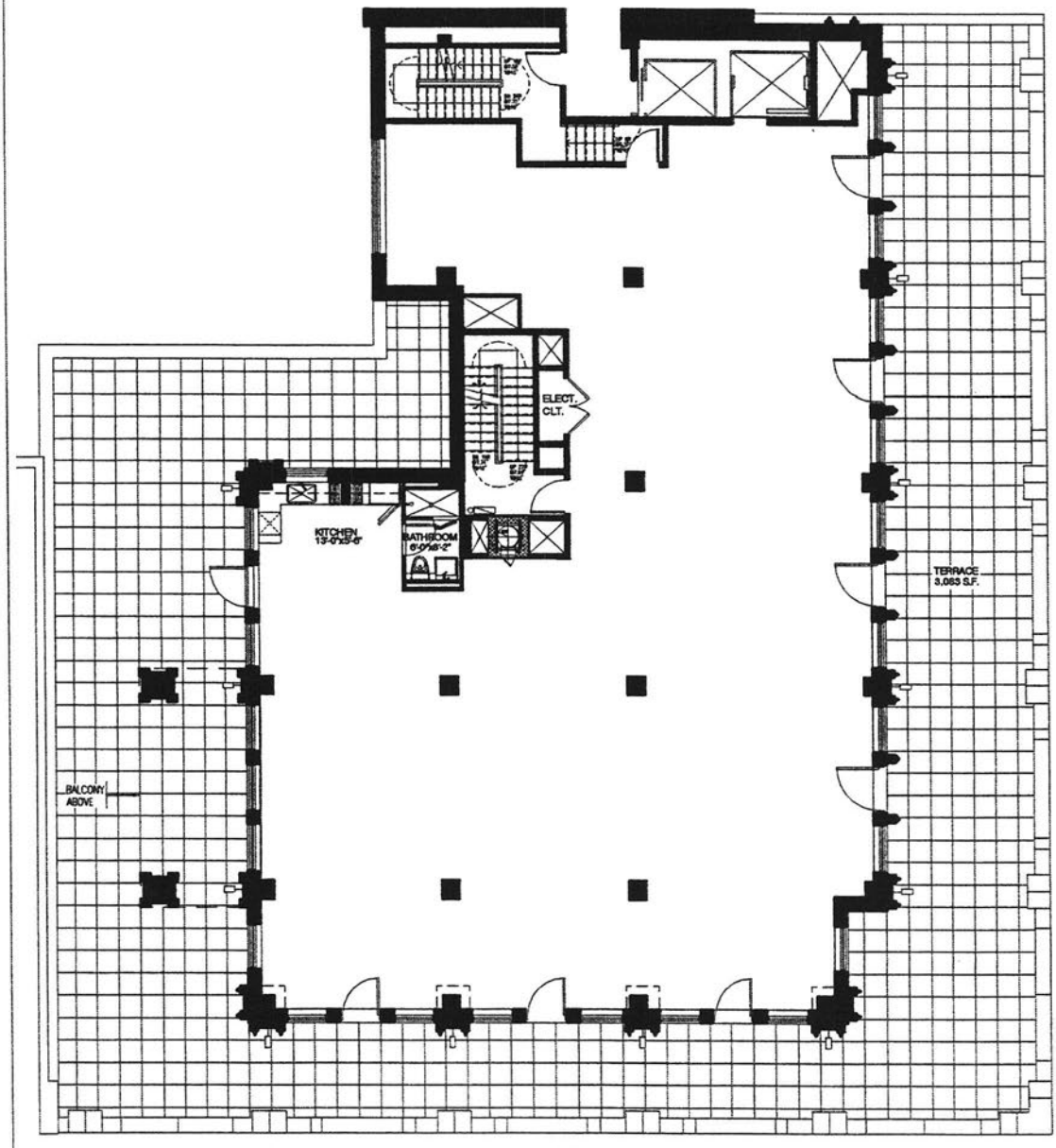
PENTHOUSE 1A

APARTMENT AREA	TERRACE AREA
4,017 SF	3,083 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

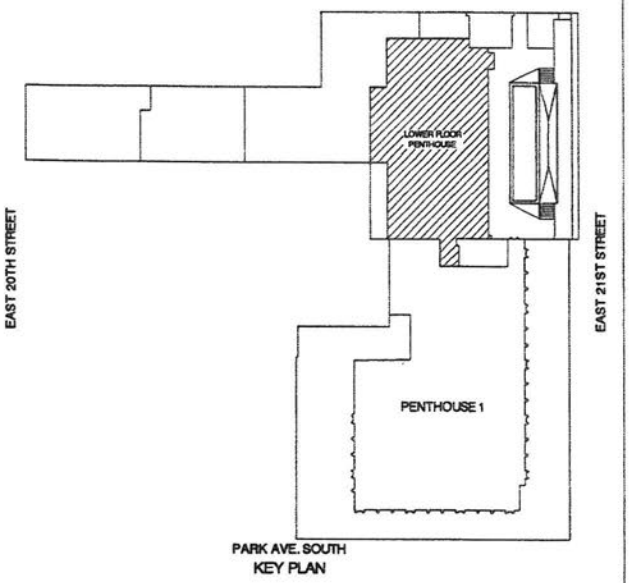
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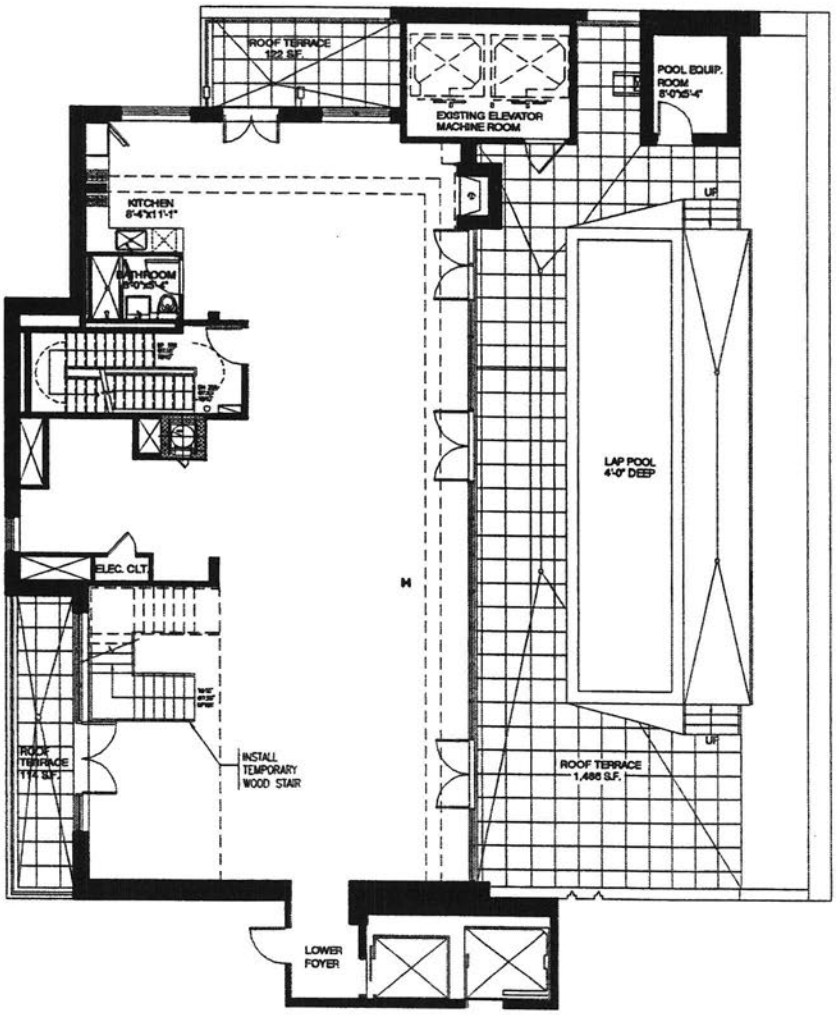
LOWER
PENTHOUSE 1B/2B

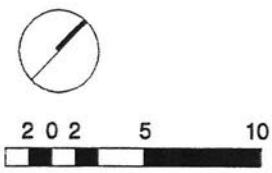
APARTMENT AREA	TERRACE AREA
2,258 SF	1,722 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

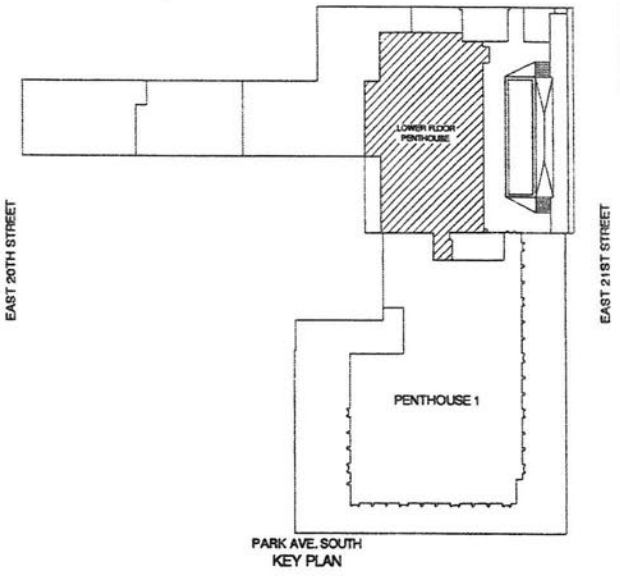
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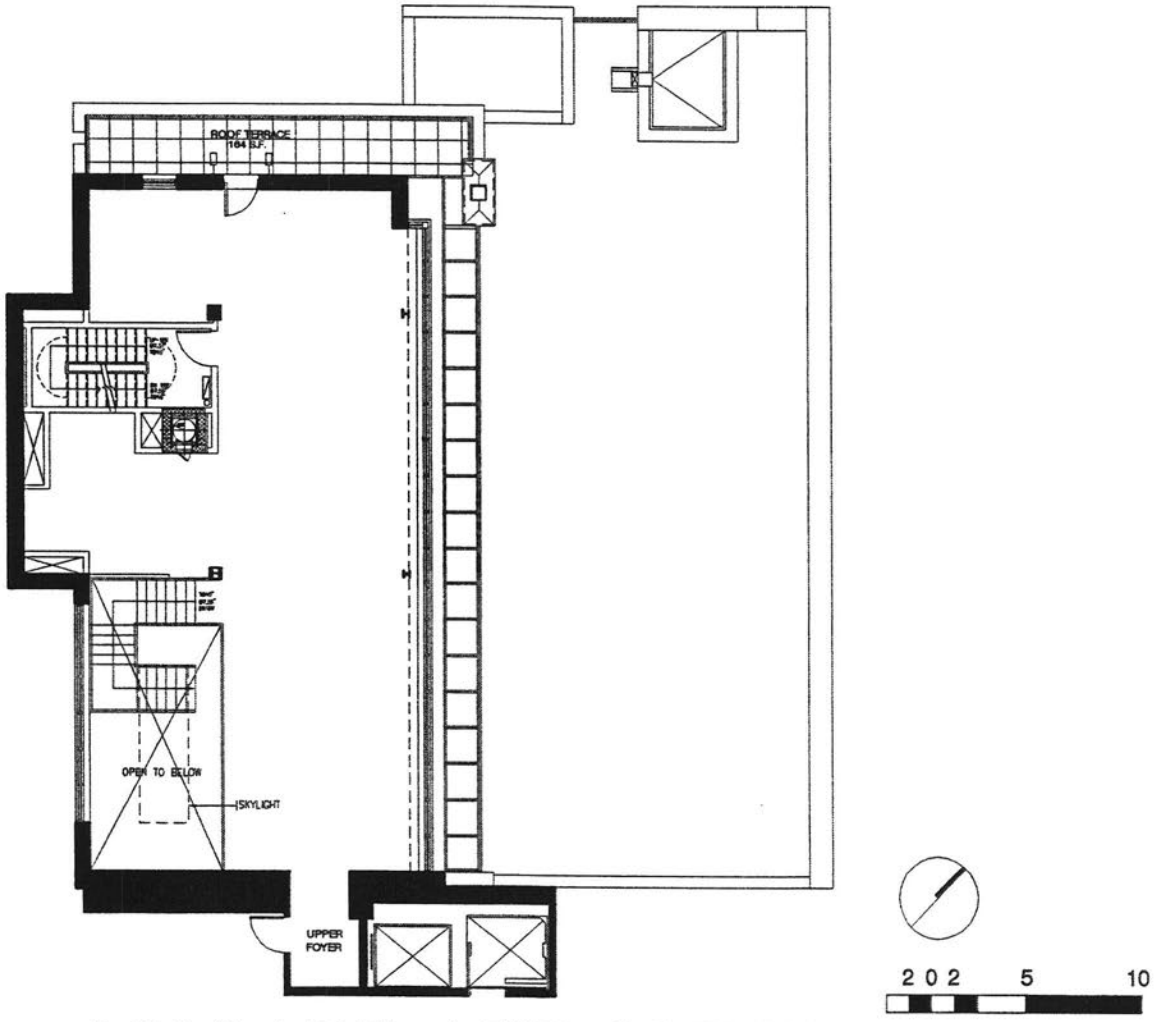
UPPER PENTHOUSE 1B/2B

APARTMENT AREA	TERRACE AREA
1,595 SF	164 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cutouts.

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260 PARK AVE. SOUTH
NEW YORK, NEW YORK

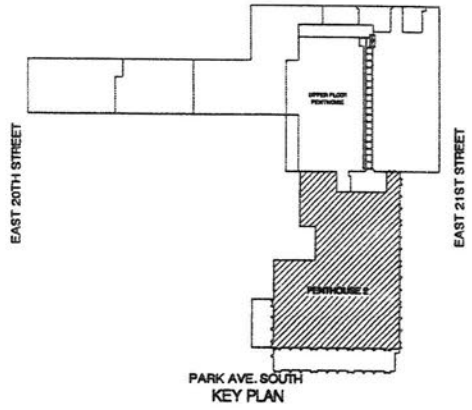
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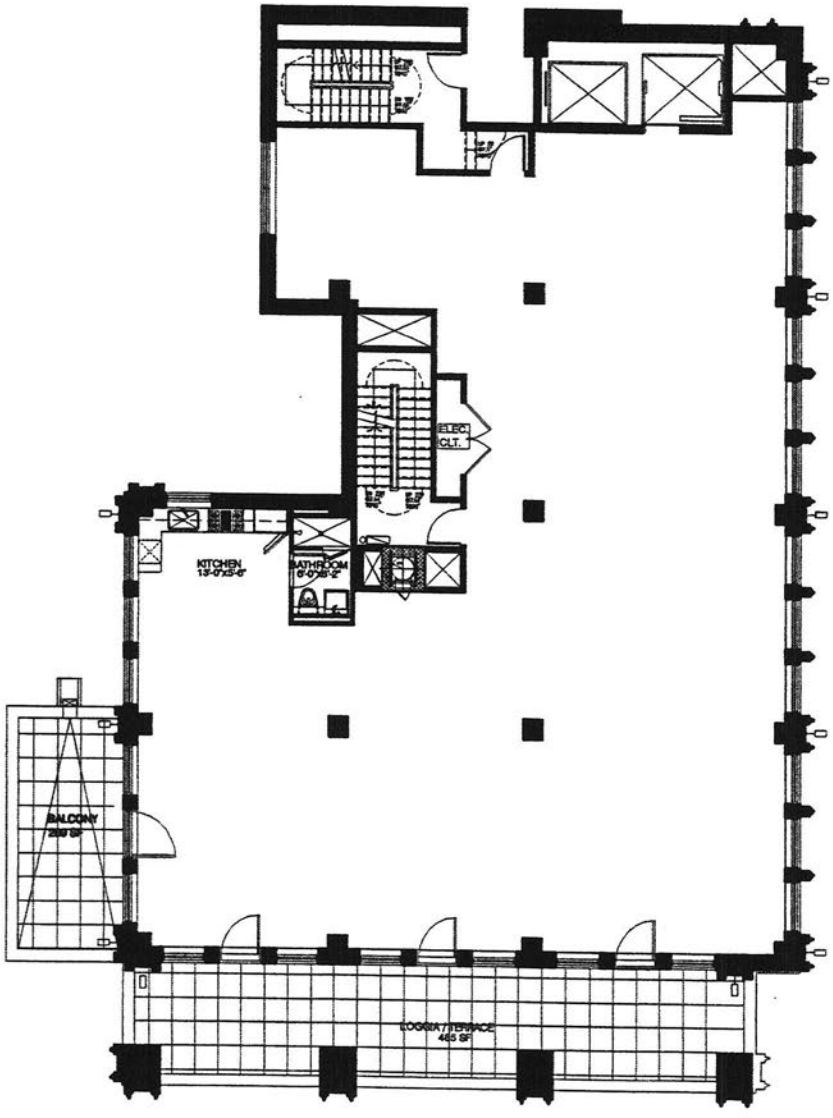
PENTHOUSE 2A

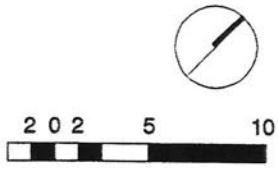
APARTMENT AREA	TERRACE AREA
3,449 SF	694 SF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

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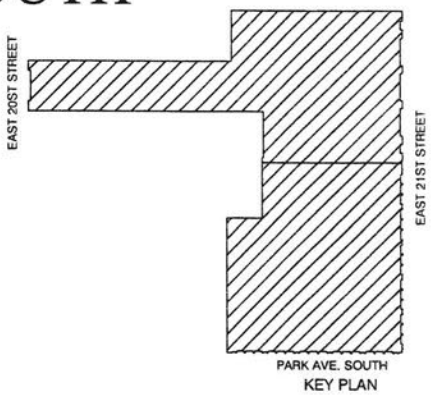
260 PARK AVE. SOUTH
NEW YORK, NEW YORK

260 PARK AVE. SOUTH

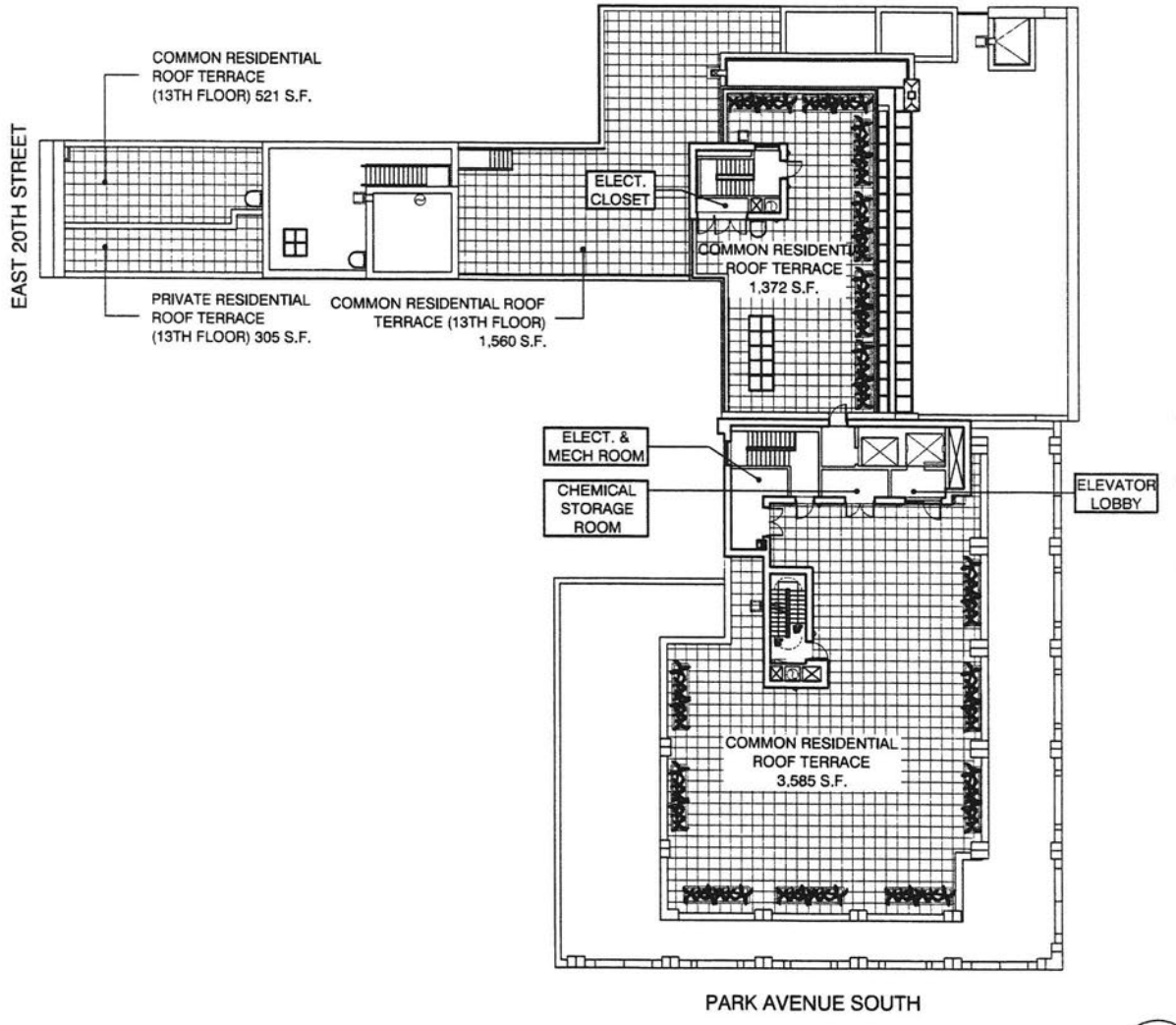
ROOF

All dimensions are approximate and subject to normal costruction variances and tolerances. Dimensions are maximum overall, subtract cut-outs.

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KEY PLAN



260 PARK AVE. SOUTH
NEW YORK, NEW YORK

8 0 8 20 40

PURCHASE AGREEMENT

PURCHASE AGREEMENT

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260 PARK AVENUE SOUTH LLC

Sponsor

With

_____

Purchaser

Unit Number _____
260 Park Avenue South Condominium

260 Park Avenue South
New York, New York 10010

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UNIT NUMBER _____
260 PARK AVENUE SOUTH CONDOMINIUM
260 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H:

1. THE PLAN. Purchaser acknowledges having received and read a copy of the Offering Plan for the 260 Park Avenue South Condominium dated _____, ____ and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to the Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS.

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 260 Park Avenue South LLC, having an office c/o YT&T Holdings, 150 Nassau Street, New York, New York 10038. Sponsor's taxpayer identification number is 74-3054473.

2.2. "Purchaser" means _____ having an address at _____, _____, _____ _____. Purchaser's social security number is _____.

2.3 "Attorney for Sponsor" means Starr Associates LLP, having an address at 245 Fifth Avenue, Suite 1102, New York, New York 10016; Attention: Allan Starr, Esq. Telephone Number (212) 620-2686. Facsimile Number (212) 696-5013.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____, Attention: _____, Esq. Telephone Number: (___) _____. Facsimile Number (___) _____.

2.5 "Selling Agent" means Douglas Elliman LLC, having an address at 575 Madison Avenue, New York, New York 10022. Telephone Number : (212) _____.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

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

4. PURCHASE PRICE.

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

The Purchase Price is payable as follows:

(a) $_____ (the "Initial Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ (the "Additional Deposit"; the term "Deposit", as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), is due upon the date the Plan is declared effective; and

[-OR-]
[AFTER THE PLAN IS DECLARED EFFECTIVE]

(c) $_____ (the "Deposit"), due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(d) $_____ (the "Balance of the Purchase Price"), by good certified check of Purchaser or official bank check or by wire transfer (at Sponsor's sole option), payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the Federal Reserve System and shall be unendorsed. The Deposit shall be made payable to the direct order of "Starr Associates LLP, as Escrow Agent." The Balance shall be made payable to the direct order of "260 Park Avenue South LLC" (or such other party as Sponsor directs to Purchaser, in writing at least 1 business day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Initial Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST. All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements." 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 Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. If Purchaser

shall default on Purchaser's obligations under this Agreement, then the Deposit shall be released to Sponsor as liquidated damages, and thereafter, neither party shall have any further rights or obligations against or to each other. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE.

6.1 The Closing of Title shall be held at Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior written notice ("Initial Closing Notice"). If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for closing on not less than 5 business days notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing of Title and which date shall not be earlier than the date set forth in the Initial Closing Notice. Only the Initial Closing Notice shall require 30 days' prior written notice.

6.2 The term "Closing Date" "Closing" "closing of title" or words of similar import, whenever used herein, shall mean the date on which the deed to the Unit is delivered to Purchaser.

7. DELIVERY OF THE DEED AND OTHER DOCUMENTS.

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof, subject to paragraph 8 hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan, as well as such other documents are reasonably necessary, customary or requested by Sponsor in connection with the conveyance of a Condominium Unit, including, but not limited to, title affidavits, real property transfer tax forms reporting of information in respect of real estate transaction, mortgage tax credit affidavit(s) and real estate tax consent form.

7.3 The executed deed, transfer tax forms, power of attorney and real estate tax consent form shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney and real estate tax consent form shall be returned to the Condominium Board.

7.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the

Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE.

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as Continental Abstract Corp. (the "Title Company") will approve and insure without additional premium, provided that the only liens and encumbrances affecting title shall be those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any lien or encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any; or (b) the Title Company is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8.2 Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

8.3 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.4 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance. If Purchaser did not obtain title insurance at the closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Commonwealth shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

9. CLOSING ADJUSTMENTS.

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any, whether or not separately assessed as to the Unit being conveyed, (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

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

9.2 If a Unit has been separately assessed for real estate tax purposes but the Closing of Title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed for real estate tax purposes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit (not including any potential J-15 Abatement benefits). Sponsor shall not be obligated to reimburse any Purchaser after the Closing Date on account of any difference between the amount of real estate taxes paid by Purchaser at Closing calculated according to the above formula and the actual amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

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

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.05% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor adjourns the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

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

11. CLOSING COSTS. In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or

by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

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

13. DEFAULT BY PURCHASER.

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

(a) Purchaser's failure to pay the Additional Deposit on the date set forth in Article 4.1(b) hereof, Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing cost required to be paid by Purchaser as set forth in the Plan or in this Agreement on the Date designated by Sponsor pursuant to Article 6 hereof, or the dishonor of any check given by Purchaser to Sponsor; or

(b) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(c) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

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

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

(f) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(g) Purchaser's assignment of this Agreement without the prior written consent of Sponsor; or

(h) Purchaser's listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(i) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Deposit, the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to (i) cancel this Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close on the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, reasonable legal fees and costs of collection).

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE. The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

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

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION.

17.1 The construction and/or renovation of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specification in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a final certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

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

17.3 The Closing of Title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent certificate of occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building).

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

18. INSPECTION OF THE RESIDENTIAL UNITS.

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within the 7 calendar day period prior to the Closing Date. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to the Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the 7 day period prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing

herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement may be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor and Sponsor's contractors, subcontractors, agents and employees with unfettered access to the Unit subsequent to the Closing in order to complete punchlist work and any other work which may be required in the Unit or Limited Common Elements, failing which, Sponsor shall be relieved of its obligations to complete such work. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any punchlist items.

19. DAMAGE TO THE UNIT.

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances,

equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING. Prior to the Closing of Title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER. Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker, if any. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, and such Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED.

23.1 Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be withheld or delayed in Sponsor's sole and absolute discretion. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole and absolute discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall be required to pay to the Attorney for Sponsor a fee set forth in the Plan for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

23.2 Notwithstanding anything to the contrary contained in this Article, if Purchaser has executed this Agreement in an individual name, Purchaser shall have a one-time right to assign Purchaser's rights under this Agreement, in whole, but not in part, to an entity "controlled" (defined below) by Purchaser, (the entity to which the rights are assignable may be a trust, limited liability company, limited partnership or a corporation) or to member(s) of Purchaser's Immediate Family (defined below), provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. The term "Control" shall mean the control, either directly or indirectly, of at least 51% percent of the voting shares or equity interests of such assignee, together with the authority to direct and manage the affairs of such assignee, which shall include Purchaser, being the managing general partner of such partnership or the

principal manager or managing member of such limited liability company or the trustee or primary beneficiary of such trust. The term "Immediate Family" shall mean Purchaser's spouse, domestic partner, their children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents. The obligations of Purchaser may be performed by such assignee, and Sponsor agrees to accept such performance as if it were the performance of the Purchaser. No such assignment shall modify the named Purchaser's obligations hereunder including without limitation named Purchaser's indemnity obligations contained in this Agreement, reduce or limit any liability or obligation of the named Purchaser who shall remain primarily liable notwithstanding any liability assumed by assignee. Unless Purchaser complies with the provisions of this subparagraph, any purported assignment by Purchaser shall be null and void and of no effect as against Sponsor.

24. BINDING EFFECT. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be promptly returned to Purchaser. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by Law.

25. NOTICES.

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy to the Purchaser at the address given at the beginning of this Agreement by regular mail, and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy to the Sponsor at the address given at the beginning of this Agreement by regular mail. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, the 3 business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

25.2 Sponsor hereby designates and empowers both the Selling Agent and Sponsor's counsel, Starr Associates LLP, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

25.3 Purchaser hereby designates and empowers the Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

26. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligations shall be joint and several.

27. LIABILITY OF SPONSOR. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the 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, the imposition by the Lender of any additional fees or charges, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

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

31. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. STRICT COMPLIANCE. Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

33. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

34. WAIVER OF JURY. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. ENTIRE AGREEMENT. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

36. CERTAIN REFERENCES. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

37. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

38. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and enure to the benefit of Sponsor and its successors and assigns.

39. CONFIDENTIALITY. Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

40. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the plan.

41. PERFORMANCE. Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

42. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

42.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

42.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of Purchaser in any

state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

42.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

260 PARK AVENUE SOUTH LLC

By: 260 PAS Mezzanine, LLC, its sole member

By: 260 Park Corp., its managing member

By: _____
Yitzchak Tessler, President

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-Laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

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

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

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

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

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

12. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, the Landmarks Preservation Commission or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title Company would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from the Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any certificate of occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, including, but not limited to, those recorded in Liber 281 Page 55 (repeated in Liber 493 Page 237); Reel 727 Page 1002 (amended in Reel 800 Page 1933); Liber 3783 Page 159; and Liber 551 Page 543.

20. Landmark Designation Notice recorded in Reel 1628 Page 1160.

SCHEDULE B INSPECTION STATEMENT

Date: _____

260 Park Avenue South LLC
150 Nassau Street, Suite 20C
New York, New York 10038

Re: 260 Park Avenue South Condominium

Ladies and Gentlemen:

1. On the date hereof, the undersigned has/have inspected the Unit set forth below which the undersigned is purchasing and have found the Unit have to be in good condition, except as otherwise noted below.

2. The undersigned acknowledge(s) that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date the undersigned moves into the Building. The undersigned agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

Unit No._____

_____
Purchaser's Signature

_____
Purchaser's Signature

_____
Sponsor's Representative

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between 260 Park Avenue LLC, having an office c/o YT&T Holdings, 150 Nassau Street, New York, New York 10038 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Unit No. __ in the building ("Building") known as the 260 Park Avenue South Condominium ("Condominium") and by the street number 260 Park Avenue South, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit No. in a certain declaration dated _____, _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York ("Register's Office") on _____, _____, in Reel _____, Page ____ ("Declaration"). The Unit is also designated as Tax Lot ___ in Block 849 of Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by Karl Fischer, Registered Architect on _____, _____, and filed with the Real Property Assessment Department of The City of New York on _____, _____, as Condominium Plan No. ____ and also filed in the Register's Office on _____, _____, as Condominium Map No. ____;

TOGETHER with an undivided ___% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the Condominium (the "By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

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

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws).

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

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-Laws of the Condominium.

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

SPONSOR:

260 PARK AVENUE SOUTH LLC

By: 260 PAS Mezzanine, LLC, its sole member

By: 260 Park Corp., its managing member

By: _____
Yitzchak Tessler, President

GRANTEE(S):

_____
signature

_____
signature

(ACKNOWLEDGEMENTS)

EXHIBIT A
TO UNIT DEED

DESCRIPTION OF THE LAND

AS TO PARCEL 1

ALL that certain plot, piece or parcel or land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of Fourth Avenue (now known as Park Avenue South);

RUNNING THENCE Southerly along the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet to the center line of the block between East 20th and East 21st Streets;

THENCE Westerly along said center line of the block and parallel with East 20th Street, 100 feet;

THENCE Northerly parallel with the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet of the southerly side of East 21st Street:

THENCE Easterly along the Southerly side of East 21st Street, 100 feet to the point or place of BEGINNING.

AS TO PARCEL 2

ALL that certain plot, piece or parcel or land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the Southerly side of East 21st Street, distant 100 feet Westerly from the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of Fourth Avenue (now known as Park Avenue South);

RUNNING THENCE Southerly parallel with Fourth Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along the said center line of the block 25 feet;

THENCE Southerly again parallel with Fourth Avenue (now known as Park Avenue South), 92 feet to the Northerly side of East 20th Street;

THENCE Westerly along the Northerly side of East 20th Street, 25 feet;

THENCE Northerly again parallel with Fourth Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along said center line of the block, 25 feet;

THENCE Northerly again parallel with Fourth Avenue (now known as Park Avenue South), 92 feet to the Southerly side of East 21st Street;

THENCE Easterly along the Southerly side of East 21st Street, 75 feet to the point or place of BEGINNING.

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership

of the Premises known as and having a street address of

260 Park Avenue South
New York, New York 10010

Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: **260 Park Avenue South Condominium**

Sponsor: **260 Park Avenue South LLC**
c/o YT&T Holdings
150 Nassau Street, Suite 20C
New York, New York 10038

Date of Declaration: _____

Prepared by: **Starr Associates LLP**
Attorneys At Law
245 Fifth Avenue
New York, New York 10016
(212) 620-2680

The land affected by the within instrument lies in Section 3, Block 849 F/K/A Lots 43 & 45 & N/K/A Lots _____; on the Tax Map of the Borough of Manhattan, County of New York, City of New York

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EXHIBITS

A. DESCRIPTION OF THE LAND
B. DESCRIPTION OF THE UNITS
C. DEFINITIONS
D. BY-LAWS OF THE CONDOMINIUM
E. UNIT POWER OF ATTORNEY

DECLARATION
OF
260 PARK AVENUE SOUTH CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

260 Park Avenue South, LLC, a limited liability company organized under the laws of the State of Delaware, having an office at 150 Nassau Street, Suite 20C, New York, New York 10038 ("Sponsor"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2

SUBMISSION OF THE PROPERTY

Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

ARTICLE 3

NAME OF THE CONDOMINIUM

The Condominium shall be known as the 260 Park Avenue South Condominium. Until all Units of the Condominium have been sold by Sponsor, the name of the Condominium may not be changed except by Sponsor, in its sole and absolute discretion.

ARTICLE 4

THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property is a fourteen (14) story structure above grade with 1 cellar and one subcellar ("Building"). The Building contains 110 Residential Units (including 1 Resident Manager's Unit) and three (3)Commercial Units.

5.2 The Building is classified as class 1C (non-combustible). The Building foundation walls are supported on _____. New construction is steel floor framing and steel columns supporting lightweight concrete on metal decking. The existing exterior walls are terra cotta on the Park Avenue South façade and the new exterior walls are cast stone or brick veneer. The roof consists of an insulated membrane system.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square foot area; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 Each Unit consists of the area measured horizontally from the exterior face of the glass or exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the interior walls and partitions separating one Unit from another Unit or the exterior side of the interior walls and partitions separating the Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or to the Unit side of the opposite exterior wall. Each Unit consists of the area measured vertically from the top of the floor slab to the underside of the floor slab above.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the Unit side of the front entrance door and any other entrance doors to the Unit, including terrace, balcony or service doors, the interior walls, partitions, floors and floor coverings, staircases within the Unit and plastered ceilings affixed, attached or appurtenant to the Unit, smoke detectors, window panes, all plumbing, gas and heating fixtures and equipment including, but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning units (including the fans inside such units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit or its Limited Common Elements and serving the Unit exclusively (including the heating, electrical, mechanical equipment and water pipes servicing or operating the swimming pool on the Terrace of Unit PH 1B/2B and the liner of said pool). "Plumbing, gas and heating fixtures and equipment" as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors unless such installations were made by the Unit Owner after such Unit Owner acquired title to the Unit, in which event such Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Unit or its Limited Common Elements from the panel and serving or benefiting only that Unit or its Limited Common Elements.

6.4 Each Commercial Unit includes in addition to the items listed in 6.3 above, to the extent located in such Commercial Unit, any elevator, escalator, staircase, freight or service entrance, loading dock, vault, driveway, canopy and all related Facilities servicing such Commercial Unit exclusively including outdoor signage for such Commercial Unit, the exterior side of all entrance and service doors, and the exterior side of all windows in or opening from the Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units, to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like), provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Limited Residential Common Elements.

7.2 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, 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 intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, skylights, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or a Commercial Unit from a Residential Unit and/or Residential Common Element and/or a Limited Residential Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or a Commercial Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Limited Residential Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Commercial Units and/or both the General Common Elements, the Residential Common Elements and the Limited Residential Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Limited Residential Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) 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 the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all stairways except those wholly within Units, elevators and their respective bulkheads, shafts, pits and mechanical equipment rooms and the residential hallways and vestibules;

(ii) refuse and compactor rooms and their respective compactors, chutes, shafts and equipment;

(iii) residential lobby, residential service entrances, concierge station, package storage, mail room, all of which are located on the ground floor of the Building;

(iv) courtyards and all of the furnishings, structural and decorative elements contained therein;

(v) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element;

(vi) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Limited Residential Common Elements only, except for the heating, electrical, mechanical equipment and water pipes servicing or operating the swimming pool on the Terrace of Unit PH 1B/2B and the liner of the swimming pool, all of which shall be considered part of said Unit and not a Limited Residential Common Element;

(vii) all interior portions of the Building, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or the Limited Residential Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof;

(viii) fitness center on the cellar level, lavatory and changing room appurtenant thereto, and all Facilities servicing such fitness center; and

(ix) meter room, TV cable room, electrical room, storage room, gas meter room, Superintendent's office and employee locker room, all of which are located on the cellar floor of the Building.

7.4 The Limited Residential Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Residential Common Elements include: the Terraces adjoining the Residential Units listed in Schedule B hereof.

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon the method set forth in Real Property Law Section 339-I (i) (iv) i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with said subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Unit at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Residential Units shall be used for residential purposes only (excluding "dormitory", "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the United States government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, any foreign government or any embassy, consulate or other instrumentality thereof) may only be occupied (unless the Condominium Board otherwise consents) by said individual, or an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by said individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of

the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such Family Members or guests); however, the foregoing restrictions shall not apply to Unsold Residential Units. Upon the prior written consent of Sponsor (or, where there are no longer any Unsold Residential Units, the Condominium Board), any Residential Unit may be used for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for the Building and the By-Laws, (2) applicable Law, (3) the use of such Residential Unit shall not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) the prior written permission of the Condominium Board is first obtained. Residential Units may only be leased in accordance with the By-Laws and the Residential Rules and Regulations.

9.2 The Commercial Units may be used for any lawful purpose, including without limitation, retail stores, banks, restaurants, theaters, bars, spas, health clubs, parking garages and commercial and professional space.

9.3 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law and (3) lease any Unsold Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-Laws and the Residential Rules and Regulations, Sponsor, the Residential Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 Each Commercial Unit Owner and its Permitted Users shall have an easement, to the extent permitted by Law for (i) ingress and egress through the General Common Elements and the Residential Common Elements for the sole purpose of accessing such Commercial Unit or any portion of the Building servicing such Commercial Unit, and (ii) to erect, maintain, repair and replace, from time to time, lighting and lighting fixtures and one or more signs, of such size and content as such Commercial Unit Owner shall determine, on, about, or adjacent to such Commercial Unit (including on the exterior walls of the Building)

for the purpose of advertising the sale or lease of all or any portion of such Commercial Unit and the operation of any business of a Permitted User of all or any portion of such Commercial Unit. Additionally, each Commercial Unit Owner, and its Permitted Users shall each have an easement for so long as the Condominium shall remain in existence, to use the sidewalks appurtenant to such Commercial Unit for any purposes permitted by Law, including, without limitation, food and beverage service and the placement of outdoor seating, tables and signage.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Limited Residential Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including, but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units or the Commercial Units including, without limitation, the right to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the Residential Rules and Regulations, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, the Commercial Unit Owners with respect to the Commercial Units and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer

and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Commercial Unit Owners or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Commercial Units or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business carried on within any Commercial Unit or with the use of the Residential Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and Common Element and to comply with the provisions of the Offering Plan for the conversion of the Property to condominium ownership.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor and the Commercial Units Owners and each of their respective Permitted Users shall each have an easement for so long as the Condominium shall remain in existence, to erect, use, lease, maintain, repair, replace and operate (i) antennae, satellite dishes and other communications equipment; (ii) pipes, risers, ducts, flues and equipment necessary or desireable to provide heat, air-conditioning, exhaust, ventilation, or other services, as required or permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements and to (ii) utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to either the Sponsor or the Commercial Unit Owners. Any obligations of Sponsor and/or the Commercial Unit Owners under any lease, license or other right of use granted by Sponsor and/or the Commercial Unit Owners with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor or the Commercial Unit Owners, as the case may be, and not of the Condominium, and any rights of Sponsor and/or the Commercial Unit Owners, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor or the Commercial Unit Owners, as the case may be, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and the Commercial Unit Owners and each of their respective Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Subject to the terms of the By-Laws, the Commercial Unit Owners shall each have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Units and any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Units and the operation thereof, located in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably

interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.7 The Condominium and Building shall be designated and known as the 260 Park Avenue South Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building. Only Sponsor shall have the right to change or assign the name of the Condominium subject to the consent of the Condominium Board. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as the Sponsor desires in its sole and absolute discretion. Only Sponsor shall the right to remove the Plaque, unless mandated by Law.

11.8 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

11.9 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND THE COMMERCIAL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the vote or consent or approval of the Condominium Board, other Unit Owners, the Selling Agent, the Managing Agent or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units and their appurtenant Limited Residential Common Elements, if any, or unsold Commercial Units;

(b) change the layout of, or number of rooms in, any Unsold Residential Units; or unsold Commercial Units;

(c) amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units or unsold Commercial Units;

(d) change the size and/or number of Unsold Residential Units or Unsold Commercial Units by (w) subdividing one or more Unsold Residential Units or Unsold Commercial Units into two or more separate Residential or Commercial Units, (x) combining separate Unsold Residential Units or Unsold Commercial Units (including those resulting from such subdivision or otherwise) into one or more Residential or Commercial Units, (y) altering the

boundary walls between any Unsold Residential Units or Unsold Commercial Units, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit; and

(e) if appropriate, reapportion among the Unsold Residential Units or Unsold Commercial Units affected by such change in size or number pursuant to the preceding clauses their Common Interests and/or Residential Common Interests provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit or Unsold Commercial Unit:

(i) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units or Unsold Commercial Units, if then owned by Sponsor), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units or Unsold Commercial Units, if then owned by Sponsor) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) Sponsor shall comply with Law;

(iii) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing or any other provisions of this Article, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, a Commercial Unit Owner shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, the Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon a Commercial Unit;

(b) change the use or layout of, or number of rooms in a Commercial Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to a Commercial Unit;

(d) change the size of a Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Units, (x) combining 2 or more separate Units resulting from such subdivision into 1 or more Units, (y) altering the boundary walls of 2 or more separate Units resulting from such subdivision or combination, or (z) otherwise; and

(e) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Commercial Unit Owner shall comply with Law;

(iii) the Commercial Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event of the subdivision of a Commercial Unit into separate Commercial Units, the Owner of each such newly created Commercial Unit shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Commercial Unit Owners, as provided in this Declaration, the By-Laws and the Residential Rules and Regulations; provided, however, that the Owners of such newly created Commercial Units shall collectively continue to be entitled to designate 1 member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of a Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to a Commercial Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at such Commercial Unit Owner's election, by the Commercial Unit Owner, the Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Commercial Unit Owners.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-Laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such

Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, (i) Sponsor, to amend the Condominium Documents pursuant to the terms of Article 18 hereof, and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and instituting tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire or lease or license any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or acquire any Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(c) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate or (3) any protests and tax certiorari proceeding affecting Units.

14.2 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is

authorized by a vote of all of the Commercial Unit Owners and a minimum of 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. In the event said withdrawal 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 from out of Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Sponsor or (ii) to deliver a written notice to Sponsor and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then Sponsor is hereby authorized, as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, the Condominium Board or other Person, as the case may be.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be

perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

17.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

17.3 Subject to Section 17.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

AMENDMENTS TO THIS DECLARATION

18.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owners, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written

consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owners, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

18.2 Sponsor shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including, but not limited, to Exhibit B hereto), together with such documents, plans and maps as Sponsor deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units or Commercial Units owned by Sponsor and/or the reapportionment of the Common Interest of the affected Unsold Residential Units or Commercial Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit or Commercial Units owned by Sponsor, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit or Commercial Units owned by Sponsor,

provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

18.3 The Commercial Unit Owners shall each have the right, at their sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as such Commercial Unit Owner deems appropriate to effectuate the same to reflect any changes in such Commercial Unit and/or the reapportionment of such Common Interest of the Commercial Unit resulting therefrom made by such Commercial Unit Owner in accordance with the terms of Article 12 hereof; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender.

18.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of Section 18.2 hereof, by Sponsor, (ii) if on behalf of a Commercial Unit Owner pursuant to the terms of Section 18.3 hereof, by the Commercial Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

18.5 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against the Sponsor or the Commercial Unit Owners if the same would (i) unreasonably interfere with the operation, sale, lease, or other disposition of any Unit owned by either of them, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Commercial Unit Owners unless the Sponsor or the Commercial Unit Owners shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Commercial Unit Owners, unless the Sponsor or the Commercial Unit Owners shall consent to such amendment in writing.

18.6 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Commercial Unit Owners if the same relate to Sponsor or the Commercial Unit Owners.

ARTICLE 19

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor no longer owns any Unsold Residential Unit or any Commercial Unit.

ARTICLE 20

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York, is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 21

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit

Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 22

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 24

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Commercial Unit Owners as set forth in this Declaration and the By-Laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Commercial Unit Owners or, with the consent of Sponsor and the Commercial Unit Owners, any transferee of all then Unsold Residential Units or Commercial Units, as applicable. Sponsor and the Commercial Unit Owners shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 25

CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 26

CERTAIN REFERENCES

26.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

26.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

26.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 27

GENERAL

Except as required by Law, neither Sponsor nor any of its members or principals shall be subject to any of the restrictions and/or prohibitions with regard to the Residential Units set forth in this Declaration or the By-Laws annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

SPONSOR:

260 PARK AVENUE SOUTH LLC

By: 260 PAS Mezzanine, LLC, its sole member

By: 260 Park Corp., its managing member

By: _____
Yitzchak Tessler, President

(ACKNOWLEDGEMENT)

EXHIBIT A

DESCRIPTION OF THE LAND

AS TO PARCEL 1

ALL that certain plot, piece or parcel or land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of Fourth Avenue (now known as Park Avenue South);

RUNNING THENCE Southerly along the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet to the center line of the block between East 20th and East 21st Streets;

THENCE Westerly along said center line of the block and parallel with East 20th Street, 100 feet;

THENCE Northerly parallel with the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet of the southerly side of East 21st Street:

THENCE Easterly along the Southerly side of East 21st Street, 100 feet to the point or place of BEGINNING.

AS TO PARCEL 2

ALL that certain plot, piece or parcel or land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the Southerly side of East 21st Street, distant 100 feet Westerly from the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of Fourth Avenue (now known as Park Avenue South);

RUNNING THENCE Southerly parallel with Fourth Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along the said center line of the block 25 feet;

THENCE Southerly again parallel with Fourth Avenue (now known as Park Avenue South), 92 feet to the Northerly side of East 20th Street;

THENCE Westerly along the Northerly side of East 20th Street, 25 feet;

THENCE Northerly again parallel with Fourth Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along said center line of the block, 25 feet;

THENCE Northerly again parallel with Fourth Avenue (now known as Park Avenue South), 92 feet to the Southerly side of East 21st Street;

THENCE Easterly along the Southerly side of East 21st Street, 75 feet to the point or place of BEGINNING.

EXHIBIT B

260 PARK AVENUE SOUTH CONDOMINIUM

260 PARK AVENUE SOUTH
NEW YORK, NEW YORK 10010

DESCRIPTION OF THE UNITS

UNIT	NUMBER OF BEDROOMS/BATHS	UNIT	BALCONY/TERRACE APPROXIMATE TOTAL SQ. FT.	TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

[TO BE INSERTED PRIOR TO RECORDING THE DECLARATION]

EXHIBIT C

DEFINITIONS

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

"Adverse Effect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Unit Owners, that such action or change could, if realized, (i) materially increase the Common Charges payable by such Unit Owner or Unit Owners, (ii) materially interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of the Unit.

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

"Building" shall mean the Building located at 260 Park Avenue South, New York, New York, in which the Units of the Condominium are located.

"Buildings Department" shall mean the Department of Buildings of The City of New York or any successor agency.

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time.

"Closing of Title" or "Closing" shall mean the date upon which, among other things, a Unit and is appurtenant Common Interest is conveyed pursuant to a Purchase Agreement.

"Commercial Unit" shall mean any of the Commercial Units located in the Building, which Units are more particularly described in Article 5 and 6 of, and Exhibit B to, the Declaration and in the Floor Plans. All such Units are, collectively, referred to as the "Commercial Units."

"Commercial Unit Owner" shall mean any Unit Owner of a Commercial Unit at the time in question. All such Owners are, collectively, referred to as the "Commercial Unit Owners."

"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 or in the Estimated Budget for Projected First Year of Condominium Operation) to meet the Common Expenses.

"Common Elements" shall mean the Property, other than the Units themselves, being comprised of the General Common Elements, Residential Common Elements and Limited Residential Common Elements.

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the 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); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only.

"Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to the Declaration.

"Condominium" shall mean the 260 Park Avenue South Condominium which was established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

"Condominium Board" shall mean the board of managers of the Condominium, which will manage the affairs of the Condominium.

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations of the Condominium.

"Declaration" shall mean the instrument creating the Condominium, as the same may be amended from time to time.

"Estimated Budget for Projected First Year of Condominium Operation" shall mean the Section of the Plan entitled "Schedule B - Estimated Budget for Projected First Year of Condominium Operation", and is also sometimes referred to herein as "Schedule B" or "First Year's Budget."

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

"Filing Date" shall mean the date a letter is issued by the Department of Law accepting the Plan or an amendment to the Plan, as the case may be, for filing.

"First Closing" shall mean the Closing of Title with respect to the first Residential Unit to be conveyed to a Purchaser pursuant to the terms of the Plan.

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

"Force Majeure" refers to unavoidable delays due to weather, floods, epidemics, quarantine, restrictions, strikes, lockouts, acts of God, acts of terrorism, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor does not have control, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond reasonable control.

"General Common Elements" shall mean those certain portions of the Property (other than the Units), as well as those Facilities therein, 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 the Declaration and the Floor Plans.

"General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; or (ii) the establishment and/or maintenance of a general operating reserve fund for working capital, for replacements with respect to the General Common Elements.

"Initial Control Period" shall mean the period ending on the later to occur of (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% both in number and aggregate Common Interests of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust, or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

"Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" shall mean the land located in Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 849, Lots 43 and 45 more particularly described on Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium which are applicable at the time in question and/or the direction of any public officer pursuant to Law.

"Limited Residential Common Elements" shall mean those portions of the Property (other than the Units,, the General Common Elements and the Residential Common Elements, existing for the use and

enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans.

"Majority of Residential Unit Owners" shall mean those Residential Unit Owners having more than 50% of the total authorized votes of all Residential Unit Owners (determined in accordance with the terms of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Managing Agent" shall mean the managing agent or manager of the Condominium at the time in question.

"Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"Offering Plan" or "Plan" shall mean that certain Condominium offering plan relating to the Property, as accepted for filing by 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 and any and all amendments thereto.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy to be issued by the Buildings Department for the Building.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement or the form of proposed Unit deed.

"Permitted Mortgage" shall mean a first mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

"Person" shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plans and Specifications" shall mean the plans and specifications for the renovation and construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Property" shall mean the Land, the Building (and any structures attached thereto), all the 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.

"Register's Office" shall mean the Office of the Register of the City of New York of the County in which the Property is located.

"Resident Manager's Unit" shall mean the Residential Unit designated as space designated as the Resident Manager's Unit in the Declaration which Unit is more particularly described in Article 5 and 6 of, and Exhibit B to the Declaration and in the Floor Plans.

"Residential Common Elements" shall mean those portions of the Common Elements which are available for common use by all Residential Unit Owners.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Limited Residential Common Elements; or (ii) the establishment and/or maintenance of a operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Limited Residential Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owners share of the Residential Common Expenses.

"Residential Unit" shall mean any of the Residential Units located in the Building, which Units are more particularly described in Articles 5 and 6 of, and Exhibit B to, the Declaration and Floor Plans together with their respective Common Interest and Residential Common Interest. All such Units are, collectively, referred to as the "Residential Units."

"Residential Unit Owners" shall mean any Unit Owner of a Residential Unit at the time in question. All such Unit Owners are, collectively, referred to as the "Residential Unit Owners."

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

"Sales Office" shall mean the sales office for the Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Selling Agent" shall mean the selling agent named in the Plan or any successor selling agent at the time in question.

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

"Sponsor" shall mean 260 Park Avenue South LLC and any other Person designated by Sponsor.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Limited Residential Common Element and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the Sponsor's construction and renovation of the Building, but shall not include any mechanical, electrical, heating or plumbing equipment servicing or operating the swimming pool on the Terrace of Unit PH 1B/2B or the lining of said pool.

"Unit" shall mean any "Unit", as such term is defined in the Condominium Act, located in the Building, which Units are more particularly described in Articles 5 and 6 of, and Exhibit B to, the Declaration and in the Floor Plans. All such Units are, collectively, referred to as the "Units."

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

BY-LAWS

OF

260 PARK AVENUE SOUTH CONDOMINIUM

Prepared by:

STARR ASSOCIATES LLP
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BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-Laws.* These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-Laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses;

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Limited Residential Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Commercial Unit Owner will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners;

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units, acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit;

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-Laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied);

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-Laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent,

covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same;

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense;

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or Tenant, including reasonable attorney's fees, shall be borne by the Unit Owner;

(xxv) to impose move-in fees and charges and transfer fees in connection with the sale or lease of a Residential Unit, provided no such fees or charges or other conditions of transfer or lease may be imposed upon Sponsor;

(xxvi) to purchase and maintain the Resident Manager's Unit and otherwise deal in any way with respect to such Resident Manager's Unit, including without limitation the execution, replacement or refinance of the purchase money mortgage(s) and note(s) with respect to the acquisition of such Resident Manager's Unit from Sponsor including, without limitation, the right to (i) assign to Sponsor and/or the institutional lender as additional collateral for the loan, the Condominium's rights in and to receive future income of all types, including the Common Charges; (ii) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (iii) agree to increase Common Charges to the extent necessary to pay the amounts due under the loans; and (iv) agree that Common Charges be treated as trust funds to the extent necessary to make required payments to either Sponsor or the institutional lender;

(xxvii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.* Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own at least 25% both in number and in aggregate Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described the Estimated Budget for Projected First Year of Condominium Operation set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of refusal to lease or purchase a Unit.

The written consent of Sponsor shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such action or the carrying out of such action is necessary (and no other alternative is available) to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

(B) Notwithstanding anything to the contrary contained in these By-Laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Commercial Unit shall be made by the members of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Commercial Units and do not materially and adversely affect the use and operation of the Residential Units shall be made by the members of the Condominium Board designated by the Commercial Unit Owners.

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-Laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other

committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members.* Until the first annual meeting of the Residential Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 8 individuals, 7 of whom shall be elected and/or designated in accordance with the terms of these By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owners in the aggregate (the "Commercial Member"). Except for members designated by Sponsor and/or the Commercial Unit Owners pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members.* The term of office of the 3 members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the 8 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 8 individuals elected and qualified or designated, as the case may be, at the first annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members.*

(A) Any member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any member of the Condominium Board who was designated by the Commercial Unit Owners may be removed, with or without cause, only by the Commercial Unit Owners. If any member of the Condominium Board who was designated by a Commercial Unit Owners, is removed, the successor shall also be designated by the Commercial Unit Owners. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign such member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies.*

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a member who was designated by the Commercial Unit Owners shall be filled by an individual designated by the Commercial Unit Owners.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board.* The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the members of the Condominium Board and designated by the Secretary in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings.* Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by the member of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board.* A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Units.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings.* The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise provided in the Declaration or these By-Laws:

(A) The vote of a majority of the members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such members; or

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the members of the Condominium Board or the Managing Agent shall have no personal

liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the members of the Condominium Board shall have no liability to Unit Owners except that a member of the Condominium Board shall be liable for such member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each member of the Condominium Board against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is cause by the acts of bad faith or willful misconduct of the Condominium Board or any member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President.* The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President.* The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the

Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer*. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers*. Each of the officers of the Condominium shall be elected annually by a majority vote of all members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers*. Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies*. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers*. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers*. Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners*. The first annual meeting of the Unit Owners shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the closing of title with Purchasers under the Plan of Residential Units representing at least 50% both in number and in aggregate Common Interests of all Residential Units offered for sale. At such meeting, an 8 member Condominium Board shall be elected, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the first annual meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners*. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Unit Owners (excluding the Common Interests appurtenant to the Commercial Units). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Commercial Units) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting.*

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each .0001 percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose Owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 4 of the 7 Residential Members to the Condominium Board, and Sponsor, and all other Residential Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board.

Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of the Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Initial Control Period, 1 of the 4 Residential Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Commercial Member to the Condominium Board.* The Commercial Unit Owners (including Sponsor for so long as Sponsor shall own a Commercial Unit), collectively, shall be entitled to designate 1 Commercial Member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and in aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Units.* Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Unit to a corporation, partnership, limited partnership, limited liability company, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) (with respect to entities or persons entitled to diplomatic or sovereign immunity) an amount equal to the current Common Charges for such Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions contained in these By-Laws.

Section 4.13 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs.*

(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 and all portions thereof (including, but not limited to, the interior walls, interior staircases and interior elevators, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, window panes, skylight glass, all entrance doors, including Terrace and balcony doors, service entrance doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein; and with respect to Unit PH 1B/2B, including the equipment servicing or operating the swimming pool and the liner of said pool shall be performed by the Owner of such Unit at such Unit Owner's sole cost and expense; and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements (other than any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section

5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense; and

(iv) in or to the Limited Residential Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace.

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

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, 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 Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Limited Residential Common Elements 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 maintenance, repairs or replacements to any Unit, Limited Common Elements or General Common Elements resulting from (x) such Unit Owner's failure to maintain, repair, or replace the Unit or Common Element or any portion thereof as required herein; or (y) the installation of special or custom work in the Unit or Limited Residential Common Element by such Unit Owner.

(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 roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements except for repairs necessitated by the particular use of any sidewalk by a Commercial Unit Owner, in which event such Unit Owner shall reimburse the Condominium for the cost of such repair. The exterior and interior glass surfaces of all windows located in any Unit and any skylight appurtenant to such Unit shall not be colored or painted by the Unit Owner. All glass surfaces located in any Unit and any skylight appurtenant to such Unit shall be cleaned as follows: the exterior and interior glass surfaces are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense, except for those exterior glass surfaces which are considered curtainwall windows which are to be washed and cleaned by the Condominium Board, at the Condominium Board's sole cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Unit Owner thereof and any skylight appurtenant to such Unit

(except curtain wall glass windows which shall be made by the Condominium Board), each at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Residential Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owners Unit. To promote a consistent appearance of the Building from the outside and to comply with requirements of Law, if applicable, (x) no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit, without the prior written approval of the Sponsor (until there are no more Unsold Units) or by the Condominium Board (after all Unsold Units have been sold); and (y) all window treatments in a Residential Unit must contain white backing on the side facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Additionally, the type, size, quantity and weight of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Sponsor (until there are no more Unsold Units) or by the Condominium Board (after all Unsold Units have been sold) and shall be in compliance with Law. Commercial Unit Owners shall each be responsible, at such Owner's sole cost and expense, for washing, cleaning and replacing (on account of breakage) the exterior and interior glass surfaces of windows located in such Commercial Unit unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner.

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Limited Residential Common Elements without the prior written approval of the Condominium Board. Additionally, Unit Owners shall not be permitted to make any structural alterations in or to the Terraces appurtenant to their Units without approval from the Condominium Board, and, if required, in compliance with landmark requirements. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the

Condominium Board, setting forth the terms and conditions under which such alteration, addition, or improvement, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Residential Unit or its appurtenant Limited Residential Common Elements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of any Unsold Residential Units, all without the approval of the Condominium Board. In addition, the Commercial Unit Owners shall each have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements or repairs in or to their respective Commercial Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of their respective Commercial Units, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Commercial Unit Owner, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Limited Residential Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) abide by the Residential Rules and Regulations of the Condominium, including, but not limited to, the days and hours during which work may be done.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Limited Residential Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by Sponsor or by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Limited Residential Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Limited Residential Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a permanent certificate of occupancy is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit without first notifying Sponsor in writing prior to

commencing said alteration and complying with Sponsor's requirements with respect to the alterations prior to commencing of said alteration. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a temporary or permanent certificate of occupancy for the Building, or any amendment to, or extension of, the certificate of occupancy if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a temporary or permanent certificate of occupancy for the Building (or any amendment to, or extension of, the certificate of occupancy if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a temporary or

permanent certificate of occupancy for the Building (or any amendment to, or extension of, the certificate of occupancy if theretofore issued), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefore.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements.* 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 Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Limited Residential Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Limited Residential Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Limited Residential Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% both in number and in aggregate Common Interests of all Residential Units.

Section 5.4 *Insurance.*

(A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein) together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their respective interest may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent it deems practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within the own Unit or its Limited Residential Common Elements, if any);

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage insurance;

(vi) officers and directors liability insurance;

(vii) fidelity insurance and bonds covering all officers, directors and employees of the Condominium and Managing Agent;

(viii) plate glass insurance;

(ix) elevator liability and collision insurance;

(x) commercial umbrella insurance; and

(xi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a General Common Expense or the Residential Unit Owner's as a Residential Common Expense, depending on the item to which the coverage relates.

(E) Unit Owners are required to carry other insurance, at their expense, insuring the contents of their Units and their respective Limited Residential Common Elements and liability insurance with respect to acts occurring therein. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Limited Residential Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Limited Residential Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Limited Residential Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements made therein by a Unit Owner, or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Limited Residential Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right subject to the terms of Section 5.2 hereof, to supervise any redecorating of the Unit or of such Limited Residential Common Element, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the Common Elements, except 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 excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless at least 75% in aggregate Common Interest of all Unit Owners (including Sponsor if Sponsor shall then own any Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Limited Residential Common Elements, and to the Commercial

Unit Owners, to the extent allocated to destroyed or damaged portions of the Commercial Units, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest and Residential Common Interest, where applicable, appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Residential Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Limited Residential Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests and Residential Common Interest, where applicable, of the other remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) 60 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work;. In the event there are insufficient Trust Funds to discharge the estimated cost and expense of the Work, the Condominium Board shall levy a Special Assessment for the amount of such deficiency in accordance with paragraph (C) of this Section 5.5; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has

received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants subject to the rights of the Sponsor and the Commercial Unit Owners set forth in these By-Laws or in the Declaration. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of a Commercial Unit, and not as a result of the typical uses for which the Commercial Units may be occupied or for which commercial spaces in similar Building is normally occupied, a Commercial Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential use only and not more than one family may occupy a Residential Unit at any one time; and the Commercial Unit may be used for any purpose permitted by Law. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by an individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or by an individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Unit by such Family Members or guests). Notwithstanding the foregoing, Sponsor (or, when there are no longer any Unsold Residential Units, the Condominium Board) may, in its sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event,

however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Unit as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

(E) Commercial Units may be used for any purpose permitted by Law.

Section 5.8 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, the façade and the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the Resident Manager or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Limited Residential Common Elements, if any, for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Commercial Unit Owner or other occupants of the Commercial Unit or with the use of the Residential Units and their appurtenant Limited Residential Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Limited Residential Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Limited Residential

Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Limited Residential Common Elements, if any, for their permitted purposes.

Section 5.10 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or the Commercial Unit Owner, without the prior written consent of Sponsor or the affected Commercial Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect the Commercial Unit and the use thereof, without the prior written consent of the Commercial Unit Owner.

Section 5.11 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) shall, upon the written request of the selling Unit Owner, execute and deliver to the Purchaser of such Unit, or to such Purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the closing of title to such Unit.

Section 5.12 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Commercial Unit Owner as a General Common Expense for such portion attributable to the Commercial Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Limited Residential Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.13 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Limited Residential Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements.

Section 5.14 *Electricity.*

(A) Electricity for each Residential Unit and the Commercial Unit (including tenants occupying portions of the Commercial Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Limited Residential Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Commercial Unit are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.4 of these By-Laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefore and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Residential Common Charges.

(E) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-Laws."

Section 5.15 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the Estimated Budget for Projected First Year of Condominium Operation. The Condominium Board shall advise all

Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the Estimated Budget for Projected First Year of Condominium Operation) for the Property on the date of recording the Declaration except with the Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Limited Residential Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Limited Residential Common Elements, as appropriate for the fiscal year in which collected. In the event that such net rents,

profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Limited Residential Common Elements depending on whether the excess relates to the General Common Elements or the Residential Common Elements or the Limited Residential Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) The respective allocations of Common Expenses between the Residential Units and the Commercial Unit, as set forth in the Estimated Budget for Projected First Year of Condominium Operation are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the consent of the Commercial Unit Owner.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Residential Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in subparagraph (A) above, during the Initial Control Period, the Condominium Board, in its sole discretion, shall have the right to waive Unit Owner's obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid from the Working Capital Fund and any balance by Sponsor.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A Purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such Purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a Purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such Purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the

case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Commercial Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Commercial Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any special assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in

default. In the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 15 days after the due date for the payment thereof, including, but not limited to, the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including reasonable attorney's fees) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner, other than the Sponsor, shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including, but not limited to, reasonable attorney's fees, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as

such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including reasonable attorney's fees) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS; ASSIGNMENT OF LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported Purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective Purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide

in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or lease of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, the New York State Real Property Transfer Gains Tax, the New York State Documentary Stamp Tax and the New York City Real Property Transfer Tax) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale

Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof;

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(C) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of the Commercial Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges.* No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing.

Section 7.8 *Power of Attorney and Real Estate Tax Consent Form.* At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense): (a) the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration; and (b) a real estate tax consent form in which the Unit Owner consents to the allocation of any real estate tax benefits with respect to the Property under the Section 11-243 of the Administrative Code of the City of New York or any successor statutes, local law or code among all of the Residential Units of the Condominium, notwithstanding any different allocations of such benefits made by the city of New York.

Section 7.9 *Gifts and Devises, Etc.* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective Purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the Unit Owner as an Additional Common Charge.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the

holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Commercial Unit Owner, except that the Sponsor shall not be required to pay any fee to the Condominium Board or Managing Agent in connection with the sale or lease of any Unsold Unit.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be made by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit Pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by the Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against Unit Owner's mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Limited Residential Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Residential Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit

Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Commercial Unit Owner shall give to Sponsor and the Commercial Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or to the Commercial Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Commercial Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Commercial Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Commercial Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after selection or appointment. Any arbitrator appointed or

selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Units Owner if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Limited Residential Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section l.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as

aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Commercial Unit Owner, the Commercial Unit and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 66 2/3% in number and aggregate Common Interest of all Residential Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (E) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or the Commercial Unit Owner, without the consent of the Condominium Board or the Unit

Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Commercial Unit Owner, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Commercial Unit Owner certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Commercial Unit Owner pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor, or the Commercial Unit Owner unless and until Sponsor, or the Commercial Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Unit or the subdivision of or combination of, or altering of, or improvement to the Commercial Unit and it is contemplated that in connection therewith an Commercial Unit Owner will cause the Declaration, these By-Laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Units or the Residential Unit Owners, the Commercial Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request

therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or the Commercial Unit Owner, as the case may be, then Sponsor or the Commercial Unit Owner, as the case may be, is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-Laws, the Residential Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 *Waiver.* No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-Laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of the then Unsold Residential Units. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Commercial Unit Owner or, with the consent of the Commercial Unit Owner, any transferee of the Commercial Unit.

Section 14.6 *Gender.* A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrances or such other entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, all servants, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that nurses in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose and only through the service entrances.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit or Storage Locker may be used for the storage of any flammable materials or any other materials the storage of which may constitute a Building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

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

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or explosive fluid,

material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units, in their appurtenant Limited Residential Common Elements, if any, or in the Common Elements.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Limited Residential Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Limited Residential Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in, on or about the Building unless, in each instance, the same shall have been expressly permitted in writing by the Sponsor, the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

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

16. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Sponsor, the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Limited Residential Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease", or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in

writing by the Sponsr, the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

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

20. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of the Residential Unit.

21. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Limited Residential Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

22. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

23. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

24. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

25. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful Terrace.

26. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

27. Any consent or approval given under these Residential Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any

such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

28. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior written approval of the Sponsor (until there are no more Unosld Units) or by the Condominium Board (after all Unosld Units have been sold). Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

29. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior written consent of the Sponsor (until there are no more Unosld Units) or by the Condominium Board (after all Unosld Units have been sold).

30. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as 260 Park Avenue South Condominium ("Condominium") and by the street number 260 Park Avenue South, New York, New York under Article 9-B of the Real Property Law of the State of New York, dated _____, ____, and recorded in the New York County Office of the Register of The City of New York on _____, ____ in Reel _____, Page _____, or (b) in the By-Laws of 260 Park Avenue South Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, (having an office at) (residing at) _____, the owner of Unit __ (the "Unit") in the 260 Park Avenue South Condominium which is designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot ____ in Block 849 of Section 3 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, 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), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Buildings Department, 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 Property or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint _____ (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 the

Declaration, By-Laws and the Residential Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with 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 subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph shall consent thereto by joining in the execution of such amendment. 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 Sponsor shall cease to own any Unit in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, ____.

_____

(ACKNOWLEDGEMENT

ATTORNEY'S INCOME TAX OPINION

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April 28, 2004

260 Park Avenue South LLC
150 Nassau Street
Suite 20C
New York, New York 10038

Re: **260 Park Avenue South Condominum**

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for 260 Park Avenue South Condominium (the "Plan"), you have requested our opinion as special tax counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal and New York State income tax purposes of payments of mortgage interest and real estate taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

We understand that under the Plan each Unit Owner will hold title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds

were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $1,000,000, or $500,000 in the case of a married individual filing a separate return. In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Unit Owner's Residential Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions.

We note that in some cases the amount of mortgage interest deductible by an individual Residential Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Residential Unit Owner subject to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The mortgage interest and real estate taxes described above will also be allowable as deductions for New York State income tax purposes to a resident individual. We express no opinion with respect to these items under the New York State personal income tax on nonresidents. We also express no opinion as to the taxation of Unit Owners who are not individuals.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of 260 Park Avenue South Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of residential units.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that more than 85% of the total square footage of the Premises will be used by individuals for residential purposes. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under Code Sec. 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association or from Commercial Unit Owners, amounts received for work done on privately owned property which is not Association property, and amounts received from

members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, its status for tax purposes is unclear. It is possible that in such event the Association may be taxable as a corporation or partnership for federal income tax purposes.*

It should be noted that meeting the qualifications and conditions prescribed by the statute will require careful periodic planning. It should also be noted that under certain circumstances where the Association has taxable nonexempt function income, less federal income taxes may be payable if it is not treated as an exempt organization.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

Sincerely yours,

OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY, LLP

* Due to recent amendments to the Income Tax Regulations, Section 301.7701-2 and 3, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation. If such election is not made, then the Association may be treated as a partnership and all Unit Holders would pay tax on their proportionate share of the income of the Association.

REAL ESTATE TAX PROJECTION OPINION AND ATTORNEY'S J-51 REAL ESTATE TAX ABATEMENT BENEFITS OPINION

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April 5, 2004

260 Park Avenue South LLC
c/o Mr. Yitzchak Tessler
YTT Holdings
150 Nassau Street, Suite 20C
New York, N.Y. 10038

Re: 260 PARK AVENUE SOUTH CONDOMINIUM
260 Park Avenue South & 48 East 21st Street
Block: 849 Lots: 43 & 45
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the real estate tax assessment on the condominium to be created from the addition to, and conversion of, the above property.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium upon completion of conversion, without regard to the granting of any exemption or abatement credits, as well as an estimate of potential post-conversion real property tax benefits pursuant to section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (hereinafter referred to as the "J-51 Program").

You have advised us that you are the fee owner of two (2) adjacent parcels of real property located at 260 Park Avenue South and 48 East 21st Street, New York, New York, and designated as Block 849, Lots 43 and 45 respectively on the Official Tax Map of the City of New York. You have advised us that Lot 43 is currently improved by a vacant, Eight (8) story, commercial office building and Lot 45 is improved by a vacant, twelve (12) story, commercial office building and that these buildings have a combined floor area of 177,929 square feet.

You have further advised us that you intend to combine the existing structures and convert them to residential use, add 37,416 square feet of new residential floor area on top of the existing structures (including but not limited to two (2)

penthouse levels), and convert the structure into a condominium. The resulting thirteen (13) story, 205,943 square-foot, structure will consist of the following: 1) three (3) commercial/retail units comprised of 12,109 square-feet located on the ground level; and 2) 110 residential units located on floors 2 through 13 (penthouse).

You have further informed us that you started work during February, 2004 and anticipate completing construction and conversion during December, 2005.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property, assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the subject property is as follows:

			Land	Total
260 Park Avenue South (Lot 43):				
Final	2003/2004	Actual	$ 1,980,000	$ 3,573,000
		Transition	1,836,000	3,357,000
Tentative	2004/2005	Actual	$ 2,992,500	$ 4,405,500
		Transition	2,074,500	3,701,700
48 East 21st Street (Lot 45):				
Final	2003/2004	Actual	$ 2,205,000	$ 4,635,000
		Transition	1,881,000	4,155,300
Tentative	2004/2005	Actual	$ 3,087,000	$ 5,220,000
		Transition	2,138,400	4,509,000

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 - June 30) based upon its use and condition on January 5th (taxable status date).

As of January 5, 2005, which will be the basis for the property's 2005/06 assessed value, you have advised us that construction work currently in progress will be approximately sixty-five percent (65%) complete. We estimate that the assessed value of the property for the 2005/06 tax year will be in the approximate amount of $10,075,000.

Assuming the incomplete building is classified for tax purposes in commercial class "4" and a tax rate of 11.431% (the final 2003/04 class "4" tax rate), we estimate the total real estate taxes on the building for the fiscal year July 1, 2005 through June 10, 2006 to be in the approximate amount of 1,152,000.

The first taxable status date subsequent to the anticipated completion of conversion will be January 5, 2006, which will be the basis for the property's 2006/2007 assessed value of the property. Our estimates of the post-conversion assessed values for the residential and commercial portions of the building for the 2006/07 tax year is as follows:

Residential Units . . .	$ 13,700,000
Commercial Units . . .	$ 1,800,000
Total . . .	$ 15,500,000

Assuming a residential tax rate of 12.620% and a commercial tax rate of 11.431% (e.g., the final 2003/04 tax rates), based on the projected taxable 2006/07 assessed values, we estimate that the gross real estate taxes due for the fiscal year July 1, 2006 through June 30, 2007 will be as follows:

Residential Units . . .	$ 1,730,000
Commercial Units . . .	$ 206,000
Total . . .	$ 1,936,000

You have advised us that you intend to apply for J-51 property tax benefits. The J-51 program provides real property tax abatement and exemption benefits to qualified non-residential structures that are converted to Class "A" Multiple Dwellings. These benefits are limited to the resulting residential units and are not available for space subsequently used for non-residential purposes. Also, additions to the pre-conversion structure's cubic dimensions do not qualify for J-51 benefits.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of non-residential properties, the abatement is calculated and determined based on 50% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the NYC Dep't of Housing Preservation and Development ("HPD"); or 2) a maximum allowance of $15,000 per one-bedroom apartment with a per-apartment increase of $2,400 for each additional bedroom. Resulting abatement benefits are reduced by ineligible portions

of the converted structure. The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3% of the total abatement. If, in any one year, the tax abatement is greater than the tax due, the property's taxes may be reduced by zero, with the remaining abatement available through the twentieth year. After the twenty year period, any unused tax abatement benefits are lost.

Based upon the facts presented, it appears that the property would qualify for J-51 tax abatement benefits upon full compliance with applicable filing requirements as promulgated by HPD. Applying the maximum abatement allowances set forth in the J-51 Rules and Regulations, we estimate that these abatement benefits would be in the approximate amount of $714,000 (i.e., 50% of 1,428,000 - - the maximum allowable abatement reduced by 6% commercial occupancy and 18% added cubic space). Assuming full use of the annual 8 1/3% credit, the abatement would be realized in an annual tax savings in the approximate amount of $119,000 for the first six years following completion of construction.

The J-51 program also provides for a 14-year tax exemption on the increase in the property's assessed value resulting from the property's renovation or improvement. However, for conversions in Manhattan below 110th Street, these benefits are generally available to properties having an average post-conversion assessed valuation of less than $38,000 per dwelling unit. Since we estimate that the resulting assessed value will exceed $38,000 per apartment, it does not appear that the property will qualify for the J-51 exemption.

It is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units, after consideration of the percentage of common interest and relative projected sales prices contained in the Offering Plan.

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 assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversion

is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the conversion of the building is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
ISRAEL SCHECHTER

IS/

UNIT OWNER'S SPECIMEN TITLE POLICY

SPECIMEN POLICY

SCHEDULE A

Title No. :

Amount of Insurance: $ T.B.D.

Date of Policy: T.B.D.

1. Name of Insured: T.B.D.

2. The estate or interest in the land which is covered by this policy is:

   FEE SIMPLE

3. Title to the estate or interest in the land is vested in:

   Prospective Purchaser by deed from 260 Park Avenue South, LLC dated and recorded in CRFN # .

4. The land referred to in this policy is described as follows:

SEE SCHEDULE 'C' ATTACHED

Also shows:

A. Projections and Encroachments into East 21 Street water table, trim, stand pipe, vault, canopies, lights, protective gate and show windows.
B. Projections and Encroachments into Park Avenue South by marble facing, return cornice, water table, trim, stand pipe, vault, menu box, lights, protective gates, canopy, signs, vents and flag pole.
C. Variations between windows, cornices, brick piers, fires escape and record lines.

Survey of Parcel 2 made by J. George Hollerith dated 06/25/1940 last revised by visual examination made by Earl B. Lovell-S.P. Belcher Inc. on 12/12/2002 shows a twelve story building.

Also shows:

A. Encroachments and Projections into East 20 Street by Stone base, trim, roof cornice, vent pipe and stand pipes.
B. Projections and Encroachments into East 21 Street by show window front, cellar doors, stone base, roof cornice, vent pipe and stand pipes.
C. Variations between trim, windows, beams of fire escapes, fence and retaining wall and record lines.

As to Unit _____ Policy excepts any state of facts a survey would disclose. However, Policy affirmatively insures that any encroachment of Unit _____ on another Unit or upon the common elements may remain undisturbed.

SCHEDULE C

The Condominium Unit (hereinafter referred to as the "unit") known as in the building (hereinafter referred to as the "Building") known as The 260 Park Avenue South Condominium and by the street number 260 Park Avenue South, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. in a certain declaration dated , made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") establishing a plan for condominium ownership of the building and land (hereinafter referred to as the "Land") upon which the Building is situate (which Land is more particularly described in Exhibit "A" annexed hereby and by this reference made a part hereof), which declaration was recorded in the New York Office of the Register of The City of New York on , in Reel Page , (which declaration and amendments thereto are hereinafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot in Block 850 of Section , of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building certified by , on , as Condominium Plan No. and also filed in the City Register's Office on , as Map No. .

TOGETHER with an undivided % interest in the Common Elements (as such term is defined in the Declaration).

SEE EXHIBIT "A' ANNEXED HERETO

EXHIBIT "A'

AS TO PARCEL 1:

ALL that certain plot, piece or parcel or land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of Fourth Avenue (now known as Park Avenue South)

RUNNING THENCE Southerly along the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet to the center line of the block between East 20th and East 21st Streets;

THENCE Westerly along said center line of the block and parallel with East 20th Street, 100 feet;

THENCE Northerly parallel with the Westerly side of Fourth Avenue (now known as Park Avenue South), 92 feet to the Southerly side of East 21st Street;

THENCE Easterly along the Southerly side of East 21st Street, 100 feet the point or place of BEGINNING.

AS TO PARCEL 2:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the Southerly side of East 21st Street, distant 100 feet Westerly from the corner formed by the intersection of the Southerly side of East 21st Street with the Westerly side of 4th Avenue (now known as Park Avenue South);

RUNNING THENCE Southerly parallel with 4th Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along the said center line of the block 25 feet;

THENCE Southerly again parallel with 4th Avenue (now known as Park Avenue South), 92 feet to the Northerly side of East 20th Street;

THENCE Westerly along the Northerly side of East 20th Street, 25 feet;

THENCE Northerly again parallel with 4th Avenue (now known as Park Avenue South) and part of the distance through a party wall, 92 feet to the center line of the block;

THENCE Westerly along said center line of the block, 25 feet;

THENCE Northerly again parallel with 4th Avenue (now known as park Avenue South), 92 feet to the Southerly side of East 21st Street;

THENCE Easterly along the Southerly side of East 21st Street, 75 feet to the point or place of BEGINNING.

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for: **Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) . . . . . W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) . . . . . W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

- A person acting as an intermediary W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income):.....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
- The beneficial owner is not a U.S. person,
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, **and**
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (MM-DD-YYYY) — Capacity in which acting

FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

Form **W-9**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Please print or type

Name (See Specific Instructions on page 2.)

Business name, if different from above (See Specific Instructions on page 2.)

Check appropriate box ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 2.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN** on page 2.

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Social security number

or

Employer identification number

Part II For U.S. Payees Exempt From Backup Withholding (See the instructions on page 2.)

▶

Part III Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign Here — Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

If you are a foreign person, use the appropriate Form W-8. See **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Note: *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

What is backup withholding? Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. **Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester, or
2. You do not certify your TIN when required (see the Part III instructions on page 2 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9.**

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name. If you are an individual, you must generally enter the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first and then circle the name of the person or entity whose number you enter in Part I of the form.

Sole proprietor. Enter your **individual** name as shown on your social security card on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, **enter the owner's name on the "Name" line.** Enter the LLC's name on the "Business name" line.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Other entities. Enter your business name as shown on required Federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Part I—Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box.

If you are a **resident alien** and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see **How to get a TIN** below.

If you are a **sole proprietor** and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are an **LLC** that is **disregarded as an entity** separate from its owner (see ***Limited liability company (LLC)*** above), and are owned by an individual, enter your SSN (or "pre-LLC" EIN, if desired). If the owner of a disregarded LLC is a corporation, partnership, etc., enter the owner's EIN.

Note: *See the chart on this page for further clarification of name and TIN combinations.*

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get **Form SS-5,** Application for a Social Security Card, from your local Social Security Administration office. Get **Form W-7,** Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN or **Form SS-4,** Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS's Internet Web Site at **www.irs.gov.**

If you do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: *Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.*

Part II—For U.S. Payees Exempt From Backup Withholding

Individuals (including sole proprietors) are **not** exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. For more information on exempt payees, see the separate Instructions for the Requester of Form W-9.

If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding. Enter your correct TIN in Part I, write "Exempt" in Part II, and sign and date the form.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

Part III—Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 3, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required).

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified state tuition program payments, IRA or MSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or MSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia to carry out their tax laws.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Sole proprietorship	The owner [3]
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate	The corporation
9. Association, club, religious, charitable educational, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name, but you may also enter your business or "DBA" name. You may use either your SSN or EIN (if you have one).

[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: *If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.*

APPLICATION TO ATTORNEY GENERAL FOR DETERMINATION OF THE DISPOSITION OF DOWNPAYMENTS

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: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application.

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

_____

_____

4. This is an application for

☐ return of downpayment.

☐ forfeiture of downpayment.

☐ other: _____

_____

5. The project is ☐ a conversion of occupied premises.

☐ newly constructed or rehabilitated.

☐ vacant (as is).

6. The project is structured as

- ☐ a cooperative.
- ☐ a condominium.
- ☐ a homeowners association.
- ☐ 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: _____

_____

ESCROW AGREEMENT

PART 20: ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made as of the Filing Date of the Offering Plan (defined below), between 260 Park Avenue South LLC ("SPONSOR") as SPONSOR of the Offering Plan and Starr Associates LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the SPONSOR of an offering plan for premises known as and located at 260 Park Avenue South Condominium, 260 Park Avenue South, New York, New York ("Offering Plan"); and

WHEREAS, Starr Associates LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, downpayments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank having a branch located in New York City entitled Starr Associates LLP ("Master Escrow Account").

1.2 All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. If ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser at the time the Deposit is delivered to ESCROW AGENT, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

1.3 Each of the Attorneys in ESCROW AGENT are the sole signatories on the Master Escrow Account.

1.4 The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.5 All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a "consummation of the Offering Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Starr Associates LLP, as Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale and rescind within ninety (90) days after tender of the Deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the Deposit of a defaulting Purchaser until after consummation of the Offering Plan. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the Deposit in escrow until otherwise directed in (a) a writing signed by both SPONSOR and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.4 In the event SPONSOR and a Purchaser close title under the Contract of Sale, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

3.5 Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Deposit may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

4.2 Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

5.3 ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Contract of Sale, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4 ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

5.5 ESCROW AGENT may rely upon any paper or document which may be submitted to it in connection with its duties under this Agreement and which is believed by ESCROW AGENT to be genuine and to have been signed or presented by the

proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

5.6 ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7 The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a purchaser under Article 23-A of the General Business Law.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a partner of or attorney or legal assistant employed by ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

6.3 SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Contract of Sale.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

(c) All units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 (a) or (b) above, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by ESCROW AGENT to itself.

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety

Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

STARR ASSOCIATES LLP

By: _____
Name: Allan Starr, Esq.
Title: Partner

SPONSOR:

260 PARK AVENUE SOUTH, LLC
a Delaware limited liability company

By: 260 PAS Mezzanine, LLC, as sole member

By: 260 Park Corp., its managing member

By: _____
Name: Yitzchak Tessler
Title: President

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 20: CERTIFICATION OF SPONSOR AND PRINCIPALS

New York State Department of Law
Investment Protection Bureau
23rd Floor - 120 Broadway
New York, New York 10271

Re: Condominium Offering Plan
260 Park Avenue South Condominium
New York, New York

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

260 PARK AVENUE SOUTH, LLC
a Delaware limited liability company

By: 260 PAS Mezzanine, LLC, as sole member

By: 260 Park Corp., its managing member

By: _____
Name: Yitzchak Tessler
Title: President

PRINCIPAL(S) OF SPONSOR:

_____
Yitzchak Tessler

Sworn to before me
this 25 day of March, 2004

_____
Notary Public

CERTIFICATION OF ARCHITECT

KARL
FISCHER
ARCHITECT PLLC

**CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO SEC 20.4(c) OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.**

New York State Department of Law
120 Broadway, 23rd floor
New York, New York 10271

Att.: Real Estate Financing Bureau

Re: 260 Park Avenue South
& 48 East 21st Street
New York, NY

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm, Karl Fischer Architect PLLC to prepare a report describing the construction and/or renovation of the property (the "Report"). Our firm visually inspected portions of the property, on 260 Park Avenue South & 48 East 21st Street, New York, on October 2002, and I prepared the building plans and specifications and prepared the report dated April 22nd, 2004.

We are registered architects in the State in which the property is located.

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 this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This Certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined;

530 Broadway, 9th Floor, New York, NY 10012 USA
Tel : 212-219-9733 (ext 20) Fax : 212-219-8980
e-mail: karl@kfarchitect.com

that renovation and/or construction is in accordance wit ı the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, ɼurchasers and participants an adequate basis upon which to found their judgment con erning the description and/or physical condition of the property as it will exist up ɔn completion of renovation and/or construction, provided that renovation and/or c onstruction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of material fact;

(v) does not contain any fraud, deception, concealment, or s uppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circu mstances;

(vii) does not contain any representation or statement which s 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;
d. did not have knowledge concerning the representati ɔn or statement made.

We further certify that we are not owed or controlled by and hav e no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Karl Fischer
KARL FISCHER ARCHITECT PLLC

REGISTERED ARCHITECT
KARL FISCHER
021282
STATE OF NEW YORK

Sworn to before me this
April 23, 2004

ALLAN STARR
Notary Public, State of New York
No. 02ST4647052
Qualified in New York County
Commission Expires Aug. 9, 2006

Notary Public

530 Broadway, 9th Floor, New York, NY 1001? USA
Tel : 212-219-9733 (ext 20) Fax : 212-219-3980
e-mail: karl@kfarchitect.com

CERTIFICATION OF BUDGET EXPERT

Bellmarc

Bellmarc Property Management

CERTIFICATION BY SPONSOR'S EXPERT CONCERNING
ADEQUACY OF BUDGET PURSUANT TO PART 20 OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

April 20, 2004

New York State Department of Law
120 Broadway, 23/F
New York, NY 10271
Attn.: Real Estate Financing Bureau

Re: 260 Park Avenue South Condominium
260 Park Avenue South, New York, New York

The undersigned, Bellmarc Property Management Services, Inc. certifies as follows:

The Sponsor of the Condominium Offering Plan for the above captioned property retained our firm to review Schedules B and B-1 to the Offering Plan for the first year of Condominium operation, January 1, 2006 through December 31, 2006.

Bellmarc Property Management Services, Inc. has been engaged in the management of residential and commercial real estate for more than twenty years managing approximately forty buildings, and is a licensed real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings and commercial areas of such buildings.

We certify that the projections in the Schedules B and B-1 appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses for the first year of Condominium operation, January 1, 2006 through December 31, 2006.

We certify that the estimates in Schedules B and B-1:

(i) sets forth in detail the projected income and expenses for the first year of Condominium operation for fiscal year January 1, 2006 through December 31, 2006;

(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 material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement, which is false, where, we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements 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.

BELLMARC PROPERTY
MANAGEMENT SERVICES, INC.

By:_____
Name: John R. Janangelo
Title: President

Sworn to before me this
20th day of April 2004

_____
Notary Public

LIA M. CHAPARRO
Notary Public, State of New York
No. 01CH5003303
Qualified in Queens County
Commission Expires July 1, 2006

CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNERS



Bellmarc

Bellmarc Property Management

CERTIFICATION BY SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNERS PURSUANT TO SECTION 20.4 (e) OF PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

April 20, 2004

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

Re: 260 Park Avenue South Condominium
260 Park Avenue South, New York, New York

The undersigned, Bellmarc Property Management Services, Inc. certifies as follows:

The sponsor of the condominium Offering Plan for the above captioned property retained our firm to prepare Schedule B to the Offering Plan, which includes projections of common charges payable by the owners of the commercials unit for the fiscal year January 1, 2006 through December 31, 2006.

Bellmarc Property Management Services, Inc. has been engaged in the management of residential and commercial real estate for more than twenty years managing approximately forty buildings, and is a licensed real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings and commercial areas of such buildings.

We certify that the projections in the Schedule for the common charges payable by the owner of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the operation of the Condominium during fiscal year January 1, 2006 through December 31, 2006 and that the allocation of common charges attributable to the commercial units also reflects any special or exclusive use or availability or exclusive control of particular common areas.

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

(i) set forth in detail the projected common charges for the commercial unit for of Condominium operation for fiscal year January 1, 2006 through December 31, 2006;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the commercial unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement, which is false, where, we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for fiscal year January 1, 2006 through December 31, 2006.

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.

BELLMARC PROPERTY MANAGEMENT SERVICES, INC.

By:_____
Name: John R. Janangelo
Title: President

Sworn to before me this
20th day of April 2004

Notary Public

LIA M. CHAPARRO
Notary Public, State of New York
No. 01CH5062395
Qualified in Queens County
Commission Expires July 1, 2006

REAL PROPERTY LAW SECTION 339-KK

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payment$ from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled td present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

REAL ESTATE TAX CONSENT FORM

REAL ESTATE TAX CONSENT FORM

I/we, _____ and _____, being the purchaser(s) of Unit No. ___, in the 260 Park Avenue South Condominium (the "Condominium"), which is designated and described as Unit ___ in the Declaration and also designated as Tax Lot ___ in Block 849 of Section ____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment, Department of the City of New York and on the Floor Plans of the Condominium, pertaining to the premises located at and known by the street number 260 Park Avenue South, New York, New York 10010 (the "Premises"), as part of the consideration for purchasing the Unit, hereby consent to the allocation to all Residential Units in the Condominium of any real estate tax exemption and/or tax abatement benefits obtained for the Units of the Condominium, pursuant to former Section J51-2.5 of the Administrative Code of the City of New York (now titled Section 11-243 of the Administrative Code of the City of New York), said allocation to be apportioned in the same ratio that the proportionate share of the Residential common elements of each Unit bears to the total aggregate common elements of all Residential Units in the Condominium.

I/we hereby expressly release and discharge all Unit Owners, their heirs, successors and assigns, the board of managers of the Condominium (the "Condominium Board"), 260 Park Avenue South LLC (the "Sponsor") and the City of New York from any and all acts, claims, damages or demands of any nature whatsoever which I(we), my heirs, successors or assigns ever had, may have, or will have against the Condominium Board, the Sponsor, or the City of New York, with respect to the aforesaid allocation.

I/we hereby waive and relinquish any and all rights to challenge or contest such allocation in any manner or form.

The provisions of this Consent shall be a covenant which shall run with the premises, and shall be binding on me (us)(my)(our) successors, heirs and assigns; and shall benefit the Condominium Board, the Sponsor, the City and each Unit Owner of the Condominium.

Terms used in this Consent shall have the same meanings as set forth in the Declaration establishing a plan for condominium ownership of the Premises.

_____
Name:

_____
Name:

[ACKNOWLEDGMENTS]