
CONDOMINIUM OFFERING PLAN

350 WEST 53RD STREET CONDOMINIUM

350 West 53rd Street

New York, New York 10019

Offering Price 66 Residential Units \$ 43,550,000

Total Offering Price \$ 43,550,000

The Condominium will have 66 Residential Units

Sponsor:

Victor at W. 53 LLC

3349 Highway 138 - Building C, Suite C

Wall, New Jersey 07719

Seller Agent:

Shvo Group, LLC

724 Fifth Avenue

New York, New York 10019

The approximate date of the first offering of this Condominium Offering Plan is January 2005. This Condominium Offering Plan may not be used after January 2 2006 unless this Plan is amended.

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

THE PRICES AND TERMS OF SALE FOR THESE CONDOMINIUM INTERESTS MAY BE CHANGED SO THAT PURCHASERS MAY PAY DIFFERENT PRICES FOR SIMILAR INTERESTS. THE EFFECT OF THIS IS SET FORTH ON PAGE 48.

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

TABLE OF CONTENTS

PART I

<u>Section</u>	<u>Page</u>
SPECIAL RISKS.....	1
INTRODUCTION	7
DEFINITIONS	13
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	17
LOCATION AND AREA INFORMATION	19
SCHEDULE A- OFFERING PRICES AND RELATED INFORMATION	22
SCHEDULE A-1- ESTIMATED REAL ESTATE TAXES- SECOND YEAR.....	24
FOOTNOTES TO SCHEDULE A	27
SCHEDULE B- BUDGET- FIRST YEAR OF CONDOMINIUM OPERATION	36
SCHEDULE B-1- ESTIMATED ELECTRIC COSTS	44
OPINION OF LICENSED REAL ESTATE BROKER REGARDING COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i).....	46
CHANGES IN PRICES OR UNITS	48
INTERIM LEASES	49
PROCEDURE TO PURCHASE	49
ASSIGNMENT OF PURCHASE AGREEMENTS	58
EFFECTIVE DATE	58
TERMS OF SALE; CLOSING OF TITLE TO UNITS	60
CLOSING COSTS AND ADJUSTMENTS	66
RIGHTS AND OBLIGATIONS OF SPONSOR	73
CONTROL BY SPONSOR	85
RIGHTS AND OBLIGATIONS OF UNITS OWNERS AND BOARD OF MANAGERS; SUMMARY OF BY-LAWS	86
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM	109
REAL ESTATE TAXES	111
OPINION OF COUNSEL	118
RESERVE FUND	125
WORKING CAPITAL FUND	125
MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	126
IDENTITY OF PARTIES	128
REPORTS TO UNIT OWNERS	129
DOCUMENTS ON FILE	130
GENERAL	130
SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION	131

TABLE OF CONTENTS

PART II

<u>Document</u>	<u>Page</u>
1. PURCHASE AGREEMENT	133
2. UNIT OWNER'S POWER OF ATTORNEY	151
3. FORM OF UNIT DEED	156
4. APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS	161
5. ESCROW AGREEMENT	165
6. DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITION	172
7. CONDOMINIUM FLOOR PLANS	186
8. OPINION OF REAL ESTATE TAX COUNSEL	218
9. DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM	226
10. BY-LAWS	245
11. CERTIFICATIONS:	
A. SPONSOR AND SPONSOR'S PRINCIPALS	280
B. SPONSOR'S ARCHITECT	283
C. SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	286

SPECIAL RISKS

1. No Financing Contingency

The Purchase Agreement between Sponsor and Purchaser is not contingent upon a Purchaser's ability to obtain mortgage financing in connection with the purchase of his Unit. As a result, a Purchaser will remain obligated under the Purchase Agreement if the Purchaser is unable to obtain financing for the purchase of the Unit. Accordingly, Purchasers are advised to inquire about the availability of financing prior to executing a Purchase Agreement.

A Purchaser who obtains a financing commitment should understand that his financing commitment may expire or lapse or that its terms may change prior to the closing of title to the Unit unless such commitment is extended. If a Purchaser's financing commitment expires, lapses or is changed prior to the closing of title of the Purchaser's Unit, it will not affect the Purchaser's obligation to consummate the purchase of the Unit in accordance with the provisions of the Agreement. Please see "Procedure to Purchase."

2. Control by Sponsor

The Condominium Board will consist of seven (7) members. Sponsor shall be entitled to elect or designate four (4) of the members until the earlier of (i) the date that aggregate Common Interests of the Residential Units owned by Sponsor (and its designees owning Residential Units) comprise less than 50% of the Common Interests of all Residential Units, or (ii) five years from the date of the First Closing. From and after the earlier of (i) the date that the aggregate Common Interest of the Residential Units owned by Sponsor (and its designees owning Residential Units) is less than 50% of the outstanding Common Interests of all Residential Units, or (ii) five years from the date of the First Closing, Sponsor shall have the right to elect or designate three (3) Members for so long as Sponsor (and its designees owning Residential Units) owns at least 20 Unsold Residential Units, two (2) members for so long as Sponsor (and its designees owning Residential Units) owns at least 10 Unsold Residential Units and one (1) Residential Member for so long as Sponsor (and its designees owning Residential Units) owns at least one (1) Unsold Residential Unit. In addition to any members elected or designated by Sponsor, Sponsor shall, at all times, also have the right to cast its votes for all remaining positions on the Condominium Board for candidates who reside in the Building but who are unrelated to or unaffiliated with Sponsor. Under the Condominium By-Laws, Owner-occupants may be unable to control the Board of Managers until the foregoing period has elapsed; moreover, there may be inherent conflicts on how the Condominium should be managed because of their different interests, i.e., purchase as a home as opposed to an investment.

Until (i) the date on which the aggregate Common Interest of all Unsold Units is less than 25% of the Common Interests of all Units, or (ii) five years from the date of the First Closing, whichever occurs first, neither the Board of Managers, nor

officers, nor Unit Owners, except upon the written consent of the owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B; (b) provide for services other than those described in Schedule B unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) remove any member of the Board of Managers elected by the owners of Unsold Units except for cause; (e) borrow money or cause their representatives on the Board of Managers to (i) change the insurance coverage on the Property from the coverage described in Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Condominium or unless such change is required by the holder of any mortgage on any Unsold Unit or by the insurance carrier insuring the Property to satisfy insurance requirements that are the responsibility of the Board of Managers or (ii) take any action inconsistent with (a), (b), (c) or (d). See **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-laws."**

3. Payment of Real Property Transfer Taxes

Pursuant to Section 11-2104 of the New York City Administrative Code and Section 1404(a) of the New York Tax Law, the New York City real property transfer tax and the New York State real estate transfer tax are the obligation of the seller of real property. The burden of paying those taxes may be modified by contract. As is common in many other condominium developments in New York State, the Purchase Agreement provides that the Purchaser will be required to pay these transfer taxes at the closing. Both New York State and New York City have taken the position that where a purchaser pays either or both of these taxes, such payment constitutes additional consideration to the seller and must be considered in computing the tax due including the amount of any so-called "mansion" tax. Please see **"Procedure to Purchase" and "Closing Costs and Expenses."**

4. Payment of Sponsor's Attorneys' Fees and Other Closing Costs

Each Purchaser will be required to pay to Sponsor or Sponsor's attorneys a fee for the Purchaser's Unit which will cover the legal and other fees and expenses of processing the sale of the Unit, as provided further in **"Closing Costs and Adjustments."**

The Purchase Agreement also provides that the Purchaser of each Residential Unit will pay to the Condominium Board a sum equal to one month's Common Charges in connection with the establishment of the Working Capital Fund. Additional closing costs to be paid by each Purchaser are set forth under **"Closing Costs and Adjustments."**

If through no fault of Sponsor, a Purchaser fails to close on the date fixed by Sponsor for closing of title to the Purchaser's Unit, then the Purchaser will (a) pay

(among other closing costs) a late fee equal to 0.0328% times the unpaid balance of the Purchase Price for each day of the Delay Period, (b) reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the Delay Period and (c) pay the service fee of \$200 for each default letter and \$200 for each notice sent to such Purchaser to reschedule the Closing. All of these and other closing costs to be paid by a Purchaser are described in the section of the Plan entitled **"Closing Costs and Adjustments."**

5. No Bond or Other Security

No bond or other security has been furnished to secure Sponsor's obligations under the Plan, including, without limitation, those obligations specified in the **"Rights and Obligations of Sponsor"** section of the Plan.

6. Deposits May Not Be Federally Insured In Excess of \$100,000; Purchaser Will Not Receive a Refund of Funds Used by Sponsor for Upgrades or Extras

All Deposits made by Purchasers on account of the purchase of a Unit will be maintained in an attorneys' escrow account at a depository bank, all as more fully described under **"Procedure to Purchase."** If an individual makes a Deposit in excess of \$100,000 for the purchase of a Unit, or if the amount of such individual's deposits at the depository bank and such Deposit exceed \$100,000, the aggregate of such Deposit and all other such deposits will generally not be federally insured in excess of \$100,000.

All funds received by Sponsor for upgrades or extras must initially be placed in the escrow account maintained at the depository bank described above. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, if a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras.

7. Preferred Title Company

Executive Abstract Corp., as agent for First American Title Company (the "Preferred Title Company") has agreed to insure, upon the payment by Purchaser of the premium for such insurance, that Purchaser has title to the Unit free and clear of all liens and encumbrances except those set forth in the Plan, subject to the provisions of the Condominium Declaration and By-Laws and any mortgage executed or other encumbrance created by the Purchaser. While the Purchaser will be free to select a title company of his choice, the Sponsor's obligation to deliver title to the Unit as provided above, will be deemed satisfied if the Preferred Title Company is prepared to insure such title subject to those title exceptions permitted under the Plan. Sponsor has no obligation to satisfy the requests of any title company other than the Preferred Title Company. In addition, if a Purchaser obtains title insurance from a title insurer other than the Preferred Title Company, the Purchaser will be required to pay an additional closing fee of \$500 to Sponsor's attorney. See **"Closing Costs and Adjustments"** and **"Terms of Sale-Closing of Title to Units"** for details.

Purchasers are advised that their real estate taxes may increase in a number of reasons, including increases (i) as the 421-a exemption phases out, (ii) as a result of any increase in the tax rate and/or (iii) as a result of any increase by The City of New York of the assessed valuation of their respective Units.

Purchasers are advised that if the construction is not substantially completed by April 15th of the tax year, it is anticipated that for the first year of condominium operation (i.e., the period from July 1, 2005 to June 30, 2006) the assessed value of this Property may reflect a "progress" assessment, rather than the full assessment that would be applicable to a newly constructed building. However, Sponsor does not represent that such lower assessment will in fact be in effect in the first year of Condominium operation. It is anticipated that the assessed value of the Property (including each Unit) will increase significantly for the tax year beginning July 1, 2006 and subsequent tax years. The Mazursky Group, Inc. prepared an estimate of the real estate taxes payable by each Unit Owner for the first year of Condominium operation and a separate estimate for the second year of Condominium Operation. The estimated real estate taxes for the first year of Condominium Operation are contained on Schedule A. The estimated real estate taxes for the second year of Condominium Operation are contained on Schedule A-1. See "Footnotes - to Schedule A" for discussion.

**11. Sponsor's Remedies on Purchaser's Default Under the Purchase Agreement;
30-day "Time of The Essence" For Purchaser To Cure Default; Down
Payment to Be Twenty Percent of Purchase Price of Unit**

Any Purchaser who defaults under his Purchase Agreement must be given written notice and the opportunity to cure such default within thirty (30) days from the sending of the default notice. If a defaulting Purchaser does not remedy the default within such thirty (30) day grace period, with **TIME BEING OF THE ESSENCE** (that is, by the end of such thirty (30) day period, with no extensions of time being afforded to the Purchaser).

The Purchase Agreement provides that each Purchaser must make a ten percent (10%) down payment at the time of execution of the Purchase Agreement. If the Purchaser fails to cure such a default under the Purchase Agreement within thirty (30) days following written notice from Sponsor that the Purchaser is in default, Sponsor will be entitled to cancel the Purchase Agreement and retain Purchaser's down payment. **TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE A DEFAULT WITHIN THIRTY (30) DAYS FOLLOWING WRITTEN NOTICE.** Upon such cancellation, Purchaser and Sponsor will thereupon be relieved of all further liabilities and obligations thereunder and under the Plan. If the Purchase Agreement is canceled, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to the Purchaser for the proceeds of such sale. See the Section of the Plan entitled "Procedure to Purchase."

8. Sponsor's Inability to Convey Title.

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan (which obligations are set forth in the section entitled "**Effective Date**") to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. If Sponsor notifies a Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either (a) to take such title as Sponsor is able to deliver without abatement in or credit against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise or (b) to terminate his Purchase Agreement and receive a refund of his Down Payment and any interest earned thereon. A Purchaser must notify Sponsor which option such Purchaser elects within ten (10) days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE**. If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability as set forth in clause (a). See the Section of the Plan entitled "**Closing of Title to Units and Terms of Sale**" and the form of Purchase Agreement set forth as Document 1 in Part II of the Plan.

9. Prohibition Against Advertising.

Each purchaser is prohibited from advertising or publicizing the availability of his Unit for sale or lease prior to his Unit Closing. See "**Procedure to Purchase**" for details.

10. Real Estate Taxes and Status of 421-a Benefits.

Sponsor intends to apply for real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law. If obtained, such benefits, which are more fully described in the sections of the Plan entitled "**Footnotes to Schedule A**" and "**Real Estate Taxes**," would result in a partial exemption from any increase in assessed value of the Property above the assessed value of the Land and any improvements thereon during the tax year preceding the commencement of construction. Such exemption will phase out at the rate of 20% a year commencing with the third year following completion of construction and will cease to be available after the tenth year following the completion of construction. Thus, commencing the third year following completion of construction, the real estate taxes payable with respect to each Unit will increase and after the tenth year following the completion of construction, no Unit will be entitled to receive any portion of the 421-a exemption. Sponsor has not yet made an application to the New York City Department of Housing Preservation and Development for 421-a benefits. The opinion of Sponsor's real estate tax counsel regarding Section 421-a benefits is reproduced in Part II as Document VII. Until such benefits are granted by the New York City Department of Housing Preservation and Development, there is no assurance that such benefits will be available. Purchasers will have no right to rescind their Agreements even if such benefits are not granted or are not in effect on the Purchaser's Closing Date.

12. Changes in Prices of Units

Certain prices of Units may be changed without filing an amendment with the Department of Law. See the section of the plan entitled **"Changes in Prices and Units"** for details.

INTRODUCTION

Purpose of the Plan

Victor at W. 53 LLC (the "Sponsor") presents this offering plan (the "Plan") for the condominium ownership of the building known by the street address 350 West 53rd Street, New York, New York 10019 (the "Building") and the parcel of land on which it is situated (the parcel of land and Building are collectively called the "Property") under the provisions of the Condominium Act (as hereinafter defined). The Condominium will be known as "350 West 53rd Street Condominium."

The purpose of this Plan is to set forth all of the material terms of the offer to establish the Property as a condominium and to sell Units therein.

The Plan is presented in two parts which together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, a description of the Property and the basic documents necessary to create the Condominium and effectuate the provisions of the Plan.

The Plan may be amended from time to time upon the filing of an amendment with the Department of Law of the State of New York ("Department of Law"). Amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor and who are not in default, (ii) Unit Owners and (iii) any other person entitled to service pursuant to local law or regulation (collectively "Offerees"). However, certain changes in prices of Units may be effected without filing an amendment with the Department of Law. See "Changes in Prices or Units."

The Sponsor and its Interest in the Property

The Sponsor is a New York limited liability company. See "Identity of Parties." Sponsor acquired the Property by deed dated April 15, 2004.

Property to be Submitted to Condominium Act

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known and herein referred to as the "Condominium Act." On or before the Closing Date the Property will be submitted to the provisions of the Condominium Act by Sponsor's recording the Declaration and By-Laws set forth in Part II of the Plan and filing the Floor Plans in the Office of the City Register, in New York County. From and after the date of recording the Declaration, Sponsor will be the owner of each of the Units until each is sold or conveyed.

Offer of Condominium Units

Subject to the provisions following below, Sponsor will, in good faith, endeavor to sell in a diligent and reasonably timely manner, rather than rent the Residential Units.

Sponsor reserves the right to rent rather than sell Residential Units under the circumstances set forth in paragraphs (1) and (2) below:

1. if and when required under the construction loan for the Property;
or
2. following the execution of Purchase Agreements with bona fide Purchasers for not less than twenty-five percent (25%) of the Residential Units offered under the Plan, if Sponsor is unable, despite a bona fide effort, to sell its Residential Units.

The construction loan for the Property will provide for the release of Units from the lien of the mortgage securing such loan only if, in connection with such release, Sponsor pays the construction lender an amount agreed upon between Sponsor and the lender (the "Unit Release Amount"). Sponsor's ability to sell Residential Units in an amount sufficient to (i) pay to its construction lender the Unit Release Amount, (ii) pay its other expenses of the development and construction of the Condominium and sales of Units (including, without limitation, expenses attributable to construction costs, architectural fees, overhead, general conditions, sales, marketing, legal fees, taxes, administration and interest), and (iii) make a profit on its investment in the Condominium, will all have a bearing on the price at which Sponsor is willing to sell its Residential Units.

In addition, Sponsor reserves the right to sell or transfer a maximum of eight (8) Units to Persons who have an economic interest in or are otherwise related to or affiliated with Sponsor or a member of Sponsor or Sponsor's principal. One or more of such Units may be rented by the owners thereof.

If Sponsor makes a bulk sale of some or all of its Unsold Units, the transferee successor to Sponsor shall be bound by Sponsor's representations regarding its commitment as set forth above to sell Units.

The Sponsor hereby offers for sale 66 Residential Units on the terms and conditions set forth in the Plan.

The prices of the Units are set forth in "**Schedule A - Prices of Units.**" These prices have been set by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

The Property is currently situated in an R-8-C1-5 Overlay; Clinton Special District - Preservation Area.

The Condominium Floor Plans set forth in Part II of the Plan show a number of typical floors. Purchasers should refer to the sections of the Plan entitled "**Changes in Prices and Units**" and "**Rights and Obligations of Sponsor**" for a discussion of the right of Sponsor to make changes to the Units.

The Property and the Units therein are being sold in the condition described in the "Description of Property and Specifications" section of Part II of the Plan and Sponsor will not have any obligation to make any alterations, repairs or improvements except as is expressly provided in the **"Description of Property and Specifications"** or in the **"Rights and Obligations of Sponsor"** section of Part I of the Plan.

Features of Condominium Ownership

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his Unit and is entitled to the exclusive possession thereof. Each Unit Owner also owns in common with other Unit Owners an undivided interest in the Common Elements known as his Common Interest. Each Unit Owner must pay Common Charges with respect to his Unit based, in general, upon the percentage of Common Interest allocated to his Unit relative to the Condominium's Common Expenses. The Common Elements, as more particularly described in the **"Rights and Obligations of Unit Owners"** section in Part I of the Plan and in the Declaration set forth in Part II of the Plan consist of the General Common Elements and the Limited Common Elements. The Common Elements include the Land, the roof, the foundation, the supports of the Building and all other parts of the Property, other than the Units. Portions of the Common Elements may be designated as Limited Common Elements. Limited Common Elements include balconies, terraces and portions of the Property that are devoted to use in common by less than all of the Unit Owners, as provided in the Declaration. For example, if any two contiguous Units which have access to the same shared hallway shall, at any time, be owned by the same owner, such hallway shall thereafter be treated as a Limited Common Element until such time as such Units shall have two different owners.

The Residential Units may be used solely for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage his Unit with a lender to secure a loan in such amount as he chooses (see **"Procedure to Purchase"**). Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Except for the purchase money financing that Sponsor may provide to the Board of Managers in connection with the acquisition of the Superintendent's Unit Sponsor is not offering to arrange institutional financing or to act as agent for any lender with respect to the financing of Units under this Plan. Commercial and savings banks as well as some savings and loan associations may make loans to help Purchasers finance the acquisition of their Units. Each institution has its own lending policies and credit requirements. A Purchaser will remain obligated under the Purchase Agreement even if Purchaser is unable to obtain financing. The Sponsor makes no representation or warranty that institutional financing will be available to Purchasers or as to the terms

and conditions upon which financing might be available. Each Purchaser is advised to check with the institution of his choice to determine the availability of financing.

A Unit Owner may decorate the interior of his Unit in any way he desires subject to compliance with the By-Laws and the Rules and Regulations thereunder. Except for compliance with law, there are no limitations or restrictions upon the right of the Sponsor or its designees to decorate or alter their respective Units. A Unit Owner will be responsible for the cost of maintenance and interior repairs to his Unit.

The Sponsor will make application to divide the Property into separate tax lots for each Unit and its Common Interest, which Unit (and its Common Interest) will then be taxed as a separate tax lot for real estate tax purposes. Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to a Unit is officially made, a Unit Owner will then be responsible for the payment of the real estate taxes on his Unit but not any other Unit and his Unit will not be affected by virtue of nonpayment of real estate taxes with respect to any other Unit. The amount of the tax assessed against any Unit will depend upon various factors affecting value, including but not limited to, square footage, location, purchase price and other factors taken into consideration by the taxing authorities. Until the Units are separately assessed as described above, real estate taxes assessed against the Property will be treated as a Common Expense; each Unit's share of such Common Expense will be calculated as described in Footnote 5 to Schedule A.

With certain exceptions, any sale or lease of a Residential Unit will be subject to a right by the Condominium to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. Purchasers are advised that, subject to certain exceptions (including the sale or lease of Units by Sponsor) more fully described in the section of the Plan entitled **"Rights and Obligations of the Board of Managers,"** while the Condominium Board has certain rights of first refusal in the case of the sale or lease of Units, the Condominium Board does not have the power to approve or disapprove either purchasers or lessees of Residential Units. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of Unit Owners who are do not reside in their respective Units.

Sponsor has committed, in this Plan to surrender control of the Board of Managers at the earlier to occur of (i) the closing of the sale of Units having an aggregate Common Interest at least 50% of the Common Interests of all Units or (ii) five years from the date of the First Closing. In addition, the By-Laws provide that from and after the date that Sponsor surrenders control of the Board of Managers in accordance with the foregoing provision, a majority of the members of the Board of Managers must be owner-occupants or members of owner-occupants' households who are unrelated to Sponsor and its principals.

The Sponsor and its designees may sell or lease all or any portion of their Units without any restriction or limitation imposed pursuant to the Declaration or By-

Laws. (See **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws"**).

Operation and management of the Condominium will be vested in the Board as more particularly set forth in the By-Laws. Each Unit Owner will have a right to vote for members of the Board as provided in the By-Laws. The Board will determine the amount of Common Expenses. Common Expenses include without limitation the expenses of maintaining and operating the Common Elements and the other expenses set forth in Schedule B. Each Unit Owner will be required to pay Common Charges in accordance with Section 339-i and 339-m of the New York Real Property Law. In general, each Unit Owner will be required to pay his proportionate share (which share is based generally on the Common Interests of such Unit) of expenses incurred by the Condominium Board that are applicable to the Common Elements.

Each Unit and Owner is required to comply with the Declaration, the By-Laws, rules and regulations and any other requirements of the Board of Managers.

At least monthly, the Board will assess such Common Charges against each Unit Owner to meet expenses, including Common Expenses. See **"Definitions"** and **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws"** for a description of the Common Elements, including the General Common Elements and the Limited Common Elements.

Each Unit will be individually metered for electricity, and the owner of such Unit will be responsible for the cost of electricity consumed in such Unit. The cost of electricity consumed in the General Common Elements and the cost of gas will be shared by all Unit Owners in accordance with their Common Interests; the estimated amount thereof has been included in the budget for the first year of Condominium Operation. Electricity serving the General Common Elements will be separately metered or submetered.

In the opinion of counsel to the Sponsor, under present income tax laws, a Residential Unit Owner substantially like a homeowner, may deduct from his income for federal, New York State and New York City income tax purposes, a portion of the real estate taxes paid with respect to his Residential Unit and a portion of the interest paid on the mortgage, if any, on his Residential Unit, but subject to the limitations, conditions and restrictions discussed in **"Counsel's Tax Opinion"**. For the most part a Residential Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations (See **"Counsel's Tax Opinion"**).

The Condominium shall maintain fire insurance policies insuring the Building (but not including appliances or any furniture, furnishings or other personal property in the Unit) covering the interests of the Condominium, the Board, all the Unit Owners and their mortgagees as their respective interests may appear, in an amount equal to at least eighty percent of the full replacement value of the Building exclusive of excavation and foundations and deduction for depreciation. However, the First Year's

Budget has been based on an agreed amount replacement policy covering the Building. The coverage under such policy waives any co-insurance provision. Each Unit Owner is advised to insure the interior of his own Unit and the contents thereof, including, but not limited to, appliances, furniture, furnishings, or other personal property within the Unit. In addition, a Unit Owner may desire to obtain insurance covering his liability to others for personal injury or property damage occurring within or to his Unit.

Miscellaneous

The Plan (including all Schedules and Parts A, B and C of the Exhibits submitted by the Sponsor to the Department of Law) constitutes the entire offer of Sponsor. Copies of the Plan, and Parts A, B, C and D of the Exhibits referred to above, are available to prospective Purchasers and their attorneys for inspection without charge and for copying at a reasonable charge, at the office of the Selling Agent during regular business hours, and if and when a sales office is maintained at the Property, then at such sales office.

The Plan is offered only to individuals who are 18 years of age or older and who reside in the State of New York, or other entities with offices in the State of New York.

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

DEFINITIONS

"Board" or "Board of Managers" means the Board of Managers of the Condominium.

"Building" means the building located on the Land.

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

"Closing Date" means the date of closing pursuant to the Plan, unless another closing date is set forth in an Agreement covering a Unit, in which event such other date shall be the Closing Date for such Unit.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Charges" means any charges assessed by the Board against any Unit Owner.

"Common Elements" include the General Common Elements and the Limited Common Elements.

"Common Expenses" means all costs and expenses incurred or paid generally by the Board in connection with the operation of the Condominium which, pursuant to the Plan, the Declaration and the By-Laws, are, except as set forth in the Plan and the Condominium By-Laws, to be paid by the Unit Owners in proportion to their Common Interests, as summarized in **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws"** and as more fully described in the Declaration and the By-Laws.

"Common Interest" means the proportionate undivided interest expressed in numerical percentages in the Common Elements pertaining to each Unit as determined in accordance with the Declaration. The total of all Common Interest percentages pertaining to all Units equals 100%. Common Interest is the basis of determining, among other things, a Unit Owner's voting power and, in general, as to Common Expenses, liability for a share of such Common Expenses and share of any distributions upon termination of the Condominium.

"Communications Equipment" shall mean, without limitation, any and all cables, conduits, ducts wires, apparatus, facilities, connective equipment, electrical lines, flues, risers, antennas, multiplexes, satellite dishes and similar or dissimilar equipment necessary or desirable in connection with the provisions of Communication Services.

"Communications Firm" means any individual, corporation, limited liability company, partnership or other entity providing Communications Services.

"Communications Services" shall include without limitation, telephone, television, radio, cellular, cable, internet, terminals, satellite, telecommunications and/or other communication services whether similar or dissimilar.

"Condominium" means 350 West 53rd Street Condominium.

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

"Condominium Documents" means collectively this Plan, the Declaration and the By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"CPI Factor" means

"Declaration" means the Declaration of Condominium, a copy of which is set forth in Part II of this Plan, as the same may be amended from time to time.

"Delay Period" means the day beginning with the originally scheduled Closing Date through and including the actual Closing Date.

"Department of Law" means the Investment Protection Bureau Department of Law, 120 Broadway, 23rd Floor, New York, New York.

"Exhibits" means collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.

"First Closing" or "closing of title to the First Unit" or words of similar import means the closing of title to the first Residential Unit to a bona fide purchaser pursuant to the Plan.

"Floor Plans" means the condominium floor plans of the Building, to be filed with the Office of the City Register in New York County, copies of which are reproduced in Part II of the Plan.

"Force Majeure" means weather, floods, epidemics, quarantine restrictions, strikes, lockouts, acts of God, 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 the Sponsor has no material and direct control.

"General Common Elements" means the Land and all parts of the Building, other than the Units and the Limited Common Elements. The General Common Elements include the foundations, roof and supports of the Building, certain columns, walls, beams, supports, all joists, floors, the cooling tower, certain vents, certain partitions and certain ceilings (to the extent the same are not expressly included as part of a Unit, and/or the Limited Common Elements) and all other parts of the Property, areas or facilities, apparatus and installations for the common use of the Units and the Unit Owners and all other parts of the Property included as "General Common Elements" under the Declaration.

"Insurance Trustee" means a New York State bank or trust company or savings institution designated by the Board as insurance trustee pursuant to the provisions of the By-Laws.

"Land" means the parcel of land upon which the Building is situated, as more fully described in the Declaration.

"Limited Common Elements" means, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration (or re-designated as a Limited Common Element in accordance with the Declaration) and which in either case serve or benefit exclusively such Unit. If any two Units are contiguous, have access to the same shared hallway and shall at any time be owned by the same owner, such hallway shall thereafter be treated as a Limited Common Element until such time as such Units shall have two different owners. In addition, Sponsor has the right to designate portions of the Common Elements as "Limited Common Elements" in connection with the combining or subdividing of Units as provided in the Declaration.

"Majority in Common Interest of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of Unit Owners determined in accordance with the By-Laws.

"Managing Agent" means Douglas Elliman Property Management or any successor managing agent designated by the Board.

"Permitted Encumbrances" means the title exceptions set forth in "Terms of Sale; Closing of Title to Units" subject to which a Unit may be conveyed.

"Permitted Mortgage" shall mean any first mortgage of record against a Unit.

"Permitted Mortgagee" shall mean the holder of any Permitted Mortgage of record against a Unit.

"Plan" means the Condominium Offering Plan for 350 West 53rd Street Condominium, promulgated by the Sponsor.

"Property" means collectively the Land and the Building.

"Purchase Agreement" means the purchase agreement to purchase a Residential Unit the form of which is set forth in Part II as Document 1.

"Purchaser" means a purchaser of a Unit pursuant to a Purchase Agreement.

"Residential Unit" means a Unit which is designated as a Residential Unit in the Declaration and/or the Floor Plans.

"Residential Unit Owner" means the owner of a Residential Unit.

"Rules and Regulations" means the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A as the same may be amended from time to time.

"Selling Agent" shall mean Shvo Group, LLC, unless the Plan is amended to disclose a successor selling agent designated by Sponsor.

"Service Equipment" shall mean all of the following now or hereafter installed in the Building, serving one or more Units or the Common Elements, if any, appurtenant thereto: (i) pipes, wires, ducts, risers, cables, conduits and (ii) mechanical, electrical and other equipment, antennas and other communications devices.

"Signs" means any sign, advertisement, notice or other lettering.

"Sponsor" means Victor at W. 53 LLC. The term "Sponsor" shall be deemed to include any successor to Sponsor. A successor to Sponsor is any (i) individual, corporation or other entity which through an amalgamation, consolidation or other legal succession becomes vested with the rights and assumes the obligations of Victor at W. 53 LLC, or (ii) any person who purchases from Victor at W. 53 LLC or otherwise succeeds to (w) the lesser of (x) ten or more Residential Units or (y) twenty percent (20%) or more of all Residential Units in the Condominium or (z) all remaining Residential Units then owned by Sponsor and is not purchasing such Units for his, her or its own occupancy or for occupancy of such person's family members, and in any case shall include any nominee holding any Unit for the account of the person referred to in clause (i) or (ii) above.

"Unit" or "Units" means any space designated as a Residential Unit in the Declaration consisting generally of a specific residential apartment and an appurtenant undivided interest in the Common Elements. All of such Units are collectively referred to as the "Units."

"Unit Owner" or "Unit Owners" means any owner or owners of a Unit. All of such Unit Owners are collectively referred to as "Unit Owners."

"Unsold Unit" refers to a Residential Unit until such Unit has been purchased by a bona fide purchaser for residential occupancy on or after the Closing Date under the Plan or until the owner of such Unit or a person related by blood or marriage to such owner becomes the residential occupant of such Unit.

"Unsold Unit Owner" shall mean any owner of an Unsold Unit from time to time.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Land

The Land is located on the southerly side of West 53rd Street between 8th Avenue and 9th Avenue in the Borough of Manhattan in the City and State of New York. It is known as 350 West 53rd Street, New York, New York 10019. A metes and bounds description of the Land is set forth in the Declaration in Part II of the Plan. The Property is presently designated as Block 1043, Lots 54, 56 and 58 on the tax map of the Borough of Manhattan.

The Building

The Building will contain a one below grade level, a ground floor and floors 2-7. Construction is expected to commence in August, 2004 and it is anticipated that construction of the Building will be substantially complete on or about July, 2005 unless delayed by Force Majeure. The Building shall be substantially completed as described in "Description of Property and Specifications" in Part II of the Plan.

Description of Improvements

The Sponsor intends to construct the Building substantially in accordance with the plans and specifications prepared by Gerner Kronick & Valcarcel, Architects, P.C., 443 Park Avenue South, New York, New York 10016, copies of which are available for examination by prospective Purchasers at the Selling Agent's office. Such plans and specifications as the same may be amended from time to time by Sponsor are referred to in this Plan as the "Plans and Specifications."

A general description and outline of the specifications of the Building, equipment, furnishings and facilities is set forth in "Description of Property and Specifications" in Part II of the Plan.

The improvements described in the Plans and Specifications shall, upon issuance of the permanent certificate of occupancy for the Building, be in compliance with all applicable zoning codes of the City of New York and other applicable regulations, codes and governmental requirements.

Upon completion of construction of the Building in accordance with the Plans and Specifications, it is presently contemplated that the Building will contain 66 Residential Units as described in this Plan.

Completion of Building and Units

Construction of the Building will commence in August, 2004 and it is anticipated that construction will be substantially complete on or about July, 2005, unless delayed by Force Majeure. The obligations of Sponsor under this Plan and any Agreement are subject to Force Majeure. The periods within which the Sponsor must complete any of

its obligations under this Plan or any Purchase Agreement shall be extended by the periods of any such delay and any further periods of consequential delay.

Construction of the Building shall be deemed fully completed in accordance with the Plans and Specifications when (a) a temporary or permanent Certificate of Occupancy for the Building shall have been issued by the Department of Buildings of the City of New York, and (b) the Sponsor's architect or engineer shall have certified that the Building has been substantially completed in accordance with the Plans and Specifications except for (i) work in Units to be done by or for the account of Purchasers, (ii) work in the Building customarily left incomplete until after occupancy and (iii) punchlist items. Issuance of a temporary or permanent certificate of occupancy and the certification of the Sponsor's architect or engineer shall be deemed and considered conclusive evidence that the improvements have been completed in accordance with the Plans and Specifications without prejudice however to any rights which the Condominium may have under Sponsor's obligation to cause defects in construction or materials to be corrected as hereinafter may be set forth in this Plan. (See "Rights and Obligations of Sponsor").

A Purchaser should note that prior to the conveyance of title to him of his Unit he may not perform any work in the Unit without first obtaining the Sponsor's prior written consent. In addition, as provided in the By-Laws, prior to the issuance of a permanent certificate of occupancy for the Building following completion of construction as described in the Plan, no Unit Owner other than Sponsor shall be permitted to make any alterations or improvements to his Unit without the prior written consent of Sponsor. In either case, Sponsor's consent may be granted or withheld in Sponsor's sole and absolute discretion.

Views

Zoning districts can be modified from time to time and views from the Units may be blocked if, among other reasons, (i) the height, bulk or density of an adjacent building is changed, (ii) the zoning district designation is amended to permit greater building bulk and density, (iii) a zoning variance is obtained for property in the area in which the Building will be situated, permitting a change in the height, bulk or density of either an existing building or a building to be constructed, (iv) the F.A.R. for the zoning district is changed or (v) the Zoning Resolution is otherwise amended.

If the buildings adjacent to the Property are renovated, reconstructed or enlarged at any time in the future, views may be obstructed.

Units and Common Elements

It is anticipated that the Condominium will contain 66 Residential Units.

A summary description of the Units offered for sale under this Plan is set forth in "Introduction" and "Schedule A". Floor plans for the Units are set forth in "Condominium Floor Plans" in Part II of the Plan.

The legal description of the Units, the General Common Elements and the Limited Common Elements is set forth in the Declaration in Part II of the Plan and is

summarized in "Rights and Obligations of Unit Owners and Board of Managers, Summary of By-Laws" in Part I of the Plan.

Recreation Areas, Parking and Other Amenities

A portion of the cellar floor forming a part of the General Common Elements will be available to all Residential Unit Owners as a recreation room. Sponsor will have no obligation to furnish or equip the room. The Condominium Board will prescribe regulations regarding the use of such rooms.

Certificate of Occupancy

It should be noted by Purchasers that the closing of individual Units under the Plan may occur prior to obtaining a permanent certificate of occupancy for the Building. A temporary certificate of occupancy may only be renewed, pursuant to current laws and practices, for a total of up to two years from the date of its original date of issuance. If the temporary certificate of occupancy shall have expired prior to obtaining a permanent certificate of occupancy, occupancy (residential and commercial) of the Building will be in violation of the Multiple Dwelling Law and other applicable law subjecting the occupants, the Condominium, the members of the Board, and the Unit Owners to penalties including eviction of occupants.

LOCATION AND AREA INFORMATION

Location and Services

350 West 53rd Street Condominium is located at 350 West 53rd Street, New York, New York 10019. It is in the area of New York City known as Clinton.

Area Boundaries

Clinton is bounded by Eighth Avenue to the east, Hudson River to the west, 34th Street to the south and 59th Street to the north; it is located just west of Midtown, Manhattan's central business district.

General Information

Clinton, a convenient, professionally, culturally, and ethnically diverse area, is surrounded by established neighborhoods.

Clinton features excellence in physical/geographic location with convenience in proximity to all areas of Manhattan, outer-boroughs, highways and public transportation. Clinton has been increasingly attracting new restaurants, hotels, and shops, making it desirable for residents and for visitors to the City.

It has immediate access to the West Side Highway, as well as the Midtown Tunnel. The area also has excellent access to various subways, buses and both major railroad stations--Grand Central Station and Penn Station. Manhattan's prime office inventory is located south of Central Park, within the two major sub-markets of Downtown and Midtown. Many major businesses are headquartered in Midtown West.

Clinton has been increasingly attracting new restaurants and nightlife to the immediate area. Although, its central and convenient geographic location allows Clinton residents to utilize all of the attractions, resources, cultural institutions, recreation areas, parks, restaurants and shops that are offered through the City without a timely or expensive commute.

Culture

Clinton is a home to New York's premier cultural destinations. Broadway theater is a major tourist attraction and extends from 42nd to 53rd Streets between or near 7th and 8th Avenues. A number of old theaters have been restored, and the area is bustling with entertainment complexes, theme stores and restaurants.

Other cultural destinations include the Museum of Modern Art at West 53rd Street off Sixth Avenue, Carnegie Hall, Theatre Row, Restaurant Row, Alvin Ailey Workshop, and the Irish Arts Center.

Transportation

Transportation in Clinton is very convenient. Subway lines C., 1, 9, B R and W have stops within the Clinton District. MTA busses also travel north and south along the Avenues and cross-town busses are provided at 34th, 42nd, 49th and 57th Streets.

Public services, including police protection, library, street maintenance, social services, and fire protection are provided by The City of New York.

There are numerous public and private schools in the area for grade through high school levels including the following:

PS 035 (M035)
317 West 52 Street
New York, New York 10019

PS 111 Adolph S Ochs (M111)
440 West 53 Street
New York, New York 10019

Park West High School (M535)
525 West 50 Street
New York, New York 10019

Food and Finance High School (M288)
525 West 50 Street
New York, New York 10019

High School of Hospitality
Management (M296)
525 West 50 Street

Urban Assembly School of Design and
Construction (M300)
525 West 50 Street

New York, New York 10019

New York, New York 10019

HS For Environmental Studies
(M400)
444 West 56 Street
New York, New York 10019

Coalition School for Social Change
(M409)
220 West 58 Street
New York, New York 10019

Landmark High School (M419)
220 West 58 Street
New York, New York 10019

Independence H.S. (M544)
850 10th Avenue
New York, New York 10019

Manhattan Bridges High School
(M542)
525 West 50 Street
New York, New York 10019

HS Communication Graphic Art (M625)
439 West 49 Street
New York, New York 10019

Career Education Center (M585)
448 West 56 Street
New York, New York 10019

The area is served by the Midtown North police precinct, located at 306 West 54th Street and by the New York City Fire Department.

Sanitation removal and water will be provided by the City of New York. It is anticipated that snow removal will be performed by the Building staff.

The Property is situated on an R8-C1-5 Overlay; Special Clinton District Preservation Area. Permissible uses include residential, community facility and commercial. The Building is being newly constructed and is not the subject of any landmark designation. It is noted that there are certain restrictions affecting the height, size and apartment configurations of buildings within the Special Clinton District - Preservation Area. A list of the permits and approvals required for the construction of the Building appears in the **"Architect's Description of Property"**.

The above listing is not all inclusive. No representation is made that members of a Unit Owner's family will be entitled to attend any particular school listed above.

Schedule A
350 West 53rd Street
First Year of Condominium Operations
July 1, 2005 to June 30, 2006

Unit	Approximate Area of Unit	Rooms and Baths	Percentage Interest In Common Areas	Offering Price	Monthly Common Charges	1st Year's R.E. Taxes w/o 421a	Monthly R.E. Taxes w/o 421a	1st Year's R.E. Taxes with 421a	Monthly R.E. Taxes with 421a	Total Monthly Carrying Charges w/o 421a	Total Monthly Carrying Charges with 421a
THA	812	1 Bedroom, 1 1/2 Bath	1.52	\$575,000.00	\$995.08	\$1,624.71	\$135.39	\$2,037.16	\$169.76	\$1,130.47	\$1,164.84
THB	784	1 Bedroom, 1 1/2 Bath	1.46	\$555,000.00	\$955.80	\$1,599.71	\$133.31	\$2,005.82	\$167.15	\$1,089.11	\$1,122.95
THC	1,177	1 Bedroom, 1 Den, 2 Bath	2.20	\$835,000.00	\$1,440.25	\$2,374.57	\$197.88	\$2,977.39	\$248.12	\$1,638.13	\$1,688.36
THD	1,384	2 Bedroom, 2 Bath	2.90	\$995,000.00	\$1,898.51	\$2,624.53	\$218.71	\$3,290.80	\$274.23	\$2,117.22	\$2,172.74
THE	758	1 Bedroom, 1 Bath	1.47	\$550,000.00	\$962.35	\$1,462.24	\$121.85	\$1,833.44	\$152.79	\$1,084.20	\$1,115.13
THF	771	1 Bedroom, 1 Bath	1.50	\$560,000.00	\$981.99	\$1,462.24	\$121.85	\$1,833.44	\$152.79	\$1,103.84	\$1,134.77
THG	1,371	2 Bedroom, 2 Bath	2.80	\$1,000,000.00	\$1,833.04	\$2,624.53	\$218.71	\$3,290.80	\$274.23	\$2,051.75	\$2,107.27
THH	1,171	1 Bedroom, 1 Den, 2 Bath	2.20	\$835,000.00	\$1,440.25	\$2,374.57	\$197.88	\$2,977.39	\$248.12	\$1,638.13	\$1,688.36
THI	764	1 Bedroom, 1 1/2 Bath	1.42	\$550,000.00	\$929.61	\$1,599.71	\$133.31	\$2,005.82	\$167.15	\$1,062.92	\$1,096.77
THJ	805	1 Bedroom, 1 1/2 Bath	1.50	\$570,000.00	\$981.99	\$1,624.71	\$135.39	\$2,037.16	\$169.76	\$1,117.38	\$1,151.75
2A	727	1 Bedroom, 1 Bath	1.30	\$525,000.00	\$851.05	\$1,312.26	\$109.36	\$1,645.40	\$137.12	\$960.41	\$988.17
2B	422	Studio, 1 Bath	0.80	\$325,000.00	\$523.73	\$824.85	\$68.74	\$1,034.25	\$86.19	\$592.46	\$609.91
2C	1,251	2 Bedroom, 2 Bath	2.20	\$950,000.00	\$1,440.25	\$2,374.57	\$197.88	\$2,977.39	\$248.12	\$1,638.13	\$1,688.36
2D	710	1 Bedroom, 1 Bath	1.23	\$550,000.00	\$805.23	\$1,399.75	\$116.65	\$1,755.09	\$146.26	\$921.87	\$951.49
2E	420	Studio, 1 Bath	0.74	\$350,000.00	\$484.45	\$862.34	\$71.86	\$1,081.26	\$90.11	\$556.31	\$574.55
2F	421	Studio, 1 Bath	0.74	\$350,000.00	\$484.45	\$862.34	\$71.86	\$1,081.26	\$90.11	\$556.31	\$574.55
2G	685	1 Bedroom, 1 Bath	1.20	\$535,000.00	\$785.59	\$1,374.75	\$114.56	\$1,723.75	\$143.65	\$900.15	\$929.23
2H	836	1 Bedroom, 1 1/2 Bath	1.50	\$650,000.00	\$981.99	\$1,574.72	\$131.23	\$1,974.48	\$164.54	\$1,113.21	\$1,146.53
2I	502	Studio, 1 Bath	0.91	\$375,000.00	\$595.74	\$912.34	\$76.03	\$1,143.94	\$95.33	\$671.77	\$691.07
2J	1,050	2 Bedroom, 2 Bath	1.90	\$785,000.00	\$1,243.85	\$2,249.59	\$187.47	\$2,820.68	\$235.06	\$1,431.32	\$1,478.91
3A	727	1 Bedroom, 1 Bath	1.30	\$540,000.00	\$851.05	\$1,362.25	\$113.52	\$1,708.08	\$142.34	\$964.58	\$993.39
3B	422	Studio, 1 Bath	0.80	\$335,000.00	\$523.73	\$849.85	\$70.82	\$1,065.59	\$88.80	\$594.55	\$612.53
3C	1,258	2 Bedroom, 2 Bath	2.20	\$975,000.00	\$1,440.25	\$2,449.56	\$204.13	\$3,071.41	\$255.95	\$1,644.38	\$1,696.20
3D	713	1 Bedroom, 1 Bath	1.30	\$565,000.00	\$851.05	\$1,462.24	\$121.85	\$1,833.44	\$152.79	\$972.91	\$1,003.84
3E	420	Studio, 1 Bath	0.74	\$360,000.00	\$484.45	\$887.34	\$73.95	\$1,112.60	\$92.72	\$558.39	\$577.16
3F	421	Studio, 1 Bath	0.74	\$360,000.00	\$484.45	\$887.34	\$73.95	\$1,112.60	\$92.72	\$558.39	\$577.16
3G	685	1 Bedroom, 1 Bath	1.20	\$550,000.00	\$785.59	\$1,437.24	\$119.77	\$1,802.10	\$150.18	\$905.36	\$935.76
3H	836	1 Bedroom, 1 1/2 Bath	1.50	\$665,000.00	\$981.99	\$1,637.21	\$136.43	\$2,052.83	\$171.07	\$1,118.42	\$1,153.06
3I	502	Studio, 1 Bath	0.91	\$385,000.00	\$595.74	\$937.33	\$78.11	\$1,175.28	\$97.94	\$673.85	\$693.68
3J	1,050	2 Bedroom, 2 Bath	1.90	\$805,000.00	\$1,243.85	\$2,324.58	\$193.72	\$2,914.70	\$242.89	\$1,437.56	\$1,486.74
4A	727	1 Bedroom, 1 Bath	1.30	\$555,000.00	\$851.05	\$1,412.25	\$117.69	\$1,770.76	\$147.56	\$968.74	\$998.62
4B	422	Studio, 1 Bath	0.80	\$345,000.00	\$523.73	\$874.84	\$72.90	\$1,096.93	\$91.41	\$596.63	\$615.14
4C	1,258	2 Bedroom, 2 Bath	2.20	\$1,000,000.00	\$1,440.25	\$2,524.55	\$210.38	\$3,165.43	\$263.79	\$1,650.63	\$1,704.03
4D	713	1 Bedroom, 1 Bath	1.30	\$580,000.00	\$851.05	\$1,512.23	\$126.02	\$1,896.13	\$158.01	\$977.07	\$1,009.07

Unit	Approximate Area of Unit	Rooms and Baths	Percentage Interest In Common Areas	Offering Price	Monthly Common Charges	1st Year's R.E. Taxes w/o 421a	Monthly R.E. Taxes w/o 421a	1st Year's R.E. Taxes with 421a	Monthly R.E. Taxes with 421a	Total Monthly Carrying Charges w/o 421a	Total Monthly Carrying Charges with 421a
4E	420	Studio, 1 Bath	0.74	\$370,000.00	\$484.45	\$912.34	\$76.03	\$1,143.94	\$95.33	\$560.47	\$579.77
4F	421	Studio, 1 Bath	0.74	\$370,000.00	\$484.45	\$912.34	\$76.03	\$1,143.94	\$95.33	\$560.47	\$579.77
4G	685	1 Bedroom, 1 Bath	1.20	\$565,000.00	\$785.59	\$1,487.23	\$123.94	\$1,864.78	\$155.40	\$909.52	\$940.99
4H	836	1 Bedroom, 1 1/2 Bath	1.50	\$680,000.00	\$981.99	\$1,699.69	\$141.64	\$2,131.18	\$177.60	\$1,123.63	\$1,159.58
4I	502	Studio, 1 Bath	0.91	\$395,000.00	\$595.74	\$962.33	\$80.19	\$1,206.63	\$100.55	\$675.93	\$696.29
4J	1,050	2 Bedroom, 2 Bath	1.90	\$825,000.00	\$1,243.85	\$2,399.57	\$199.96	\$3,008.73	\$250.73	\$1,443.81	\$1,494.58
5A	727	1 Bedroom, 1 Bath	1.30	\$570,000.00	\$851.05	\$1,462.24	\$121.85	\$1,833.44	\$152.79	\$972.91	\$1,003.84
5B	422	Studio, 1 Bath	0.80	\$355,000.00	\$523.73	\$899.84	\$74.99	\$1,128.27	\$94.02	\$598.71	\$617.75
5C	1,258	2 Bedroom, 2 Bath	2.20	\$1,025,000.00	\$1,440.25	\$2,599.53	\$216.63	\$3,259.45	\$271.62	\$1,656.87	\$1,711.87
5D	713	1 Bedroom, 1 Bath	1.30	\$595,000.00	\$851.05	\$1,562.22	\$130.19	\$1,958.81	\$163.23	\$981.24	\$1,014.29
5E	420	Studio, 1 Bath	0.74	\$380,000.00	\$484.45	\$937.33	\$78.11	\$1,175.28	\$97.94	\$562.56	\$582.39
5F	421	Studio, 1 Bath	0.74	\$380,000.00	\$484.45	\$937.33	\$78.11	\$1,175.28	\$97.94	\$562.56	\$582.39
5G	685	1 Bedroom, 1 Bath	1.20	\$580,000.00	\$785.59	\$1,537.22	\$128.10	\$1,927.47	\$160.62	\$913.69	\$946.21
5H	836	1 Bedroom, 1 1/2 Bath	1.50	\$695,000.00	\$981.99	\$1,762.18	\$146.85	\$2,209.53	\$184.13	\$1,128.83	\$1,166.11
5I	502	Studio, 1 Bath	0.91	\$405,000.00	\$595.74	\$987.32	\$82.28	\$1,237.97	\$103.16	\$678.01	\$698.90
5J	1,050	2 Bedroom, 2 Bath	1.90	\$845,000.00	\$1,243.85	\$2,474.55	\$206.21	\$3,102.75	\$258.56	\$1,450.06	\$1,502.41
6A	727	1 Bedroom, 1 Bath	1.30	\$585,000.00	\$851.05	\$1,512.23	\$126.02	\$1,896.13	\$158.01	\$977.07	\$1,009.07
6B	422	Studio, 1 Bath	0.80	\$365,000.00	\$523.73	\$924.83	\$77.07	\$1,159.61	\$96.63	\$600.80	\$620.36
6C	1,258	2 Bedroom, 2 Bath	2.20	\$1,050,000.00	\$1,440.25	\$2,674.52	\$222.88	\$3,353.48	\$279.46	\$1,663.12	\$1,719.70
6D	713	1 Bedroom, 1 Bath	1.30	\$610,000.00	\$851.05	\$1,612.21	\$134.35	\$2,021.49	\$168.46	\$985.41	\$1,019.51
6E	420	Studio, 1 Bath	0.74	\$390,000.00	\$484.45	\$962.33	\$80.19	\$1,206.63	\$100.55	\$564.64	\$585.00
6F	421	Studio, 1 Bath	0.74	\$390,000.00	\$484.45	\$962.33	\$80.19	\$1,206.63	\$100.55	\$564.64	\$585.00
6G	685	1 Bedroom, 1 Bath	1.20	\$595,000.00	\$785.59	\$1,587.21	\$132.27	\$1,990.15	\$165.85	\$917.86	\$951.43
6H	836	1 Bedroom, 1 1/2 Bath	1.50	\$710,000.00	\$981.99	\$1,824.67	\$152.06	\$2,287.89	\$190.66	\$1,134.04	\$1,172.64
6I	502	Studio, 1 Bath	0.91	\$415,000.00	\$595.74	\$1,012.32	\$84.36	\$1,269.31	\$105.78	\$680.10	\$701.51
6J	1,050	2 Bedroom, 2 Bath	1.90	\$865,000.00	\$1,243.85	\$2,549.54	\$212.46	\$3,196.77	\$266.40	\$1,456.31	\$1,510.25
PHA	1,347	2 Bedroom, 2 Bath	2.80	\$1,350,000.00	\$1,833.04	\$3,124.44	\$260.37	\$3,917.61	\$326.47	\$2,093.41	\$2,159.51
PHB	1,330	2 Bedroom, 2 Bath	3.36	\$1,500,000.00	\$2,199.65	\$3,249.41	\$270.78	\$4,074.32	\$339.53	\$2,470.43	\$2,539.18
PHC	1,155	2 Bedroom, 2 Bath	2.98	\$1,250,000.00	\$1,950.88	\$2,749.50	\$229.13	\$3,447.50	\$287.29	\$2,180.00	\$2,238.17
PHD	1,144	2 Bedroom, 2 Bath	2.92	\$1,250,000.00	\$1,911.60	\$2,749.50	\$229.13	\$3,447.50	\$287.29	\$2,140.72	\$2,198.89
PHE	1,336	2 Bedroom, 2 Bath	3.31	\$1,500,000.00	\$2,166.92	\$3,249.41	\$270.78	\$4,074.32	\$339.53	\$2,437.70	\$2,506.44
PHF	1,331	2 Bedroom, 2 Bath	2.78	\$1,250,000.00	\$1,819.95	\$3,124.44	\$260.37	\$3,917.61	\$326.47	\$2,080.32	\$2,146.42
TOTAL			100.00	\$43,550,000.00	\$65,498.98	\$111,079.99	\$9,256.67	\$139,279.00	\$11,606.58	\$74,755.15	\$77,105.07

Schedule A-1
350 West 53rd Street
Real Estate Tax Estimates for the
Second Year of Condominium Operations
July 1, 2006 - June 30, 2007

24

Unit	Approximate Area of Unit	Rooms and Baths	Percentage Interest In Common Areas	Offering Price	R.E. Taxes w/o 421a	Monthly R.E. Taxes w/o 421a	R.E. Taxes with 421a	Monthly R.E. Taxes with 421a
THA	812	1 Bedroom, 1 1/2 Bath	1.52	\$575,000.00	\$12,429.77	\$1,035.81	\$2,037.16	\$169.76
THB	784	1 Bedroom, 1 1/2 Bath	1.46	\$555,000.00	\$12,238.55	\$1,019.88	\$2,005.82	\$167.15
THC	1,177	1 Bedroom, 1 Den, 2 Bath	2.20	\$835,000.00	\$18,166.59	\$1,513.88	\$2,977.39	\$248.12
THD	1,384	2 Bedroom, 2 Bath	2.90	\$995,000.00	\$20,078.86	\$1,673.24	\$3,290.80	\$274.23
THE	758	1 Bedroom, 1 Bath	1.47	\$550,000.00	\$11,186.80	\$932.23	\$1,833.44	\$152.79
THF	771	1 Bedroom, 1 Bath	1.50	\$560,000.00	\$11,186.80	\$932.23	\$1,833.44	\$152.79
THG	1,371	2 Bedroom, 2 Bath	2.80	\$1,000,000.00	\$20,078.86	\$1,673.24	\$3,290.80	\$274.23
THH	1,171	1 Bedroom, 1 Den, 2 Bath	2.20	\$835,000.00	\$18,166.59	\$1,513.88	\$2,977.39	\$248.12
THI	764	1 Bedroom, 1 1/2 Bath	1.42	\$550,000.00	\$12,238.55	\$1,019.88	\$2,005.82	\$167.15
THJ	805	1 Bedroom, 1 1/2 Bath	1.50	\$570,000.00	\$12,429.77	\$1,035.81	\$2,037.16	\$169.76
2A	727	1 Bedroom, 1 Bath	1.30	\$525,000.00	\$10,039.43	\$836.62	\$1,645.40	\$137.12
2B	422	Studio, 1 Bath	0.80	\$325,000.00	\$6,310.50	\$525.88	\$1,034.25	\$86.19
2C	1,251	2 Bedroom, 2 Bath	2.20	\$950,000.00	\$18,166.59	\$1,513.88	\$2,977.39	\$248.12
2D	710	1 Bedroom, 1 Bath	1.23	\$550,000.00	\$10,708.73	\$892.39	\$1,755.09	\$146.26
2E	420	Studio, 1 Bath	0.74	\$350,000.00	\$6,597.34	\$549.78	\$1,081.26	\$90.11
2F	421	Studio, 1 Bath	0.74	\$350,000.00	\$6,597.34	\$549.78	\$1,081.26	\$90.11
2G	685	1 Bedroom, 1 Bath	1.20	\$535,000.00	\$10,517.50	\$876.46	\$1,723.75	\$143.65
2H	836	1 Bedroom, 1 1/2 Bath	1.50	\$650,000.00	\$12,047.32	\$1,003.94	\$1,974.48	\$164.54
2I	502	Studio, 1 Bath	0.91	\$375,000.00	\$6,979.80	\$581.65	\$1,143.94	\$95.33
2J	1,050	2 Bedroom, 2 Bath	1.90	\$785,000.00	\$17,210.45	\$1,434.20	\$2,820.68	\$235.06
3A	727	1 Bedroom, 1 Bath	1.30	\$540,000.00	\$10,421.89	\$868.49	\$1,708.08	\$142.34
3B	422	Studio, 1 Bath	0.80	\$335,000.00	\$6,501.73	\$541.81	\$1,065.59	\$88.80
3C	1,258	2 Bedroom, 2 Bath	2.20	\$975,000.00	\$18,740.27	\$1,561.69	\$3,071.41	\$255.95
3D	713	1 Bedroom, 1 Bath	1.30	\$565,000.00	\$11,186.80	\$932.23	\$1,833.44	\$152.79
3E	420	Studio, 1 Bath	0.74	\$360,000.00	\$6,788.57	\$565.71	\$1,112.60	\$92.72
3F	421	Studio, 1 Bath	0.74	\$360,000.00	\$6,788.57	\$565.71	\$1,112.60	\$92.72
3G	685	1 Bedroom, 1 Bath	1.20	\$550,000.00	\$10,995.57	\$916.30	\$1,802.10	\$150.18

Unit	Approximate Area of Unit	Rooms and Baths	Percentage Interest In Common Areas	Offering Price	R.E. Taxes w/o 421a	Monthly R.E. Taxes w/o 421a	R.E. Taxes with 421a	Monthly R.E. Taxes with 421a
3H	836	1 Bedroom, 1 1/2 Bath	1.50	\$665,000.00	\$12,525.39	\$1,043.78	\$2,052.83	\$171.07
3I	502	Studio, 1 Bath	0.91	\$385,000.00	\$7,171.02	\$597.59	\$1,175.28	\$97.94
3J	1,050	2 Bedroom, 2 Bath	1.90	\$805,000.00	\$17,784.14	\$1,482.01	\$2,914.70	\$242.89
4A	727	1 Bedroom, 1 Bath	1.30	\$555,000.00	\$10,804.34	\$900.36	\$1,770.76	\$147.56
4B	422	Studio, 1 Bath	0.80	\$345,000.00	\$6,692.95	\$557.75	\$1,096.93	\$91.41
4C	1,258	2 Bedroom, 2 Bath	2.20	\$1,000,000.00	\$19,313.95	\$1,609.50	\$3,165.43	\$263.79
4D	713	1 Bedroom, 1 Bath	1.30	\$580,000.00	\$11,569.25	\$964.10	\$1,896.13	\$158.01
4E	420	Studio, 1 Bath	0.74	\$370,000.00	\$6,979.80	\$581.65	\$1,143.94	\$95.33
4F	421	Studio, 1 Bath	0.74	\$370,000.00	\$6,979.80	\$581.65	\$1,143.94	\$95.33
4G	685	1 Bedroom, 1 Bath	1.20	\$565,000.00	\$11,378.02	\$948.17	\$1,864.78	\$155.40
4H	836	1 Bedroom, 1 1/2 Bath	1.50	\$680,000.00	\$13,003.45	\$1,083.62	\$2,131.18	\$177.60
4I	502	Studio, 1 Bath	0.91	\$395,000.00	\$7,362.25	\$613.52	\$1,206.63	\$100.55
4J	1,050	2 Bedroom, 2 Bath	1.90	\$825,000.00	\$18,357.82	\$1,529.82	\$3,008.73	\$250.73
5A	727	1 Bedroom, 1 Bath	1.30	\$570,000.00	\$11,186.80	\$932.23	\$1,833.44	\$152.79
5B	422	Studio, 1 Bath	0.80	\$355,000.00	\$6,884.18	\$573.68	\$1,128.27	\$94.02
5C	1,258	2 Bedroom, 2 Bath	2.20	\$1,025,000.00	\$19,887.64	\$1,657.30	\$3,259.45	\$271.62
5D	713	1 Bedroom, 1 Bath	1.30	\$595,000.00	\$11,951.70	\$995.98	\$1,958.81	\$163.23
5E	420	Studio, 1 Bath	0.74	\$380,000.00	\$7,171.02	\$597.59	\$1,175.28	\$97.94
5F	421	Studio, 1 Bath	0.74	\$380,000.00	\$7,171.02	\$597.59	\$1,175.28	\$97.94
5G	685	1 Bedroom, 1 Bath	1.20	\$580,000.00	\$11,760.48	\$980.04	\$1,927.47	\$160.62
5H	836	1 Bedroom, 1 1/2 Bath	1.50	\$695,000.00	\$13,481.52	\$1,123.46	\$2,209.53	\$184.13
5I	502	Studio, 1 Bath	0.91	\$405,000.00	\$7,553.48	\$629.46	\$1,237.97	\$103.16
5J	1,050	2 Bedroom, 2 Bath	1.90	\$845,000.00	\$18,931.50	\$1,577.63	\$3,102.75	\$258.56
6A	727	1 Bedroom, 1 Bath	1.30	\$585,000.00	\$11,569.25	\$964.10	\$1,896.13	\$158.01
6B	422	Studio, 1 Bath	0.80	\$365,000.00	\$7,075.41	\$589.62	\$1,159.61	\$96.63
6C	1,258	2 Bedroom, 2 Bath	2.20	\$1,050,000.00	\$20,461.32	\$1,705.11	\$3,353.48	\$279.46
6D	713	1 Bedroom, 1 Bath	1.30	\$610,000.00	\$12,334.16	\$1,027.85	\$2,021.49	\$168.46
6E	420	Studio, 1 Bath	0.74	\$390,000.00	\$7,362.25	\$613.52	\$1,206.63	\$100.55
6F	421	Studio, 1 Bath	0.74	\$390,000.00	\$7,362.25	\$613.52	\$1,206.63	\$100.55
6G	685	1 Bedroom, 1 Bath	1.20	\$595,000.00	\$12,142.93	\$1,011.91	\$1,990.15	\$165.85
6H	836	1 Bedroom, 1 1/2 Bath	1.50	\$710,000.00	\$13,959.59	\$1,163.30	\$2,287.89	\$190.66
6I	502	Studio, 1 Bath	0.91	\$415,000.00	\$7,744.70	\$645.39	\$1,269.31	\$105.78
6J	1,050	2 Bedroom, 2 Bath	1.90	\$865,000.00	\$19,505.18	\$1,625.43	\$3,196.77	\$266.40
PHA	1,347	2 Bedroom, 2 Bath	2.80	\$1,350,000.00	\$23,903.41	\$1,991.95	\$3,917.61	\$326.47

Unit	Approximate Area of Unit	Rooms and Baths	Percentage Interest In Common Areas	Offering Price	R.E. Taxes w/o 421a	Monthly R.E. Taxes w/o 421a	R.E. Taxes with 421a	Monthly R.E. Taxes with 421a
PHB	1,330	2 Bedroom, 2 Bath	3.36	\$1,500,000.00	\$24,859.55	\$2,071.63	\$4,074.32	\$339.53
PHC	1,155	2 Bedroom, 2 Bath	2.98	\$1,250,000.00	\$21,035.00	\$1,752.92	\$3,447.50	\$287.29
PHD	1,144	2 Bedroom, 2 Bath	2.92	\$1,250,000.00	\$21,035.00	\$1,752.92	\$3,447.50	\$287.29
PHE	1,336	2 Bedroom, 2 Bath	3.31	\$1,500,000.00	\$24,859.55	\$2,071.63	\$4,074.32	\$339.53
PHF	1,331	2 Bedroom, 2 Bath	2.78	\$1,250,000.00	\$23,903.41	\$1,991.95	\$3,917.61	\$326.47
TOTAL			100.00	\$43,550,000.00	\$849,814.02	\$70,817.84	\$139,279.00	\$11,606.58

FOOTNOTES TO SCHEDULE A

1. Listed floor space (square footage) is approximate and may exceed the useable square footage of the Unit. Each of the 66 Units will consist of the area measured horizontally from the exterior face of the perimeter wall (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one Unit from another Unit and including walls dividing the Units from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements; or to the exterior face of the opposite perimeter walls. Each Unit will consist of the area measured vertically from the top of the concrete floor to the underside of the ceiling. Schedule A sets forth the number of bedrooms of full bedrooms. Full bathrooms (those with shower or tub) and half-bathrooms (those without a shower or tub) have been indicated as well. Any Common Elements located within any Unit shall not be considered as part of that Unit. If any two contiguous Units which have access to the same shared hallway shall at any time be owned of record by the same owner, such hallway shall thereafter be treated as a Limited Common Element until such time as such Units shall have two different owners. Sponsor and its designees have the right to designate a portion of the Common Elements as a Limited Common Element in connection with the combining or subdividing of two Units or as otherwise provided in the Declaration. See **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws."**

As provided in the By-Laws, prior to the issuance of a permanent certificate of occupancy for the Building, no Unit Owner shall add or permit to be made any alterations or improvements to his Unit without the prior written consent of the Sponsor which consent may be granted or withheld in Sponsor's sole and absolute discretion. The foregoing restrictions shall be inapplicable to Units owned by Sponsor.

2. The Sponsor reserves the right to change the price of any Unit without prior notice or amendment to the Plan except that a duly filed amendment to the Plan will be required for (a) an across the board price change affecting one or more lines of Units or Unit models, (b) a price change that is to be advertised, or (c) a price increase for an individual purchaser.

The offering price of a Unit is negotiable and may be changed. Thus, the prices paid by Purchasers for similar Units may be different without altering the Common Interest allocated to the Units or the Common Charges with respect thereto. See **"Changes in Prices and Units."**

For a discussion of estimated closing costs (including transfer taxes that by statute are the obligation of Sellers of real property but are being imposed on each Purchase under Plan) which a Purchaser will be required to pay in connection with his purchase under the Plan, see **"Closing Costs and Adjustments."**

3. (a) The percentage of Common Interest for each Unit has been determined as provided in Section 339-i(1)(iv) of the Real Property Law, that is, based upon the approximate floor space of such Unit, subject to the location of such space and the

additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The size of each Unit includes the full floor area of the Unit plus 50% of the floor area of any balcony or terrace comprising a Limited Common Element appurtenant to such Unit and 100% of the floor area of any interior Limited Common Elements appurtenant to such Unit. The percentage interest of each Unit in the Common Elements (Common Interest) is set forth in this column of Schedule A. Every Unit Owner will be responsible for his proportionate share of the Common Expenses of the Condominium, based upon his Common Interest (except as otherwise provided in Schedule B, the Declaration or By-Laws), and will have the same proportionate share of any common profits of the Condominium or any distribution upon termination or condemnation of the Condominium.

(b) In general, the Common Expenses payable by each Unit Owner are apportioned in the proportion that the individual Unit's Common Interest bears to the aggregate Common Interests of all Units.

4. The estimated monthly Common Charges for each Unit is calculated by multiplying the Common Expenses (estimated to be \$60,626.50 monthly for the projected first year of Condominium operation) by the Common Interest of the Unit. The estimated Common Charges are for the period from July 1, 2005 through June 30, 2006, which period is assumed to be the first year of Condominium operation. This period is used only for purposes of projection and illustration. Sponsor does not warrant that Condominium operation will commence on July 1, 2005. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Due to the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income and/or expenses of operation, the projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including heating costs, utilities, maintenance and repairs, labor and other related expenses, will increase in the future.

5. In addition to the estimated Common Charges, each Unit Owner will be responsible for paying: (i) debt service payments under any loan or loans obtained to finance the acquisition of his or her Unit; (ii) the cost of any telephone, internet, cable television service and/ other television or communications service (iii) the cost of electricity supplied to his or her Unit, which electricity shall be separately metered or submetered and payable by the Unit Owner directly to the public utility or submetering company or the Condominium Board as and when billed; (iv) the cost of carpeting, painting and decorating his or her Unit; (v) the cost of interior repairs to and the maintenance of his or her Unit, including but not limited to, repairs to and maintenance of walls, ceilings and floors and all kitchen and bathroom fixtures and appliances, (vi) the cost of parking; (vii) the cost of any insurance that he or she obtains covering (a) furniture, belongings, equipment and other personal property and (b) liability to others

for personal injury or property damage as a result of occurrences in his or her Unit; (vii) real estate taxes; and (viii) water charges and sewer rents, if separately assessed against the Unit.

6. This column contains an estimate of the real estate taxes that will be payable by Residential Unit Owners during the first year of Condominium operation (i.e., July 1, 2005 to June 30, 2006) assuming the availability of the partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law ("421-a Benefits").

7. The discussion regarding the availability of 421-a Benefits set forth below is based on an opinion furnished by the Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, Sponsor's 421-a counsel, a copy of which is appended in Part II as Document VIII. The real estate tax projections and estimates of the real estate taxes payable by each Unit Owner and based on an opinion of The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004 ("Mazursky")

It has been the policy and practice of The New York City Department of Finance to apportion the assessed valuation of a condominium building among the various Units contained in the Building based upon the relative projected sales prices contained within the offering Plan. Each of the Units will be assigned separate tax lot numbers.

The following facts form a basis for Herrick, Feinstein LLP's discussion and Mazursky's projections as set forth herein.

(i) The Building will consist of (1) Class A multiple dwelling of approximately 73,163 gross square feet, will be owned as a condominium and will contain 66 Residential Units;

(ii) the construction will take place on an approximately 13,556 square foot portion of land which comprises that parcel designated on the tax maps of the city of New York as Block 1043, Lot 54, 56 and 58 in the Borough of Manhattan;

(iii) following the issuance of new building permits by the New York City Department of Buildings for an entire new building based on the architectural, plumbing and structural plans approved by the Department of Buildings, excavation and the construction of the initial footings and foundations for the footprints of the new building on said parcel, as certified by an architect or professional engineer licensed in the State of New York, will commence in good faith on or about August 1, 2004;

(iv) construction will be completed and a temporary Certificate of Occupancy issued for all Residential Units in the Building or a permanent Certificate of Occupancy will be issued for the entire Building no later than June 30, 2006;

(v) the Property is situated in a R8-C1-5 zoning district;

(vi) the Property is not mapped as a public park, and has not been utilized as a private park for ten or more consecutive years prior to October 1, 1971;

(vii) the construction will comply in all respects with the requirements, and obligations set forth in Section 421-a, including amendments by the local legislative body, and the rules and regulations promulgated pursuant thereto; and

(viii) Sponsor will acquire 421-a certificates.

Based on the foregoing, it is the opinion of Herrick Feinstein LLP that the Property will qualify for partial real estate tax exemption benefits pursuant to Section 421-a.

The real estate tax benefits available to a newly constructed Class A multiple dwelling, which meets all of the requirements and obligations of Section 421-a are as follows: The Property shall be partially exempt from any increase in assessed value of the Property above the assessed value of the Land and any improvements thereon during the tax year preceding the commencement of construction. Such exemption will phase out at the rate of 20% a year commencing with the third year following completion of construction and will cease to be available after the tenth year following the completion of construction. Thus, as a result of such phase-out, commencing the third year following completion of construction, the real estate taxes payable with respect to each Unit will increase and after the tenth year following the completion of construction, no Unit will be entitled to receive any portion of the 421-a exemption. Sponsor has not yet made an application to the New York City Department of Housing Preservation and Development for 421-a Benefits. The opinion of Sponsor's real estate tax counsel is reproduced in Part II as Document VII. Until such benefits are granted by the New York City Department of Housing Preservation and Development, there is no assurance that such benefits will be available. Purchasers will have no right to rescind their Purchase Agreements even if such benefits are not granted or are not in effect on the Purchaser's Closing Date.

Purchasers are advised that their real estate taxes may increase as the 421-a exemption phases out, and, in addition, at any time, as a result of any increase in the tax rate and/or as a result of any increase by The City of New York of the assessed valuation of their respective Units.

In addition to such taxes, there shall be paid in each tax year in which such full or partial exemption is in effect, real property taxes and assessments as follows:

- (i) tax year preceding the commencement of such construction without regard to any exemption or abatement from real property taxation in effect prior to such construction which real property taxes shall be calculated on the tax rate in effect at the time such taxes are due (the "minimum tax"); and
- (ii) all assessments for local improvements.

Advice and Assumptions

Sponsor has advised Herrick, Feinstein LLP, and for the purpose of this discussion and Herrick, Feinstein LLP has assumed that: (i) the transitional assessment of Block 1043, Lot 54, 56 and 58 for tax year 2003/2004, the tax year immediately preceding the estimated commencement of construction, was \$1,109,790 and that the total actual assessment for said year was \$1,326,150; (ii) based upon information obtained from the New York City Department of Finance the total transitional assessed valuation in tax year 2003/2004 will be applicable for purposes of arriving at the minimum tax; (iii) based on the foregoing, the minimum tax will be predicated upon a transition assessment of \$1,109,790; (iv) the actual assessed valuation for tax year 2004/2005 is \$1,260,270 and the transitional assessed value for such tax year is \$1,758,150, (v) Mazursky has estimated that the total assessed valuation of the property for 2005/2006 will be \$1,000,000 and the transitional assessed value for such tax year will be \$885,100; Mazursky has estimated for the tax year 2006/2007, upon completion of construction of the Building, the actual assessed value will be approximately \$7,100,000 and the transitional assessed value will be \$6,717,900; (vi) the tax rate for Class 2 (residential) properties (as estimated by Mazursky) will be \$12.55 per \$100 of assessed valuation for tax years 2005/2006 (the tax rate for tax years 2005/2006 has not yet been determined) and (vii) the Property will contain no commercial, community facility and accessory use space.

For the purpose of estimating tax benefits and future real estate taxes for the Property, Mazursky has assumed that: (i) the assessed valuation of the Property will be as estimated above; (ii) no portion of the actual assessed valuation will be increased during the period covered by its estimate; (iii) the tax rates will be as projected above for 2005/2006; and (iv) the tax exemption pursuant to Section 421-a will commence as of July 1, 2005.

Estimate of Real Estate Taxes

Based upon the foregoing and assuming that HPD issues its advisory opinion referred to above, the Property will enjoy a full exemption from taxation for the fiscal year commencing July 1, 2005 as to all increases in assessment over that of the taxable assessed valuation for the Property in tax year 2003/2004, the year prior to commencement of construction.

Purchasers are advised that it is anticipated that for the first year of condominium operation (i.e., the period from July 1, 2005 to June 30, 2006) the assessed value of this Property may reflect a "progress" assessment, as the initial increase in real estate taxes for a new building in the course of construction is removed from the full assessment roll if the construction is not substantially completed by April 15th of the tax year. Accordingly, it is anticipated that the assessed value of the Property (including each Unit) will increase significantly for the tax year beginning July 1, 2006 and subsequent tax years. Mazursky prepared an estimate of the real estate taxes payable by each Unit Owner for the second year of Condominium Operation. The estimated real estate taxes for the first year of Condominium Operation are contained

on Schedule A. The estimated real estate taxes for the second year of Condominium Operation are contained on Schedule A-1.

Based upon the prior assessment of \$1,109,790, and an estimated tax rate of \$12.55 per \$100 of assessed valuation, the minimum tax payable for the tax year 2005/2006 by the Residential Units will be approximately \$139,279. It is anticipated that this minimum tax will be allocated to each Residential Unit based on the Purchase Price of such Residential Unit relative to the Purchase Prices of all Residential Units on the date that the Declaration is filed.

Mazursky has estimated that the actual assessed valuation for the Property in tax year 2006/2007 will be \$7,100,000 and that the transitional assessed valuation for such year will be \$6,717,900. Mazursky, has estimated that the tax rate applicable to such tax year will be \$12.65 per \$100 of assessed valuation. Based on an estimated transitional assessed valuation of \$6,717,900 and an estimated tax rate of \$12.65 per \$100 of assessed valuation, the total real estimate for taxes for the Property in the absence of 421-a Benefits for such year are estimated as approximately \$849,814.

It should be noted that no assurances can be given that the assessed valuations or the tax rates estimated herein will be the same as finally determined by the New York City Department of Finance. If the assessed valuations or tax rates are greater than estimated or assumed, the real estate taxes payable will be higher.

LIMITATIONS

Neither Herrick, Feinstein LLP nor Mazursky, nor Sponsor guaranties that the Property will qualify for real estate tax benefits pursuant to Section 421-a. No warranties are made that the laws and regulations upon which this opinion is based will not be changed. In no event will Herrick, Feinstein LLP, Mazursky or Sponsor be liable to the Purchasers, or the Board of Managers, or any Unit lender, or to any other party if the Property either fails to qualify for such real estate tax benefits or qualifies for said benefits, but not in the amounts estimated, for any reason.

The foregoing discussions are based on the interpretation by Herrick, Feinstein LLP, and Mazursky, of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable HPD regulations in effect as of the date hereof. Each Purchaser should be aware that the laws, regulations, practices and positions of the Building Department, Department of Finance and HPD upon which the opinion of Herrick, Feinstein LLP is predicated may in the future be revised in a manner adverse to a Purchaser's 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. Neither Mazursky, nor Sponsor nor Herrick, Feinstein LLP shall be liable if, because of any change of laws and/or regulations, adverse determination on any unsettled law, or a changed interpretation by one or more, agencies or Courts of competent jurisdiction regarding said laws and/or regulations, the project fails to obtain, in whole or in part, 421-a benefits.

A. While the Sponsor will use its best efforts to obtain 421-a tax exemption benefits as described in this Plan, no representation or warranty is made as to when or whether the application for 421-a tax exemption benefits will be approved or as to the amount of any partial tax exemption that may actually be received.

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

No warranties are made herein nor are any assurances or representations given that HPD, the New York City Department of Finance or any other agency with jurisdiction will approve the Section 421-a application, nor is any warranty made or assurance or representation given that a court of competent jurisdiction will determine that the Property will be entitled to, in whole or in part, 421-a benefits. In addition, no warranty is made nor any assurance or representation given that the laws, rules, regulations, policies, positions and practices upon which this opinion is based will not be changed. In addition Mazursky, Herrick, Feinstein LLP and Sponsor do not represent or warrant the amount of tax savings that will be available assuming that the project does in fact receive partial real estate tax exemption benefits.

No warranty is or can be made that HPD or the City Real Property Assessment Department, or any other agency with jurisdiction, will approve Sponsor's application for 421-a tax benefits. Should tax abatement and/or exemption be denied, in whole, or in part, then each Unit Owner will be responsible for all taxes due and owing from the Closing Date. See **"Counsel's Real Estate Tax Benefits Opinion"** for details.

B. The projections are not guaranteed. The real estate taxes for any year will vary in accordance with the tax rate, the Property's assessed valuation (and once the Units are separately assessed, the assessed valuation of each Unit) and the percentage, if any, of the assessed valuation then exempt from taxation.

No warranty is or can be made that the Property's assessed valuation for tax year 2005/2006 or for tax year 2006/2007 will be as projected herein. In addition, no representation is made as to the assessed valuation of the Property or any Unit for any subsequent tax year. Further no warranty is made as to the tax rate that will be established by the City of New York for any tax year. Neither Sponsor nor Herrick, Feinstein LLP nor The Mazursky Group, Inc. shall be liable if the assessed value of the Property or any Unit the tax rate exceeds the projections and estimates contained in this Plan.

Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to the newly created tax lot representing the Unit is officially made, a Unit Owner will not be responsible for the payment of real estate taxes

assessed against another Unit (unless such real estate taxes are included in Common Charges because, for example such real estate taxes are assessed against a Unit which is owned by the Condominium Board (i.e., the Superintendent Unit or a Unit acquired by the Condominium Board pursuant to its right of first refusal)) nor will his Unit be subject to any lien arising out of non-payment of real estate taxes assessed against another Unit (except to the extent provided above in this sentence). However, until separate tax bills are available for each Unit, real estate taxes will be paid by the Condominium Board as a Common Expense. The taxes payable by all Residential Units will be apportioned by the Condominium Board among said Residential Units in the proportion that the purchase price of each Residential Unit bears to the aggregate purchase prices of all Residential Units as of the date that the Condominium Declaration is filed and such proportionate share of the real estate taxes will be assessed against each Residential Unit as part of the Common Charges. Purchasers are advised that the purchase prices of the Units relative to each other may change from time to time and for such reason the estimated real estate taxes set forth in Schedule A may vary from the real estate taxes payable by a Unit Owner. Purchasers are also advised that both the tax rate and the assessed valuation of the Property may be changed from time to time which changes will also result in changes in real estate taxes.

The projections contained herein are estimates and do not take into account any future increases in the level of assessed valuation applied to residential property or any increase in the real estate tax rate. Under State law, increases in a property's "actual" assessed value due to changes in its market value are to be phased in over 5 years in equal annual increments of 20% by means of a "transitional" assessment. Any further increase in the "actual" assessed value during such 5 year period resulting from a still higher market value is to be similarly phased in over an additional 5 year period from the tax year of such increase. In any given year, taxes are payable on the lower of either the "actual" or "transitional" assessment. Thus, as increases in "actual" assessed valuation are phased in, real estate taxes will increase accordingly.

No representation is made that the current policies and practices of The New York City Department of Finance will apply at that time the building is completed. Each Purchaser should be aware that (i) the laws, rules regulations, policies and practices of the Department of Finance may in the future be revised in a manner adverse to Purchaser's interests, or (ii) there may be an adverse interpretation of the law or regulations by one or more agencies of The City of New York, or Courts of competent jurisdiction.

The 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.

8. These columns estimate the total carrying charges (Common Charges plus real estate taxes both without and with the 421-a benefits) payable by each Unit Owner.

9. The real estate taxes described above paid by a Residential Unit Owner with respect to his Residential Unit are deductible by such Residential Unit Owner for income tax purposes provided that the conditions applicable thereto discussed in "**Counsel's Tax Opinion**" are satisfied. These amounts may change in subsequent years as a result of changes in the assessed valuation of Units, the tax rate and the method of assessing real property. If any Residential Unit Owner obtains mortgage financing for his or her Unit, some of the interest paid on such mortgage indebtedness may also be deductible for income tax purposes, provided the conditions applicable thereto discussed in "**Counsel's Tax Opinion**" are satisfied. For the most part an individual Residential Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated second residence subject to certain limitations. See "**Counsel's Tax Opinion.**" Such Residential Unit Owner's income tax deduction may vary in future years due to changes in the interest rate on such Residential Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments between interest and principal.

SCHEDULE B

PROJECTED BUDGET

350 WEST 53RD STREET CONDOMINIUM

**350 West 53rd Street
NEW YORK, NEW YORK**

**(FIRST YEAR OF CONDOMINIUM OPERATION
JULY 1, 2005 TO JUNE 30, 2006)**

INCOME

COMMON CHARGES	(Note1)	\$ 785,589
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TOTAL INCOME		\$ 785,589
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EXPENSES

LABOR AND RELATED EXPENSES	(Note 2)	365,566
GAS	(Note 3)	74,202
ELECTRICITY	(Note 4)	69,450
WATER & SEWER	(Note 5)	28,311
REPAIRS, MAINTENANCE & SUPPLIES	(Note 6)	20,000
SERVICE CONTRACTS	(Note 7)	31,210
INSURANCE	(Note 8)	65,560
MANAGEMENT FEE	(Note 9)	42,000
LEGAL & ACCOUNTING	(Note 10)	10,500
SUPERINTENDENT UNIT COSTS	(Note 11)	15,000
SUPERINTENDENT UNIT	(Note 12)	38,790
MORTGAGE COST		
MISCELLANEOUS EXPENSES	(Note 13)	6,000
CONTINGENCY	(Note 14)	19,000

TOTAL OPERATING EXPENSES		\$ 785,589
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FOOTNOTES FOR SCHEDULE B

(1) Common Charges (\$785,589)

The Condominium's projected expenses for the first year of operation were allocated among the Residential Units in accordance with their representative percentage interests in the Common Elements. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing July 1, 2005.

If date of commencement as planned of Condominium operation is to be delayed by more than six (6) months from the projected budget year in the Offering Plan, the Plan will be amended to include a revised budget disclosing the current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right, for a period of fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded, with any interest earned thereon.

(2) Labor and Related Expenses - (\$365,566)

The building will have a 24 hour a day doorman (covered by 4 fulltime doormen and one shift per week by the porter), one full time porter (who will in addition to porter duties, take one shift as a doorman and cover the superintendent on weekends) and superintendent to staff the building. The annual cost is estimated at \$365,566 computed as follows:

Wages	
Superintendent	\$52,097
Porter	42,937
Doormen	<u>171,748</u>
Total	266,782
Taxes	
FICA, employer share	20,409
Pension, annuity and hospitalization	61,680
State disability and worker's comp	13,819
Unemployment Insurance	1,856
Uniforms	1,020
	<u>98,784</u>
Total	<u>365,566</u>

The current plan provides for the staff employees to be union members. However, it should be noted that this union may not be selected; and, further that there may be no union representation.

Compensation pension, annuity and hospitalization rates are based on the Service Employees International Union and Local 32 B/J rates applicable to the initial year of Condominium operation pursuant to the Union contract.

(3) **Gas (Heating, Cooking, and Hot Water)** (\$74,202)

The budget amount is based upon a letter dated August 30, 2004 from AMA Consulting Engineers, P.C., 250 West 39th Street, New York, New York, 10018, which estimates the cost at \$64,706 (not including sales tax) for usage of 43,362 Therms for Heating and Hot Water at Con Edison Service Classification GS3; and 10,560 Therms for Cooking Gas at Con Edison Service Classification GS2. The average cost per the letter is \$1.20/Therm and is based upon maintaining 70 degrees F. indoors when outside temperature is not less than 15 degrees F., at a wind velocity of 15 MPH.

The budget amount includes a 10% increase in the average rate stated of \$1.20/Therm and sales tax at 4.25% for a total cost of \$74,202 (\$1.20 times 53,922 Therms or \$64,706 times 1.1 (10%) or \$71,177 times 1.0425 (4.25%) or \$74,202).

The projected rates set forth above are based on the current rates of Con Edison. It is not possible to predict how closely the budgeted figure will reflect the actual expense for gas to be incurred during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of gas, (which has in the past been highly volatile and unpredictable). Historically, gas rates have been steadily increasing and the cost of gas is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity and gas during the first year of Condominium operation. However, no budget item is warranted.

(4) **Electricity** (\$69,450)

The budget amount is based upon a letter dated August 30, 2004, from AMA Consulting Engineers, P.C., 250 West 39th Street, New York, New York, 10018, which estimates the cost at \$60,560 (not including sales tax) for usage 378,500 KWH, for the cost of electricity for the General Common Elements (cost of services to the Residential Units is individually metered and billed directly by the utility company), at a rate of \$.16/KWH.

The budget amount includes a 10% increase in the average rate stated of \$.16/KWH and sales tax at 4.25% for a total cost of \$69,455 (\$.16 times 378,500 KWH or \$60,560 times 1.1 (10%) or \$66,616 times 1.0425 (4.25%) or \$69,450 (rounded).

The projected electric rate set forth above is based on the current rates of Con Edison. It is not possible to predict how closely the budgeted figure will reflect the actual expense for electricity to be incurred during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable utility rates. Many factors affect the cost of electricity, (which has in the past been highly volatile and unpredictable). Historically, electric rates have been steadily increasing and the cost of electricity is likely to increase, although it is not possible to

forecast with certainty the amount or timing of such increases. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity during the first year of condominium operation. However, no budget item is warranted.

(5) **Water and Sewer** (\$28,311)

The water and sewer cost for the initial year of condominium operations is estimated to be \$27,640. The budgeted amount is based on a projection, included in a letter dated August 30, 2004, by AMA Consulting Engineers, P.C., located at 250 West 39th Street, New York, NY 10018 for water and sewer consumption for the first year of the Condominium operation. The projection estimates that the total consumption will be 4,752,000 gallons per year (6,353 ccf). Water and sewer costs are computed at the current rate of \$4.14 per ccf of water, the current rate for July 1, 2004 to June 30, 2005 with an approximate 7.5% per annum increase to the water charges to reflect the historic rate of increase for an approximate total rate of \$4.45 per ccf. Consumption is presumed to occur ratably throughout the year.

(6) **Repairs, Maintenance & Supplies** (\$20,000)

Includes normal repairs, maintenance and supplies with respect to common areas of the Building including lighting, public walkways and stairways, maintenance and painting of entrances, maintenance of the buildings sprinkler system, fire alarm system, condenser water system roof and building structure, an exterminating and any other possible service contracts, all building supplies. It is expected that if small equipment is required to be purchased, the funds for the acquisition will be provided from the Working Capital Fund. No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. The budgeted number does not include repairs, painting, maintenance or supplies for individual Units, which are the responsibility of the individual Residential Unit Owners.

(7) **Service Contract** (\$31,210)

Amounts as indicated below are based on proposals; no contracts have been entered into for the services described in this footnote. A small increase has been added for inflation.

Elevator maintenance Otis Elevator Company 510 West 34 th Street New York, NY 10001	\$11,000
HVAC Mechanical System Maintenance Centrifugal/Mechanical Associated, Inc. 200 Marine Street	\$13,500

Farmingdale, NY 11735	
Pest Control - monthly maintenance	\$1,620
Albanese Pest Control Inc. 2222 63 rd Street New York, New 11204	
Total:	\$26,120

(8) **Insurance** (\$65,560)

The budget number is projected on the basis of an estimate of insurance costs provided by York International Agency, Inc. located at 1 Executive Boulevard, Yonkers, New York 10701, per letter dated July 1, 2004, projecting a cost of \$59,600, to which has been added an inflationary factor of ten (10%) percent.

The cost of workers compensation and NYS Disability is not reflected above; it is included in the cost projections for labor.

The Proposed coverage waives co-insurance (agreed amount clause) and would be written on a replacement cost basis. Based on its recent construction, the policy limits quoted should be adequate to replace the existing building in the event of a total loss.

In addition, the coverage described herein will provide:

- each unit owner is an additional insured party
- there will be no cancellation without notice to the Board or Managers
- a waiver of subrogation
- a waiver of invalidity because of the acts of the insured and unit owners
- a waiver of pro-rata reduction if unit owners obtain additional coverage

Prospective owners should note that insurance premiums could increase depending on market conditions. The projection is believed to be reasonable.

Each unit owner should consider the desirability of obtaining additional insurance coverage, at his or her own expense, against the following risks, (which will not be included in the insurance coverage obtained by Sponsor on behalf of the Condominium Board):

- Fire or casualty losses to the contents of his or her Unit and any appurtenant Limited Common Elements, replacements, additions, upgraded fixtures and improvements therein; and

- Liability for personal injury or property damage as a result of occurrences in his or her own unit and any appurtenant Limited Common Elements.

Package

Property	
Building	\$30,000,000
All Risk/Agreed Amount/Replacement Cost	Included
Deductible	5,000
Building Ordinance	Included
Increased Cost of Construction & Demolition	1,000,000
Business Income/Extra Expense	750,000
Co-Insurance	Waived
Flood (Rising Water) & Deductible	1,000,000/25,000
Earthquake & Deductible	1,000,000/25,000

General Liability

Each Occurrence	\$1,000,000
General Aggregate	2,000,000
Employee Benefits Liability (Claims-Made)/Deductible	1,000,000/1,000
Water Damage Legal Liability/Deductible	Included/5,000
Elevator Collision	100,000
Non-owned/Hired Auto	1,000,000

FIDELITY BOND

Employee Dishonesty & Deductible	250,000/5,000
Managing Agents Rider	Included

Directors & Officers Liability

Limit & Deductible	1,000,000/5,000
Participation %	.1
Managing Agents Rider	Included

UMBRELLA

Limit	10,000,000
Excess Directors & Officers Liability	Included to Full Limit

Energy Systems

Comprehensive Limit	Building Limit
Deductible	\$5,000

Business Income/Extra Expense
Business Income Deductible
Building Ordinance & Law

Included
24 Hours
Included

ESTIMATED ANNUAL BUDGET

\$65,560

(9) **Management Fee** (\$42,000)

The budget amount is based on an agreement with Douglas Elliman Property Management which will be assumed by the Condominium Board at the First Unit Closing. The services of the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium. The fee will be \$42,000 per annum.

The Managing Agent is unaffiliated with Sponsor.

In addition the Managing Agent will charge individual Unit Owners for services required in the processing of each application for the sale or lease of a Unit. See "**Management Agreement, Contracts and Leases**" for details.

(10) **Legal and Accounting** (\$10,500)

The budget amount is based on a proposal from PFK, Certified Public Accounts, a Professional Corporation, 29 Broadway, New York, New York 10006 as to the cost of preparation of an annual audited statement. It is estimated that for the initial year of operation the cost for the accounting services will be \$8,000. The balance is intended to provide for miscellaneous legal services to the Condominium Board.

(11) **Costs to maintain Superintendent's Unit** - (\$15,000)

Includes the estimated Common Charges, estimated real estate taxes and estimated electricity, cable, telephone and miscellaneous costs for owned Superintendent's Unit. The costs are estimated as follows:

Common Charges	\$11,470
Real Estate Taxes	1,462
Phone and Other	2,068
Total	<u>\$15,000</u>

(12) **Mortgage Cost re Superintendent's Unit** (\$38,790)

On or subsequent to the first closing, the Condominium will purchase Residential Unit on behalf of the Unit Owners for a cost of \$525,000 including acquisition related expenses. The Condominium will issue to the Sponsor a note in payment of all costs of the Unit and a purchase money first mortgage on the unit to secure repayment of the note. The mortgage and note will have a thirty (30) year term.

The note will provide for monthly installments of principal and interest in the amount of \$3,232.52 at an annual interest rate of 6.25%, which payments will be sufficient to fully liquidate the mortgage over the thirty year term, assuming all monthly payments of principal and interest are paid on a timely basis when due.

(13) **Miscellaneous Expenses** (\$6,000)

This item includes payroll processing, telephone expense, city licenses, permits and filing fees, filing Federal (if taxable income exists) state and city tax returns, annual elevator inspections and permits, costs of printing and postage for notices and information from the Board of Managers, office supplies, miscellaneous expenses, and holiday decorations. In addition this item includes fees to the Managing agent to do the needed filings and follow up with respect to the real estate tax rebate program, fire safety notices and window guard and lead based paint compliance.

(14) **Contingency** (\$19,000)

The contingency fund is intended to provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers elected by the Unit Owners. The reserve for contingencies has been calculated on the basis of approximately 2.5% of the sum of all operating expenses to cover unanticipated cost increases and possible omitted items. In the event that the actual first year of operation of the Condominium begins later than the projected commencement date of July 1, 2005 as shown on this schedule, the additional operating costs could substantially exceed this amount. The Reserve for Contingencies does not include a reserve for major capital replacements, for which no provision is made under this budget.

Schedule B-1

Estimate of Residential Unit Electrical Usage for First Year of Condominium Option July 1, 2005 – June 30, 2006

		Electricity Cost	
<u>Unit</u>		Kwhr/yr	Cost per year
1)	1A, 1B, 1E, 1F, 1I, 1J each	7318	\$1,350
2)	1C, 1D, 1G, 1H each	8194	\$1,500
3)	2A through 6A each	7318	\$1,350
4)	2B through 6B each	6063	\$1,112
5)	2C through 6C each	8124	\$1,430
6)	2D through 6D each	7318	\$1,350
7)	2E through 6E each	6063	\$1,112
8)	2F through 6F each	6063	\$1,112
9)	2G through 6H each	7318	\$1,350
10)	7A, 7B, 7C, 7D, 7E, 7F each	9355	\$1,716

Estimated based on electrical usage of lighting, power, air conditioning, heating, appliances etc. with assumed hours of operation at \$.16/Kwhr together with sales tax and an approximated 10% increase.

The projected electric costs set forth above are based on the current rates of Con Edison. It is not possible to predict how closely the projected figure will reflect the actual expense for electricity to be incurred by Unit Owner during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable electric rates. Many factors affect the cost of electricity, (which has in the past been highly volatile and unpredictable). Historically, electric rates

have been steadily increasing and the cost of electricity is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

OPINION ON COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

8 September 2004

Victor at W. 53, LLC
The Victor Companies
Allaire Corporate Center
3349 Highway 138 Building C, Suite C
Wall, New Jersey, 07719

Re: 350 West 53rd Street Condominium (the "**Building**")
350 West 53rd Street
New York, New York
Condominium Offering Plan (the "**Plan**")

Dear Gentilepersons:

Platinum Properties Of New York Ltd., is a real estate brokerage firm licensed in the State of New York. Our principal has been engaged in the sale and management of residential properties in New York, including condominiums, for more than twenty-five (25) years, including associations with other real estate firms in New York City. This includes management of more than 10,000 residential units in over 20 properties from varying periods of approximately one to eight years.

You have requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above referenced matter complies with Real Property Law Section 339(i)(1)(iv) ("**Section 339(i)(1)(iv)**"). In connection with this opinion, we have reviewed the Plan and have assumed and relied upon the statements and information contained therein (including the floor plans and the computations of square footages prepared by Gerner Kronick + Valcarcet, Architects, P.C.) as being correct and accurate.

The Plan states that the Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, as provided in Section 339(i)(1)(iv).

In our opinion, the Common Interest of each Unit set forth in the Plan appears to be based on factors of relative value to other Units in the Condominium (such as floor space and location in the Building), and other factors of uniqueness of the Unit, the availability of the Common Elements for the exclusive use, service and benefit of All Units. Accordingly, based upon our knowledge of current market conditions and on our experience in the real estate brokerage and residential management business, in our opinion, the Common Interest of each Unit complies with the requirements of said Section 339(i)(1)(iv), so as to reasonably reflect: (a) its value relative to other Units, (b) those Building services and amenities furnished exclusively to All Units, and (c) those Common Elements that are for the exclusive or substantially exclusive use, and benefit of certain Units or are for the shared use, service and benefit in common of All Units (i.e., the General Common Elements).

We are not owned or controlled by, and have no financial or beneficial interest in, nor any family, employment or other business relationship with, Sponsor—Victor at W. 53, LLC, or Sponsor's principal, other than our fee for services rendered in connection with this opinion.

We understand that this letter will be reproduced in the Plan and we hereby consent to such use.

Very truly yours,

PLATINUM PROPERTIES
OF NEW YORK LTD.


Elizabeth A. Hurley
President

CHANGES IN PRICES OR UNITS

The Sponsor reserves the right to change the price of any Unit without prior notice or amendment to the Plan except that a duly filed amendment to the Plan will be required for (a) an across the board price change affecting one or more lines of Units or Unit models, (b) a price change that is to be advertised, or (c) a price increase for an individual purchaser. The offering price of a Unit is negotiable and may be changed.

In order to meet the possible varying demands for the number and type of Units or to meet particular requirements of the prospective Purchasers or for any other reason, the Sponsor reserves the right for itself and its designees at any time, by amendment to the Plan and subject to the conditions set forth below, to: (i) change the price (as set forth above), the manner of payment, and any other term of sale, (ii) change the size, number and/or layout of Units, (iii) reapportion the percentage Common Interests shown in Schedule A, and (iv) change the size or quality of the public areas of the Property. Any reallocation of the percentage Common Interests among Units will vary the estimated Common Charges for such Units from the amounts set forth in Schedule A. After the Declaration is recorded, any of the changes discussed in clauses (ii) through (iv) above may only be made by duly recorded amendment to the Declaration. As more particularly provided in the Declaration, the Sponsor and its designees will have the right to so amend or cause the Board of Managers to so amend the Declaration and Floor Plans to the extent required in order to reflect changes made as provided above. In connection with any of the changes discussed in clauses (ii) and (iv) above, the Sponsor shall obtain the consents of all governmental authorities having jurisdiction (if such consent is required by law).

No material change will be made in the size and no material adverse change will be made in the quality of Common Elements of the Property unless Purchasers who have executed and delivered Purchase Agreements pursuant to the Plan and who are not then in default thereunder either consent or are given the right to rescind such Purchase Agreements by notice of rescission personally delivered or sent by certified or registered mail, return receipt requested, to the Sponsor within fifteen (15) days after the date of presentation of an amendment disclosing such material change.

If a Purchase Agreement covering a Unit has been executed and delivered pursuant to the Plan, then, provided that the Purchaser affected thereby is not in default thereunder, no material change shall be made in the Unit size, layout, or percentage of Common Interest of the Unit, unless the Purchaser consents thereto.

Reservation of Right to Negotiate Purchase Price and Other Terms

Sponsor reserves the right, in its sole discretion and without prior notice or amendment to the Plan, to negotiate with Purchasers all aspects of the purchase of any Unit, including, but not limited to: purchase price, construction, additions, or improvements to the Unit or the fixtures, furniture, furnishings, or equipment contained therein or credit allowances therefor; a reduced deposit towards the purchase price and

or the timing of the payment of the deposit; a financing contingency; an extension of time to secure financing; the application of interim rent towards the purchase price; maintenance subsidies or rebates; credits against the purchase price; and payment of all or part of the Purchaser's financing costs and/or closing costs (such as attorneys fees, title insurance premiums, origination fees, commitment fees, and interest subsidies or "buy-downs"); and waiver of certain fees and charges to be paid by Purchasers as set forth in the Plan. Sponsor does not represent that it will offer any, all, or any combination of the above incentives on any particular purchase and reserves the right to make, accept or reject such offers in its sole discretion. None of the foregoing benefits will be available to any Purchaser unless specifically agreed to in writing by the Sponsor. The price and terms of all purchases will be solely as set forth in the terms of the Purchase Agreement entered into by and between the Purchaser and the Sponsor. The Sponsor further reserves the right to amend the Plan from time to time to add or delete negotiable terms.

INTERIM LEASES

Sponsor is not currently offering any Purchaser or non-purchaser the right to enter into a lease for a Unit. Purchasers are advised that Sponsor expressly reserves the right to lease Units to Purchasers and/or non-purchasers on such terms as Sponsor shall determine. In such event the Plan will be amended.

PROCEDURE TO PURCHASE

Execution of Purchase Agreement, Deposit and Trust Provisions

A person who wishes to purchase a Unit must complete and sign three copies of the Purchase Agreement together with three copies of the completed and executed IRS form W-9 and deliver the same to Sponsor together with a check equal to ten (10%) percent of the purchase price (the "First Installment of the Down Payment"), plus the cost of any special work ordered by the Purchaser. Each such check shall be drawn to the order of "Linett, Schechter, Reicher & Ofsevit, LLP as escrow agent under the Plan for 350 West 53rd Street Condominium." It is an Event of Default under the Purchase Agreement to fail to timely deliver to Sponsor the Second Installment of the Down Payment.

The terms of sale and other provisions of an actual Purchase Agreement entered into between the Sponsor and any Purchaser may vary from the provisions contained in the form of Purchase Agreement contained in Part II of this Plan as Document 1. However, such variations shall have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between the Sponsor and any other Purchaser nor shall such variations materially and adversely affect the Sponsor's obligations as set forth in the Plan.

All Deposits (including the First Installment of the Down Payment and the Second Installment of the Down Payment) paid by Purchasers on account of the purchase price of Units under the Plan, together with all interest accrued thereon (collectively the "Deposits"), will be placed in an account in conformity with the

disclosure set forth below. Sponsor will comply with the escrow and trust fund requirements of Section 71-a of the Lien Law and General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto.

Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the handling or disposition of Deposits paid by such purchasers. However, nothing in the preceding sentence shall limit the obligation of any purchaser to pay the fees and expenses of the Sponsor's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan as amended hereby) in connection with the purchase or closing of the Unit purchased by such purchaser under the Plan.

Each purchaser will be required to make an initial deposit equal to ten percent (10%) of the purchase price of his Unit at the time the Purchaser tenders a Purchase Agreement executed by Purchaser to the Selling Agent. All sums deposited by the Purchaser prior to the closing of title to his Unit, together with all interest earned thereon, are hereinafter, the "Deposit." If the Purchaser defaults in the performance of any of his obligations under the Purchase Agreement and fails to cure such default within thirty (30) days following written notice to the Purchaser, as to which thirty (30) day period, time is of the essence, Sponsor may, at its option cancel the Purchase Agreement and retain the entire Deposit, consisting of ten percent (10%) of the purchase price together with the interest thereon, as and for liquidated damages and all rights Purchaser shall cease and terminate. If Purchaser has not then paid the Second Installment of the Down Payment, Sponsor shall nevertheless be entitled to recover such amount from Purchaser. Time is of the essence with respect to the Purchaser's obligation to close title on the date set for closing and to pay, perform or observe all of his or her other obligations under the Purchase Agreement and to cure a default within 30 days after Sponsor gives notice to the Purchaser of such default. Therefore, a Purchaser who defaults under his or her Purchase Agreement and who does not cure such default within said 30-day period may not be permitted any additional time to cure such default.

The Deposit (when unconditionally tendered as described below, together with the interest thereon shall comprise a part of the "Deposit") will be deemed to have been unconditionally tendered when it is delivered to the Selling Agent, together with (i) a Purchase Agreement in the form agreed to by the Sponsor and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement and (ii) IRS form W-9. Each installment of the Deposit will be placed, within five business days after the date on which such Deposit has been unconditionally tendered, in a special escrow account of Linett, Schechter, Reicher & Ofsevit, LLP (hereinafter the "escrow agent"), whose address is 810 Seventh Avenue, New York, New York 10019 and whose telephone number is (212) 245-7700. The signatories on this escrow account, who are each members of Linett, Schechter Reicher & Ofsevit, LLP, and any one of whom is authorized to withdraw funds, are: Martin Schechter, Irwin Reicher and Samuel M. Ofsevit c/o Linett, Schechter, Reicher & Ofsevit, LLP, 810 Seventh Avenue, New York, New York 10019. The name of the escrow account is

"Linett, Schechter, Reicher & Ofsevit, LLP as escrow agent under the Plan for 350 East 53rd Street Condominium" (the "escrow account"), and such escrow account is located in JP Morgan Chase Bank (the "Bank"). The Bank is covered by federal bank deposit insurance generally to a maximum of \$100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts deposited directly by such person and Deposits held in escrow for such person by the escrow agent).

If an individual makes a Deposit in excess of \$100,000 for the purchase of a Unit, or if the amount of such individual's deposits at the Bank and such Deposit exceed \$100,000, the aggregate of such Deposit and all other such deposits will generally not be federally insured in excess of \$100,000.

The escrow account will be interest-bearing and, if the closing of the sale to a Purchaser of a Unit occurs under the Plan, interest on a Deposit made by a Purchaser will be credited to such purchaser at closing. The interest rate to be earned on the Deposits will be the rate paid from time to time by the Bank for the same type of account as the escrow account set up for the Purchasers. This rate, as of September 30, 2004, was 0.90 percent (0.90%) per annum. Interest will begin to accrue when the check for the Deposit is collected, and provided there is no charge back or debit by the Bank against the amount deposited.

All checks for Deposits on account of the purchase price of a Unit under the Plan shall be made payable to or endorsed to the order of "Linett, Schechter, Reicher & Ofsevit LLP" as escrow agent under the Plan for 350 East 53rd Street Condominium." Within ten business days after unconditional tender and delivery by a Purchaser to the Selling Agent of a check for the Deposit submitted with such Purchaser's Purchase Agreement on account of the purchase price thereunder, the escrow agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if such Purchaser does not receive notice of such deposit within fifteen business days after unconditional tender and delivery to the Selling Agent of the Deposit, then such Purchaser may cancel and rescind such Purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such Purchaser's unconditional tender and delivery of such Deposit to the Selling Agent. However, a Purchaser shall not be entitled either to rescind such Purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and notice as provided above was timely mailed to such Purchaser in conformity with the Attorney General's regulations or at any time after the Deposit has been deposited in the escrow account.

The escrow agent will hold a Purchaser's Deposit in escrow until

- (i) otherwise directed in one or more writings signed by each of the Sponsor and such Purchaser; or

- (ii) otherwise directed in 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 permits or requires the release of such Deposit; or
- (iv) such Deposit is paid by the escrow agent into a court of competent jurisdiction; or
- (v) such Deposit is paid to the Sponsor as provided below; or
- (vi) such Deposit is paid to such Purchaser as provided below.

If there is no written agreement between the Sponsor and a Purchaser to release the Deposit paid by such Purchaser, the escrow agent will not pay such Deposit to the Sponsor until after ten business days following the date that the escrow agent has given such Purchaser written notice that the escrow agent intends to pay such Deposit to the Sponsor. Thereafter, such Deposit may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and the escrow agent has received, within such ten business day period, notice from such Purchaser that such application has been made.

If Sponsor has made an application for the release of funds and the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until:

- b) both the Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and Purchaser; or
- c) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
- d) The Escrow Agent deposits the disputed amount into court.

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

The Sponsor will not object to the release of the Deposit paid by any Purchaser to such Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded such Purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan. The Sponsor shall not object to the release of escrowed funds to all purchasers after an amendment abandoning the plan is accepted for filing by the Office of the Attorney General. The

Purchaser shall be deemed to have consented to the release of the Deposit to the Sponsor at his Unit Closing.

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 the Sponsor of its obligations pursuant to GBL Section 352-h.

A Purchaser or the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Deposit paid by any Purchaser. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved between the Sponsor and a Purchaser of a Unit under the Plan relating to such purchaser's Deposit and, in the case of any Purchaser, such Purchaser has given notice of objection to the escrow agent within the ten business day period described above. A form for this purpose is contained in Part II of this Plan. The party applying for a determination must send all other parties a copy of the application.

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

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.

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

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

Part II of this Plan contains a copy of the escrow agreement which is subject to the terms of the Attorney General's regulations. In the event of any conflict between such escrow agreement and either any other provision of this Plan, any amendment thereto, or any Purchase Agreement, such escrow agreement shall control. The escrow agent will maintain all records concerning the escrow account for seven years after the closing of such account. Notices given by the escrow agent, the Sponsor, or its agents pursuant hereto shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth day after the date of mailing.

The escrow agent shall have the right but not the obligation to deposit any moneys received in an interest bearing account and to purchase treasury bills,

certificates of deposit, U.S. government security backed repurchase agreements, and/or money market accounts or funds through the escrow account described above.

The Office of the Attorney General 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 governing down payments shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase agreement.

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

Balance of Purchase Price and Closing Documents

After this Plan has been declared effective, the Sponsor shall fix dates for closing title to all Units (each a "Closing Notice") for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's Closing Date, which notice shall be served not less than thirty (30) days before the date set for the closing of the Units, except if the particular Purchaser shall waive the requirement of 30 days' notice. The balance of the Purchase Price shall be payable on the Closing Date by certified check drawn on and certified by, or by a bank check drawn on and by, a bank which is acceptable to the Sponsor and which is a member of the New York Clearing House Association, to the order of Sponsor or such other payee as Sponsor may direct, or at Sponsor's option by wire transfer.

Sponsor anticipates that the first closing of a Unit shall occur on or about July 1, 2005. If the date of the first closing of a Unit shall be delayed by more than 12 months after July 1, 2005 each Purchaser will be offered a right to rescind his Agreement and receive the return of his Deposit.

On the Closing Date, the Purchaser shall be required to sign and deliver a Power of Attorney covering the Unit in the form contained in the Part II of the Plan and pay certain closing fees, costs and adjustments. The Power of Attorney gives the Condominium Board the right to acquire Units on behalf of the Unit Owners under certain circumstances described therein and to execute, acknowledge and deliver various documents and instruments affecting the Condominium. In addition, the Power of Attorney gives Sponsor the right to amend the Condominium Declaration, the

Condominium By-Laws and the Rules and Regulations of the Condominium under certain limited circumstances. The Purchaser shall also execute at the closing the New York State and New York City real property transfer tax returns covering the sale of the Unit, any real estate reporting returns and statements required by the Internal Revenue Code (the "Code") or the regulations thereunder and the State of New York and its regulations, all other documents required by law, and all other documents reasonably required by the Sponsor or required under such Purchaser's Purchase Agreement.

The Purchaser shall also cause his attorney to execute a designation agreement provided by the Sponsor designating such attorney as the "real estate broker" who is required to file a 1099 return with respect to the purchase, and the Purchaser shall indemnify the Sponsor and its attorneys against any costs resulting from the failure of such attorney to fulfill his duties as such "real estate broker."

Default by Purchaser

If a Purchaser defaults in making any payments due under the Purchase Agreement or fails to execute and deliver documents, make the payments described above, or perform any of his other obligations under the Purchase Agreement, then the Sponsor may at its option give written notice of default under the Purchase Agreement to the Purchaser. If the default is not cured within thirty (30) days after written notice thereof, then Sponsor may, at its option cancel the Purchase Agreement and Sponsor shall be entitled to the payment due upon execution of the Purchase Agreement and any payments made thereunder (but not exceeding the sum of 20% of the Purchase Price thereunder plus all costs for any special work ordered by the Purchaser) together with interest earned thereon, if any, as and for liquidated damages. Time is of the essence as to Purchaser's right to cure a default within such thirty (30) day period. Cancellation of a Purchase Agreement will permit the Sponsor to sell the Unit to others as though the Purchase Agreement had never been made and the Purchaser shall not have any further rights against or obligations to the Sponsor, the Condominium or others purchasing such Unit.

Risk of Loss

The risk of loss or damage to the Property by fire or other casualty until the date of closing of title of the first Unit is assumed by Sponsor but without any obligation or liability upon Sponsor to repair or replace the same. Sponsor may, however, at Sponsor's option, elect to abandon the Plan (see "Effective Date") or to repair or replace such loss or damage. If Sponsor elects to replace such loss or damage, then at Sponsor's option it shall be entitled to reasonable adjournments of the closing.

Cooling Off Period and Sponsor's Acceptance or Rejection of Agreement

If a Purchaser has not been afforded at least three (3) days to review the Plan and all filed amendments thereto prior to executing and delivering his Purchase Agreement, then such Purchaser may rescind his Purchase Agreement by giving notice

of rescission to the Sponsor within seven (7) days after the date of such Purchase Agreement.

Each person interested in the purchase of a Unit will be required to give the Selling Agent a \$150 deposit for a copy of the Plan. Such deposit will be refunded to the prospective Purchaser if he either (i) tenders a Purchase Agreement, (together with the Deposit and IRS form W-9) that is accepted by Sponsor or (ii) returns the Plan and all amendments within fifteen (15) days in good, reusable condition.

Within twenty (20) days after the Purchaser delivers to Sponsor three copies of the Purchase Agreement executed by him together with the required deposit, the Sponsor shall either (i) accept such Purchase Agreement and return one fully executed counterpart to the Purchaser (or the Purchaser's attorney) or (ii) reject such Purchase Agreement by notice thereof personally delivered or mailed by registered or certified mail return receipt requested to the Purchaser together with a refund of any deposit made by the Purchaser under his Purchase Agreement. If the Sponsor takes no action within such twenty (20) day period, then the Purchase Agreement shall be deemed canceled. Until a Purchase Agreement is executed by Sponsor and returned to the prospective Purchaser, the Sponsor will not be bound by any such Purchase Agreement submitted to it. Sponsor reserves the right to withhold Units from sale and/or to sell such Units at a later date without amendment to the Plan. The Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, national origin, sex or any other ground prohibited by law.

The Units are being sold in the condition described in the "Description of Property and Specifications" section of Part II of the Plan and Sponsor will not have any obligation to make any repairs or improvements except as is expressly provided in the "Description of Property and Specifications" or in the "Rights and Obligations of Sponsor" section of Part I of the Plan.

Conflicts between Plan and Purchase Agreement

A complete copy of the Purchase Agreement is included in Part II of this Plan. If any provision of the Purchase Agreement is in conflict or inconsistent with any provision of the Plan, then such conflict or inconsistency shall be resolved in favor of the Plan. The Plan and the Purchase Agreement may not contain, or be modified to contain, a provision waiving a Purchaser's rights or abrogating Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

Prohibition Against Advertising

Each Purchaser is prohibited from advertising or publicizing the availability of his Unit for sale or lease prior to his Unit Closing. The Purchase Agreement will contain a provision reflecting such prohibition. Sponsor shall have the right to enforce such prohibition by both legal and equitable means, including injunctive relief.

No Financing Contingency

A Purchaser may obtain financing from any lending institution or other source, but the Purchaser's obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent upon the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Purchase Agreement whether or not such Purchaser has been able to obtain financing. Neither Sponsor nor the Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date, and Sponsor shall have no obligation to schedule or conduct any closing prior to the expiration of any loan commitment and Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

Sponsor and the Condominium will not be required to sign any financing documents which do not conform to the provisions of the Plan. Therefore, a Purchaser seeking financing should confirm with his lender that the loan documents will conform to the provisions of the Plan.

Availability of Financing for Purchase

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 35% or such greater percentage as the lender may determine) of the Residential Units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty with obtaining a loan in a building where the percentage of units sold is lower than a lender's particular minimum. Even after a building becomes a condominium, lenders may still impose minimum sales requirements before granting a loan. A Purchaser's ability to resell a Unit may be affected if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

Inspection

Purchasers will be required to inspect their Units before the Closing Date and execute an Inspection Statement. If a Purchaser fails to attend the inspection of his or her Unit, the Purchaser shall be deemed to have waived the right to require Sponsor to correct any punchlist items and patent defects with respect to the Unit. See the form of Inspection Statement annexed to the Purchase Agreement. Purchasers are advised that they will not be afforded access to their respective Units for any purpose prior to their pre-closing inspection.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Right of Assignment by Purchaser

The Purchaser may not assign his Purchase Agreement without first obtaining the written consent of the Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion.

EFFECTIVE DATE

The Sponsor's offer to sell Units pursuant to the Plan is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods described in the Plan. The following provisions shall determine whether, when and how the Plan will be declared effective:

- 1) The Sponsor may at its option declare the Plan effective if Purchase Agreements with bona fide purchasers, including investors, have been accepted by the Sponsor for not less than 15% of the Residential Units. The Plan will not be declared effective based on Purchase Agreements:
 - (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or
 - (ii) if the Purchaser was not afforded the seven (7) day period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the section of the Plan entitled "Procedure to Purchase"; or
 - (iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any principal of the Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. In this regard, Sponsor reserves the right to sell or transfers a maximum of eight Units to persons or entities who have a economic interest in or are otherwise related to or affiliated with Sponsor or a member of Sponsor or its principal. Sponsor reserves the right to count such purchases towards declaring the Plan effective provided that the Unit is sold to a bona fide purchaser who is not a principal of Sponsor.

- 2) The Sponsor must declare the Plan effective when the Sponsor has accepted Purchase Agreements for the sale of at least 80% of the Residential Units.
- 3) If the Plan has not been declared effective, it may be abandoned by Sponsor at any time before the condition set forth in paragraph 2 above has been met.
- 4) The Plan will be declared effective by an amendment to the Plan or by a written notice mailed or personally delivered to Purchasers. If the Plan is declared effective by a written notice, an appropriate amendment to the Plan will be submitted to the Department of Law for filing within five (5) business days after service of such notice, together with an affidavit of service as required by the Department of Law. The closing of title to the first Unit pursuant to the Plan shall not be consummated until the Plan is declared effective and such amendment is accepted for filing.
- 5) Once the Plan has been declared effective the Plan may not be abandoned by Sponsor except for (i) defect(s) in title which either cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, that is \$217,750 ("Maximum Amount") in the aggregate; (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than the Maximum Amount in the aggregate; or (iii) the taking of the Property or any material portion thereof by condemnation or eminent domain.

If the Plan is abandoned, then all moneys paid by Purchasers under Purchase Agreements, that were not previously canceled in accordance with provisions of the Plan shall be refunded to them, together with interest earned thereon, if any, no later than 15 days after the amendment to the Plan abandoning the Plan has been accepted for filing. The Sponsor shall promptly (i) file a notice of abandonment on Form RS-3, or such other form as the Department of Law may require, disclosing the reasons for such abandonment and account for the disposition of all moneys received by the Sponsor under the Plan, and (ii) submit to the Department of Law for filing an amendment to the Plan disclosing that the Plan has been abandoned, the amount of the payments made under Agreements and the time and manner in which these funds will be returned to Purchasers.

After the Plan has been declared effective, the sale of Units to Purchasers will close at a place and on a date (the "Closing Date") to be fixed by the Sponsor, which date shall, in the case of any Purchase Agreement dated before the date the Plan has been declared effective, be not less than thirty (30), nor more than one hundred eighty (180) days, after the date on which the Plan shall have been declared effective, unless the closing is adjourned, provided that on or before the Closing Date there shall

have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan.

TERMS OF SALE; CLOSING OF TITLE TO UNITS

Prerequisites to Closing of Title

The closing for any Unit means the transfer of title to such Unit, by means of the delivery of a deed to such Unit by the Sponsor to the Purchaser of such Unit, and the simultaneous performance by such Purchaser of his obligations to the Sponsor including, without limitation, payment of the balance of the Purchase Price for such Unit which is due on the Closing Date for such Unit. The closing of title to each Unit shall take place only after or concurrently with the following events:

- a) The Plan being declared effective by Sponsor.
- b) The issuance of a partial, temporary or permanent certificate of occupancy for such Unit or the Building.
- c) The certification by the Sponsor's architect or engineer that any work to be performed by the Sponsor in advance of the Closing Date has been completed substantially in accordance with the Plans and Specifications, except (a) work in the Building which is customarily left incomplete until after occupancy, (b) work in any Unit to be done by or for the account of Purchasers, and (c) punchlist items.
- d) The recording or filing with the Office of the City Register, in New York County, as required by law, of the Declaration, By-Laws, Floor Plans and engineer's and tax authority certification required by Section 339-p of the Condominium Act.
- e) The release of the Unit and its appurtenant interest in the Common Elements from the lien of any mortgages and other liens, except any mortgage or lien requested or made by the Purchaser on or before the time of closing for such Unit.
- f) Written notice of the Closing Date (which notice shall advise the Purchaser of the opportunity to inspect the Unit and the Common Elements) is given to the Purchaser as provided in this Plan.
- g) The execution and delivery to the Purchaser, the Purchaser's attorneys or the Purchaser's title company of a Unit Deed covering the Unit in the form set forth in Part II of the Plan.
- h) The execution and delivery by the Purchaser of the Power of Attorney, in the form set forth in Part II of the Plan.

- i) The payment by the Purchaser of the purchase price and any closing fees and costs provided under the Plan.
- j) The assignment to the Unit Owner by the Sponsor of assignable manufacturer's warranties, if any, with respect to equipment and appliances installed in and serving only the Unit; and the assignment to the Condominium of any assignable manufacturer's warranties with respect to equipment and appliances installed in and serving only the Common Elements. The Sponsor shall not be obligated to assign any warranties which are not assignable or that have not been delivered to the Sponsor, or that relate to any Common Elements that have not been completed by the Sponsor.

State of Title

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing of such Unit free and clear of all liens, encumbrances, and title exceptions other than those described in the proposed Unit Deed and the title exceptions and other matters set forth below (collectively the "Permitted Encumbrances").

- a) Any state of facts an accurate survey would show, provided same does not render title unmarketable.
- b) Covenants, conditions, easements, agreements of records, etc.
- c) Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence of any Unit or the use of such Unit as permitted in the Declaration;
- d) Rights, if any, to maintain vaults and chutes under the sidewalk;
- e) The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in this Plan;
- f) Service, labor, concessionaire and maintenance agreements contemplated under this Plan;
- g) Any Interim Lease with the Purchaser of such Unit and any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit;
- h) Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to the

Purchaser's title insurance company or the Preferred Title Company together with the required recording or filing fee or (ii) as to which the Purchaser's title insurance company or the Preferred Title Company will insure that the lien, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

- i) The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;
- j) Party wall agreements, as contained in instruments recorded in Liber 1404 Cp. 307, Liber 2042 Cp. 445 and Liber 2062 Cp. 85, if any
- k) Sidewalk violations of record;
- l) Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of the Sponsor or of its principal, provided the Sponsor delivers to the Purchaser or the Purchaser's title insurance company or the Preferred Title Company an affidavit showing that such judgments, bankruptcies or other returns are not against the Sponsor;
- m) Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the Closing Date, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;
- n) The printed exceptions set forth in title Commitment No. EA 10071-NY-2004 (or in the title insurance policy issued pursuant to such title commitment) or in any title policy issued by a title company that is authorized to do business in the State of New York and that is a Member of the New York Board of Title Underwriters, including without limitation the following:
 - o) Defects and encumbrances arising or becoming a lien after the Closing Date;
 - p) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property;
 - q) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property,

adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof;

- r) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of the Purchaser;
- s) Title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting owners;
- t) Title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise;
- u) All of the terms, easements, covenants and conditions of the Agreement, the Declaration and By-Laws as they are subsequently filed or recorded and the Plan and any amendments thereto, including, without limitation, the following:
 - (i) Easements for the continuance of encroachments on the Unit and on the General Common Elements or Limited Common Elements, by other Units or portions of the General Common Elements or Limited Common Elements then existing, by reason of the construction, of the Building, or thereafter occurring by reason of the settling or shifting of the Building, or by reason of the repair, alteration, and/or restoration by Sponsor and/or its designees or the Board or encroachments by such other Units or such General Common Elements or Limited Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the General Common Elements or Limited Common Elements, made by the Sponsor or the Board, and similar encroachments by the Unit on other Units, the General Common Elements, and/or Limited Common Elements, so that any such encroachments may remain as long as the Building stands;
 - (ii) Easements in favor of the owners of other Units to use sidewalks, pipes, flues, wires, conduits, ducts, cables, storm drainage facilities, sanitary system, water, sewer, utility lines, and other General Common Elements or Limited Common Elements, including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of support, subadjacency and necessity in favor of each Unit and/or the General Common Elements and/or Limited Common Elements;

- (iii) Easements to the Sponsor and any affiliate of the Sponsor and their successors, assigns, invitees, licensees contractors, employees and tenants, on, in, over and across all areas of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use sidewalks, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, sanitary system, water, sewer and other utility lines and other General Common Elements and Limited Common Elements; (ii) ingress to and egress from all areas of the Property and the use thereof (in common with Unit Owners) for construction contemplated by the Plan and for development and maintenance of the Property or any Unit; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit (see also the heading "**Sponsor's Right of Access**" in "**Rights and Obligations of Sponsor**");
- (iv) Easements in favor of the Board, its agents, contractors and employees to (i) have an unlimited right of access to the Unit and to the General Common Elements and Limited Common Elements, to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the General Common Elements and/or Limited Common Elements, or any other Units;
- (v) Easement in favor of Sponsor in and through the Common Elements, as deemed necessary to use, construct, erect, maintain, repair and replace Communications Equipment on the roof or elsewhere in or on the façade of the Building as deemed necessary or desirable by the Sponsor;
- (vi) Non-exclusive easements in favor of such communications firm(s) as are selected by Sponsor over the (a) General Common Elements and the Limited Common Elements as may be (a) necessary to provide Communications Services as may be described in such written agreements as may be entered into by Sponsor and/or the Condominium Board and (b) approved in writing by Sponsor (prior to the Closing Date) or the Condominium Board or Sponsor (after the Closing Date), which consent(s) shall not be unreasonably withheld or delayed, for the installation, maintenance, repair, replacement and removal of any and all related Communications Equipment. In addition, such Communications Firms shall have an easement for access to each Unit and the Common Elements for the maintenance, repair and replacement of any of the foregoing equipment.

If requested by the Purchaser, Executive Abstract Corp., as Agent for First American Title Insurance Company, having an address at 38-50 Bell Boulevard,

Bayside, New York 10361 [Tel: (718) 423-5333, Fax (718) 423-5373] (the "Preferred Title Company"), will agree to insure, upon payment by Purchaser of the premium for such insurance (see the estimate of the cost described below in "Closing Costs and Adjustments"), (i) that the Purchaser has fee title to the Unit, free and clear of all liens and encumbrances except those set forth in the Plan, and subject to the provisions of the Declaration and By-Laws and any mortgage executed, or any other encumbrance created, by the Purchaser; (ii) that the Unit is part of the Condominium which was validly created pursuant to Article 9-B of the Real Property Law. While the Purchaser will be free to select a title company of his choice, the Sponsor's obligation to deliver title to the Unit as provided above will be deemed satisfied if the Preferred Title Company is prepared to insure such title subject to those title exceptions permitted under this Plan. Since the Sponsor has no obligation to satisfy the requests of any title company other than the Preferred Title Company, Purchasers who use a title company other than the Preferred Title Company may not be able to obtain a title insurance policy that will satisfy the requirements of lenders and other persons. In addition, Purchaser is required to pay an additional fee of \$500 to Sponsor's attorneys if Purchaser obtains title insurance from a title insurer other than the Preferred Title Company, for the additional work involved.

Deed

The Unit Deed to be delivered by the Sponsor for any particular Unit shall be a bargain and sale deed with covenants against grantor's acts in the form set forth in Part II of the Plan.

Window Guards

Each owner of a Residential Unit will be responsible for the installation of window guards at such Unit Owner's cost and expense, if such installation is required by applicable law. Purchasers are advised that window guards are required if children under the age of 10 will reside in the Residential Unit. At the closing of title, each Purchaser will be required to execute and deliver to Sponsor a statement as to whether any children under the age of 10 will reside in the Unit. **If children under the age of 10 will reside in the Unit, Sponsor will cause window guards to be installed in the Unit and the Purchaser will be required to reimburse Sponsor for the cost of such installation. No Purchaser with any children under the age of 10 will be permitted to occupy a Residential Unit until and unless window guards have been installed in the Unit.**

Personal Property

No personal property is included in the sale of any Unit except as expressly provided in the Plan or in the Description of Property and Specifications in Part II. All personal property affixed to or located within the Common Elements that is owned by the Sponsor and is used in connection with the Common Elements on the date of the recording of the Declaration shall be deemed to be part of the Common

Elements unless such personal property is used in connection with any Unit which is owned by the Sponsor or unless otherwise provided in this Plan.

Each Purchaser shall accept title to his Unit (without abatement in, or credit against, the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building including the so-called "punchlist items" or (b) other Units or (c) portions of the Common Elements (including the General Common Elements and Limited Common Elements) have not been completed. The Sponsor, however, will remain obligated to complete construction in accordance with the Plans and Specifications as provided in the Plan.

A Purchaser will be required to examine his Unit with the Sponsor's representative during normal business hours prior to the title closing for his Unit and will be obligated to sign and deliver to the Sponsor at or before the closing an Inspection Statement in the form set forth in Part II acknowledging the condition in which he has received his Unit.

If there are encumbrances (other than Permitted Encumbrances) affecting the Property at the time of the Closing Date under the Plan, the Sponsor, except as otherwise provided in this Plan, shall cause such encumbrances to be cured on or before the Closing Date or within a reasonable time thereafter.

The extent of Sponsor's obligation to repair damage in the event of a casualty or otherwise that occurs prior to a Purchaser's closing appears under the heading "Risk of Loss" in the Section of the Plan entitled "Procedure to Purchase".

CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs and Adjustments

Summarized below are the estimated closing costs and expenses to be borne by each Purchaser of a Unit:

- 1) Cost of Title Insurance. If the Purchaser orders title insurance then he will have to pay the premium for such title insurance. The premium will vary depending on the purchase price of the Unit. If ordered from the Preferred Title Company, based on the rates in effect as of July, 2004, sample rates for fee title insurance alone are as follows:

<u>Amount</u>	<u>Owner's Policy</u>	<u>Mortgage Policy</u>
\$200,000	\$1,210	\$1,018
\$300,000	\$1,646	\$1,382

\$400,000	\$2,082	\$1,746
\$500,000	\$2,518	\$2,110
Minimum Insurance	\$402	\$344
POLICES ABOVE \$500,000		
Minimum insurance for each \$1,000 or part thereof, add	\$404	\$344
35,001-50,000	\$6.67	\$5.55
50,001-100,000	\$5.43	\$4.54
100,001-500,000	\$4.36	\$3.64
500,001-1,000,000	\$3.98	\$3.31
1,000,001-5,000,000	\$3.66	\$3.05
5,000,001-10,000,000	\$3.25	\$2.71
10,000,001-15,000,000	\$3.07	\$2.55
Over 15,000,000	\$2.76	\$2.31

Thus, assuming a \$545,000 purchase price and a \$408,750 mortgage, the premium for mortgage and fee title insurance in the respective amounts at present rates will be approximately \$2,697 and \$534 plus an additional \$650 for various municipal searches, bankruptcy searches and endorsements. The above amounts are merely estimates of the amounts that would be charged by the Preferred Title Company, and are subject to change by it.

- 2) Recording Fees and Transfer Taxes. Each Purchaser will have to pay (a) the fee for recording the deed covering the Unit and the power of attorney in favor of the Board of approximately \$200 for the deed and \$200.00 for the power of attorney plus a \$50.00 document service charge plus \$75.00 in addition for the deed since it will be accompanied by a New York City real property transfer tax return), (b) for Residential Units, the New York City real property transfer tax of 1.0% (or 1.425% if the purchase price is greater than \$500,000) of the purchase price (plus any portion of such tax and the New York State real estate transfer tax paid by the Purchaser), (c) for a Commercial Unit, the New York City real property transfer

tax of 1.425% (or 2.625% if the purchase price is greater than \$500,000) of the purchase price (plus any portion of such tax and the New York State real estate transfer tax paid by the Purchaser), and (d) the New York State real estate transfer tax of \$2.00 per \$500 (or fractional portion thereof) of the purchase price (plus any portion of such tax and the New York City real property transfer tax paid by the Purchaser). Pursuant to Section 11-2104 of the New York City Administrative Code and Section 1404(a) of the New York Tax Law, the New York City real property transfer tax and the New York State real estate transfer tax would be (in the absence of any provision, such as is provided in this Plan, for the Purchaser to pay such tax) the obligation of the seller in connection with the transfer by the seller of the Unit to a Purchaser, although such Purchaser is liable for such tax if the seller fails to pay it. While the New York City and New York State transfer taxes are customarily paid for by the seller in condominium unit transactions, the burden of paying those taxes may be modified by contract. As is common in many other condominium developments in New York State, the Agreement provides that the Purchaser of a Unit will be required to pay these transfer taxes at the closing. Both New York State and New York City have taken the position that where a Purchaser pays either or both of these taxes, such payment constitutes additional consideration to the seller and must be considered in computing the tax due. A Purchaser of a Residential Unit priced at \$545,000 would pay approximately \$10,158 for transfer taxes. In addition, if the Purchaser pays \$1,000,000.00 or more for one inclusive of any consideration added as a result of Purchaser's payment of New York City Real Property Transfer Tax or New York State Real Estate Transfer Tax, or more Residential Units, the Purchaser will be obligated to pay the additional 1% transfer tax (known as the "Mansion" tax), which tax is computed on the Purchase Price of the Unit, increased by the amount of New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax paid by the Purchaser.

- 3) Loan Closing Costs. If the Purchaser of a Unit obtains a purchase money first mortgage loan from a lending institution, then he will customarily pay at the closing of title the following additional costs: (i) mortgage recording tax in the amount of approximately: (a) 2.0% of the mortgage if it does not exceed \$500,000, minus a \$25.00 deduction if the mortgage states that it covers a one or two family dwelling (although the aggregate mortgage recording tax is generally 2.0%, Chapter 788 of the Laws of 1978 provides that a portion of said tax equal to .25% of the mortgage shall be paid by the lender in certain cases); or (b) 2.125% of the mortgage if the mortgage exceeds \$500,000, minus the \$25.00 deduction, and if the mortgage states that it covers a one or two family dwelling,

subject to the obligation of the lender to pay a portion of said tax equal to .25% of the mortgage in certain cases, as aforesaid; (c) 2.75% of the mortgage amount on mortgage in excess of \$500,000 on a commercial unit; (ii) the premium for the mortgage title insurance policy discussed above; (iii) mortgage recording fees based on the rates discussed above; (iv) the lending institution's attorneys' fees pertaining to the mortgage; (v) the lending institution's appraiser's fees; and (vi) origination or other fees. In addition, the Purchaser may be required by the lending institution to deposit monthly with the lending institution a reserve for the payment of real estate taxes and insurance premiums commencing with the date of closing of title to the Unit. On a mortgage of \$408,750 the mortgage recording tax is estimated to be \$8,176. The cost of recording the mortgage is estimated at \$150.00. The amount of the deposit will be a multiple of the estimated monthly real estate taxes and insurance premiums and will vary in accordance with the date of closing of title to the particular Unit. The Sponsor makes no representation as to what additional closing costs may be charged by a particular lender.

- 4) Late Fee. If the Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the date originally scheduled for the Closing Date and (ii) the Purchaser shall pay to Sponsor, as a late fee, an amount equal to .0328 for each day of the Delay Period. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.
- 5) Mortgage Recording Tax Credit. To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Sponsor at the closing for such Unit the amount of any such credit.
- 6) Working Capital Fund Contribution. A Working Capital Fund for the Condominium shall be established as follows: Upon the closing of the purchase of a Residential Unit, the Purchaser will be required to pay to the Condominium an amount equal to one month's common charges for such Residential Unit ("Unit Working Capital Fund Contribution") as initial working capital. This contribution is not refundable or transferable if the Purchaser sells his Unit.
- 7) Closing Adjustments. At the closing for any Unit, adjustments will be made between Sponsor and each Purchaser with respect to (a) real estate taxes and any assessments, on the basis of the period

for which assessed, (b) Common Charges for the month in which title closes, (c) accrued rent and any other charges pursuant to the lease to the Purchaser, if any, covering the Purchaser's Unit and (d) water charges and sewer rents if separately assessed. Each Purchaser shall pay to the Sponsor the amount of any net adjustments in favor of Sponsor. All adjustments shall be made between the Sponsor and the Purchaser as of the midnight preceding the date for the closing of title fixed in the original notice of closing for such Unit by the Sponsor, whether or not title actually closes on that date, unless the closing is adjourned at the Sponsor's request. If a Unit has not then been separately assessed for the current tax fiscal year, the apportionment of taxes for such Unit shall be computed as described in Footnote 7 to Schedule A. If the real estate taxes have not yet been paid for the current fiscal year in which the Closing Date for a Unit occurs, then, at the Sponsor's option, the Purchaser of such Unit will pay his proportionate share of such real estate taxes (for such then current fiscal year) to the Sponsor on the date on which title closes, and the Sponsor will then be responsible for payment of such amount paid by the Purchaser to the Sponsor on account of real estate taxes for the then current tax fiscal year. Until separate tax bills are issued with respect to the Units, real estate taxes and any assessments shall be a Common Expense, except to the extent an apportionment is made as provided above, and the Board shall pay such taxes and any assessments to the appropriate local taxing authority. Sponsor shall have the right (but not the obligation) to advance the amount of real estate taxes and assessments, if any, and to pay same to the taxing authority. In such case the Condominium Board shall reimburse Sponsor the amount so advanced within fifteen (15) days following the date that Sponsor advances such funds on behalf of the Condominium Board. Upon the Condominium Board's failure to timely reimburse Sponsor, the Sponsor shall be entitled to exercise all rights and remedies at law and in equity and shall, in addition, be entitled to receive interest on the unpaid amount at the lesser of (i) the then maximum lawful rate or (ii) 18% per annum. Further, Sponsor shall be entitled to be reimbursed the cost of its reasonable legal fees and court costs in connection with its enforcement of the foregoing obligations of the Condominium Board.

- 8) Each Purchaser will be responsible for the fees and expenses of his own attorney if he chooses to retain one.
- 9) Each Purchaser shall be required to pay to the Sponsor or Sponsor's attorneys a fee for each Unit purchased which will cover the legal and other fees and expenses of processing the sale of the

Unit at the same time as the balance of the purchase price for the Unit is due and payable under the Plan as follows:

- a) Basic fee for closing of sale, with or without financing (including, without limitation, preparation of the Unit Deed and Power of Attorney, and coordinating and attending the closing as set forth in the Plan) – \$2,500;
- b) Additional attendance fee if the closing does not occur at the office of Sponsor's attorney – \$350 (in no event shall Sponsor shall be required to close at a location outside of New York City).
- c) Additional fee if the closing is adjourned for any reason other than at Sponsor's request – \$200 for each time closing is so adjourned.
- d) If Purchaser obtains title insurance from a title insurer other than a Preferred Title Company, an additional fee of \$500 to Sponsor's attorneys for the additional work involved.

Thus, by way of example, with respect to a sample Unit, assuming a \$545,000 purchase price and a mortgage of \$408,750 the Purchaser may estimate his closing costs as follows;

- (i) Fee for insurance: \$2,697, Mortgage title insurance \$534, municipal search \$650 and miscellaneous recording charges \$650 for a total of \$4,531.
- (ii) New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax \$10,158.
- (iii) Mortgage recording tax \$8,176 plus miscellaneous recording charges of \$150 for a total of \$8,326 (a portion of which will be paid to Seller as described in Paragraph 5 above)
- (iv) Fee to Sponsor's attorney \$2,500.
- (v) Working Capital Fund Construction (equal to one month's Common Charges \$851.05)

The above Closing Costs aggregate \$26,366.05.

In addition, each purchaser who finances the purchase of his Unit will be responsible for the closing adjustments described in paragraph 7, and to pay all charges, points, fees and attorneys' fees imposed by the Purchaser's lender and the items enumerated in paragraphs 4, 8, 9(b) (c) and (d) above.

From and after the closing of title to his Unit, the Purchaser will be obligated for the payment of Common Charges, real estate taxes and assessments,

water charges and sewer rents (if separately assessed against the Unit) and all other expenses with respect to his Unit whether or not he has taken possession of his Unit.

The mortgage and fee title policy premiums, the recording taxes and charges and the transfer tax rates set forth above are those in effect as of the date of this Plan, and are subject to change. Each Purchaser shall be required to pay the title policy premiums, recording taxes and charges, deed stamps and any transfer taxes in effect as of the date of the closing of title to his Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Units will be the items described above. If any other items are to be apportioned at closing, the Sponsor will advise the Purchaser in writing of those items at least three (3) days before the closing.

Expenses of Offering

The Sponsor will pay all of the expenses of creating the Condominium and of making this offering to Purchasers, including the closing costs of the Sponsor in connection with this Plan, except for such closing fees to be paid by Purchasers as may be described above and in the other provisions of this Plan. For the most part, these costs paid by the Sponsor include legal and other professional fees incurred in connection with the preparation of this Plan, filing fees incurred in connection with submissions to the Department of Law, recording fees for the Declaration, selling commissions of brokers engaged by the Sponsor, and advertising and reproduction costs of the Sponsor.

Closing Adjustments Between Sponsor and Condominium

The Sponsor will be responsible for all the required operating expenses of the Property accruing prior to the date of the closing of title to the first Unit pursuant to the Plan. The Condominium shall be required to pay all operating expenses of the Property accruing on or after the date of the closing of title to the first Unit pursuant to the Plan.

The following items shall be apportioned between the Sponsor and the Condominium as of midnight of the date preceding the date of the closing of title to the first Unit pursuant to the Plan: (a) water charges and sewer rents (unless separately assessed to Units) based on the fiscal year therefor or, if there be water meters on the Property, the Sponsor shall furnish readings to a date not more than thirty (30) days prior to the First Closing and the unfixed water charges and the unfixed sewer rents, if any, based thereon for the interim shall be apportioned on the basis of such last reading; (b) deposits, fees, charges or payments in connection with all permits, licenses, utilities, service and maintenance agreements which are assigned by the Sponsor to the Condominium; (c) the cost of fuel on hand, if any, as estimated by the Sponsor's supplier and any other supplies on hand; (d) insurance premiums for transferable policies, if any, which Sponsor transfers to the Condominium; (e) employees' wages and benefits pursuant to the First Year's Budget and/or any applicable Union contract and any other payments or obligations relative to employees,

(f) charges for electricity for the Common Elements; and (g) operating expenses and any other prepaid items (including, without limitation, charges for gas and electricity for the Building, if applicable). In addition, the Sponsor shall pay all installments for assessments due prior to the date of the First Closing and the Condominium shall pay all such installments due after such date.

If the net closing adjustments are in favor of the Sponsor, then the amount of such net closing adjustments shall be paid to the Sponsor in twelve (12) equal monthly installments commencing one month after the date of the First Closing, in accordance with a promissory note of the Condominium to be delivered to Sponsor on the date of the First Closing. The note shall mature on the first anniversary of the First Closing at which time all unpaid principal shall be due and payable. The note shall not provide for interest, except that from and after the maturity, whether by acceleration or otherwise, the note shall bear interest at the lesser of (i) 18% per annum or (ii) the highest rate permitted by law. It is noted that net closing adjustments in favor of Sponsor, if any, generally represent costs for which the Condominium is responsible that have been prepaid by Sponsor for a period covering part or all of the first year of Condominium operation and, as such, the amount thereof is reflected in Schedule B - Budget for First Year of Condominium Operation.

RIGHTS AND OBLIGATIONS OF SPONSOR

Reservation by Sponsor of the Right to Rent Residential Units

Sponsor will, in good faith, endeavor to sell in a diligent and reasonably timely manner, rather than rent the Residential Units.

Sponsor reserves the right to rent rather than sell Residential Units only under the circumstances set forth in paragraphs (1) and (2) below:

1. if and when required under the construction loan when obtained for the Property or; or
2. following the execution of Purchase Agreements with bona fide Purchasers for not less than twenty-five percent (25%) of the Residential Units offered for sale under the Plan, if Sponsor is unable, despite a bona fide effort, to sell its Residential Units.

Sponsor obtained a construction loan from Bank Leumi USA for the Property. The construction lender will impose requirements regarding sales by Sponsor. Such requirements include existence of a minimum release price or minimum payment which must be made to the lender in order for the lender to release its lien from the Unit (the "Unit Release Amount").

Sponsor reserves the right to sell or transfers a maximum of eight Units to persons or entities who have a economic interest in or are otherwise related to or affiliated with Sponsor or a member of Sponsor or its principal. Such Units may be rented to third parties by the Owners thereof.

Sponsor's ability to sell Residential Units in an amount sufficient to (i) pay to its construction lender the Unit Release Amount, (ii) pay its other expenses of the development and construction of the Condominium and sales of Units (including, without limitation, expenses attributable to construction costs, architectural fees, overhead, general conditions, sales, marketing, legal fees, taxes, administration and interest), and (iii) make a profit on its investment in the Condominium, will all have a bearing on the price at which Sponsor is willing to sell its Residential Units.

Sponsor's Work

No bond or other security has been furnished to secure performance of the following obligations.

Sponsor has undertaken the following obligations in connection with the construction of the Building:

1. Sponsor will, at Sponsor's sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, which are necessary to complete the construction of the Building substantially in accordance with the description contained in **"Description of Property, Specifications and Building Condition"** contained in Part II of the Plan.

2. Sponsor will cause any mechanic's liens arising out of the improvements to the Building to be discharged on or prior to the Closing Date, or in the alternative Sponsor may elect to make arrangements with the company insuring the Purchaser's title to the Unit or, at Sponsor's option, the Preferred Title Company to affirmatively insure against collection thereof out of or enforcement against the Unit or any portion thereof by providing an indemnity, posting a bond or escrowing a sum deemed sufficient by such Preferred Title Company or otherwise causing the Preferred Title Company to omit any exception in its title insurance policy relating to such mechanics lien. Provided that the Preferred Title Company will omit such exception or issue such affirmative insurance, if Purchaser uses a title insurance company other than the Preferred Title Company, Sponsor shall have no obligation to cause such non-Preferred Title Company to omit such exception.

3. If, by the Closing Date under the Plan, only a temporary Certificate of Occupancy for the Building or a Unit for which title has closed shall have been issued, then the Sponsor will use all reasonable diligence to cause the local building department to renew continuously the temporary Certificate of Occupancy until the permanent Certificate of Occupancy covering all Units offered under this Plan shall have been issued. Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the temporary Certificate of Occupancy and to obtain such permanent Certificate of Occupancy. However, if any Unit Owner is performing or causing to be performed any work in his Unit, the Sponsor shall have no obligation to obtain or renew a partial, temporary, or permanent Certificate of Occupancy with respect to such Unit if the issuance of such Certificate of Occupancy is delayed or

prevented by such work. Prospective purchasers are advised that a permanent Certificate of Occupancy is required for permanent use of the Building. A temporary Certificate of Occupancy may only be renewed, pursuant to current laws and practices, for a total of up to two years from the date of its original issuance. If the temporary Certificate of Occupancy shall have expired prior to issuance of a permanent Certificate of Occupancy, occupancy of the Units will be a violation of law, subjecting the occupants to legal penalties, including possible eviction of occupants. The Sponsor anticipates obtaining a permanent Certificate of Occupancy for the Property by no later than two years from the Closing Date and shall use reasonable efforts to obtain same.

If a permanent Certificate of Occupancy for the Building has not been issued as of the date of the closing of the first Unit in the Building and the Sponsor has obtained at least a temporary Certificate of Occupancy for the Building, the Sponsor will cause to continue to be held in escrow all monies previously deposited and being held in escrow pursuant to Section 352-e(2-b) of the General Business Law unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Such sum of money as exceeds the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent any one or a combination of the following: cash or an unconditional, irrevocable letter of credit or Sponsor may post a surety bond and/or maintain unfunded, a portion of the construction loan available to Sponsor for construction purposes aggregating amount certified by Sponsor's engineer or architect. In such case, Sponsor shall have the right to draw down remaining portions of said letter of credit, cash, construction loan available to Sponsor for construction purposes, provided the unfunded portion of such construction loan and/or, remaining cash and/or letter of credit in the aggregate is, at all times, no less than the amount that Sponsor's architect, engineer or construction manager certifies is adequate to complete the work necessary to obtain a permanent Certificate of Occupancy.

4. The Sponsor will deliver and assign to the Board upon the recording of the Declaration all manufacturers' and contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Common Elements, if any, to the extent made by such manufacturers and contractors and to the extent such warranties and bond are assignable. Sponsor will deliver to the Board a copy of the "as built" plans filed with the recording of the Declaration and, in addition, will provide the Board with a full set of building plans filed with the Department of Buildings. At or prior to the closing of each Unit, Sponsor shall deliver and assign to the Purchaser any manufacturer's warranties with respect to equipment and appliances installed in such Unit to the extent made by the manufacturer and to the extent such warranties are assignable.

SINCE THE BUILDING EXCEEDS FIVE STORIES, THE HOUSING MERCHANT IMPLIED WARRANTY SET FORTH IN ARTICLE 36-B OF THE GENERAL BUSINESS LAW DOES NOT APPLY TO THIS OFFERING. THE SPONSOR HEREBY EXPRESSLY EXCLUDES THE HOUSING MERCHANT IMPLIED

WARRANTY SET FORTH IN ARTICLE 36-B OF THE GENERAL BUSINESS LAW, AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN AS EXPRESSLY SET FORTH BELOW.

SPONSOR'S OBLIGATION TO THE BOARD OF MANAGERS WITH RESPECT TO THE COMMON ELEMENTS AND TO EACH UNIT OWNER WITH RESPECT TO THE UNITS SHALL BE LIMITED TO AN OBLIGATION TO CORRECT MATERIAL DEFECTS IN THE CONSTRUCTION OF THE COMMON ELEMENTS OR THE UNITS IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS AND SUCH OBLIGATION EXPRESSLY EXCLUDES DEFECTS IN THE COMMON ELEMENTS AND THE UNITS WHICH ARE NOT WITHIN THE SCOPE OF CONSTRUCTION WORK OR AS SHOWN IN THE PLANS AND SPECIFICATIONS. The Sponsor has no obligation to make any repairs to the Common Elements or the Units except as expressly set forth in the Plan. Written notice of any warranty claim by the Board of Managers or any Unit Owner must be received by Sponsor no later than the first business day after the expiration of the applicable period as set forth below, failing which Sponsor shall have no duty to respond to the complaint set forth in such notice. TIME IS OF THE ESSENCE AS TO THE RECEIPT BY SPONSOR OF SUCH NOTICE NO LATER THAN THE FIRST BUSINESS DAY AFTER THE EXPIRATION OF THE APPLICABLE PERIOD AS SET FORTH BELOW.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN OR THE PURCHASE AGREEMENT, SPONSOR SHALL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION (INCLUDING, WITHOUT LIMITATION, DEFECTIVE MATERIALS OR DEFECTIVELY CONSTRUCTED COMPONENTS OR PORTIONS OF THE BUILDING OR UNIT) OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES, TO THE EXTENT COVERED BY ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER DENOTED) FROM MANUFACTURERS, CONTRACTORS, MATERIALMEN, OR OTHERS, THAT ARE ASSIGNED TO EITHER ONE OR MORE PURCHASERS OR THE BOARD OF MANAGERS.

Sponsor or its representatives will make periodic visits to the Property at reasonable intervals and, except as hereinafter provided, Sponsor will correct or cause to be corrected patent defects in the construction of the Building and the Units or in the installation or operation of any mechanical equipment therein but only if (a) such patent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications; and (b) (i) as to any Unit, Sponsor is notified of such defects in purchaser's Inspection Report to be completed, dated and signed prior to the Closing of title to purchaser's Unit or (ii) as to the Common Elements, Sponsor is notified by the resident member of the Condominium Board who is unrelated to Sponsor within two (2) months from the time they are elected at the first meeting of the Units Owners. TIME IS OF THE ESSENCE AS TO THE OBLIGATION TO NOTIFY SPONSOR WITHIN SUCH PERIOD. If any patent defect in the Common Elements within an Unsold Unit can only be detected after said two (2) month period by occupancy of such Unsold Unit then Sponsor will correct such defect

referred to in the preceding clause (a) if notified by the resident member of the Condominium Board who is unrelated to Sponsor within two (2) months from the closing of title to such Unsold Unit. TIME IS OF THE ESSENCE AS TO THE OBLIGATION TO NOTIFY SPONSOR WITHIN SUCH PERIOD.

Sponsor will correct or cause to be corrected latent defects (that is, defects which are not visually ascertainable) in the construction of the Building and the Units or in the installation or operation of any mechanical equipment therein but only if (a) such latent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications; and (b) (i) as to any Unit, Sponsor is notified of such defects in writing by the Unit Owner within one (1) year from the closing of title to such Unit; or (ii) as to the Common Elements, Sponsor is notified by the resident member of the Condominium Board within one (1) year of the First Unit Closing under the Plan; TIME IS OF THE ESSENCE AS TO THE OBLIGATION TO NOTIFY SPONSOR WITHIN SUCH ONE YEAR PERIOD.

Sponsor, in its sole discretion, shall select the method of correcting any defect. On one (1) days' notice from Sponsor, the Condominium Board, and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building, and/or the Unit Owner in question on any weekday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications for the Building.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified in purchaser's Inspection Report or within the applicable time periods specified herein as to which periods. TIME IS OF THE ESSENCE or (ii) the Condominium Board and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building and/or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's architect or engineer, in his (their) sole discretion.

Except as expressly set forth above in this Paragraph 4, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building, or all other installations, apparatuses, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Except as provided in this Plan or under applicable law, each Purchaser shall be required to complete the payment of the purchase price (without the provision of an escrow) and accept title at the time of closing, notwithstanding Sponsor's failure to complete the construction, finishing and decorating of the Unit or other Units or hallways or the Common Elements so long as a temporary or permanent Certificate of Occupancy has been issued covering the Unit to be closed and such Unit's kitchen and bathroom appliances and fixtures (i.e., refrigerator, ranges, oven, sinks, toilet and bath fixtures) are operable and its windows, interior walls and floors are installed in accordance with this Plan.

Notwithstanding any provisions to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of (a) (i) any insubstantial variations from (a) the Plans and Specifications or the Description of the Property and Specifications, or a Unit set forth in this Plan (b) the dimensions or arrangements of rooms, walls or other areas (including ceiling heights) within Units or (ii) variations from the Plans and Specifications or Description of Property and Specifications and/or a Unit set forth in this Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially equal or better quality and design; or (b) defects in construction or design which do not affect the safety of the Unit Owners or their Units nor render the Building, or the Units or their respective systems or equipment inoperable.

In addition, without limitation, in no event shall Sponsor or any contractor or supplier be responsible for correcting or repairing any of the following: (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) defects of an insubstantial nature, such as, without limitation, nail pops, ridging on sheet rock walls and ceilings, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight and quality, slight scratches in plastic laminate, porcelain, or other surfaces, imperfect bath and kitchen tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation in joints of flooring or between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in concrete roof pavers (if any), or concrete cracks (if any) which do not impair the structural soundness of the Building, (iv) variations in floor levels, (v) ceiling imperfections, (vi) painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows (ix) normal plumbing, elevator, trash chute, heating and air conditioning noises, (x) normal floor noises and creaking, (xi) floor discoloring, (xii) variations in width, length or tone of wood floors, (xiii) repair of chips, scratches, mars, breaks or other defects in any windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, ceramic tile, marble floors and walls, resilient flooring, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Closing Date, paint touch-ups, repairs of dented appliances, carpet discoloration, stretching or shrinkage, or replacement of fluorescent light ballasts, (xv) variations in tone or color of marble or stone used in bathrooms or variations in tone or color of vanity tops or other marble or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, (xviii) cracks in pressure treated wood used or intended for use outside the Building, (xix) seepage through masonry walls, (xx) the partial or total death of any trees, shrubs, bushes, ground cover, grass or other landscape improvements including any such landscape improvements in the garden, (xxi) damage to walkways or other concrete areas caused by the application of deicers, (xxii) water problems caused by ice dams, normal plumbing and heating noises, (xxiii) carpet stretching, normal settlement cracks on concrete foundations,

patios, terraces, sidewalks and other flat work, (xxiv) basement leaks resulting from acts of God or alteration of landscaping or grading, leakage resulting from "ice dams" forming on roofs, shading variations of the exterior siding straining (on the face surface or grooves), and shading variations on fascias from staining. Sponsor shall be obligated to repair abnormal scratches by filling any plastic laminate, granite, or marble scratches or refinishing any porcelain granite, or marble scratches but Sponsor shall not be obligated to replace such plastic laminate, granite or marble or porcelain surfaces. References in this Section or in the Plan to excluded repairs or excluded conditions with respect various items listed shall not be construed to imply an obligation on the part of Sponsor to do any work or construction or to install any equipment, fixtures or appliances or other items except, in each case, as expressly provided in "Description of Property and Specifications."

Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations pursuant to this Section shall be to repair or replace, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship substantially at variance with the Plans and Specifications) subject to the terms and conditions (and within the time limits) set forth in this section of the Plan.

The Sponsor reserves the right to amend the Plans and Specifications and to make changes in the materials, appliances equipment and fixtures if (a) required or approved or accepted by governmental authorities having jurisdiction over the Property or by the Sponsor's architect; or (b) required by job conditions, local shortages or unavailability of materials; or (c) ordered by a Purchaser for his Unit without affecting Units previously sold. Changes or substitutions in materials, appliances, fixtures and equipment may also be made by the Sponsor provided that such substitutions are of substantially equal or better quality. However, the Sponsor may not change the size, the location of the Building, other capital improvements, or the Common Elements if any such change materially adversely affects the value of any Unit either to which title has closed, or for which a Purchase Agreement has been executed and is in effect, unless all of the directly affected Unit Owners consent in writing to such change and all directly affected contract vendees are given the right to rescind and receive a refund of their Deposits. All the foregoing amendments, modifications and changes to the Plans and Specifications may be made without prior notice or amendment to this Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of insubstantial variations in the dimensions or arrangement of rooms, walls, ceiling heights or other areas within Units, or in the Plans and Specifications, or in the description of the Building or a Unit set forth in the Plan. In this regard, Purchasers are advised that ceilings in certain areas, in certain rooms may have a reduced height as a result of soffits or other areas that enclose plumbing, heating, HVAC, ventilation and similar lines, risers, conduits and/or equipment.

Except as otherwise provided in this Plan, where alternatives are specified or where a particular practice, method, or design of construction, equipment, material or supply is not specified, the choice and decision of the Sponsor shall be determinative.

The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of the construction in accordance with the Plans and Specifications and correction or repair of any defects, and no other warranties or undertakings shall be implied. The Sponsor has no obligation to make repairs or improvements of any kind to the Property, except as expressly set forth in this Section. The construction obligations of the Sponsor under this section shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. All obligations of the Sponsor hereunder shall be enforceable only by the Board of Managers of the Condominium and not by the individual Unit Owners unless the claim against the Sponsor relates to one (1) Unit only, is not a common claim affecting two (2) or more Units, and the Board of Managers has failed to take action to enforce such obligation. Any dispute by a Purchaser (other than a dispute regarding a Purchaser's deposit) or Unit Owner or the Board of Managers against Sponsor must be mediated by non-binding mediation before the Purchaser, the Unit Owner or the Board of Managers may commence litigation or binding arbitration against Sponsor. A Purchaser, Unit Owner or the Board of Managers ("Claimant") must notify Sponsor in writing of any claim that it wishes to assert within the period, if any, set forth in this Plan. Unless Sponsor and the Claimant mutually agree upon a different mediator within fifteen (15) business days following the giving of notice of such claim, the matter shall be the subject of non-binding mediation before JAMS. The initial cost of the mediation service to conduct such non-binding mediation shall be shared equally by the Sponsor and the Claimant; however the non-prevailing party, shall reimburse the prevailing party for the prevailing party's share of such mediation service; if no party is the non-prevailing party, the cost of such fees shall be borne as determined by the mediator. If the Claimant is the non-prevailing party or it is determined by the mediator that the Claimant shall pay the fees (or any portion thereof) of such mediation service, and the Claimant fails to timely reimburse Sponsor the amount of such fees, the Claimant shall be precluded from commencing any arbitration or legal or equitable action against Sponsor until such time as such fees are paid. If the dispute is not resolved following non-binding mediation, the Sponsor shall have the right, in its sole and absolute discretion, to require (by notice to the Claimant, to be given within thirty (30) days following the conclusion of the mediation) that the dispute must be determined by arbitration. The provisions of this paragraph shall survive the closing of title to each Purchaser's Unit.

Sponsor's Communication Rights

Sponsor has reserved certain "Communications Rights" including the right to enter into agreements with one or more providers of Communications Services which agreement(s) would permit such providers the right to (i) install, maintain, repair and replace their Communications Equipment on the roof of the Building (ii) the right to install, maintain, repair, replace and remove Communication Equipment and such other equipment whether similar or dissimilar, in and through the Common Elements, and (iii) to utilize a portion of the Common Elements for Communications Equipment. Sponsor

shall be entitled to retain any and all revenues from any provider of Communications Services. Sponsor and any such provider(s) shall have an easement in and to all of the Common Elements for the foregoing purposes. Unit Owners may be required to furnish any such provider with access to his Unit on reasonable notice. The rights of Sponsor are paramount over the rights of the Condominium Board to permit the installation of such equipment and Facilities. The Communications Rights granted to Sponsor shall prevail over any similar installations that may be made by the Condominium Board. In no event may the Condominium Board approve the installation of any Communications Equipment or other equipment in any location in which Sponsor has permitted Communication Equipment to be installed or in any location that would interfere with Communications Equipment or the installation of Communications Equipment as has been permitted by Sponsor. Following the issuance of a permanent certificate of occupancy covering each of the Residential Units offered for sale under the Plan, Sponsor will not construct any new dwelling units on any roof or terrace of the Building.

Sponsor's Right of Access

Sponsor and its designees, contractors, subcontractors, agents and employees will have a right of access to the Property, each Unit and all of the Common Elements, including the General Common Elements and the Limited Common Elements, for purposes of construction of the Building or any part thereof, or performing repairs in or about Units owned by the Sponsor or its designees or in fulfilling Sponsor's obligations under the Plan or for any lawful purpose, provided (i) Sponsor repairs any resulting damage to the Unit or Common Elements, as the case may be, and restores it to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the owner of the Unit to which access is required or the Board in the case of the Common Elements.

The Sponsor and its designees, employees and agents will also have the general right to perform all activities at the Condominium in connection with a program to sell or lease all or any portion of or interest in the Property. For example, the Sponsor will have the right to show the Condominium and model Units to prospective Purchasers, to maintain model Units and a sales or leasing office at the Condominium and to post signs in connection therewith.

For additional special rights of Sponsor under the Declaration with respect to the combining and subdividing of Units, designation of Limited Common Elements and other matters, please See "Rights And Obligations Of Unit Owners And Board Of Managers; Summary of By-Laws" and the copy of the Declaration and By-Laws contained in Part II of the Plan.

Sponsor's Liability

Except for the Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to the Units that shall remain unsold from time to time (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied,

except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements.

The Sponsor makes no undertakings or warranties except as hereinabove set forth and none should be implied. The Sponsor does not warrant or guarantee the materials, workmanship or any other aspect of the Units or the Common Elements, any personal property or any portion thereof, except to the extent expressly provided in this Plan.

The Sponsor has reserved the right to transfer or sell the Units owned by the Sponsor or its designees to any person or entity as Sponsor may elect (including, without limitation, in bulk to investors) and otherwise liquidate its assets at any time. In addition, Sponsor has reserved the right to sell or transfer a maximum of eight Units to persons who have an economic interest in or are otherwise related to or affiliated with Sponsor, its members or its principal. One or more of such Units may be rented by the Owners thereof.

Indemnity of Condominium by Sponsor and Assumption by Condominium

The Sponsor shall indemnify and hold the Condominium harmless from any costs, expenses, claims, suits or proceedings with respect to the Property arising out of the Sponsor's default prior to the Closing Date in performing its obligations under the Plan or the representations made by the Sponsor in this Plan. The Condominium shall assume the performance of all obligations (including payment obligations) of the Sponsor, if any, accruing on or after the date of the closing of title to the first Unit pursuant to the Plan, under the labor, service, maintenance and concessionaire agreements in effect on such date which have been assigned to the Condominium pursuant to the Plan, and shall indemnify and hold the Sponsor harmless from and against any and all claims, liabilities, costs and expenses arising out of or with respect to such agreements or with respect to the Property and accruing on or after such date.

The risk of loss or damage to the Property by fire or other casualty until the date of closing of title of the first Unit is assumed by Sponsor but without any obligation or liability upon Sponsor to repair or replace the same. Sponsor may, however, at Sponsor's option, elect to abandon the Plan (see "Effective Date" section of this Plan) or to repair or replace such loss or damage. If Sponsor elects to replace such loss or damage, then at Sponsor's option, it shall be entitled to reasonable adjournments of the closing.

Although Sponsor will endeavor to sell at least twenty-five percent (25%) of the Residential Units to Purchasers who represent that they or one or more members of their immediate family intend to reside in their Units, Sponsor cannot guarantee that such Purchasers will in fact reside in their respective Units. In addition, Sponsor has reserved the right to sell Residential Units to investors and to sell or transfer a maximum of eight (8) units to persons who have an economic interest in or are otherwise related or with affiliation to Sponsor its members or its principal. One or more of such Units may be rented by the Owner's thereof.

Purchasers are advised that owner-occupants of Residential Units may have different interests than Purchasers for investment or renters of Residential Units and that the interests of owner-occupants of Residential Units and the interests of Purchasers for investment or renters may be in conflict.

Survival of Sponsor's Obligations

The Sponsor's obligations and representations under the Plan or under the General Business Law of the State of New York which are to be performed subsequent to the Closing Date shall survive delivery of the deed to a Unit affected by such obligation, for the limited time periods set forth in the Plan. However, except for those obligations and representations under the Plan or under the General Business Law of the State of New York which are to be performed subsequent to the Closing Date as described in the preceding sentence, all obligations of the Sponsor under the Plan with respect to any Unit or Unit Owner and under the Purchase Agreement for such Unit with such Unit Owner shall not survive, and shall be deemed satisfied upon, the delivery of the deed for such Unit unless otherwise expressly provided in the Plan or such Purchase Agreement.

Sponsor's Obligations for Retained Units

So long as Sponsor retains title to any Units, Sponsor shall pay all Common Charges, special assessments and real estate taxes with respect to the Units it owns. The Sponsor represents that when it has closed on its construction financing, its financial resources will be sufficient to meet its obligations described above in this paragraph and its other obligations under the Plan. Sponsor presently intends to fund such obligations primarily from income from projected sales of Units. However, no bond or other security has been furnished by the Sponsor and the Sponsor's ability to perform its obligations hereunder will depend solely upon its financial condition if and when called upon to perform. No warranty is made that the Sponsor will be financially able to perform any or all of such obligations, provided that if at any time, while Sponsor is making an offering or making sales pursuant to the Plan, Sponsor's financial condition does not permit it to perform its obligations hereunder, Sponsor shall amend this Plan to disclose such change in financial condition and to offer Purchasers with outstanding Purchase Agreements a right to rescind such contracts and shall cease making sales pursuant hereto until Sponsor's financial condition shall again permit it to perform its obligations hereunder. If Sponsor shall be dissolved or liquidated or shall transfer ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, to other than bona fide purchasers for occupancy, Sponsor shall provide one or more financially responsible entities or individuals who will assume the status and obligations of the Sponsor under the Plan, applicable laws or regulations. As used in the preceding sentence, "bona fide purchaser for occupancy" means a Purchaser who purchases a Residential Unit for occupancy by such Purchaser or for occupancy by a person related by blood, marriage or adoption to such Purchaser.

It is noted that Sponsor has reserved the right to rent Unsold Units under the limited circumstances set forth above under "Reservation by Sponsor of Right to

Rent Residential Units." In addition, Sponsor has reserved the right to sell Residential Units to investors and to sell or transfer a maximum of eight (8) units to persons who have an economic interest in or are otherwise related to or affiliated with Sponsor, its Members or its principal. As a consequence, if Sponsor rents Unsold Units, such Units will be occupied by rental tenants rather than Unit Owners. In addition, one or more of the Residential Units that may be sold or transferred to persons who have an economic interest in or are related to or affiliated with Sponser, its members or its principal, may also be rented. See "Procedure to Purchase" for a discussion regarding the willingness of certain lenders to consider making mortgage loans unless a certain percentage of Units are sold to bona fide purchasers.

Insurance Described in Condominium Budget

Sponsor shall cause the Condominium to obtain and have in effect as of the Closing Date the insurance described in the Condominium Budget set forth as Schedule B. Such coverage will contain an agreed amount replacement value provision.

CONTROL BY SPONSOR

The affairs of the Condominium shall be governed by the Board. No member of the Board shall receive any compensation from the Condominium for acting as such member. The initial three members of the Board will be designated by the Sponsor. It is anticipated that the initial members of the Board will be Moshe Shuster, Ran Korolik and Moshe Schori. Mr. Shuster is the principal of Sponsor; Mr. Korolik is an employee of Sponsor; and Mr. Schori is a business affiliate of Sponsor. However, Sponsor reserves the right to designate other individuals to serve as initial members of the Board. See **"Identity of Parties."** The initial Board members will resign in favor of a new Board to be elected at a meeting of Unit Owners to be held within forty-five (45) days after the Closing Date. The Condominium Board will consist of seven (7) members. Sponsor shall be entitled to elect or designate four (4) of the members until the earlier of (i) the date that Sponsor (and its designees owning Residential Units) own less than 50% of the outstanding Common Interests of the Common Interests of all Residential Units, or (ii) five years from the First Closing. Within thirty (30) days following the date that Sponsor is no longer entitled to control the Board of Managers, a special meeting of Unit Owners will be held for the purpose of electing a new Board of Managers. From and after the earlier of (i) the date that Sponsor (and its designees owning Residential Units) own less than 50% of the outstanding Common Interests of all Residential Units, or (ii) five years from the First Closing under the Plan, (A) Sponsor shall have the right to elect or designate three (3) members for so long as Sponsor and its designees owns at least 20 Unsold Residential Units, two (2) members for so long as Sponsor (and its designees owning Residential Units) owns at least 10 Residential Units and one (1) Residential Member for so long as Sponsor (and its designees owning Residential Units) owns at least one (1) Unsold Residential Unit and (B) a majority of the members of the Board of Managers must be residents of the Building who are unrelated to and unaffiliated with Sponsor. In addition to any Members elected or designated by Sponsor, Sponsor shall, at all times, also have the right to cast its votes for all remaining positions on the Condominium Board for candidates who reside in the Building but who are unrelated to or unaffiliated with Sponsor.

The By-Laws provide that from and after the date that Sponsor surrenders control of the Board of Managers in accordance with the foregoing provision, a majority of the members of the Board of Managers must be Unit Owners who occupy their respective Units or members of the household of such Unit Owners who are unrelated to Sponsor and its principals.

Purchasers are advised that, subject to certain exceptions (including the sale or lease of Units by Sponsor) more fully described in the section of the Plan entitled **"Rights and Obligations of the Board of Managers,"** while the Condominium Board has certain rights of first refusal in the case of the sale or lease of Units, the Condominium Board does not have the power to approve or disapprove either purchasers or lessees of Residential Units.

Although Sponsor will endeavor to sell at least twenty-five percent (25%) of the Residential Units to Purchasers who represent that they or one or more members

of their immediate family intend to reside in their Units, Sponsor cannot guarantee that such Purchasers will in fact reside in their respective Units. Further, Sponsor has reserved the right to sell Residential Units to investors. In addition, Sponsor has reserved the right to sell Residential Units to investors and to sell or transfer a maximum of eight (8) Units to persons who have an economic interest in or are otherwise related to affiliated with Sponsor, its members or its principal.

Purchasers are advised that owner-occupants of Residential Units may have different interests than Purchasers for investment or renters of Residential Units and that the interests of owner occupants of Residential Units and the interests of Purchasers for investment or renters may be in conflict.

Sponsors and its designees may not exercise a veto over expenditures (i) which are covered in the budget set forth in Schedule B, and which are for the period covered by said budget, (ii) which are for capital repairs required for the operation and maintenance of the Condominium or, (iii) which are required to comply with applicable laws or regulations, to remedy any notice of violation or work order by the insurer with respect to the Property.

Until the earlier to occur of (i) the date on which the aggregate Common Interests of all Unsold Units is less than 25% of the Common Interests of all Units, or (ii) the fifth anniversary of the First Closing, neither the Board of Managers, nor officers, nor Unit Owners, except upon the written consent of the owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B; (b) provide for services other than those described in Schedule B unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) remove any members of the Board of Managers elected by Sponsor, its designees, or the Retail Unit Owner, or by the owners of Unsold Units except for cause, or (e) cause their representatives on the Condominium Board to (i) change the insurance coverage on the Property from the coverage described in Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Condominium or unless such change is required by the holder of any mortgage on any Unsold Units or by the insurance carrier insuring the Property to satisfy insurance requirements or (ii) take any action inconsistent with (a), (b), (c) or (d).

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS; SUMMARY OF BY-LAWS

Rights and Obligations of Unit Owners

Common Interest

Each Unit has been allocated a percentage ownership of the Common Elements of the Condominium (a "Common Interest") in accordance with New York Real Property Law Section 339-i 1(iv) based upon approximate floor space, subject to

the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The Common Interest of each Unit has been based on 100% of the floor area of such Unit plus 50% of the floor area of any Limited Common Element (consisting of a balcony or terrace) and 100% of the floor area of an interior Limited Common Element, if any appurtenant to such Unit. Every Unit Owner will be responsible for his proportionate share of the Common Expenses of the Condominium, based upon his Common Interest (except as otherwise provided in the footnotes to Schedule B, the Declaration or the By-Laws), and will have the same proportionate share of any common profits of the Condominium or any distribution upon termination or condemnation of the Condominium.

Description of Unit

A Unit Owner will obtain fee title to the Unit, subject to the Permitted Encumbrances. For a detailed description of the Unit to be conveyed, see "Declaration" and "Condominium Floor Plans" in Part II of the Plan.

Each Unit shall be deemed to include also (i) that portion of any wall or partition separating such Unit from Common Elements that lies between the Unit side of such wall or partition and the frame or masonry, as the case may be, of such wall or partition and (ii) the doors and windows which open from the Unit.

Description of Common Elements

The Common Elements of the Condominium consists of the entire Property other than the Units. Each Unit will consist of the area measured horizontally from the exterior face of the perimeter wall (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one unit from another unit and including walls dividing the units from corridors, stairs, elevators and other mechanical equipment spaces or any common elements; or to the exterior face of the opposite perimeter walls. Each Unit is measured vertically from the top of the concrete floor or slab to the underside of the concrete slab above. A Unit Owner will have an undivided interest in all of the Common Elements. The Common Elements may not be divided or partitioned except as provided in the Condominium Act.

A. The General Common Elements are all of the Common Elements exclusive of the Limited Common Elements and include (even if within the dimensions of a Unit) the following:

- (a) The Land;
- (b) Any foundations, columns, girders, beams, supports, exterior walls of the Building and all joists;
- (c) All walls and partitions separating Units from the General Common Elements and/or Limited Common Elements;

(d) To the extent not located within or specifically made a part of a Unit or a Limited Common Element, the roof, stairs, stairways, elevators, hallways and corridors within the General Common Elements and entrances to and exits from the General Common Elements;

(e) The central and appurtenant installations and equipment for services such as heat, power, light, telephone, gas, hot and cold water, sewer and fire safety, including all pipes, ducts, wires, cables and conduits used in connection therewith, the cooling tower, vents, boiler room, meter room, switch gear room, water/fire pump room, mail room, lobby, house trap ejector pump, telephone room, maintenance office, elevators and elevator shafts; water cooling tower, elevator machine room, lobby heat pumps, heating/air conditioning equipment compactor, trash chutes, fire pump, life safety equipment and corridors. Appliances and equipment located in and serving only a Unit shall constitute a part of such Unit;

(f) Maintenance and common equipment spaces and common tanks, pumps, motors, fans and controls or other such equipment;

(g) All Units which may hereafter be acquired and held by the Board of Managers on behalf of all Unit Owners, but only while so held; and

(h) To the extent not specifically made part of a Unit or a Limited Common Element by the terms of this Declaration, all other parts of the Property including all apparatus and installations existing on the Land for common use or which are necessary or convenient to the existence, maintenance or safety of the Property.

Limited Common Elements

The Limited Common Elements consist of those Common Elements that serve or benefit exclusively a particular Unit and which are identified as a Limited Common Element on the Floor Plans (such as balconies and terraces), and/or which are created pursuant to the terms of the Declaration (including, without limitation, the provisions of Section 9 thereof). In addition, if any two contiguous Units which have access to the same shared hallway shall at any time be owned of record by the same owner (other than by Sponsor or its designee) such hallway shall thereafter be treated as a Limited Common Element until such time as such Units shall have different owners; provided that once such Units shall again have different owners, such hallway shall revert to the status of a General Common Element.

Sales and Leases of Units

Subject to the restrictions discussed below, Unit Owner may sell or lease his Unit, provided he first gives the Board notice of his intention to sell or lease such Unit and an opportunity to purchase or lease such Unit, as the case may be, at the same price or rental and on the same terms as are offered in good faith by a prospective purchaser or lessee, as the case may be, as more specifically provided in the By-Laws. If the Board does not elect to purchase or lease such Unit, as the case may be, by giving written notice as provided in the By-Laws to such Unit Owner within

fifteen (15) days after receipt of the Unit Owner's notice of intention to sell or lease described above, then the Unit Owner will have a period of ninety days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in the notice. If such written agreement is not executed by the Unit Owner within the ninety day period, or the sale or lease, as the case may be, is not consummated on or before the intended closing date, or commencement date of the term of the lease which, as the case may be, is provided in the notice, then the Unit Owner will be required to offer again the Unit first to the Board as described above before entering into such sale or lease. The Board may not exercise its option to purchase or lease any Unit without prior approval of a Majority in Common Interest of the Unit Owners. The terms of any such lease, including the rent, will be subject to applicable state and local laws.

If the Board elects to exercise such right of first refusal, the purchase of any Unit by the Board or its designee may be made from the funds deposited in the capital and/or expense accounts of the Board. Such cost shall be the obligation of all Unit Owners. If the funds in such account are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner in accordance with his respective Common Interest as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit, provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its "Appurtenant Interest" (as such term is defined in the Declaration).

While held by the Board, such Units may be used for any purpose permitted by law for which such Unit may be used pursuant to the Declaration and the By-Laws. The Board may sublet any such Unit which is so leased without the consent of the landlord. Any Unit which is acquired and held by the Board on behalf of all Unit Owners shall become part of the Common Elements, but only while so held. If any Unit shall be acquired by the Board, or its designee, on behalf of some or all Unit Owners, as tenants in common, then all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit. The Board has the power to sell, lease, mortgage, or otherwise deal with any Unit acquired by the Board or its designee, on behalf of all Unit Owners, but shall not have the power to cast the votes appurtenant to such Unit. Any proceeds of the disposition of a Unit will be received by the Board for all Unit Owners.

The Board may not discriminate against any person for any reason proscribed by applicable civil rights laws.

The sale and lease restrictions described above shall not apply to (i) any Unit which is owned by (a) the Sponsor or its designee, or (b) the Board, or (ii) the sale, transfer or lease of a Unit to or by a Permitted Mortgagee or its nominee, including, without limitation, a foreclosure sale, provided, however, that a succeeding Unit Owner shall be bound by, and his Unit subject to, the sale and lease restrictions described above; (iii) any Unit transferred by the Unit Owner thereof to his spouse, adult child, parent, adult sibling or to any affiliate (as defined in the By-Laws) of the Unit Owner; or

(iv) any Unit transferred by a Unit Owner by gift, devise, will or intestacy; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the sale and lease restrictions described above.

Notwithstanding the foregoing, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than any mortgages) are paid and satisfied at or prior to closing. The foregoing provision is inapplicable to a conveyance by a Permitted Mortgagee (or its nominee) following foreclosure or a deed in lieu of foreclosure by such Permitted Mortgagee of its mortgage on the Unit. However, a sale by a Permitted Mortgagee or its nominee to a bona fide purchaser shall not be deemed to be a sale to a nominee and any conveyance by such bona fide purchaser shall again be subject to the requirement that all Common Charges and liens against the Unit must be paid or satisfied at or prior to closing.

A conveyance of a Unit by a Unit Owner must include the appurtenant Common Interest for such Unit.

New Federal Regulations On Lead-based Paint.

The Lead-Based Paint Regulations adopted by the United States Department of Housing and Urban Development and the Environmental Protection Agency apply to all owners of co-operative and condominium units in Target Housing. Since the Building is to be newly constructed it will not constitute Target Housing.

Restrictions on Occupancy and Use

The Rules and Regulations annexed to the By-Laws provide, in part, as follows:

(i) no pets other than dogs, cats, caged birds and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Unit without the consent of the Condominium Board or the Managing Agent. No dangerous pets will be allowed. Any Unit Owner who wishes to keep more than two pets in his or her Unit shall be required to obtain the prior written consent of the Condominium Board. Sponsor shall have the right to confer such consent on behalf of the Condominium Board in connection with the sale of any Unit owned by Sponsor and such consent shall be binding on the Condominium Board. Each Residential Unit Owner who keeps any type of pet in his Unit will be required to (a) indemnify and hold harmless the Condominium, Sponsor, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Condominium adopted with respect thereto. The Condominium Board may require that pet owners enter into an agreement with the Board confirming such owners' obligations with respect to their pets.

(ii) no sign shall be affixed by any Unit Owner On any part of the outside of the Building, and no awnings, aerals or other projections shall be attached by any Unit Owner to the outside of the Building; and no blinds, shades or screens shall be used by any Unit Owner that are visible through the exterior windows of any Residential

Unit, without, in each case, the prior written consent of the Board, which consent shall not be unreasonably withheld or delayed; The foregoing provisions shall not be applicable to Sponsor.

(iii) each Unit may be used only for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law, as provided in the Declaration, the certificate of occupancy for the Building, and applicable zoning law, except that the Sponsor and any affiliates of the Sponsor shall have the right, without charge, (a) to have a general or sales office in one or more Units or elsewhere on the site, to use one or more Units as models and for other promotional purposes in connection with the sale or lease of Units; (b) to have its employees, contractors and sales and/or leasing agents present on the site; and (c) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete the construction of the Building, to comply with their obligations under this Plan and to develop the Property.

(iv) Unit Owners shall not cause or permit any disturbing noises or objectionable odors from their Units, or permit or keep in their Units any inflammable, combustible or explosive material, chemical or substance (except as required in normal household);

(v) except as provided otherwise in the Declaration, the Common Elements shall not be obstructed or encumbered by refuse or otherwise, or used for any purpose other than ingress or egress to and from the Units and the Common Elements shall not be altered or affected by any Unit Owner without the prior written consent of the Board.

There are no further restrictions on occupancy of any Unit owned by corporations, limited liability companies, partnerships, or fiduciaries in addition to the restrictions on individual Unit Owners.

Further restrictions on the use of Units are set forth in the Declaration, By-Laws and in the Rules and Regulations reproduced in Part II of the Plan.

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his Unit provided that the Board is notified in writing as provided in the By-Laws of the making of such mortgage and the Board receives a conformed copy of the note and mortgage. The By-Laws provide certain rights to the Sponsor or the holder of a mortgage of record ("Permitted Mortgage") against a Unit.

Common Charges - Determination and Assessment

The Board determines the amount of Common Expenses. Common Expenses include, without limitation, the expenses of maintaining and operating the Common Elements and the types of expenses set forth in Schedule B, which covers the first year of operation of the Condominium. In the discretion of the Board, the Common

Expenses may also include reserves, working capital and other sums necessary to carry on the affairs of a condominium.

The Common Expenses set forth in Schedule B do not include maintenance, repairs or decoration of any of the Units or any portions thereof, payments required pursuant to the terms of the Unit Owners' mortgages, electricity and other utilities consumed within the Unit, internet, or cable television service and real estate taxes covering the individual Units.

The Board may commence to assess Common Charges upon the closing of title to the first Unit pursuant to the Plan or at any subsequent date as in its sole discretion it may determine. The estimated Common Charges projected for the assumed first year of Condominium operation which will be collected monthly by the Board (based on the Common Expenses as estimated in Schedule B) are set forth on Schedule A. However, additional services which the Unit Owners may desire or other factors can increase these charges. Each Unit Owner will be required to pay a portion of the Common Expenses equal to the product of the percentage amount of his Common Interest, multiplied by the amount of the Common Expenses (except as otherwise provided in Schedule B, the Declaration or By-Laws), which shall be levied as a Common Charge against his Unit. Each Unit Owner will bear his share of such Common Expenses in accordance with the Common Interest of his Unit.

At least annually the Board will prepare and furnish to the Unit Owners a budget for Common Expenses. The Board will assess in advance Common Charges against each Unit Owner to meet Common Expenses.

Liens for the Non-Payment of Common Charges and Working Capital

Pursuant to Section 339-z of the New York Real Property Law, the Condominium Board shall have a lien against each Unit for its unpaid Common Charges prior to all other liens except liens for the payment of taxes and all sums unpaid on a Permitted Mortgage, which lien of a Permitted Mortgage shall be superior to the lien of the Condominium Board. The Board may foreclose the lien in the same manner as a mortgage on real property and in so doing shall be entitled to recover all costs incurred including reasonable attorney's fees. Moreover, if any Unit Owner fails to pay any payment of Common Charges within fifteen (15) days of its due date, such Unit Owner shall be obligated to pay a late charge at the rate of \$0.02 per dollar per month or any part thereof for all such overdue Common Charges. Sponsors shall cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Units in which Sponsor has more than 30 days in arrears in Common Charges while Sponsor controls the Board of Managers. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of the Unit in accordance with the provisions of the Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and the By-Laws. In that case, he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay

his mortgage. A Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. Upon a resale, the Purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against the Unit prior to the acquisition of the Unit by the Purchaser, except as hereinafter provided. A Purchaser of a Unit at a foreclosure sale pursuant to a Permitted Mortgage against such Unit shall not be liable, and such Unit shall not be subject to a lien, for the payment of Common Charges assessed prior to the acquisition of title to the Unit by said Purchaser. However, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale.

Repairs to and Maintenance of Units, Limited Common Elements, and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural ordinary or extraordinary, which are either: (a) in or to any Unit (other than to the Common Elements within the Unit) and, including, without limitation, the exterior surface of windows (including window cleaning), electrical, plumbing, and heating fixtures, exterior installations made by the Unit Owner, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, subject to the restrictions set forth in the By-Laws; (b) in or to the General Common Elements will be made by the Board and the cost and expense thereof will be charged as a Common Expense, payable by all Unit Owners; and (c) in and to any Limited Common Element, will be made by the Unit Owner having the exclusive use of such Limited Common Element, except that structural repairs to, and replacements of the balconies and terraces, shall be made by the Condominium Board and the cost thereof shall be borne by all Unit Owners as a Common Expense, as provided in the By-Laws. The Condominium Board must obtain the consent of Unit Owners owning Units with aggregate Common Interests in excess of 75% of the Common Interests of all Units and a Majority of the Mortgage Representatives (as defined in the By-Laws) prior to making any addition, alteration or improvement except those required by Law, costing in excess of \$150,000 times the CPI Factor in any fiscal year.

Prior to the issuance of a permanent certificate of occupancy for the Building following completion of construction as described in the Plan, no Unit Owner other than Sponsor and its designees shall make any alterations or improvements (by himself or with any of his contractors) to such Unit Owner's Unit or any Limited Common Elements, including without limitation, installation of any interior walls or partitions without the prior written consent of Sponsor, which may be granted or withheld in Sponsor's sole discretion.

The By-Laws provide, among other things, that each Unit and all portions of the Common Elements shall be kept in first class condition. If any Unit Owner fails to keep his Unit in such condition, the 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 heading "Rights of Access" below in this section).

If any maintenance of, replacement of, or repairs to the Property or any part thereof are necessitated by the negligence of any Unit Owner, his tenants or visitors or occupants of the Unit, then the entire cost thereof shall be borne by such Unit Owner.

Additions, Alterations and Improvements by Unit Owners

Except as permitted in the Declaration or the By-Laws, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, without the prior written consent thereto of the Board, which consent (in the case of a Residential Unit) shall not be unreasonably withheld. Non-structural interior additions, alterations, or improvements, by a Residential Unit Owner to his Residential Unit, may be made without the consent of the Board but subject to the Declaration and By-Laws. The Board shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement. Further, no Residential Unit Owner shall make an structural addition, alteration or improvement to any Limited Common Element without the prior written consent thereto of the Board. Such consent may be granted or withheld in the Board's sole discretion. Further, Residential Unit Owners are prohibited from erecting any structure on, or enclosing balconies or roof terraces. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit permitted hereunder shall be executed by the Board, without, however, incurring any liability on the part of the Board to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

Sponsor shall have the right, without obtaining the consent of the Board and shall have all necessary or convenient access to install, erect, construct, inspect, operate, use, maintain, repair and replace or alter antennas, cellular telephone, cable, internet communications and similar or dissimilar equipment on any and all parts of the portion of the roof shall have an easement through the Common Elements to install, erect, construct, inspect, operate, use, maintain, repair and replace or alter such wires, conduits, cables and similar equipment servicing or otherwise required or convenient in connection with the installation, existence, servicing, maintenance, repair and/or replacement of any such antennas, cellular communications, cable, internet, satellite dish, communications or similar or dissimilar equipment (collectively, "Communications Rights"). Sponsor shall be entitled to collect and retain all revenues derived from such equipment. Sponsor shall have the right to grant to any party (whether or not a Unit Owner) the foregoing Communications Rights, whether on an exclusive or non-exclusive basis Sponsor may elect and such grantee(s) (and their successors and assigns) may, in turn, assign such Communications Rights. The Communications Rights described above are in addition to any communications systems serving the Unit Owners. All Communications Rights granted to Sponsor shall be paramount over any similar installations that may be made by the Condominium Board. In no event shall the

Condominium Board approve the installation of any communications equipment of the type described herein, in any location in which or Sponsor has permitted such equipment to be installed or in any location that would interfere with such equipment or the installation of such equipment.

No Unit Owner (except Sponsor) may perform any Work in or to his Unit or its appurtenant Limited Common Elements without the prior written approval of both Sponsor, (for so long as Sponsor owns any Unsold Units) and the Condominium Board. In order to coordinate the performance of work and to maintain the integrity of the Building, the Building systems, the Facilities and the Common Elements the following procedures will govern work to be performed by Unit Owners: Provided Sponsor grants such approval, the Condominium Board will not unreasonably withhold its approval. Further, provided the plans and specifications submitted by the Unit Owner have been reviewed by Sponsor's construction professionals, the Condominium Board will not require the Unit Owner to submit the plans and specifications to the Condominium Board's construction professionals for review. Such approval may be conditioned, in the discretion of Sponsor and the Condominium Board, upon the Unit Owner's compliance with the following:

(i) The Unit Owner shall submit to Sponsor (for so long as Sponsor owns any Unsold Units) or to the Condominium Board (after Sponsor ceases to own any Unsold Units) proposed plans and specifications (the **"Proposed Plans"**) for the work that the Unit Owner wishes to perform. Such Proposed Plans must be prepared by an architect or engineer licensed to practice in the State of New York engaged by the Unit Owner (the **"Unit Owner's Architect"**) at the Unit Owner's sole cost and expense.

(ii) The Unit Owner shall submit an estimate prepared by a contractor licensed to do business in the City and State of New York of the cost of the work together with evidence of the Unit Owner's financial ability complete the work. Any contractor engaged by a Unit Owner to perform work must be compatible and engage laborers who are compatible with any labor engaged by Sponsor and/or the Condominium Board in or about the Building.

(iii) Simultaneously with the submission of the Proposed Plans, the Unit Owner shall submit to Sponsor or to the Condominium Board (whichever is applicable) for transmission to the architect or engineer reviewing same, his check, to order of such licensed architect or engineer as Sponsor or the Condominium Board (as the case may be) has engaged (the **"Building's Architect"**) to review the Proposed Plans, in payment of the fee of the Building's Architect in connection with the review of the Proposed Plans.

(iv) The Unit Owner shall, promptly, and in no event later than 45 days from the date that the Unit Owner is notified of any changes that may be required in his Proposed Plans, at his sole cost and expense, cause such Unit Owner's Architect to make all changes that may be required by Sponsor, the Condominium Board and the Buildings' Architect. The Unit Owner shall promptly pay such additional fee(s) as may

be incurred in connection with the review by the Building's Architect of any such changes.

In this regard, each Unit Owner acknowledges that Sponsor, the Condominium Board; and the Building's Architect may each deny or condition their approval of or require the Unit Owner to make changes in and to the Unit Owner's Proposed Plans for a broad range of reasons, including, without limitation, compliance with applicable law aesthetic considerations, concerns regarding the impact of the work on the capacity of Building systems and Facilities, concerns about the impact and/or potential encroachment of the work (both during construction and as ultimately completed) on other Unit Owners, other Units or the Common Elements, the impact of the work on Sponsor's ability to market Unsold Units, the need or desirability of coordination the work proposed by the Unit Owner with work to be performed by other Unit Owners and potential costs, if any (such as increased utility or insurance costs) resulting from the work.

The Unit Owner shall execute an agreement in form and content reasonably satisfactory to Sponsor or the Condominium Board, as the case may be, incorporating the provisions of this section and any other conditions as may be imposed by either of them in connection with the work.

(v) The Unit Owner shall submit the revised Proposed Plans to the Sponsor, the Condominium Board and the Building's Architect for approval and shall comply with any further comments regarding the Proposed Plans within fifteen (15) days.

(vi) The Unit Owner shall obtain all applicable governmental approvals and permits at his sole cost and expense and provide a copy thereof to Sponsor and the Condominium Board within three (3) business days following receipt, but in all events prior to the commencement of the work.

(vii) The Unit Owner shall, at his sole cost and expense, prior to the commencement of the work obtain and provide evidence of such insurance coverage, including coverage for the types of risks and at such minimum policy limits as may be required by Sponsor and the Condominium Board in connection with the work. The insurance policies obtained by the Unit Owner must name Sponsor and the Condominium Board as additional insured parties, must provide that they may not be canceled without thirty (30) days' prior written notice to Sponsor and the Condominium Board and must be maintained in effect until the work is complete and all governmental "sign-offs" and approvals have been obtained. Sponsor and the Condominium Board reserve the right to require the Unit Owner's contractor (the "Contractor") to maintain in effect during the course of the work such types and amounts of insurance coverage as they may reasonably determine.

(viii) The Unit owner shall only engage the services of a contractor(s) and professionals who are duly licensed to perform the services for which they have been engaged. The Unit Owner shall submit to the Managing Agent the name of the

contractor(s) and professionals together with evidence that such contractor(s) and professionals satisfy the requirements of this section.

(ix) The Unit Owner shall, within thirty (30) days of receipt of approval commence the work and proceed with all due diligence to complete same.

(x) The Unit Owner shall notify Sponsor and the Condominium Board immediately in the event any hazardous situation or emergency situation arises during the performance of the work and shall immediately take all steps as may be appropriate to correct such hazardous situation.

(xi) Sponsor the Condominium Board and the Managing Agent and any professionals engaged by any of them shall have the right to inspect the Unit and the work from time to time, without notice to the Unit Owner. However, no such inspection shall be deemed to be either (i) a waiver of compliance or (ii) a determination as to compliance or conformance of such work with applicable laws.

(xii) In the event that any hazardous situation or emergency situation, Sponsor, the Condominium Board and the Managing Agent may each, without notice to the Unit Owner, take all steps as may necessary, appropriate or desirable to cure, correct or alleviate such hazardous condition or emergency situation. The cost of any such cure, correction or alleviation shall be borne by the Unit Owner, paid by the Unit Owner within ten (10) days of being billed and, if billed by the Condominium Board, shall constitute a lien on his Unit (similar to the lien of Common Charges) until paid.

(xiii) If the Unit Owner fails to pursue the Work to completion with due diligence, Sponsor, the Condominium Board and the Managing Agent shall each have the right (but not the obligation) to complete the Work in accordance with the Unit Owner's Plans, at the expense of the Unit Owner. The cost of such completion shall be borne by the Unit Owner and shall be paid by the Unit Owner within ten (10) days of being billed, and, if billed by the Condominium Board, shall constitute a lien on the Unit (similar to the lien of Common Charges) until paid.

(xiv) The Unit Owner shall, within thirty (30) days of the imposition thereof, cause all mechanics liens and other liens to be bonded or discharged.

(xv) The Unit Owner shall deliver a set of "as-built" plans to the Condominium Board at the Unit Owner's expense.

(xvi) Promptly, but in no event later than thirty (30) days following the completion of the Work, the Unit Owner shall obtain and provide to the Condominium Board all governmental "sign-offs" and documents evidencing the completion of the Work in accordance with all Applicable Law.

(xvii) Sponsor, the Condominium Board and the Managing Agent each reserve all rights at law and in equity (including the right to injunctive relief) to enforce the provisions of this section and any agreement made by any of them with a Unit Owner in connection with work to be performed by such Unit Owner.

(xviii) Unit Owners are advised that for so long as Sponsor owns at least one Unsold Unit, Sponsor reserves the right to require the Unit Owner to utilize a contractor and other professionals approved by Sponsor in connection with the performance of the Work.

Non-structural interior additions, alterations, or improvements, by a Unit Owner to his Unit, may be made without the consent of the Board but subject to the Declaration and By-Laws. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after such request which shall be deemed to have been made following the submission of the items required in paragraphs (i), (ii), and (iii) above, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit permitted hereunder shall be executed by the Board without however, incurring any liability on the part of the Board to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

Notwithstanding the foregoing, Sponsor shall have the right (but not the obligation) to consent to a Purchaser's alterations on such terms and conditions as Sponsor shall determine, in its sole and absolute discretion. Such consent shall be binding upon the Condominium Board provided that the Purchaser enters into an alteration agreement in form and content satisfactory to Sponsor in its sole and absolute discretion and the Purchaser provides such insurance and in such amounts, covering Sponsor, the Condominium Board and such other insured parties as Sponsor shall determine, in its sole and absolute discretion. Any such consent by Sponsor may be given prior to the Purchaser closing title of his Unit or simultaneously with such closing.

Insurance

The insurance coverage to be provided by the Board for the benefit of each Unit Owner, and a Unit Owner's right to obtain supplemental or additional insurance, is set forth under the "Insurance" heading in the "Rights and Obligations of Board of Managers; Summary of By-Laws" section.

Rights of Access

As more fully set forth in the By-Laws, the Board and any managing agents, managers, superintendent and other persons authorized by the Board will have a right of access to any Unit for the purposes, among others, of making inspections of, or removing violations of governmental laws or regulations against, any part of the Property, curing defaults under the Declaration and By-Laws and the Rules and Regulations thereunder, or correcting any conditions originating in any Unit and threatening another Unit or any Common Element. The Sponsor, and its designees owning Units shall also have a right of access to each Unit, the Common Elements or

elsewhere on the Property in order to inspect, maintain, repair, replace or alter their Units or the Common Elements (including the Limited Common Elements) as provided in the Declaration and the By-Laws.

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

Each Unit Owner must strictly comply with the provisions of the Declaration and the By-Laws and the Rules and Regulations thereunder. Failure to comply is grounds for an action for damages or injunctive relief, or both. The By-Laws, together with the Rules and Regulations thereunder, will be recorded with the Declaration in the Office of the City Register, New York County.

Units Owned by Sponsor or its Designees

Except to the extent prohibited by law, and subject to certain restrictions set forth in the Declaration including compliance with all applicable laws and governmental regulations, if any, Sponsor and its designees owning Units will have the right, without the vote or consent of the Board or the other Unit Owners to: (a) make decorations, alterations (including, without limitation, demolition), additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to, and upon (i) its Unit or the Common Elements; (ii) any utilities servicing such Unit whether located within the Unit or the Common Elements; (b) change the layout and number of rooms of any of its Unit from time to time; (c) change the size and/or number of or subdivide the same into any desired number of Units (or by combining any Units resulting from such subdivision); (d) combine any of its Units, and any other Units with the consent of the Owners of the Units to be combined; (e) create and designate a Limited Common Element for the exclusive use of the newly created Units, and convert space or constituents of its Unit into a newly designated Limited Common Element and/or convert and designate a Limited Common Element as a part of the newly created condominium units; (f) reapportion among the newly created Units resulting from any such subdivision (or combination) their appurtenant Common Interests; (g) dedicate and/or create certain utility, sewer, cable, internet, Communications and drainage easements; (i) amend the Certificate of Occupancy for the Building or obtain a new Certificate of Occupancy for the Building; and (j) amend (and cause the Board to amend) the Declaration and/or By-Laws in order to effectuate any of the foregoing.

The consent of the Board and/or the other Unit Owners is not required for the exercise by Sponsor or its designees of the rights and powers described above (including the right to install Communications Equipment). Nonetheless, the Sponsor or its designees may require that the Board and other Unit Owners execute any amendment to the Declaration or By-Laws proposed by the Sponsor or its the designees as provided above and any other application or other document necessary or convenient to the exercise by the such the Sponsor or its designees of any of its rights or powers described above (including, without limitation, any application or document required by the Department of Buildings and/or the Real Property Assessment Bureau of the City of New York in connection with an amendment to the certificate of occupancy

of the Building or the establishment of separate tax lots for any newly created Units or reapportionment of assessed valuation by reason thereof). The Sponsor and its designees are granted an irrevocable power of attorney coupled with an interest to execute, deliver and/or record any such amendments, applications or other documents on behalf of the Board and the Unit Owners.

Under the Declaration, Sponsor and/or its designees have an easement, without the necessity of obtaining the consent of the Board of Managers and/or Unit Owners, over any part of the Property, including each Unit and the Common Elements, in order to inspect, maintain, repair, replace or alter its Units or the Common Elements as provided in the Declaration and the By-Laws.

Under the Declaration, Sponsor and/or its designees, shall have an easement without the necessity of obtaining the consent of the Board of Managers and/or Unit Owners over the Property, including each Unit and the Common Elements, for access to and to construct, install, erect, inspect, maintain, repair, operate, use and replace from time to time one or more Signs on the Property (including, without limitation on any Common Element, exterior facade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Units and the leasing of the Units or of space in any of the Units

Sponsor and its designees shall have an easement, without the necessity of obtaining the consent of the Board of Managers or the Unit Owners, over the Property (including, without limitation, the Units and the Common Elements) to (i) install, erect, construct, inspect, operate, use, maintain, repair and replace or alter any Communications Equipment (whether or not serving a Unit owned by Sponsor and/or its designees) in such locations as Sponsor shall determine (other than in any space designated as a Limited Common Element) and (ii) and to collect any and all income derived from such facilities (such easement and all appurtenant rights as described above, collectively, the "Sponsor's Telecommunication Rights"). Sponsor shall have the right to grant to any party (whether or not a Unit Owner) the Sponsor's Telecommunication Rights, whether on an exclusive or non-exclusive basis, as Sponsor may elect and such grantee(s) (and their successors and assigns) may, in turn, assign their Sponsor's Telecommunication Rights on an exclusive or non-exclusive basis, as they may determine.

The Sponsor or its designees shall have the right but not the obligation to maintain a general or sales office in any Unit owned by any of them and to use any Unit owned by any of them as a model and for other promotional purposes in connection with the sale or lease of Units in the Condominium.

The Sponsor or its designees shall also have the right but not the obligation to apply for tax exemption and/or tax abatement with respect to the Property and/or with respect to any of the Units without the consent of the Board and/or Unit Owners.

Rights and Obligations of Board of Managers; Summary of By-Laws

The Condominium is an unincorporated association which is created by virtue of submission of the Property to the provisions of the Condominium Act in accordance with the Declaration and By-Laws set forth in Part II of the Plan. Summarized below are certain provisions of the By-Laws, including certain of the provisions relating to governance of the Condominium. A Purchaser should review in detail the full text of the Declaration, By-Laws, and Rules and Regulations thereunder which are set forth in Part II of the Plan.

The Board initially shall be comprised of three members selected by and affiliated with Sponsor. It is anticipated that the initial members of the Board will be Moshe Shuster, Ran Korolik and Moshe Schori. Members of the Board of Managers and officers of the Condominium serve without compensation. The initial Board members will resign in favor of a new Board to be elected at a meeting of Unit Owners to be held within forty-five (45) days after the Closing Date. The Condominium Board will consist of seven (7) members. Sponsor shall be entitled to elect or designate four (4) of the members until the earlier of (i) the date that the aggregate Common Interests of all Units owned by Sponsor (and its designees owning Units) comprise less than 50% of the Common Interests of all Units, or (ii) five years from the First Closing. In addition, Sponsor shall have the right to designate three (3) members so long as Unsold Units consolidate at least twenty (20%) percent of the Units; two (2) members for so long as the Unsold Units constitutes at least ten (10%) percent of the Units and one (1) member for so long as there is at least one Unsold Unit. Within thirty (30) days after such date, the Board of Managers shall call a special meeting of Unit Owners to elect a new Board of Managers in accordance with the foregoing provisions. The By-Laws provide that from and after the date that Sponsor surrenders control of the Board of Managers in accordance with the foregoing provision, a majority of the members of the Board of Managers must be Unit Owners who occupy their respective Units or members of the household of such Unit Owners who are unrelated to Sponsor and its principals. In addition to any Members elected or designated by Sponsor, Sponsor shall, at all times, also have the right to cast its votes for all remaining positions on the Condominium Board for candidates who reside in the Building but who are unrelated to or unaffiliated with Sponsor. The Board has no authority to remove any of its members, but the Board may, by the affirmative vote of a majority of its members, remove any officer, either with or without cause.

Although Sponsor will endeavor to sell at least twenty-five percent (25%) of the Residential Units to Purchasers who represent that they or one or more members of their immediate family intend to reside in their Units, Sponsor cannot guarantee that such Purchasers will in fact reside in their respective Units. In addition, Sponsor has reserved the right to sell Residential Units to investors.

Purchasers are advised that owner occupants of Residential Units may have different interests than Purchasers for investment or renters of Residential Units and that the interests of owner occupants of Residential Units and the interests of Purchasers for investment or renters may be in conflict.

Any member of the Board may be removed with or without cause by a Majority in Common Interest of the Unit Owners electing any such member pursuant to the By-Laws, except that if any member of the Board was elected by or is a designee of the Sponsor or any of its designees, as the case may be, such member may not be removed for other than cause except by the written consent of the Sponsor or its designees, as the case may be, however, such member may be removed for cause by a Majority in Common Interests of all Unit Owners (inclusive of the Unit Owner(s) electing such member) following notice and an opportunity to be heard.

Powers and Duties of Board

Subject to applicable laws and the By-Laws, the powers and duties of the Board include, without limitation, (a) the operation and maintenance of the Common Elements, and employment of personnel for such purpose, (b) determination and collection of the Common Charges, (c) amending the Rules and Regulations, (d) having bank accounts and investing funds for the Condominium, (e) acquiring, selling, leasing, and mortgaging Units, (f) insuring the Property, adjusting claims, and repairing the Common Elements after a casualty or condemnation, (g) enforcing obligations of Unit Owners, (h) borrowing money on behalf of the Condominium; the consent of two-thirds (2/3) in number and aggregate Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$100,000 times the CPI Factor in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years), (i) granting certain utilities and other easements and (j) representing all Unit Owners in connection with a protest of real estate taxes.

The potential personal liability of the Board is discussed under the heading "Liability of Board, Officers, and Unit Owners" which appears later in this section.

Voting by Unit Owners

At each Unit Owner's meeting, each Unit Owner will be entitled to cast one (1) vote at all meetings of the Unit Owners for each one hundredth of one percent (.01%) of Common Interest applicable to his or its Unit.

Except as provided in the section of the Plan entitled "**Control By Sponsor**," each Unit Owner in the Condominium, including the Sponsor and any of its designees owning Units, will be entitled to vote for members of the Board based on their percentage Common Interest. Subject to the rights of Sponsor summarized under "**Control By Sponsor**", each Unit Owner may cast the number of votes allocated to his Unit for each Member of the Board to be elected, however, Unit Owners may not cumulate their votes.

The vote of a Majority in Common Interest of Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except as provided above with respect to the election of the members of the Board and as otherwise provided in the Declaration or the By-Laws.

Meetings of Unit Owners

After the first meeting of the Unit Owners described above (see **"Control by Sponsor"**), the By-Laws provide that annual meetings shall be held on the second Tuesday of November of each succeeding year unless such day shall be a holiday, in which event the meeting shall be held on the next succeeding business day. At such meeting, the Unit Owners shall elect members of the Board and shall also transact such other business of the Condominium as may properly come before the meeting.

It shall be the duty of the President of the Condominium to call a special meeting of the Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 5% in Common Interest of all the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. The By-Laws provide that no business shall be transacted at a special meeting except as stated in the notice.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The Board may appoint additional officers. No officer of the Condominium shall, except as may otherwise be provided by the Board from time to time, receive any compensation for acting as an officer of the Condominium.

The President shall be the chief executive officer of the Condominium, and shall have all of the general powers and duties which are incident to the office of President, including presiding at meetings and appointing committees. The President must be a member of the Board. The Vice President performs the duties of the President when he is absent or unable to act. The Secretary keeps the minutes and gives notice of meetings. The Treasurer keeps financial records and deposits funds for the Condominium.

Repairs and Replacement of Common Elements and Limited Common Elements

The repair, replacement, and maintenance of the Common Elements (and any Limited Common Elements) is discussed under the heading "Repairs to and Maintenance of Units, Limited Common Elements and Common Elements" in **"Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws"** above.

Units Acquired By the Board

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

Repair or Reconstruction after Fire or Other Casualty

If the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board will, except as set forth below, arrange for the prompt repair and restoration thereof (but excluding machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit) . If the insurance proceeds are insufficient to cover the cost of repairs or restorations, then such cost shall constitute a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to reduce unpaid liens on his Unit, in the order of priority of such liens.

If three-fourths or more of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly resolve within sixty (60) days from the day of such damage or destruction to proceed with the repair or restoration thereof, then the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common. In that 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 his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit 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 Board shall be payable as hereinabove provided in the event of a loss amounting to \$100,000.00 times the CPI Factor or less. However if such proceeds are in excess of \$100,000.00 times the CPI Factor, then such proceeds shall be payable to and held by the Insurance Trustee pursuant to the provisions of the By-Laws. Such lender as Sponsor shall designate in writing to the Board of Managers as being the construction lender (the "Construction Lender") or its successors, assigns or designee, shall, at its option, be the Insurance Trustee for so long it holds any lien on the Property or any Unit. The fees and expenses of the Insurance Trustee shall be paid by the Board and shall constitute a Common Expense.

Insurance

The Board is required to obtain and maintain, to the extent obtainable at reasonable rates and to the extent determined by the Board to be appropriate and commercially reasonable, the following insurance: (a) fire insurance with all risk extended coverage, and vandalism and malicious mischief endorsements, insuring the Building (but excluding, without limitation, machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board and all Unit Owners as additional insured parties, and their mortgagees, all, as their respective

interests may appear, in an amount equal to at least 80% of the full replacement value of the Building (exclusive of foundation and footings), (b) worker's compensation and New York State disability benefits insurance; (c) water damage insurance to the extent, if any, determined by the Board; (d) fidelity bond for the Managing Agent of the Condominium, to the extent, if any, determined by the Board; (e) errors and omissions coverage for members of the Board and officers, to the extent, if any, determined by the Board; (f) comprehensive general liability insurance and (g) such other insurance (including, without limitation, rent insurance and plate glass coverage, which are not included in Schedule B) as the Board may determine from time to time.

The amount of fire insurance and all risk extended coverage to be maintained until the first meeting of the Board following the first annual meeting of the Unit Owners shall be in at least the sum set forth in "Footnotes to Schedule B." Purchasers should refer to the "Footnotes to Schedule B" to determine the extent of insurance coverage and the cost thereof for the first year of condominium operation.

All policies of physical damage insurance shall contain, to the extent obtainable at reasonable rates, waivers of subrogation and waivers of any defense based on co-insurance or other insurance or of invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners, each of whom shall be an additional insured party and their mortgagees. Duplicate originals or certificates of insurance for 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 their mortgagees at least ten days prior to the expiration of the then current policies. Each such policy shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to the mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board and the Insurance Trustee hereinafter set forth. Any insurance maintained by the Board may contain such deductible amounts as the Board may determine from time to time.

The premiums for all insurance referred to above shall be a Common Expense unless the Board determines to otherwise equitably apportion the cost of insurance among the Unit Owners as provided in the By-Laws.

It is highly recommended that each Unit Owner carry supplemental or additional insurance for his own benefit. All such policies must contain waivers of subrogation, and must further provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such supplemental or additional insurance carried by such Unit Owner.

Liability of Board, Officers, and Unit Owners

To the extent permitted by applicable law, no member of the Board or any managing agent, manager, or officer shall have any personal liability with respect to 1)

any contract, act or omission of the Board or any managing agent, manager, or officer in connection with the affairs or operations of the Condominium (except in their capacities as Unit Owners), or 2) any mistake of judgment, negligence, or otherwise, except in either case, for their own willful misconduct or bad faith. The By-Laws require that every contract made by the Board or by any managing agent thereof or any officer shall state that (a) it is made only as agent for all Unit Owners and such Board or managing agent or officer 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 (i) such proportionate share of the total liability as the Common Interests of all Units owned by such Unit Owner bears to the aggregate Common Interests of all Units and (ii) unless provided by the Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. A Unit Owner shall, in the same proportion as his Common Interest, indemnify each member of the Board and each officer against any and all claims, liabilities, damages, costs and expenses (including, without limitation, reasonable attorney's fees) arising out of or related to the performance of such duties as a member of the Board or officer, except those arising out of his own bad faith or willful misconduct, and except as may be provided by law. The Board may contract, or effect any other transaction, on competitive terms, with any member of the Board, any officer, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct, and except as may be provided by law.

Reports, Notice, Books and Records

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

Except for the first meeting of Unit Owners after the First Closing, there is no notice required for annual meetings. Instead the By-Laws provide that the annual meeting is to be held on the second Tuesday of November each year, unless such day shall be a holiday, in which event the meeting shall be held on the next succeeding business day.

In accordance with the provisions of the By-Laws, the Board shall furnish the Unit Owners, at least ten (10) days prior to adoption thereof, the proposed annual budget for the Condominium.

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than once a month.

Amendments to Condominium Documents

Generally, subject to certain exceptions including, among others, exceptions concerning the Sponsor and its designees, any provisions of the Declaration, By-Laws, or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of not less than eighty (80%) percent in number and in

Common Interest of all Unit Owners. A Majority in Common Interest of the Unit Owners may overrule the Board's amendment of the Rules and Regulations. Except as otherwise expressly permitted in the Declaration, and notwithstanding the foregoing, no amendment, modification, deletion or addition to the Declaration, By-Laws or Rules and Regulations shall be binding on a Permitted Mortgagee without the prior written consent of a "Majority of the Mortgage Representatives" (as such term is defined in Article VI, Section 15 the By-Laws) and no such amendment, modification, addition or deletion shall be binding on the Construction Lender without its prior written consent for so long as it has a lien on any Unit.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, the By-Laws and the Rules and Regulations, may be necessary, appropriate or desirable in connection with the subdivision or combination of Units owned by Sponsor or its designees and/or the offering for sale or lease of all or any portion of Units owned by (or the exercise of certain rights under the Declaration held by) the Sponsor or its designees, and in connection therewith the Sponsor or its designees, may, subject to compliance with all applicable laws and governmental regulations, if any, cause the Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted in accordance with the provisions of the Declaration and By-Laws.

Termination of Condominium

The Condominium shall continue (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 New York Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners and all of the holders of mortgages of record affecting the Units. 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 his Unit, in the order of such priority of such liens. Until the termination of the Condominium, no Unit Owner shall maintain an action for partition of the Property or the Common Elements.

Right of First Refusal by Board

The right of first refusal of the Board with respect to the sale or lease of a Residential Unit, if any, is discussed under the heading "Sales and Leases of Units" in "Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws" and set forth in the By-Laws in Part II of the Plan.

Review of Real Estate Tax Assessments

The Board may act as an agent of each Unit owner who has given his written authorization to complain or apply to the local and county real estate tax

assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements, and legal fees paid or incurred in connection with any such complaint or application.

Reserves

The Board has the right to assess Common Charges for such reserves as the Board may determine to be reasonably necessary for general operating costs and expenses, working capital and/or replacement and improvement of Common Elements.

Real Property Law Section 339-kk.

Under Real Property Law Section 339-kk ("Section 339-kk"), if the owner of a Residential Unit is a non-occupying owner who rents his Residential Unit to a rental tenant and then fails to make payments due for common charges, special assessments or late fees (collectively "Condominium Charges") for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in accordance with the following paragraph, all rental payments from the tenant shall be directly payable to the Condominium.

If the common charges, special assessments or late fees due for any Residential Unit have not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board 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, special 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 Board at the address listed on the notice.

Where a majority of the Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Board. At such time as payments for common charges, special assessments, and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) 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 Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board, which must be held within thirty (30) days of the date that such Board receives notice that such owner seeks to dispute such claim.

Nothing in Section 339-kk shall limit any right of Unit Owners or of the Condominium Board existing under any other law or agreement.

Payment by a rental tenant to the Condominium made in connection with Section 339-kk 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.

Declaration and By-Laws

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

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

Income Tax Deductions to Unit Owners

Ownership of a Unit entitles the owner, subject to certain restrictions and limitations described below, to deduct for federal, New York State, and in the case of New York City residents, New York City, income tax purposes, a portion of the real estate taxes assessed against the Unit and paid by such owner and a portion of the interest on certain mortgages made against the Unit. Generally, an individual Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations. See "**Counsel's Tax Opinion**".

Tax Status of the Condominium

Ordinarily, a condominium board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

In order to elect such status,

- a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;
- b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units in the Condominium;
- c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;
- d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual;

- e) substantially all of the Units must be used by individuals as residences; and
- f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

While it is anticipated that at least 85% of the Building's total square footage will be used for residential purposes no warranty or guaranty is made to such effect. No provision has been made for income taxes payable by the Condominium in the projected budget for the first year of condominium operation. See **"Opinion of Counsel"** and **"Budget for First Year of Condominium Operation, Schedule B."** Accordingly, the Condominium may be subject to income taxes on the excess of the Common Charges and investment income over the expenses of operating the Condominium (See **"Opinion of Counsel"**).

It should be noted that the Condominium would, if permitted to make an election under Section 528 of the Code, still be required to pay a tax for any taxable income it may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units.

If an election under Section 528 is not available, the tax status of the Board will be governed by the rules in effect prior to the enactment of Section 528 under which the tax status of the Condominium is uncertain.

Because the By-Laws provide that the Board will act as agent of the Unit Owners, the Board may take the position that it simply acts as agent for the Unit Owners and is not a separate taxable entity. In such a case, the Unit Owners would include in their gross income, and be taxed on, income derived by the Board. This income may include interest earned from investments on the amounts which are assessed and collected from the Unit Owners, or rental income.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Board, such as assessment and expenditure of Common Charges, the Board constitutes an association separately taxable as a corporation. In that event, the Condominium may be deemed to be subject to federal corporate income tax on the amount, if any, by which Common Charges (together with any income earned from other sources, such as interim investments of funds by such association) exceed the current expenses paid or incurred by the Condominium as are deductible for federal income tax purposes. The Condominium may likewise be subject to the New York State corporation franchise tax and the New York City general corporation tax. For a further discussion of the tax status of the Condominium, see **"Counsel's Tax Opinion"**.

REAL ESTATE TAXES

The discussion regarding the availability of 421-a Benefits set forth below is based on an opinion furnished by the Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, Sponsor's 421-a counsel, a copy of which is appended in Part II as Document VIII. The real estate tax projections and estimates of the real estate taxes payable by each Unit Owner and based on an opinion of The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004 ("Mazursky")

It has been the policy and practice of The New York City Department of Finance to apportion the assessed valuation of a condominium building among the various Units contained in the Building based upon the relative projected sales prices contained within the offering Plan. Each of the Units will be assigned separate tax lot numbers.

The following facts form a basis for Herrick, Feinstein LLP's discussion and Mazursky's projections as set forth herein.

(i) The Building will consist of (1) Class A multiple dwelling of approximately 73,163 gross square feet, will be owned as a condominium and will contain 66 Residential Units;

(ii) the construction will take place on an approximately 13,556 square foot portion of land which comprises that parcel designated on the tax maps of the City of New York as Block 1043, Lot 54, 56 and 58 in the Borough of Manhattan;

(iii) following the issuance of new building permits by the New York City Department of Buildings for an entire new building based on the architectural, plumbing and structural plans approved by the Department of Buildings, excavation and the construction of the initial footings and foundations for the footprints of the new building on said parcel, as certified by an architect or professional engineer licensed in the State of New York, will commence in good faith on or about August 1, 2004;

(iv) construction will be completed and a temporary Certificate of Occupancy issued for all Residential Units in the Building or a permanent Certificate of Occupancy will be issued for the entire Building no later than June 30, 2006;

(v) the Property is situated in a R8-C1-5 zoning district;

(vi) the Property is not mapped as a public park, and has not been utilized as a private park for ten or more consecutive years prior to October 1, 1971;

(vii) the construction will comply in all respects with the requirements, and obligations set forth in Section 421-a, including amendments by the local legislative body, and the rules and regulations promulgated pursuant thereto; and

(viii) Sponsor will acquire 421-a certificates.

Based on the foregoing, it is the opinion of Herrick Feinstein LLP that the Property will qualify for partial real estate tax exemption benefits pursuant to Section 421-a.

The real estate tax benefits available to a newly constructed Class A multiple dwelling, which meets all of the requirements and obligations of Section 421-a are as follows: The Property shall be partially exempt from any increase in assessed value of the Property above the assessed value of the Land and any improvements thereon during the tax year preceding the commencement of construction. Such exemption will phase out at the rate of 20% a year commencing with the third year following completion of construction and will cease to be available after the tenth year following the completion of construction. Thus, as a result of such phase-out, commencing the third year following completion of construction, the real estate taxes payable with respect to each Unit will increase and after the tenth year following the completion of construction, no Unit will be entitled to receive any portion of the 421-a exemption. Sponsor has not yet made an application to the New York City Department of Housing Preservation and Development for 421-a Benefits. The opinion of Sponsor's real estate tax counsel is reproduced in Part II as Document 8. Until such benefits are granted by the New York City Department of Housing Preservation and Development, there is no assurance that such benefits will be available. Purchasers will have no right to rescind their Purchase Agreements even if such benefits are not granted or are not in effect on the Purchaser's Closing Date.

Purchasers are advised that their real estate taxes may increase as the 421-a exemption phases out, and, in addition, at any time, as a result of any increase in the tax rate and/or as a result of any increase by The City of New York of the assessed valuation of their respective Units.

In addition to such taxes, there shall be paid in each tax year in which such full or partial exemption is in effect, real property taxes and assessments as follows:

- (i) tax year preceding the commencement of such construction without regard to any exemption or abatement from real property taxation in effect prior to such construction which real property taxes shall be calculated on the tax rate in effect at the time such taxes are due (the "minimum tax"); and
- (ii) all assessments for local improvements.

Advice and Assumptions

Sponsor has advised Herrick, Feinstein LLP, and for the purpose of this discussion and Herrick, Feinstein LLP has assumed that: (i) the transitional assessment of Block 1043, Lot 54, 56 and 58 for tax year 2003/2004, the tax year immediately preceding the estimated commencement of construction, was \$1,109,790 and that the total actual assessment for said year was \$1,326,150; (ii) based upon

information obtained from the New York City Department of Finance the total transitional assessed valuation in tax year 2003/2004 will be applicable for purposes of arriving at the minimum tax; (iii) based on the foregoing, the minimum tax will be predicated upon a transition assessment of \$1,109,790; (iv) the actual assessed valuation for tax year 2004/2005 is \$1,260,270 and the transitional assessed value for such tax year is \$1,758,150, (v) Mazursky has estimated that the total assessed valuation of the property for 2005/2006 will be \$1,000,000 and the transitional assessed value for such tax year will be \$885,100; Mazursky has estimated for the tax year 2006/2007, upon completion of construction of the Building, the actual assessed value will be approximately \$7,100,000 and the transitional assessed value will be \$6,717,900; (vi) the tax rate for Class 2 (residential) properties (as estimated by Mazursky) will be \$12.55 per \$100 of assessed valuation for tax years 2005/2006 (the tax rate for tax years 2005/2006 has not yet been determined) and (vii) the Property will contain no commercial, community facility and accessory use space.

For the purpose of estimating tax benefits and future real estate taxes for the Property, Mazursky has assumed that: (i) the assessed valuation of the Property will be as estimated above; (ii) no portion of the actual assessed valuation will be increased during the period covered by its estimate; (iii) the tax rates will be as projected above for 2005/2006; and (iv) the tax exemption pursuant to Section 421-a will commence as of July 1, 2005.

Estimate of Real Estate Taxes

Based upon the foregoing and assuming that HPD issues its advisory opinion referred to above, the Property will enjoy a full exemption from taxation for the fiscal year commencing July 1, 2005 as to all increases in assessment over that of the taxable assessed valuation for the Property in tax year 2003/2004, the year prior to commencement of construction.

Purchasers are advised that it is anticipated that for the first year of condominium operation (i.e., the period from July 1, 2005 to June 30, 2006) the assessed value of this Property may reflect a "progress" assessment, as the initial increase in real estate taxes for a new building in the course of construction is removed from the full assessment roll if the construction is not substantially completed by April 15th of the tax year. Accordingly, it is anticipated that the assessed value of the Property (including each Unit) will increase significantly for the tax year beginning July 1, 2006 and subsequent tax years. Mazursky prepared an estimate of the real estate taxes payable by each Unit Owner for the second year of Condominium Operation. The estimated real estate taxes for the first year of Condominium Operation are contained on Schedule A. The estimated real estate taxes for the second year of Condominium Operation are contained on Schedule A-1.

Based upon the prior assessment of \$1,109,790, and an estimated tax rate of \$12.55 per \$100 of assessed valuation, the minimum tax payable for the tax year 2005/2006 by the Residential Units will be approximately \$139,279. It is anticipated that this minimum tax will be allocated to each Residential Unit based on the Purchase Price

of such Residential Unit relative to the Purchase Prices of all Residential Units on the date that the Declaration is filed.

Mazursky has estimated that the actual assessed valuation for the Property in tax year 2006/2007 will be \$7,100,000 and that the transitional assessed valuation for such year will be \$6,717,900. Mazursky, has estimated that the tax rate applicable to such tax year will be \$12.65 per \$100 of assessed valuation. Based on an estimated transitional assessed valuation of \$6,717,900 and an estimated tax rate of \$12.65 per \$100 of assessed valuation, the total real estimate for taxes for the Property in the absence of 421-a Benefits for such year are estimated as approximately \$849,814.

It should be noted that no assurances can be given that the assessed valuations or the tax rates estimated herein will be the same as finally determined by the New York City Department of Finance. If the assessed valuations or tax rates are greater than estimated or assumed, the real estate taxes payable will be higher.

LIMITATIONS

Neither Herrick, Feinstein LLP nor Mazursky, nor Sponsor guaranties that the Property will qualify for real estate tax benefits pursuant to Section 421-a. No warranties are made that the laws and regulations upon which this opinion is based will not be changed. In no event will Herrick, Feinstein LLP, Mazursky or Sponsor be liable to the Purchasers, or the Board of Managers, or any Unit lender, or to any other party if the Property either fails to qualify for such real estate tax benefits or qualifies for said benefits, but not in the amounts estimated, for any reason.

The foregoing discussions are based on the interpretation by Herrick, Feinstein LLP, and Mazursky, of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable HPD regulations in effect as of the date hereof. Each Purchaser should be aware that the laws, regulations, practices and positions of the Building Department, Department of Finance and HPD upon which the opinion of Herrick, Feinstein LLP is predicated may in the future be revised in a manner adverse to a Purchaser's 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. Neither Mazursky, nor Sponsor nor Herrick, Feinstein LLP shall be liable if, because of any change of laws and/or regulations, adverse determination on any unsettled law, or a changed interpretation by one or more, agencies or Courts of competent jurisdiction regarding said laws and/or regulations, the project fails to obtain, in whole or in part, 421-a benefits.

B. While the Sponsor will use its best efforts to obtain 421-a tax exemption benefits as described in this Plan, no representation or warranty is made as to when or whether the application for 421-a tax exemption benefits will be approved or as to the amount of any partial tax exemption that may actually be received.

Sponsor shall keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which

can result in the reduction or revocation of benefits if proper documentation is not provided. Sponsor shall make all tax benefit documents available to the Condominium Board for inspection and copying for the life of the benefits; and file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

No warranties are made herein nor are any assurances or representations given that HPD, the New York City Department of Finance or any other agency with jurisdiction will approve the Section 421-a application, nor is any warranty made or assurance or representation given that a court of competent jurisdiction will determine that the Property will be entitled to, in whole or in part, 421-a benefits. In addition, no warranty is made nor any assurance or representation given that the laws, rules, regulations, policies, positions and practices upon which this opinion is based will not be changed. In addition Mazursky, Herrick, Feinstein LLP and Sponsor do not represent or warrant the amount of tax savings that will be available assuming that the project does in fact receive partial real estate tax exemption benefits.

No warranty is or can be made that HPD or the City Real Property Assessment Department, or any other agency with jurisdiction, will approve Sponsor's application for 421-a tax benefits. Should tax abatement and/or exemption be denied, in whole, or in part, then each Unit Owner will be responsible for all taxes due and owing from the Closing Date. See **"Counsel's Real Estate Tax Benefits Opinion"** for details.

C. The projections are not guaranteed. The real estate taxes for any year will vary in accordance with the tax rate, the Property's assessed valuation (and once the Units are separately assessed, the assessed valuation of each Unit) and the percentage, if any, of the assessed valuation then exempt from taxation.

No warranty is or can be made that the Property's assessed valuation for tax year 2005/2006 or for tax year 2006/2007 will be as projected herein. In addition, no representation is made as to the assessed valuation of the Property or any Unit for any subsequent tax year. Further no warranty is made as to the tax rate that will be established by the City of New York for any tax year. Neither Sponsor nor Herrick, Feinstein LLP nor The Mazursky Group, Inc. shall be liable if the assessed value of the Property or any Unit the tax rate exceeds the projections and estimates contained in this Plan.

Once a separate tax lot is established for a Unit and apportionment of the assessed valuation of the Property to the newly created tax lot representing the Unit is officially made, a Unit Owner will not be responsible for the payment of real estate taxes assessed against another Unit (unless such real estate taxes are included in Common Charges because, for example such real estate taxes are assessed against a Unit which is owned by the Condominium Board (i.e., the Superintendent Unit or a Unit acquired by the Condominium Board pursuant to its right of first refusal)) nor will his Unit be subject to any lien arising out of non-payment of real estate taxes assessed against another Unit (except to the extent provided above in this sentence). However, until separate tax bills are available for each Unit, real estate taxes will be paid by the

Condominium Board as a Common Expense. The taxes payable by all Residential Units will be apportioned by the Condominium Board among said Residential Units in the proportion that the purchase price of each Residential Unit bears to the aggregate purchase prices of all Residential Units as of the date that the Condominium Declaration is filed and such proportionate share of the real estate taxes will be assessed against each Residential Unit as part of the Common Charges. Purchasers are advised that the purchase prices of the Units relative to each other may change from time to time and for such reason the estimated real estate taxes set forth in Schedule A may vary from the real estate taxes payable by a Unit Owner. Purchasers are also advised that both the tax rate and the assessed valuation of the Property may be changed from time to time which changes will also result in changes in real estate taxes.

The projections contained herein are estimates and do not take into account any future increases in the level of assessed valuation applied to residential property or any increase in the real estate tax rate. Under State law, increases in a property's "actual" assessed value due to changes in its market value are to be phased in over 5 years in equal annual increments of 20% by means of a "transitional" assessment. Any further increase in the "actual" assessed value during such 5 year period resulting from a still higher market value is to be similarly phased in over an additional 5 year period from the tax year of such increase. In any given year, taxes are payable on the lower of either the "actual" or "transitional" assessment. Thus, as increases in "actual" assessed valuation are phased in, real estate taxes will increase accordingly.

No representation is made that the current policies and practices of The New York City Department of Finance will apply at that time the building is completed. Each Purchaser should be aware that (i) the laws, rules regulations, policies and practices of the Department of Finance may in the future be revised in a manner adverse to Purchaser's interests, or (ii) there may be an adverse interpretation of the law or regulations by one or more agencies of The City of New York, or Courts of competent jurisdiction.

The 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.

The By-Laws provide that the Board of Managers has the power to act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements, and legal fees paid or incurred in connection with any such complaint or application.

Sponsor reserves the right both (i) to prosecute any tax certiorari proceedings challenging the assessed valuation of the Property, in the tax year in which the Closing Date takes place, and any preceding tax year, in its own name and/or the name of the Condominium, the Board or the Unit Owners by attorneys selected by Sponsor and (ii) to settle any such proceedings in its sole discretion and without the consent of the Board or the Unit Owners. There are no tax certiorari proceeding currently pending with respect to the Property. If Sponsor commences tax certiorari proceedings, after deducting the cost of such proceedings including, without limitation, attorney's fees, all benefits obtained, including, without limitation, any tax refunds, attributable to either: (x) any tax year ended prior to the Closing Date, shall be paid to the Sponsor, or (y) any tax year commencing after the Closing Date, may be retained by the Condominium or the appropriate Unit Owners as the case may be, or (z) the tax year in which the Closing Date occurs shall be apportioned between the Sponsor and the Condominium as of the Closing Date.

HERRICK, FEINSTEIN LLP

A NEW YORK LIMITED LIABILITY PARTNERSHIP INCLUDING NEW YORK PROFESSIONAL CORPORATIONS

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2 PENN PLAZA
NEWARK, N.J. 07105-2245

August 24, 2004

Victor at W. 53 LLC
1516 Highway 138 - Suite 1
Wall, New Jersey 07791

Re: Condominium Offering Plan for
Victor Condominium
350 West 53rd Street
New York, New York 10019 (the "Plan")

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase Units in Victor Condominium (the "Condominium") for residential use (the "Unit Owners") under the Plan, (ii) the treatment for such income tax purposes of the Common Charges paid or borne by the Unit Owners, and (iii) whether the method used to determine the undivided percentage interest of each Unit in the Common Elements of the Condominium complies with Real Property Law Section 339-i ("Section 339-i"). Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, the relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder, Section 339-i, and such other materials as we deemed relevant.

(a) **Deductibility of Mortgage Interest and Real Estate Taxes.**

Pursuant to the Plan, a Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and, once each Unit is separately assessed for real estate taxes as provided in the Plan, each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. In our opinion, under Sections 163 and 164, respectively, of the Code, a Unit Owner will, for federal income tax purposes, be entitled to a deduction for interest paid with respect to such mortgage indebtedness and for real estate taxes paid with respect to a Unit during a taxable year, subject, however, to the conditions discussed below. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

An individual owner of a Unit who uses such Unit for personal purposes may only deduct interest on debt secured by such Unit if such debt was incurred to acquire, construct or substantially improve his principal residence or designated secondary residence but only to the extent the principal amount of all such debts do not exceed \$1 million (\$500,000 for married persons filing separately) in the aggregate and such debts are secured by such residence. In addition, an individual may deduct, generally, the interest on other debt secured by such residences to the extent the principal amount is not in excess of \$100,000 (\$50,000 for married persons filing separately).

The deductions for real estate taxes and mortgage interest incurred with respect to a Unit which the Unit Owner uses for personal purposes are itemized deductions which are subject to the overall limitation on itemized deductions imposed by Section 68 of the Code. Pursuant to Section 68, if a taxpayer's adjusted gross income exceeds the applicable amount (as discussed below) set forth in Section 68(b) of the Code (the "Applicable Amount"), such person's itemized deductions are reduced by the lesser of (1) 3 percent of the amount by which such taxpayer's adjusted gross income exceeds the Applicable Amount, or (2) 80 percent of the amount otherwise allowable as an itemized deduction. The Applicable Amount is \$100,000, adjusted for inflation (for 2004 the inflation adjusted Applicable Amount is \$142,700). The Applicable Amount for married persons filing separately is one-half of the foregoing amount.

Taxpayers who intend to use a Unit in a trade or business or to hold a Unit for the production of rental income may be subject to the passive activity loss rules of Code Section 469. Taxpayers who intend to hold a Unit for investment will be subject to the investment interest rules of Code Section 163(d). Such taxpayers should consult their personal tax advisers as to the effect of Code Section 469 or 163(d) on their deductions.

It is also our opinion that an individual Unit Owner will, for New York State income tax purposes (and if such Unit Owner is a New York City resident, then for New York City resident income tax purposes), likewise be entitled to a deduction equivalent to that which is allowed for federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the State Tax Law. New York imposes its own limitation on itemized deductions. If a taxpayer's adjusted gross income is more than \$100,000 but not more than \$475,000, New York itemized deductions are reduced by up to 25% (50% if adjusted gross income exceeds \$525,000).

The Tax Reform Act of 1986 modified the alternative minimum tax ("AMT") which a taxpayer may be subject to if the tax computed on that basis exceeds the regular income tax. Certain deductions are not allowed in computing a taxpayer's income for AMT purposes including, generally, deductions both (1) with respect to a mortgage interest on a personal residence which is not "qualified housing interest" and (2) with respect to real estate taxes payable in connection with such residence. Interest in connection with debts incurred to acquire, construct or substantially improve a principal residence or designated secondary residence used by the taxpayer is "qualified housing interest" which can be deducted in full in computing taxable income for AMT purposes.

(b) **Common Charges.**

Common Charges will be borne by Unit Owners and assessed and collected by the Board of Managers of the Condominium ("Board"). Under Code Section 528, a condominium board may be eligible to elect to be exempt from federal income tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met.

Section 528 permits a condominium management association to elect its benefits only if (a) substantially all of the units are used by individuals for residences, and (b) the condominium management association is:

- (1) organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;
- (2) 60 percent or more of the gross income of the association for the taxable year must consist solely of amounts received as membership dues, fees, or assessments from owners of residential units;
- (3) 90 percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance and care of association property; and
- (4) no part of the net earnings of the organization may inure (other than by acquiring, constructing, or providing management, maintenance and care of the association property, and other than rebate of excess membership dues, fees or assessments) to the benefit of any private shareholder or individual.

Treasury Regulation §1.528-4(b) provides that substantially all of the units will be treated as used by individuals for residences only if at least 85% of the total square footage of all units is used as such residences. The Condominium is comprised of solely of Residential Units.

The 85% test set forth in Treasury Regulation §1.528-4(b) should be satisfied provided that the Residential Unit Owners utilize a sufficient portion of the total square footage of the Residential Units for residential purposes. This cannot be determined at this time with certainty. It is presumed that if the 85% test is met, the Condominium Board will be eligible to, and will make the election to apply Section 528.

However, it should be noted that the Condominium Board would, if permitted to make an election under Section 528 of the Code, still be required to pay a tax for any taxable income that it may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain

modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units.

If an election under Section 528 is not available or in effect for a taxable year, the tax status of the Board will be governed by the rules in effect prior to the enactment of Section 528, under which the tax status of the Board is uncertain.

Because the By-Laws provide that the Board will act as agent of the Unit Owners, the Board may take the position that it simply acts as agent for the Unit Owners and is not a separate taxable entity. In such a case, the Unit Owners would include in their gross income, and be taxed on, income derived by the Board, which may include interest or similar income which is earned from interim investments of the amounts which are assessed and collected from the Unit Owners, and may also include income from any concession and other rental income.

However, the Internal Revenue Service may contend that, for purposes of those matters administered through the Board, such as assessment and expenditure of Common Charges, the Board constitutes an association separately taxable as a corporation, See, Code Section 7701(a)(3); Treasury Regulation §301.7701-2. In such event, the Board may be deemed to be subject to federal corporate income tax on the Common Charges, which in such case would be deemed to constitute gross income of the Board to the extent that the Common Charges (together with any income earned from other sources, such as interim investments of funds by the Board) exceed the current expenses paid or incurred by the Board which would be deductible for federal income tax purposes. In such case, the Board may likewise be subject to the New York State Corporation Franchise Tax. See, e.g., Department of Taxation and Finance Advisory Opinion TSB-A-97(24)C (September 30, 1997). In FLR 92-120 (October 28, 1992) and FLR 92-11 (July 29, 1992) the New York Department of Finance interpreted Section 11-602.1 of the Administrative Code as requiring an unincorporated association to issue stock in order to become subject to the General Corporation Tax. Those rulings held that the Board would be subject, however, to the unincorporated business tax on any income which is not exempt from federal taxation pursuant to Section 528 of the Code. However, subsequent to the issuance of those rulings, the Administrative Code was amended and the General Corporation Tax now applies to all associations taxable as a corporation for federal income tax purposes whether or not shares of stock are issued.

Even if the Board is treated as a separate taxable entity, published rulings indicate that Common Charges assessed by the Board should not constitute gross income of the Board to the extent that they are designated for use solely to make specified capital improvements and are maintained in a separate bank account, because either the Board is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Rev. Rul. 75-370, 1975-2 C.B. 25) or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the Board (Rev. Rul. 75-371, 1975-2 C.B. 52; cf., Concord Village, Inc., 65 T.C. 142 (1975)). However, if treated as contributions to capital, it should be noted that when such amounts (together with any other funds accumulated by the Board) are expended for capital improvements, the Internal Revenue Service may contend that

the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his *pro rata* share of the amount expended to the extent of the earnings of the Board.

If the Board is required to pay any federal, New York State or New York City income or franchise taxes, and an additional assessment is made in order to meet such tax liability, the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 C.B. 19.

(c) **Compliance with Real Property Law Section 339(i).**

Section 339-i.1 requires that the Common Interest of each Unit be based on any one of the following methods of calculation:

1) the approximate proportion that the fair value of the unit at the date of the declaration bears to the then aggregate fair value of all the units;

2) the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all of the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements;

3) in equal percentages, one for each unit as of the date of filing the declaration, or in equal percentages within separate classifications of units as of the date of filing the declaration;

4) 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.

Section 6 of the Declaration states that "the Common Interest of each Unit has been computed in accordance with Real Property Law Section 339-i.1(iv), based upon floor space, subject to the location of such space and the additional factors of relative value of such space to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the Unit." The Declaration also provides that the aggregate Common Interests of all Units equal one hundred percent (100%).

In connection with this opinion, we have reviewed the opinion of Platinum Properties of New York, Ltd. included in Part I of the Plan, the information provided by you on

Schedule A and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. We have not reviewed or verified the calculations of floor areas used in determining the sizes of Units or the Limited Common Elements, which calculations have been furnished by you.

Based on the foregoing factors and the factual opinion of Platinum Properties of New York, Ltd. with respect to the allocation of the Common Interest among the Units made by the Sponsor, it is our opinion that the requirements of Section 339-i have been met.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Condominium Board. Purchasers must also be aware that under certain circumstances a Unit Owner, by virtue of his ownership of a Unit, may be deemed to become a resident of New York City and that no opinion is expressed herein as to the circumstances under which this may occur, or with respect to the income, estate or other tax consequences that may arise therefrom. Each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

We make no warranty that the Internal Revenue Service or the New York State Department of Taxation and Finance will accept any or all of the views stated above. Moreover, the Federal and State tax laws and Regulations (and the rulings and decisions thereunder) may change and thereby affect the views stated above in whole or in part.

Subparagraph C of Part 3 of the foregoing opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should be construed, as an opinion on other aspects of the Plan, such as the valid creation of a condominium, which is to be determined by a title insurance company.

The opinions contained herein are based upon our review of applicable statutory law and judicial precedent existing as of the date hereof, and we express no opinion as to the effect of any law that is hereafter enacted or any court case that is hereafter decided. We assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof.

HERRICK, FEINSTEIN LLP

Victor at W. 53 LLC

August 24, 2004

Page 7

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

A handwritten signature in cursive script that reads "Herrick Feinstein LLP" followed by a large, stylized circular flourish.

HERRICK, FEINSTEIN LLP

HFNY2: #778442 v.3 #10663-0001 09/30/2004

RESERVE FUND

No funds have been set aside by the Sponsor as a reserve fund for capital expenditures. Since the Building is being newly constructed as set forth "**Description of Property and Specifications**", it is not anticipated that there will be any major capital expenditures needed for the Common Elements of the Building within five years after the Closing Date. However, since no reserve fund is being funded by the Sponsor under this Plan and the budget for the first year of condominium operation does not provide for yearly contributions to a reserve fund for capital expenditures, Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within or after five years following the Closing Date should such capital expenditures be needed. However, the budget for the first year of condominium operation as set forth in this Plan provides for an amount for contingencies, which the Board of Managers may elect to use to apply to some or all of the costs of any such needed capital expenditures. In addition, the Board of Managers may also elect to apply some or all of the Working Capital Fund to such costs. No representation is made by Sponsor that the Working Capital Fund or other funds of the Condominium, if any, will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund (and such other funds, if any) for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges.

WORKING CAPITAL FUND

A working capital fund ("Working Capital Fund") for the Condominium shall be established as follows: Upon the closing of the purchase of a Residential Unit from Sponsor, the purchaser will be required to pay to the Condominium an amount equal to one month's Common Charges for such Residential Unit ("Unit Working Capital Fund Contribution") as initial working capital. This contribution is not refundable or transferable if Purchaser sells his Unit.

The Working Capital Fund may be used by the Condominium for working capital and for other purposes as determined by the Board.

Except as expressly provided in this Section of the Plan, Sponsor shall have no obligation to establish or make any contributions to a working capital fund or reserve fund of any kind with respect to the Condominium or the Property.

So long as a majority of the members of the Board are the Sponsor's representatives, the Sponsor's representatives shall not use the Working Capital Fund to reduce the Common Charges projected in Schedule A.

No representation is made by Sponsor that the Working Capital Fund will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges.

Neither the Department of Law nor any other government agency has passed on the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Summarized below are the terms of the management agreement and all of the contracts and leases made or to be made by the Sponsor or the Board on or before the Closing Date, which will bind the Condominium on or after the Closing Date and which are not disclosed elsewhere in this Plan.

On or before the Closing Date, Sponsor will assign and the Board on behalf of the Condominium will assume an agreement with Residential Management Group, LLC (doing business as Douglas Elliman Property Management), having an address at 675 Third Avenue, New York, NY 10017 to act as Managing Agent of the Property for an initial term of three years from the Closing Date. For its services, the Managing Agent will receive annual compensation of \$42,000. The annual fee is payable in equal monthly installments. After the expiration of three years, the management agreement will be automatically renewed for successive 60 day periods until canceled by either party at the end of a calendar month on sixty (60) days' prior written notice. The management agreement may be assignable by the managing agent under certain circumstances and maybe cancelled by party for cause upon thirty (30) days' prior written notice except in certain instances of failure to comply with law or maintain such insurance as is required under the Management Agreement, in which case the management agreement may be terminated on five (5) day's prior notice.

The services to be rendered to the Condominium by the Managing Agent will include (a) billing and collecting Common Charges, rent, if any, and other charges; supervising routine (but not major) repairs, services, maintenance, alterations and improvements. The approval of the Condominium Board shall be required for any expenditure in excess of \$2,500 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order); (b) contracting for services and purchasing supplies for the Building, subject to the approval of the Condominium Board with respect to contracts in excess of \$2,500 per annum or for a term longer than and (1) year; (c) maintaining the corporate books; (d) verifying and paying bills received for services, work and supplies, and paying mortgage charges and taxes; (e) maintaining payroll records and filing withholding tax statements for Building employees; (f) furnishing monthly statements of receipts and disbursements to the President and Treasurer of the Condominium; (g) preparing and submitting annually to the Board an operating budget of the anticipated receipts and expenses for the ensuing year; (h) sending notices, preparing agenda, attending meetings and preparing minutes; and (i) generally doing all things reasonably deemed necessary or desirable by the Board of the Condominium for the proper management of the Building.

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the management agreement shall not extend to supervising or managing major capital constructions or major capital improvements unless

specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor.

In addition, the Managing Agent will receive fees of (a) \$600 for processing an application of the sale or lease of a Unit if a broker is involved or \$650 if no broker is involved, be paid by the Unit Owner making the application; (b) \$150 in connection with the transfer of title to a Unit; (c) \$500 for the review of an alteration application; and (d) certain real estate rebate program fees; payroll fees, window guard fees/lead based paint compliance fees and fire safety compliance fees. Such fees may be changed from time to time by the Managing Agent; however, if, during the initial three year term of the agreement, the Managing Agent increases such fees, the Board of Managers shall have the right to cancel the agreement on not less than thirty days' notice to the Managing Agent.

The Managing Agent will not prepare the Condominium's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Condominium at its own cost and expense.

The Condominium will reimburse the Managing Agent on demand for any sums advanced by the Managing Agent for the Condominium's account in payment of any obligation or necessary expense connected with the maintenance or operation of the Building or otherwise. The Condominium shall indemnify and hold the Managing Agent harmless from and against any liability, damages, claims, costs and expenses (including reasonable attorneys' fees) arising out of any (i) injury to any person or property in, about or in connection with the Property, from any cause whatsoever, unless such injury is caused by the Managing Agent's own negligence or failure to comply with its obligations under the management agreement and (ii) acts properly performed by the Managing Agent pursuant to the management agreement or the instructions of the Board.

If the Board so elects, the Managing Agent may be bonded at all times during the term of the Management Agreement under a fidelity bond in favor of the Condominium. The cost of the bond will be borne by the Condominium as a Common Expense. The cost of such bond has been included in the First Year's Budget.

Sponsor reserves the right to enter into an agreement with a telecommunications provider to provide certain Telecommunications Services to the individual Residential Units. The cost of such services will be borne by each Residential Unit Owner and will not comprise part of the Common Expenses.

Although it is not anticipated that there will be any other contracts binding on the Condominium (except as disclosed above and as may be disclosed in the footnotes to Schedule B), the Sponsor reserves the right, prior to the Closing Date, upon such terms and conditions to which Sponsor shall agree, to (a) renew, extend or modify any of the contracts summarized above; and (b) make other or additional labor, maintenance, service or concession contracts with respect to the Property. Thus the payments to be received and/or paid by the Condominium may be more or less than the

amounts shown in Schedule B. However, if (i) the term of any new contract exceeds, or the term of any existing contract is extended for a period which exceeds, two (2) years (or three (3) years in the case of any union contract); or (ii) the cost of any such new or modified contract materially increases any expense shown in Schedule B, then the Sponsor will disclose such term, decrease in income or increase in expense, as the case may be, in a duly filed amendment to the Plan.

IDENTITY OF PARTIES

Sponsor:

Sponsor, Victor at W. 53 LLC is a New York limited liability company that was formed on or about February 9, 2004. The managing member of Victor at W. 53 LLC is Victor Seven, Inc. Moshe Shuster, having an address at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719 is the President of Victor Seven, Inc. and is the principal of Sponsor.

Moshe Shuster has been active in real estate both in Israel and in the United States for many years. Condominium developments in which Mr. Shuster or an entity controlled by him has been involved and/or has a 10% or more interest in the sponsoring entity include: Allaire Country Club Estates, in Manmouth County, New Jersey, Victor at Lakewood, Ocean County, New Jersey, and Palisades Place, Englewood, New Jersey. The developers of such developments are current in all of their obligations to the respective condominium boards thereof.

There are no cooperatives, condominiums and homeowners associations in New York State where the closing has occurred and where Sponsor or a Principal of Sponsor is an owner or Principal of the owner of shares or units therein and where in the aggregate such owner currently owns more than 10% of the shares or units, as the case may be, in such properties. The term "Principal" as used herein shall mean a "Principal" as presently defined under the regulations of the Department of Law of the State of New York.

Seller Agent

The Selling Agent engaged by Sponsor to offer and sell the Units is Shvo Group, LLC, having an office at 724 Fifth Avenue, New York, New York 10019. Shvo Group, LLC is a licensed real estate broker whose principal, Michael Shvo, has been engaged in the sale of real estate for more than five (5) years, including the sale of cooperative and condominium apartments in New York. Shvo Group's specialties include pre-development consulting and marketing of luxury properties for developers as well as for individual users.

Managing Agent:

The proposed Managing Agent of the Condominium is Residential Property Management Group, LLC (doing business as Douglas Elliman Property Management), having an office at 675 Third Avenue, New York, New York 10017. The

Managing Agent is licensed real estate management firm and has been in the business of managing residential properties including cooperatives and condominium, for more than fifty (50) years. Currently, Douglas Elliman Property Management is the managing agent for more than 240 residential buildings in New York City, including the following cooperatives and condominiums: 400 East 51st Street, New York, New York. 350 West 50th Street, New York, New York, 1001 Fifth Avenue, New York, New York and 1185 Park Avenue, New York, New York.

Sponsor's Architect Mechanical Engineer and Structural Engineer

The Sponsor's architect is Gerner Kronick & Valcarcel Architects, P.C., having an office at 443 Park Avenue South, New York, New York 10016. Sponsor's architect has been involved in residential and commercial developments including: Sunnyside Quadrangle, New York; Luminaria on Fifth Avenue, New York; West Milford Senior Housing, New Jersey; Opus, New York, New York and the Bear Sterns headquarters on Madison Avenue, New York, New York.

Although Sponsor's architect has no ownership or proprietary interest in Sponsor, the Property or the Condominium, the architect, mechanical engineer and structural engineer will each receive fees as compensation for services rendered in their respective capacity as Sponsor's construction professionals.

Sponsor's Attorney:

The Sponsor is represented by Herrick, Feinstein LLP, with offices at 2 Park Avenue, New York, New York 10016, in all matters generally relating to the preparation of the Plan. The attorney in such firm primarily responsible for the preparation of the Plan is Jean E. Gallancy, Esq. Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016 [Tel: 212-592-1400]. Samuel Ofsavit, Esq. of the firm of Linett, Schechter, Reicher & Ofsevit, LLP having an office at 810 Seventh Avenue, New York, NY 10019 [Tel: 245-7700] will represent Sponsor in connection with the individual Unit closings.

REPORTS TO UNIT OWNERS

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

- 1) a financial statement of the Condominium prepared by a certified public accountant or public accountant by four months after the end of each fiscal year. Such statement shall be a certified statement while Sponsor is in control of the Board of Managers;
- 2) prior annual notice of the annual Unit Owners' meeting;
- 3) a copy of the proposed annual budget of the Condominium by thirty (30) days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Board, the

adequacy of such budget shall be certified in compliance with Section 20.4 of the Attorney General's regulations.

DOCUMENTS ON FILE

Sponsor agrees that copies of this Plan and all exhibits and documents referred to herein shall be on file and available for inspection by prospective Purchasers and by any person who shall have purchased a Unit under this Plan or participated in the offering of such Units, at the office of the Sponsor, and shall remain available for such inspection for a period of six (6) years from the date the Declaration is recorded. Sponsor shall deliver to the Board of Managers a copy of the filed Floor Plans and the filed Declaration at the time of the closing of the first Unit.

GENERAL

Pending Litigation

Except as described below, there are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or the Condominium or any other person or persons, the outcome of which may materially affect this offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium, or the operation of the Property as a Condominium.

Amendments to Plan

The Sponsor reserves the right, from time to time prior to the Closing Date, without obtaining the consent of Purchasers or others, to revise the terms and conditions on which the Units offered hereby are to be sold, including changes affecting the rights, obligations and liabilities of Purchasers, the Sponsor and the Condominium. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If an amendment materially adversely affects the rights, obligations or liabilities of then existing Purchasers, or substantially and materially reduces the undertakings or obligations of the Sponsor, Purchasers will be given the right to rescind their Agreements by notice personally delivered or sent by certified mail to the Sponsor within fifteen (15) days after the date of service of the amendment, and the Sponsor shall refund any payments made by such Purchaser pursuant to his Agreement with interest earned thereon, if any, within thirty (30) days of receipt of such notice of rescission. However, such rescission, as to Purchasers who are then tenants of the Building, shall be conditioned on the cancellation of any interim or other lease and surrender of possession of their Units.

No Prior Offering

To the Sponsor's knowledge, the Property has not been the subject of any prior cooperative or condominium offerings in the past five (5) years. The Sponsor is in the process of conducting a Market test pursuant to CP 04-0097 dated August 27, 2004.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor and its agents will not discriminate against any person on any basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by applicable laws relating to the sale of the Units offered by the Plan.

This Plan As Fair Summary

This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

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

The documents and reports contained in Part II of this Plan are an integral part of the Plan and should be considered carefully by prospective Purchasers. Merely reviewing the summaries of documents set forth in Part I of the Plan is no substitute for a careful review of the actual documents, some of which are set forth in Part II of the Plan and others of which are available for inspection by all prospective Purchasers at the office of the Sponsor. Therefore, prospective purchasers and their attorneys and other, financial advisors should read the entire Plan, which consists of Part I and Part II, and should review all documents in connection with the Plan.

Inconsistencies

In the event of any inconsistency between the provisions of Plan and the provisions of the Agreement, the provisions of the Plan shall govern. In the event of any inconsistencies between the provisions of the Plan and the provisions of the Declaration and/or By-Laws, the provisions of the Plan shall govern until the Closing Date, following which, the provisions of the Declaration and By-Laws shall govern.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property and Specifications prepared by Bricolage design, architects contained in Part II of the Plan.

Sponsor anticipates that the construction of the Building will be substantially completed on or before the Closing Date.

CONDOMINIUM OFFERING PLAN

PART II

PURCHASE AGREEMENT

PURCHASE AGREEMENT made this _____ day of _____, 200____,
between _____, as Purchaser and Victor
at W, 53 LLC, 3349 Highway 138 Building C, Suite C, Wall, New Jersey 07719, as Seller

RECITALS

1. The name of the Condominium is 350 West 53rd Street Condominium.
2. The address of the Property is 350 West 53rd Street, New York 10019.
3. The Residential Unit covered by this Purchase Agreement is the Unit designated as Unit Number _____.
4. The Common Interest appurtenant to the Residential Unit is: _____%.
5. The Purchaser's residence address, if an individual, or business address, if an entity, is:

_____, New York _____
6. The Purchaser's telephone number is _____.
7. The Purchaser's social security number or federal identification number is _____.
8. The Purchase Price for the Residential Unit is: \$ _____.
9. The total Purchase Price is: \$ _____.
10. The Down Payment, equal to 10% of the Purchase Price payable herewith is: \$ _____.
11. The balance of the Purchase Price is: \$ _____.

SELLING AGENT/BROKER: _____.

1. The Plan. Purchaser acknowledges that he has, before signing this Purchase Agreement, received and read a copy of the Condominium Offering Plan for the above named Condominium sponsored by Seller and all amendments thereto, if any, filed with the Department of Law of the State of New York at least three (3) business days prior to the date hereof. Such Condominium Offering Plan together with any amendments heretofore or hereafter made thereto are hereinafter collectively referred to as the "Plan." 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 Plan shall govern. Purchaser also acknowledges and agrees that the Plan may be amended from time to time by the Seller and any such amendment shall neither excuse Purchaser from performing any of its obligations hereunder nor entitle Purchaser to any

abatement in the Purchase Price. Any such amendments (i) may be made without Purchaser's consent or approval, except as otherwise provided in "Changes in Prices or Units" and the other provisions of the Plan, and (ii) shall not entitle Purchaser to a right of rescission, except as set forth in the Plan. Purchaser acknowledges that Purchaser has had a full opportunity to examine all documents referred to in the Plan including the Plans and Specifications for the Building described in the Plan and investigate all statements made in the Plan. Terms not defined in this Agreement shall have the meanings given them in the Plan.

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

3. Agreement to Purchase. Seller agrees to sell and convey, and Purchaser agrees to purchase, the above-described Residential Unit together with the above-stated Common Interest appurtenant to the Residential Unit (which Residential Unit and its appurtenant Common Interest are hereinafter, collectively "Unit") for the Purchase Price stated above, upon and subject to the terms and conditions set forth in this Agreement.

4. Payment of the Purchase Price. The Purchaser shall deliver herewith, to the Seller, Purchaser's check to the order of Linett, Schechter, Reicher & Ofsevit LLP as escrow agent under the Plan for "350 West 53rd Street Condominium," for the amount of the above-stated Down Payment, subject to collection. The Down Payment, together with the interest thereon, comprises the "Deposit". The balance of the Purchase Price shall be paid to Seller at closing.

Except for the Down Payment, which is to be paid as provided above, any payments to be made by Purchaser under this Agreement (including, without limitation, the payment of the balance of the Purchase Price), whether to, on behalf of or at the request of Seller, shall be made by unendorsed certified check, or bank check, drawn in either case on a member bank of the New York Clearing House Association payable to the order of the Seller, subject to collection.

If any check for any payment to be made by Purchaser under this Agreement (including, without limitation, the Down Payment) shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser hereunder and Seller may, in that event, cancel this Agreement and notwithstanding such cancellation, be entitled to recover the amount of such check in addition to any other sums Seller may be entitled to under this Agreement and, in such event, Purchaser shall reimburse Seller for the costs and expenses (including, but not limited to, reasonable attorneys' fees) of collection of any such check or other instrument.

At the request of Seller on closing Purchaser shall pay the balance of the Purchase Price to such payees as Seller shall direct.

5. Closing of Title.

5.1 The closing of title hereunder shall occur at the offices of Seller's attorneys or at such other place as Seller shall designate and at a time and on a date ("Closing Date") designated by Seller which is not earlier than thirty (30) days, nor more than one hundred eighty (180) days, after the Plan has been declared effective, unless the Closing Date is adjourned by Seller, provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. Seller shall give

Purchaser notice of the scheduled Closing Date at least thirty (30) days in advance thereof. Seller shall have the right to adjourn the date of closing of title from time to time by written notice to Purchaser. If the closing is adjourned by Seller, then Seller shall fix a new date and time for closing and shall give Purchaser not less than ten (10) days' prior written notice of the new scheduled date and time for closing. Closing of title shall occur only after or concurrently with compliance with the requisites to closing set forth in the Plan. Notwithstanding the foregoing, if the date of this Purchase Agreement is after the closing of the sale of the first Unit under the Plan, then unless otherwise agreed to in writing by Seller and Purchaser, the Closing Date shall be that date which is 30 days after the date of this Agreement and Seller shall not be required to give Purchaser notice of the Closing Date.

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

6. The Deed and Power of Attorney

6.1 On the Closing Date, upon receipt by Seller of all payments and documents required hereunder, Seller shall deliver to Purchaser a deed to the Unit in substantially the form contained in Part II of the Plan, conveying the Unit to Purchaser as provided in the Plan, subject to the exceptions referred to in the Declaration, By-Laws, the Plan and Exhibits thereto. The deed shall be executed and acknowledged by Seller, and shall be in form for recording.

6.2 On the Closing Date and simultaneously with the delivery of the deed conveying the Residential Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney covering the Residential Unit to the Board of Managers prepared by Seller and substantially in the form contained in Part II of the Plan. Purchaser shall pay all recording or other fees in connection with the recording of the power of attorney. The power of attorney may be delivered to Purchaser's title company, if any, for recording and shall be marked for return to the Board of Managers or their attorneys after recording.

6.3 Purchaser agrees that at the Closing Purchaser shall (i) execute and deliver such closing documents as are requested by the Seller, (ii) pay any net adjustments in favor of Seller, Purchaser's closing costs and fees and any processing fees, as provided in the Plan, and (iii) pay to the Condominium the contribution to the Working Capital Fund required to be made by each purchaser as provided in the Plan, together with all other payments to or deposits with the Condominium as may be provided in the Plan.

7. State of Title. On the Closing Date, Seller shall convey to Purchaser title in fee simple to the Unit, free and clear of all encumbrances other than the Permitted Encumbrances set forth in the Plan. Seller shall have no obligation to cause Purchaser's title company, if any, to omit any exceptions to title.

8. Closing Adjustments.

8.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit, except as provided in the Plan:

(a) If the Unit is separately assessed as of the Closing Date, then, real estate taxes and assessments against the Unit (if any) on the basis of the period for which assessed;

(b) If the Unit is not separately assessed as of the Closing Date, then adjustments for real estate taxes and assessments against the Unit shall be calculated as set forth in Footnote 7 to Schedule A of the Plan.

(c) Common Charges for the month in which title closes;

(d) Accrued rent and any other charges pursuant to the lease, if any, covering the Unit; and

(e) Water charges and sewer rents, if separately assessed, on the basis of the period for which assessed.

8.2 If 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.

8.3 If Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the Closing Date originally specified by the Seller (or the originally scheduled closing date specified in this Agreement, as the case may be) and (ii) Purchaser shall pay to Seller a late fee equal to 0.038% times the unpaid balance of the Purchase Price for each day's delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Seller postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

8.4 To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Seller at the closing for such Unit the amount of any such credit.

9. Closing Costs. Purchaser, in addition to the legal fees of Purchaser's counsel, if any, and the amount of any net adjustments in favor of Seller and the other payments required under this Agreement, shall pay any closing costs specified in the Plan including, without limitation, any processing fees, and closing fees to Seller's attorneys, and other fees and payments provided in the Plan. Without limiting the foregoing, Purchaser shall be required to pay to the Seller or Seller's attorneys a fee for each Unit purchased, which will cover the legal and other fees and expenses of processing the sale of the Unit, at the same time as the balance of the purchase price for the Unit is due and payable hereunder, as follows:

(a) Basic fee for the closing of sale, with or without financing (including, without limitation, preparation of the Unit Deed and Power of Attorney, and coordinating and attending the closing as set forth in the Plan) -- \$2,500.00 for the Residential Unit.

(b) Additional attendance fee if the closing does not occur at the office of Seller's attorney— \$350.00 (in no event shall Seller be required to close at a location outside New York City).

(c) If through no fault of Seller a purchaser fails to close on the date fixed by Seller for closing title to Purchaser's Unit, then Purchaser will (i) reimburse Seller for the Units carrying charges (that is, Common Charges and real estate taxes) during the period of delay and (ii) pay the service fee of \$200 for each time the Closing is adjourned.

(d) In the event Purchaser obtains title insurance from a title insurer other than Executive Abstract Corp., as agent for First American Title Insurance Company, having an office at 38-50 Bell Boulevard, Bayside, New York 11361 telephone number (718) 279-9230, fax number (718) 229-1997, an additional fee of \$500.00 to Seller's attorneys for the additional work involved.

The Purchaser further agrees to pay at the closing of title the following costs that apply to the closing of any purchase money loan to finance the purchase: the actual cost of title examination; cost of mortgage title insurance; bank attorneys' fees for preparation of the documents necessary for the mortgage loan; mortgage origination fees; bank credit and appraisal fees; survey costs; mortgage recording taxes; private mortgage insurance (if applicable); and any other governmental charges assessed on a loan. The Purchaser shall pay the premium for a fee title insurance policy if such coverage is desired.

10. Real Property Transfer Tax. Purchaser shall pay all real property transfer taxes (including, without limitation, the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax including the "mansion tax"), recording and other fees in connection with this transaction and the recording of the deed. Purchaser's responsibility to pay real property transfer taxes shall include any increases or additions to such taxes which are due by reason of the fact that Purchaser is paying such taxes instead of the Seller. Seller and Purchaser shall duly execute and swear to any transfer tax returns and all other forms then required by law, all of which shall be prepared by Seller.

11. Federal Form 1099. The Purchaser shall cause its attorney to execute a designation agreement designating such attorney, or such other person specified by the Seller, as the "real estate broker" who is required to file a 1099 return with respect to the sale of the Unit pursuant to Section 6045 of the Code. The Purchaser shall cause such "real estate broker" to make such 1099 return and to comply with all other requirements of Section 6045 of the Code in connection with the sale of the Unit, and the Purchaser shall indemnify and hold harmless the Seller and its attorneys against any and all penalties, loss, and expense (including, without limitation, attorneys' fees) resulting from the failure of the Purchaser or such "real estate broker" to comply with the Code and the provisions of this Agreement and such designation agreement.

12. Down Payment to be held in Trust. The Down Payment together with the interest accrued thereon paid by Purchaser hereunder on account of the Purchase Price of the Unit (collectively the "Deposit"), will be placed in an account in conformity with the provisions set forth below. Seller will comply with the escrow and trust fund requirements of Section 71-a of the Lien Law and General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto. Purchaser shall not be obligated to pay any legal or other expense of the Seller in connection with the handling or disposition of the Deposit paid by Purchaser. However, nothing in the preceding sentence shall

limit the obligation of Purchaser to pay the fees and expenses of the Seller's attorneys as set forth herein or in the Plan in connection with the purchase or closing of the Unit purchase by Purchaser under the Plan.

The Deposit will be deemed to have been unconditionally tendered when it is delivered to the Selling Agent, together with this Purchase Agreement in the form agreed to by the Seller and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. The Deposit will be placed, within five business days after the date on which such Deposit has been unconditionally tendered, in a special escrow account of Linett, Schechter, Reicher & Ofsevit LLP (hereinafter the "escrow agent"), whose address is 810 Seventh Avenue, 10019, New York, New York and whose telephone number is (212) 245-7700. The signatories on this escrow account, who are each members of Linett, Schechter, Reicher & Ofsevit LLP, and any one of whom is authorized to withdraw funds, are: Martin Schechter, Irwin Reicher, and Samuel M. Ofsevit c/o Linett, Schechter, Reicher & Ofsevit LLP, 810 Seventh Avenue, New York, New York 10019. The name of the escrow account is "Linett, Schechter, Reicher & Ofsevit LLP" as escrow agent under the Plan for "350 West 53rd Street Condominium" (the "escrow account"), and such escrow account is located in JPMorgan Chase Bank, 1411 Broadway, New York, New York 10018 (the "Bank"). The Bank is covered by federal bank deposit insurance generally to a maximum of \$100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts deposited directly by such person and Deposits held in escrow for such person by the escrow agent). If Purchaser makes a Deposit in excess of \$100,000 for the purchase of a Unit, or if the amount of such Purchaser's deposits at the Bank and such Deposit exceed \$100,000, the aggregate of such Deposit and all other such deposits will generally not be federally insured in excess of \$100,000.

The escrow account will be interest-bearing and, if the closing of the sale to a purchaser of a Unit occurs under the Plan, interest on a Deposit made by a purchaser will be credited to such purchaser at closing. The interest rate to be earned on the Down Payments will be the rate paid from time to time by the Bank for the same type of account as the escrow account. Interest will begin to accrue when the check for the Down Payment is collected, and provided there is no charge back or debit by the Bank against the amount deposited.

The check for Down Payment shall be made payable to or endorsed to the order of "Linett, Schechter, Reicher & Ofsevit LLP as escrow agent under the Plan for 350 West 53rd Street Condominium." Within ten business days after unconditional tender and delivery by Purchaser to the Seller of a check for the Down Payment submitted with this Purchase Agreement on account of the purchase price hereunder, the escrow agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if Purchaser does not receive notice of such deposit within fifteen business days after the unconditional tender and delivery to the Selling Agent of the Down Payment then Purchaser may cancel this purchase and rescind this Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after Purchaser's unconditional tender and delivery of such Down Payment to the Seller. However, Purchaser shall not be entitled either to rescind this Purchase Agreement or to receive a refund of the Deposit where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited and notice as provided above was timely mailed to Purchaser in conformity with the Attorney General's regulations.

The escrow agent will hold the Deposit in escrow until:

(i) otherwise directed in one or more writings signed by each of the Seller and Purchaser; or

(ii) otherwise directed in 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 permits or requires the release of the Deposit; or

(iv) the Deposit is paid by the escrow agent into a court of competent jurisdiction; or

(v) the Deposit is paid to the Seller as provided below;
or

(vi) such Deposit is paid to Purchaser as provided below.

If there is no written agreement between the Seller and Purchaser to release the Deposit paid by Purchaser, the escrow agent will not pay such Deposit to the Seller until after ten business days following the date that the escrow agent has given Purchaser written notice that the escrow agent intends to pay such Deposit to the Seller. Thereafter, the Deposit may be paid to the Seller unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and the escrow agent has received, within such ten business day period, notice from Purchaser that such application has been made. By executing the Purchase Agreement, Purchaser shall be deemed to have consented to the release of the Deposit to the Seller at the Closing without the necessity of any further written agreement.

The Seller will not object to the release of the Deposit to Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded this Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchaser or the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Deposit paid by Purchaser. Seller must avail itself of this procedure if there is a dispute which needs to be resolved between the Seller and Purchaser relating to Purchaser's Deposit and, in the case of Purchaser, Purchaser has given notice of objection to the escrow agent within the ten business day period described above. A form for this purpose is contained in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

Notices given by escrow agent, Seller or its agents pursuant to this paragraph 12 shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth day after the date of mailing. Escrow agent shall have the right but not the obligation to deposit any moneys received in an interest bearing account and to purchase treasury bills, certificates of deposit, and/or U.S. Government security backed repurchase agreements and/or money market funds or accounts through the escrow account, and interest will accrue thereon only to the extent earned from the time such moneys are deposited in an interest earning account or from the time an interest earning instrument is purchased, as the case may be, and only for so long as such

moneys are held in an interest earning account or instrument, as the case may be. Purchaser acknowledges and agrees that in any dispute between the Purchaser and the Seller, Linett, Schechter, Reicher & Ofsevit LLP may act as Seller's attorneys.

13. Binding Effect of Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan including, without limitation, the Declaration, and By-Laws and Rules and Regulations thereunder contained therein and agrees to abide and be bound by the terms and conditions thereof.

14. Agreement Subject to Mortgage. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage against the Unit or the Property, or any part thereof or any interest therein, heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already 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 whether such advances are voluntary or involuntary and whether made in accordance with any schedule of payments or accelerated by virtue of the right of the lender to make advances before they become due in accordance with the schedule of payments. Seller shall, at its option, either satisfy such mortgages or obtain a release of the Unit 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 shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that the Unit is released from, or not subject to, the lien of any such mortgage.

15. Default by Purchaser. If Purchaser shall (a) fail to pay when due any portion of the Purchase Price, including but not limited to the Down Payment, or any other payment when due as herein provided (including, without limitation, if any check made or delivered by the Purchaser hereunder is dishonored), (b) fail to execute the power of attorney, New York City and New York State real property transfer tax returns or any other documents, as herein provided, (c) fail to pay any closing costs or other payments due and payable pursuant to this Agreement or the Plan, or (d) default in the performance of any of his other obligations hereunder, then the sole right and remedy of Seller under this Agreement shall be to cancel this Agreement by giving notice to Purchaser and to proceed against Purchaser as provided below. At the expiration of thirty (30) days after the date of giving of the cancellation notice (unless Purchaser shall have theretofore cured his default during such thirty (30) day period), this Agreement shall be deemed canceled and (i) Seller shall be entitled to retain if paid, or recover, if not yet paid, the full amount due and payable as the down payment (but not exceeding the sum of 10% of the Purchase Price hereunder plus all costs incurred for any special work ordered by Purchaser), together with interest earned thereon, if any, as and for liquidated damages, (ii) Seller shall have the right to sell the Unit to others as though this Agreement had never been made and (iii) Purchaser shall not have any further rights against or obligations to the Seller, the Condominium, or any purchaser of the Unit. Time is of the essence with respect to Purchaser's right to cure his default within such thirty (30) day period. Whether or not Seller has canceled this Agreement as provided above, if Seller has not collected the proceeds of any check for any payments due under this Agreement, then Seller may take such actions at law and in equity as may be required in order to collect the same.

16. Interim Leases and Default or Rescission. If Purchaser is a tenant at the Property pursuant to an Interim Lease for the Unit, and Purchaser shall default in such Interim Lease, then Seller may elect to terminate the Interim Lease and such default shall be deemed a default under this Agreement. The provisions of this Agreement shall not limit any other rights or remedies at law or in equity or under the Interim Lease which Seller or any other party may have by reason of such default under the Interim Lease. The right is reserved to the Seller to apply any rent security against any rent arrearage or other default and in addition to sue any tenant to the extent such rent security is insufficient. Notwithstanding the foregoing, before Seller may utilize the default under the Interim Lease to declare a default under this Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

17. Agreement Subject to Plan Being Declared Effective. The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned at any time prior to its becoming effective as provided in the Plan and thereafter upon certain terms and conditions as provided in the Plan. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason, then this Agreement shall be deemed canceled and the Plan terminated on the date specified in a notice thereof by the Seller to the Purchaser. Within forty-five (45) days thereafter Purchaser shall receive a refund in full of all moneys paid by him hereunder with interest earned thereon, if any (except as provided in Paragraph 15 hereof), and, upon such refund neither party shall have any further rights, obligations, or liability to or against the other or the Condominium under this Agreement and the Plan.

18. Seller's Inability to Convey Marketable Title. If Seller is unable to deliver marketable title to the Unit to Purchaser subject to the exceptions set forth in the Plan in accordance with the provisions of this Agreement and the Plan, Seller 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 Seller elects to attempt to cure such inability then it shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which to complete such cure. However, Seller may notify Purchaser at any time of its refusal either to cure or to continue to cure, as the case may be, such inability and if Purchaser is not in default hereunder, Purchaser shall have the option to (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Seller for damages or otherwise) or (b) terminate this Agreement and this shall be the sole right of Purchaser if Seller does not cure such inability. If Purchaser so elects to terminate this Agreement, Seller shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other under this Agreement and the Plan. The foregoing option must be exercised by notice of Purchaser in writing to Seller within ten (10) days after the giving of Seller's notice of refusal to cure such inability. If Purchaser fails to give such notice to Seller within said ten (10) day period, it shall be conclusively deemed that Purchaser has elected to acquire title to the Unit subject to such inability as aforesaid.

19. Construction. (a) The Seller shall complete the construction of the Building contemplated under the Plan in accordance with the terms and conditions of the Plan. Purchaser acknowledges and agrees that, among other things, under the Plan the Seller has the right to modify and amend the Plans and Specifications including among other things in order to substitute materials, equipment or fixtures, all in accordance with the terms and

conditions of the Plan. Purchaser also acknowledges and agrees that (i) completion of construction will occur in accordance with the provisions of the Plan notwithstanding the fact that there may be any number of items which remain uncompleted as of the Closing Date within the Unit covered by this Agreement or in the Property and (ii) no escrow will be required in connection therewith. Seller however will be obligated to complete any uncompleted portions of the construction work in accordance with the Plans and Specifications as of the Closing Date after the closing. In connection therewith, Purchaser shall permit Seller and its designees access to the Unit for the purpose of completing any such construction in accordance with the provisions of the Plan or to satisfy any of Seller's other obligations under the Plan or under any purchase agreement for a Unit.

(b) The Purchaser acknowledges and agrees that: (i) any of the obligations of Seller under this Agreement or the Plan are subject to acts of God, strikes, lockouts, weather, floods, epidemics, quarantine restrictions, freight embargo, shortages of or inability to obtain adequate materials, equipment or labor, governmental restrictions or preemptions, damage by fire or the elements or any other cause over which the Seller does not have control and the period within which Seller must complete any of its obligations, if any, shall be extended by the period of such delay; (ii) Seller will not be liable for and will have no obligation to correct certain variations from the Plans and Specifications as provided in the Plan and will only be responsible to correct certain construction defects to the extent and on the terms and conditions set forth in the Plan; and (iii) Seller will not be liable to Purchaser for any delay in completing its obligations hereunder or under the Plan or closing hereunder.

20. Fixtures, Appliances and Personal Property. Only those appliances, fixtures, furnishings and items of personal property which are described in the Plan as being part of the Unit and are actually located in the Unit on the Closing Date are included in the sale of the Unit pursuant to the provisions of this Agreement. Purchaser acknowledges and agrees that other than as expressly provided in the Plan, Seller makes no representation in connection with such appliances, fixtures, furnishings and items of personal property and Seller expressly disclaims any implied warranties of merchantability or fitness for a particular purpose.

21. Acceptance of Unit. The Purchaser will accept title to the Unit without any reduction or postponement of payment of the Purchase Price even if construction of the Unit is not fully completed although substantially completed as provided in the Plan, and the Building, other Units and the Common Elements have not been completed. The Purchaser agrees to inspect the Unit with the Seller's representative during normal business hours before the Closing Date and to sign and deliver to the Seller before that time an Inspection Statement in the form of Exhibit A to this Agreement, showing the condition in which the Purchaser has received the Unit. Purchaser acknowledges and agrees that: (i) acceptance by the Seller of the Inspection Statement shall not constitute an agreement by the Seller to cure the exceptions noted therein, and Seller's sole obligation with respect to the same shall be as provided in the Plan; (ii) notwithstanding the fact that there may be construction items noted on the Inspection statement which Seller has the obligation to correct under the Plan, Purchaser shall nonetheless be obligated to close on the Closing Date and pay the full purchase price without provision for any escrow. The Purchaser will sign and deliver a separate statement signifying its satisfaction with each item excepted in Exhibit A, if any, immediately upon completion of the repair and adjustment or correction of the same. The Purchaser also acknowledges and agrees that the Seller shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein from and after the date of delivery of possession of the Unit to the undersigned, except for those items, if any, expressly excepted in Exhibit A to the extent Seller is required to repair, adjust or correct the

same under the Plan, and Seller's obligation regarding any such excepted items shall cease upon either the completion of the repair, adjustment or correction of the same or the assignment to the Purchaser of any applicable warranty covering the same. Nothing contained herein shall be construed to expand Seller's obligations to correct defects in construction beyond the extent required under the Plan and on the terms and conditions set forth therein.

22. Damage to the Unit. If between the date of this Agreement and the Closing Date, the Unit is damaged by fire or other casualty, the following shall apply:

22.1 The risk of loss to the Unit by fire or other casualty until the earlier of (a) the Closing Date or (b) possession of the Unit by Purchaser, is assumed by Seller, but without any obligation of or liability by Seller to repair or restore the Unit or the Property. If Seller elects to repair or restore the Unit, then 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 Seller shall be entitled to an adjournment of the Closing Date for 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 belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding sentence shall survive the closing of title.

22.2 If the Seller notifies Purchaser that it does not elect to repair or restore the Unit or, if the Declaration has been recorded prior thereto, there is damage to part of the Building other than the particular Unit covered by this Agreement and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, then provided that the Purchaser has not assumed the risk of loss by taking possession of the Unit, this Agreement shall be deemed terminated, and provided Purchaser is not then in default under this Agreement, Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party shall have any further rights, obligations or liability to or against the other hereunder and under the Plan.

If the Purchaser has assumed the risk of loss, then this Agreement shall continue in full force and effect but without any obligation of or liability by Seller to repair or restore the Unit or the Property and upon closing hereunder, subject to the rights of any holder of a mortgage affecting the Unit, Seller shall turn over to Purchaser the net proceeds (after legal and other expenses of collection) actually collected by Seller under the provisions of such insurance policies, if any, covering such damage to the extent that they were attributable to such damage to the Unit, less any sums expended or incurred by Seller for restoration of the Unit, and the Seller shall assign, without recourse, Seller's right to any insurance payments, not yet received by Seller attributable to such damage to the Unit, less any unrecouped sums therefore expended or incurred by Seller for the restoration of the Unit and any legal and/or other expenses of collection.

23. Purchase Agreement Not Contingent on Financing. The Purchase Agreement is not contingent upon a Purchaser's ability to obtain mortgage financing in connection with the purchase of his Unit. As a result, a Purchaser will not be entitled to cancel the Purchase Agreement if the Purchaser is unable to obtain financing for the purchase of the Unit.

24. No Representations. Purchaser acknowledges and represents that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements,

29. Right to Rescind. Unless Purchaser has received a copy of the Plan and all filed amendments thereto at least three (3) days before signing this Agreement, Purchaser may rescind this Agreement for a period of seven (7) days after the date of this Purchase Agreement by giving notice of rescission to the Seller prior to the expiration of said seven (7) day period. If Purchaser exercises his option to rescind this Agreement, then in that event all moneys paid by Purchaser on account of the Purchase Price hereunder shall be refunded to Purchaser within ten (10) days after the expiration of the aforesaid seven (7) day period. If Purchaser does not give a rescission notice to the Seller within the aforesaid seven (7) day period, this Agreement will become binding upon the Purchaser upon the expiration of said period.

30. Binding Effect. Purchaser acknowledges that, except as provided below, this Agreement will not be binding on the Seller until a fully executed counterpart of this Agreement has been delivered to Purchaser or Purchaser's attorney. Within twenty (20) days after delivery to the Seller of three (3) copies of this Agreement (with the terms, including, without limitation, the Purchase Price, and in the form which has previously been provided by the Seller) executed by Purchaser, together with the above-stated Down Payment, the Seller shall either (i) accept this Agreement and return one fully executed copy thereof to Purchaser or Purchaser's attorney or (ii) reject this Agreement, by giving to Purchaser or Purchaser's attorney notice thereof together with a refund of the above-stated Down Payment with interest earned thereon, if any. If Seller takes no action within said twenty (20) day period, then in such event this Agreement (with the terms and in the form provided above) shall be deemed canceled.

31. Working Capital Fund Contribution. On the Closing Date, Purchaser shall pay to the Board of Managers a sum equal to one month's Common Charges with respect to the Residential Unit purchased as initial working capital for the Condominium as provided in the Plan; provided that if Seller, in its sole discretion, has already paid such contribution to the Working Capital Fund for the Residential Unit, then such amount shall be paid instead to Seller to reimburse Seller for such contribution to the Working Capital Fund attributable to such Residential Unit.

32. Notices. Notices hereunder shall be in writing and shall be personally delivered or mailed by registered or certified mail, return receipt requested, as follows: to Purchaser, at the address stated in this Agreement; and to the Seller at the address set forth above, with copies to Linett, Schechter, Reicher, Ofsevit LLP, 810 Seventh Avenue, New York, New York 10019, Attention: Samuel M. Ofsevit, Esq., and Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, Attention: Mark A. Levine, Esq. Notices shall be deemed given when personally delivered or mailed. Any of the parties noted in this paragraph may change their address for purposes of this paragraph by giving notice thereof to the other parties as provided above. Either Herrick, Feinstein LLP or Linett, Schechter, Reicher & Ofsevit LLP may give notice on behalf of the Seller.

33. 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.

34. Survival of Seller's and Purchaser's Obligations. All of the obligations of Seller under this Agreement shall be deemed satisfied upon delivery of the deed to the Unit and the closing of title hereunder and no obligations of Seller shall survive delivery of the deed except as otherwise expressly provided in this Agreement or the Plan. Except where the context otherwise requires, all the representations, warranties, and obligations of Purchaser under this Agreement shall survive delivery of the deed and the closing of title hereunder.

representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, or otherwise, including, but not limited to, any relating to the description or physical condition of the Property or the Unit, or the size or the dimensions of the Unit, 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, or any other data, except as herein or in the Plan specifically represented. No person has been authorized to make any representations on behalf of Seller except as herein or in the Plan specifically set forth; Purchaser having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No oral representation or statements shall be considered a part of this Agreement. The Purchaser agrees that the Seller and its agents and contractors will have no liability to the Purchaser nor shall Purchaser be relieved of any of its obligations hereunder if there is a minor error or inaccuracy in the layout or dimensions of the Unit or of the Common Elements or any Limited Common Elements of the Condominium as shown on the Floor Plans, or the Plans and Specifications so long as the layout and dimensions conform substantially to the plans and specifications as they may be changed when permitted by the Plan.

25. Broker. Purchaser represents to Seller that Purchaser has not dealt with any broker other than the Selling Agent or broker identified on the first page of this Agreement (collectively, the "Selling Agent"), in connection with this transaction. Purchaser agrees that should any claim be made against Seller for commissions by anyone other than the Selling Agent, based on alleged dealings with Purchaser or Purchaser's representatives, Purchaser shall (i) give testimony to such effect in any case, action or proceeding by any broker other than the Selling Agent, and (ii) indemnify and hold Seller harmless from and against any and all liabilities, claims, damages, costs and expenses (including but not limited to reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive the closing of title.

26. Assignment. Purchaser shall not have the right to assign this Agreement without the prior written consent of Seller. If the Seller consents to such assignment, the Seller and/or its designees shall be paid by the Purchaser such additional fees as the Seller specifies. Seller may assign this Agreement without limitation.

27. Purchaser's Certifications. Purchaser certifies that he has agreed in good faith to purchase the Unit for his own use and not as an accommodation to Seller and with no repurchase agreement. Purchaser represents to the Seller and the Condominium as follows: (i) if Purchaser is an individual then Purchaser is over 18 years of age and resides in the State of New York, or (ii) if Purchaser is an entity then it is legally authorized to acquire the Unit and has an office for the conduct of its business in New York.

28. Possession of Unit and Purchaser's Work. Purchaser shall not be entitled to possession of the Unit until after the closing has occurred under this Agreement. The Purchaser shall not make any alterations or installations (by himself or with any of his contractors) in the Unit, and the Purchaser will not make any applications (with respect to such alterations or installations) to any governmental entity, until the later of (i) the date that the Closing has occurred under this Agreement and (ii) the date that a new permanent certificate of occupancy with respect to the Building has been obtained after the completion of the work described on the Plans and Specifications.

35. 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 any transaction contemplated herein or to confirm any of the obligations of Purchaser hereunder or any right to be created or transferred hereunder or pursuant to any such transaction.

36. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable either 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.

37. Strict Compliance. Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

38. 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 contracts made and to performed wholly in the State of New York, without regard to principles of conflicts of law.

39. 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. 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 any such claim with, any action or proceeding in which a jury trial is waived. Purchaser acknowledges that the Plan contains an obligation on the part of Purchaser to participate in non-binding mediation of any dispute with Seller as a prerequisite to commencing any litigation against Sponsor. The provisions of this Paragraph shall survive the delivery of the deed.

40. No Recordation. This Agreement shall not be recorded by Purchaser without Seller's consent. Any purported recordation thereof by Purchaser shall be void and constitute a default by Purchaser hereunder.

41. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties hereto and constitutes the entire agreement between them. Purchaser acknowledges and agrees that the Plan may be amended by Seller from time to time as provided in the Plan and that this Agreement may be amended by Seller to conform to the provisions of any such amendment by delivering to Purchaser a notice thereof (which notice may consist of a copy of any such amendment), subject however to any rights which Purchaser may have as provided in the Plan.

42. 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 term "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.

43. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

44. Successors and Assigns. The provisions of this Agreement shall bind Purchaser and his heirs, legal representatives, successors and assigns and inure to the benefit of Purchaser's heirs, legal representatives and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

45. Lease Termination. If Purchaser is or will be a tenant before the Closing Date, then by executing and delivering this Agreement such tenancy automatically terminates as of the Closing Date.

46. 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 at the time of execution hereof, in a separate written agreement signed by the parties or in an amendment to the Plan as provided in Section 41 above.

47. Prohibition Against Advertising. Purchaser agrees not to advertise the Unit for sale or for lease prior to the Closing of title hereunder. Seller shall be entitled to exercise any and all remedies at law and/or in equity in connection with the enforcement of this provision of the Purchase Agreement.

48. NO WARRANTY. SELLER HEREIN MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR EXCEPT AS EXPRESSLY SET FORTH IN THE PLAN, ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE UNIT COVERED.

49. Seller's Right to Make Changes in Materials, etc. The Seller reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or the Plans and Specifications, provided any such changes are of comparable value and quality.

50. Closing Deed. The closing deed shall be in proper statutory form for recording; shall be Bargain and Sale with covenant against grantor's acts; shall be duly executed and acknowledged by the Seller at the Seller's expense and shall contain such a description of the premises as shall be acceptable and/or approved so as to validly convey under Article 9-B of the New York Real Property Law (the "Condominium Act") the Unit and the undivided interest in the Common Elements referred to herein.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

Purchaser(s): _____

Seller: Victor at W. 53rd LLC

by: _____

EXHIBIT A TO PURCHASE AGREEMENT

FORM OF INSPECTION STATEMENT

350 WEST 53RD STREET CONDOMINIUM

350 West 53rd Street
New York, New York 10019

Re: [Resident Name]
350 West 53rd Street Unit [], New York, New York 10019 (the "Apartment")

Dear Ladies and Gentlemen:

The undersigned is the purchaser of the captioned Apartment.

I/We understand that the attached Inspection Checklist (the "Inspection Checklist") is to be completed prior to closing, by me/us with your authorized representative. The Inspection Checklist will be signed by your authorized representative and me/us, at the time of the walk-through inspection.

I/We further understand that you agree to complete all items listed on the Inspection Checklist signed by your representative and me/us, within a reasonable period of time following closing of my/our Apartment, weather permitting, and subject to delays for work or materials beyond your control (i.e., force majeure delays, etc.).

I/We understand that within a reasonable period of time following my/our closing, you will contact me/us to arrange a mutually convenient time to complete the work, if any, set forth on the Inspection Checklist.

I/We am/are aware, that notwithstanding the foregoing, your obligation to repair or correct items on the Inspection Checklist is conditioned upon your ability to gain access to my/our Apartment. I/We agree that if I/we do not provide you or your contactors or agents or employees access to the Apartment within ten (10) days after you have notified me/us of your intention to complete the Inspection Checklist work in my Apartment, then you shall have no further obligation to complete the items of work set forth on the Inspection Checklist.

I/We agree to be present in the Apartment at the time the work is being performed and/or in any event to make the Apartment available at that time, and I/we further agree that I/we will promptly initial each item on the Inspection Checklist as it is completed to acknowledge completion. My/our failure to respond to you within five (5) business days of your written request for such acknowledgement shall be deemed to mean that I/we accept and acknowledge the work as complete and "as-is." I/We understand that work indicated on the Inspection Checklist shall be performed in accordance with the standards set forth in the Offering Plan. In the event of a dispute, I/we agree that your contractor, architect or engineer shall determine whether or not such standards and his or her decision shall be binding on the parties hereto.

Your representation that you will complete items on the Inspection Checklist within a reasonable period of time following closing shall survive Closing of title to the Apartment.

PURCHASER'S SIGNATURE

PURCHASER'S SIGNATURE

[All Purchasers must sign]

SPONSOR'S REPRESENTATIVE

350 WEST 53RD STREET CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the declaration (the "**Declaration**") establishing a plan for condominium ownership of the premises known as and by the street number 350 West 53rd Street, New York (the "**Property**") under Article 9-B of the Real Property Law of the State of New York, dated _____, 200_, and recorded in the Office of the Register of the City of New York, County of New York, on _____, 200_, in Reel _____, Page _____, or (b) in the by-laws of the Condominium (the "**By-Laws**") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, (having an office) (residing)** at _____, the owner of the Condominium Unit (the "**Undersigned's Unit**") known as Unit No. ____ in 350 West 53rd Street Condominium (the "**Condominium**"), known by the street address as 350 West 53rd Street, New York, New York, and consisting of the real property and improvements thereon as more particularly described on Schedule A annexed hereto and made a part hereof, such Unit being also designated as Tax Lot _____ in Block 1043 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, (does)(do)** hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the 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 proportion to their respective Common Interests, subject to the provisions of the By-Laws then in effect, (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire a Unit for the use of the Superintendent or such other Building employees as shall be determined by the Board of Managers (the "**Superintendent's Unit**") and to mortgage pledge and/or encumber such Superintendent's Unit on such terms as such attorneys-in-fact deem proper, and on behalf of all Unit Owners in accordance with the Common Interest of all Unit Owners, (c) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender such Unit pursuant to the terms of paragraph ____ of Section ____ of the By-Laws, and (d) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and, with respect to any transfer pursuant to the terms of subdivision 1(a) or 2(d) of this paragraph at such price or at such rental, as the case may be, as such attorneys-in-fact deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which the undersigned could do if the undersigned were personally present, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the

Delete inapplicable parenthetical(s).

City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate or (c) any amendment to the Declaration Establishing a Plan for the Condominium Ownership of the Premises Known as and by the Street Number 350 West 53rd Street, New York, New York 10019 (the "Declaration") that the Condominium Board is authorized to execute pursuant to Section 16 of the Declaration.

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 Victor at W. 53rd Street LLC (the "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 Rules and Regulations of the Condominium, or any of such documents, when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Section 9 and 11 of the Declaration or (ii) will be required by (A) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (B) any governmental agency having regulatory jurisdiction over the Condominium, or (C) any title insurance company selected by Sponsor to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the Undersigned's Unit, (y) require a material, physical modification to the Undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) or the holder of such mortgage (in the event described in (z) 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 will remain in full force and effect until such time as Sponsor or its designee will cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the ___ day ___, 200__.

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

On this ____ day of _____, 200 , before me personally appeared _____, to me known and known to me to be the person mentioned and describe in, and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

Notary Public

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

On this ____ day of _____, 200 , before me personally appeared _____, to me known and known to me to be the person mentioned and describe in, and who executed the foregoing instrument, and he duly acknowledged to me that he executed the same.

Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of West 53rd Street distant 150 feet easterly from the corner formed by the intersection of the southerly side of West 53rd Street with the easterly side of 9th Avenue; and

RUNNING THENCE southerly parallel with 9th Avenue, 100 feet 5 inches to the center line of the block;

THENCE easterly along said center line of the block and parallel with West 53rd Street, 135 feet;

THENCE northerly parallel with 9th Avenue, 100 feet 5 inches to the southerly side of West 53rd Street, and

THENCE westerly along the southerly side of West 53rd Street, 135 feet to the point or place of BEGINNING

DOCUMENT NUMBER 3

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ____ day of ____, 200__ between Victor at W. 53rd LLC, a limited liability company, having offices at 1516 Highway 138, Suite 1, Wall, New Jersey 07719 (the "Grantor"), and ____, a ____, with offices/residing at ____, New York (the "Grantee").

WITNESSETH

That the Grantor, in consideration of Ten Dollars (\$10.00) and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The residential Condominium Unit (the "Unit") in the condominium known as 350 West 53rd Street Condominium (the "Condominium"), comprised of the land described on Schedule A hereto and by this reference made a part hereof (the "Land") and the building known by the number 350 West 53rd Street, New York, New York (the "Building"), said Unit being designated and described as Unit No. ____ in that certain declaration dated ____, 200__, made by the Grantor under 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 upon which the Building is situated, which declaration was recorded in the Office of the Register of the City of New York, County of New York (the "City Register's Office"), on the ____ day of ____, 200__, in Reel ____, at page ____ (such declaration and any amendments thereto being referred to hereinafter, collectively, as the "Declaration"); said Unit also being designated as Tax Lot ____ - in Block 1043 on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Manhattan and on the floor plans of the Building (the "Floor Plans"), certified by ____, on the ____ day of ____, 200__, and filed in with the Real Property Assessment Department of the City of New York on ____, 200__, as Condominium Plan No. ____ and also filed in the City Register's Office, County of New York on ____, 200__, as Condominium Map No. ____.

TOGETHER with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit.

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with and subject to the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the Condominium By-Laws of 350 West 53rd Street Condominium (including but not limited to the Rules and Regulations thereunder) as such Declaration and Condominium By-Laws may be amended from time to time (said Condominium By-Laws and any amendments thereto

being referred to hereinafter, collectively, as the "Condominium By-Laws"), all of which shall constitute covenants running with the land and shall bind any and all persons 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 (the Land and Building being referred to hereinafter, collectively, 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 Condominium By-Laws is invalid under, or would cause the Declaration or the Condominium By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the Condominium By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the Condominium By-Laws, or if the Declaration and the Condominium By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

By accepting delivery of this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the Condominium By-Laws (including, but not limited to, any Rules and Regulations adopted under the Condominium By-Laws) and agrees to comply with all the provisions thereof.

The Unit except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the Condominium By-Laws, is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything to be done whereby the Unit has been encumbered in any way whatever, except as set forth herein or in the Declaration and the Condominium By-Laws (and any Rules and Regulations adopted under the Condominium By-Laws). This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by, and shall not inure to the benefit of, any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of the deed so requires.

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

GRANTOR:

Victor at W. 53rd LLC

By: Victor Seven, Inc., its Managing Member

By: _____

Name:

Its:

GRANTEE:

By: _____

Name:

Its:

STATE OF NEW YORK)
) SS.:
COUNTY OF)

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

Notary Public

STATE OF NEW YORK)
) SS.:
COUNTY OF)

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

Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of West 53rd Street distant 150 feet easterly from the corner formed by the intersection of the southerly side of West 53rd Street with the easterly side of 9th Avenue; and

RUNNING THENCE southerly parallel with 9th Avenue, 100 feet 5 inches to the center line of the block;

THENCE easterly along said center line of the block and parallel with West 53rd Street, 135 feet;

THENCE northerly parallel with 9th Avenue, 100 feet 5 inches to the southerly side of West 53rd Street, and

THENCE westerly along the southerly side of West 53rd Street, 135 feet to the point or place of BEGINNING

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS**

[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 352-3(2-b) and 352-h. The following information is submitted in support of this application:

1. Name
of Applicant _____
2. Address
of Applicant _____
3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for
☐ return of Down Payment
☐ forfeiture of Down Payment.
☐ other: _____

5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).
6. The project is structured as
☐ a cooperative.
☐ a condominium.
☐ a homeowners association.
☐ a time share.

☐ other: _____

7. Name and Address
of Sponsor: _____

8. Name and Address of
Escrow Agent: _____

9. If Down Payments are maintained in an escrow account:

- (a) Name of account _____
- (b) Name and address
of bank _____
- (c) Account number (if known) _____
- (d) Initial interest rate (if known) _____

10. If Down Payments have been secured by bonds:

- (a) Name and address of
bond issuer or surety: _____
- (b) Copy of bond included in this application. (DO NOT SEND
ORIGINAL BOND.) If not included, explain:

11. If Down Payments have been secured by a letter of credit:

- (a) Name and address of bank which issued the letter of credit:

Date of expiration of the letter of credit, if known:

12. Plan information:

- (a) Date of filing of plan: _____
- (b) Plan
[] has been declared effective. Approximate date:

☐ _____ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed.
Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Down payments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of Down Payment(s): _____

(d) Total amount of Down Payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public for unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contract 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

AGREEMENT made this 10th day of September, 2004, between Victor at W. 53 LLC ("SPONSOR") as SPONSOR of the offering plan described below, and Linett, Schechter, Reicher & Ofsevit LLP ("ESCROW AGENT"), as ESCROW AGENT.

WHEREAS, SPONSOR is the sponsor of a condominium offering plan for the sale of Condominium Units in a condominium to be known as 350 West 53rd Street Condominium located at 350 West 53rd Street, New York, New York (the "Premises") (such plan being called the "Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for the First Installment of the Down Payment and the Second Installment of the Down Payment by purchasers on account of the purchase price of units in such Condominium (collectively, "Units" and each a "Unit") under the Plan, together with all accrued interest thereon, pursuant to the terms of this agreement. Each installment of the Down Payment unconditionally tendered, together with the interest thereon comprises a portion of the "Deposit."

NOW, THEREFORE, In consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers on account of the purchase price of Units under the Plan. The escrow account has been opened with JPMorgan Chase Bank at its branch located at 1411 Broadway New York, New York 10018

1.2 The name of the account is "Linett, Schechter, Reicher & Ofsevit, LLP / Attorney Escrow Account / 350 West 53rd Street Condominium"

1.3 Members of the ESCROW AGENT are the sole signatories on such account (the "escrow account").

1.4 The escrow account shall be an interest-bearing account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 Each installment of the Deposit received by ESCROW AGENT from each prospective purchaser of a Unit under the Plan, on account of the purchase price thereunder, prior to closing of such Unit, whether in the form of checks, drafts, money

orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of "Linett, Schechter, Reicher & Ofsevit LLP as escrow agent under the Plan for 350 West 53rd Street Condominium." Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly after receipt by ESCROW AGENT of such instrument following any attempts to deposit it; but, in any event, following such unsuccessful attempts to deposit it, ESCROW AGENT shall mail or otherwise send such instrument to such prospective purchaser within five business days of such receipt of such instrument by ESCROW AGENT. In the event of such return of such instrument, then such instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 For purposes of this Section 2.2, an unconditional tender and delivery of the First Installment of the Down Payment shall be deemed to have been made if such Installment of the Down Payment is delivered together with an Purchase Agreement in the form agreed to by SPONSOR without any request for a change in such form or the terms of such Purchase Agreement. Within 10 business days after unconditional tender and delivery to the Selling Agent of the First Installment of the Down Payment required to be submitted by a purchaser on account of the purchase of a unit under the Plan, together with the Purchase Agreement for the purchase of such unit, ESCROW AGENT shall notify such purchaser of the deposit of such funds in the bank indicated in the Plan, provide the account number, and disclose the initial interest rate. Similarly, within ten business days after unconditional tender and delivery to the Selling Agent of a check for the Second Installment of the Down Payment, required to be submitted by a purchaser on account of the purchase price, ESCROW AGENT shall notify such purchaser of the deposit of such funds into the escrow account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if such purchaser does not receive notice of either such deposit within fifteen (15) business days after unconditional tender and delivery to the Selling Agent of the First Installment of the Down Payment and/or the Second Installment of the Down Payment, as the case may be, then such purchaser may cancel the purchase and rescind such purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such purchaser's unconditional tender and delivery of such installment of the Down Payment to the Selling Agent, if any, or such purchaser may apply to the Attorney General for relief. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that installment of the Down Payment was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

3.1 "Consummation of the Plan" shall mean the first closing of title for the sale of a Unit under the Plan and in accordance with its requirements.

3.2 ESCROW AGENT shall continue to hold a purchaser's Deposit in escrow until: (a) otherwise directed in one or more writings signed (whether on the same or separate counterparts) by each of SPONSOR and such purchaser, or (b) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit, or (d) such Deposit is paid by ESCROW AGENT into a court of competent jurisdiction, or (e) such Deposit is paid to SPONSOR as provided below, or (f) such Deposit is paid to such purchaser as provided below.

3.3 SPONSOR shall not object to the release of the Deposit of any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

3.4 If there is no written agreement between SPONSOR and a purchaser to release the Deposit paid by such purchaser, ESCROW AGENT shall not pay such Deposit to SPONSOR until after 10 business days following the date that ESCROW AGENT has given such purchaser written notice that ESCROW AGENT intends to pay to SPONSOR such Deposit. Thereafter, such Deposit may be paid to SPONSOR unless such purchaser has already 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, within such 10 business day period, notice from such purchaser that such application has been made.

4. RECORD KEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL RIGHTS AND OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship, pursuant to this Agreement, shall exist between ESCROW AGENT and purchasers who have paid Deposits which are held by ESCROW AGENT, and ESCROW AGENT acknowledges such fiduciary obligations.

5.3 ESCROW AGENT undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Plan or the Purchase Agreement (as defined in the Plan), the provisions of this Agreement shall be controlling.

5.4 If conflicting demands are made or notices are served upon ESCROW AGENT with respect to this Agreement, or if ESCROW AGENT shall hold a good faith belief that the rights of a claimant to any Deposit are not absolutely clear, the signatories hereto agree that ESCROW AGENT may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, ESCROW AGENT shall not be or become liable for damages or interest to any of the signatories hereto or to any other person for its failure to comply with such conflicting or adverse demands or notices. ESCROW AGENT may continue to so refrain and so refuse to act until (i) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Deposit, as the case may be, or (ii) all differences, with respect to any Deposit, shall have been resolved by mutual agreement of SPONSOR and the purchaser who paid such Deposit, and ESCROW AGENT shall have been notified thereof in writing signed by both of said parties. In the alternative, ESCROW AGENT may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants adjudicated, and/or may deposit any Deposit with a court of competent jurisdiction, in which event SPONSOR agrees to pay all costs, expenses and attorneys' fees incurred by ESCROW AGENT in connection therewith. If ESCROW AGENT shall deposit any Deposit with such court, the ESCROW AGENT shall be fully released and discharged from any and all further duties and obligations hereunder with respect to such Deposit.

5.5 ESCROW AGENT shall not be responsible for any interest on any Deposit except for such as is actually received by ESCROW AGENT.

5.6 SPONSOR hereby agrees to indemnify ESCROW AGENT from, and to hold it harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of ESCROW AGENT, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim or liability.

5.7 In any action or proceeding, ESCROW AGENT may represent SPONSOR, even if such action or proceeding relates to or involves any Deposit, at the same time as ESCROW AGENT is holding such Deposit pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver to ESCROW AGENT each Deposit on account of the sale of a unit

under the Plan which has been received by SPONSOR or such agents prior to closing of the sale of such unit within one business day of receipt thereof.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the 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, which resignation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor ESCROW AGENT; or
- (c) All Deposits held by ESCROW AGENT have been paid by ESCROW AGENT from the escrow account as provided in this Agreement.

ESCROW AGENT shall not be responsible for any delay between either i) any such cancellation by SPONSOR of the designation of ESCROW AGENT or ii) the resignation of ESCROW AGENT, and, in either such case, the date on which an amendment to the Plan appointing a successor ESCROW AGENT has been filed by the Department of Law and notice thereof has been given to ESCROW AGENT. Once any such cancellation of the designation of ESCROW AGENT has been given to ESCROW AGENT, or once ESCROW AGENT has given to SPONSOR notice of resignation as ESCROW AGENT, then in either case ESCROW AGENT shall not be obligated to accept thereafter any new Deposits in the 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 Deposits held by it in escrow to the new successor ESCROW AGENT set forth in such amendment to the Plan, provided ESCROW AGENT has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from the Deposits nor from any interest accruing thereon (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) and that compensation to ESCROW AGENT, if any, shall not be deducted from the Deposits (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) by any financial institution under any circumstance. SPONSOR shall reimburse to ESCROW AGENT any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13. NOTICE.

13.1 All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To SPONSOR:

Victor at W. 53 LLC
3349 Highway 138 Building C
Wall, New Jersey 07719

To ESCROW AGENT: Linett, Schechter, Reicher &
Ofsevit LLP
810 Seventh Avenue
New York, NY 10019
Attn: Samuel M. Ofsevit, Esq.

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section. All notices sent in accordance with this Section shall be deemed given upon personal delivery or five days after the date of mailing, as the case may be.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

**LINETT, SCHECHTER, REICHER & OFSEVIT
LLP**

By:

SPONSOR:

VICTOR AT W. 53 LLC
By: Victor Seven, Inc. its managing
member

By:

VICTOR CONDOMINIUM
350 West 53rd Street
New York, NY 10019

November 30, 2004

A. Location of Property

- | | | |
|-----|------------------------|--|
| (1) | Address: | 350 West 53 rd Street
New York, New York 10019 |
| (2) | Block No.:
Lot No.: | 1043
54, 56, 58 |
| (3) | Zoning District: | R8-C1-5 Overlay; Special Clinton District -
Preservation Area |
| (4) | Permissible Use: | Residential, Community Facilities, and Commercial |

B. Status of Construction

- (1) The Building is presently in construction and it is anticipated that it will be substantially completed on or about July, 2005 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) Certificate of Occupancy: After completion of construction the Developer will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings").
- (3) Class of Construction: The Building will be classified as Class 1B (non-combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The plans have been filed for approval with the Department of Buildings. The Excavation and Foundation Application number is 103796689. Complies with Local Law 58 (Handicapped Access Law).

C. Site

- (1) The total site area is approximately 13,566 square feet.
- (2) There will be one 7-story block at 350 West 53rd Street with one mechanical area below grade.
- (3) This site contains a 135 foot frontage along West 53rd street.
 - (i) All the streets adjacent to the site are paved with asphalt topping and are in good condition.
 - (ii) The existing curbs will be replaced with new steel faced curbs. The existing sidewalk will be replaced with a new concrete sidewalk.

- (iii) The streets are presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system.
- (iv) The street lighting shall be provided by the City of New York.

D. Utilities

- (1) **Water:** The City of New York provides the water supply and the combined sewer service. The water will be metered through (2) meters. One for domestic water for the entire building and one meter for the fire service.
- (2) **Gas:** The Consolidated Edison Company of New York will provide gas to the building for cooking ranges, and gas fired heating system boilers as well as the domestic hot water heaters.
- (3) **Electricity:** The Consolidated Edison Company of New York will provide electricity to the building.
- (4) **Telephone, data, cable, etc.** There will be raceway provisions from the basement to each unit that will accommodate all communication wiring. Service providers will be selected by the owner.

E. Sub-Soil Conditions

- (1) **Foundations:** Interior columns will be supported by concrete piers to bedrock or decomposed bedrock, with bearing capacities of 20 tsf and 8 tsf respectively. Exterior walls will most likely be extended down around the entire perimeter of the building and founded on continuous footings cast on the rock as well. Shear walls will bear on reinforced concrete mats on the rock. The basement floor slab will be a slab on compacted backfill.
- (2) Design of new construction to include waterproofing, under-drains and sump pits, as required to address groundwater issues. There are no special concerns with respect to foundation for proposed elevators.

F. Landscape & Enclosure (Street Level)

- (1) Grass cover - Front and rear private yards partially seeded. Common rear yard partially seeded.
- (2) Plantings - None
- (3) Trees - There will be six trees planted along the front curb line.
- (4) Fencing - Wrought iron fencing enclosing all private yards. Metal frame and canvas mesh dividing the roof top terraces.
- (5) Gates - Providing access to all front private yards.
- (6) Garden Wall - None.
- (7) Retaining Wall - At rear of property.
- (8) Display Pools and Foundations - None.

G. Building Size

- (1) The total height of the building from the average curb (base plane) elevation 60.82' to top of the main roof slab elevation 126.80' is approximately 66.0'.
- (2) There is one cellar with a floor-to-ceiling height of 8'-9" typically, 11'-0" at the boiler room.
- (3) There are seven (7) floors
- (4) The bulkhead includes the elevator machine room level (elevation 132.68') and the cooling tower level (elevation 140.68')
- (5) Parapet: Height from top of roof finish to top of parapet will be a minimum of 3'-6".

H. Structural System

Superstructure: Cast-in-place reinforced concrete frame consisting of flat plate floor construction, rectangular columns with a minimum dimension of 10", and 8" to 12" thick shear walls for lateral load resistance. Concrete for the superstructure will have a minimum 28-day strength of 5,000 psi and a maximum water/cement ratio of 0.4 for durability. At areas where the frame is exposed to weather, such as exposed concrete columns, slab edges, and balconies, epoxy-coated reinforcing bars and nylon coated tie wire will be used, concrete cover increased, and penetrating sealer applied for corrosion protection. The roof will be framed with a flat plate system similar to the floors.

- (1) Exterior of Building:
 - (i) Walls: The exterior walls will be cast in place concrete. The above grade walls will have a U-Value of 0.09.
 - (ii) The windows will be aluminum (casement and fixed) double-glazed windows placed in structural concrete masonry openings. The casement windows will be crank operated. Clear glazing (U-value of 0.29), opaque glazing (U-value of 0.48), and glass block (U-value of 0.20) shall be applied. The overall glazing U-value is to be 0.50.
 - (iii) Window frame will be fastened directly to the underside of slab above, top of slab and to the concrete columns at the sides, without the use of lintels or sills. Windows will be shimmed and caulked along the perimeter of frames. A permanent water drip will be cast into the concrete at the window heads.
 - (iv) Lot Line Windows: None
- (2) Parapets and Copings: The parapets and copings will be cast in place concrete with a minimum finish height of 3'-6" above the finished paving. Concrete copings are slightly pitched back towards roofs.
- (3) There will be one chimney for the heating system gas fired boilers and gas fired domestic hot water heaters sized at 14 inch diameter of double wall, lined Type B Construction.

- (4) **Balconies:** Balconies will be constructed by means of extended slabs cast monolithically with the rest of the floor. The residential balconies will have an exposed concrete finish with a metal guardrail and glass balustrade.
Terraces: 7th floor terraces will have roofing material and concrete pavers and a metal guardrail and glass balustrade.
Terraces: Roof-top terraces will have roofing material and concrete pavers and metal frame and canvas mesh dividers.
- (5) **Exterior Entrances:** Exterior doors and frames will be metal and glass.
- (6) **Service Entrances:** Service door and frame will be metal.
- (7) **Roof and Roof Structures:**
- i) **Type of Roof**
 - (a) **Material:** The roofing systems will be a fluid applied reinforced membrane roofing system by American Hydrotech.
 - (b) **Insulation:** Insulation shall be Styrofoam brand 4" high density insulation with an R-value of 20.
 - (c) **Surface Finish:** The surface finish will be concrete pavers.
 - (d) **Warranty:** The roofing system shall have a twenty year manufacturers warranty.
 - (e) **Flashing Material:** Uncured neoprene flashing / reinforcing sheet.
 - ii) **Drains:**
 - (a) **Location:** Four (4) 6" interior roof drains.
 - (b) **Material and Type:** Extra heavy duty cast iron drains with adjustable caps.
 - iii) **Skylights:** None
 - iv) **Bulkheads:**
 - (a) **Elevator:** The elevator bypass and machine room will be part of the roof bulkhead, which will consist of cast in place concrete walls.
 - (b) **Stairs:** The stair enclosure will be part of the roof bulkhead that will consist of a cast in place concrete walls and 2hr-rated gypsum shaft walls.
 - (c) **Other:** Water cooling tower.
 - v) **Metal work at roof levels:** There are exterior metal stairs at the roof level going to the elevator machine room and the cooling tower.
- (8) **Yards and Courts:**
- Communal Back Yard:** Access provided from the central elevator lobby at the basement level.
- Private Rear yard:** Access provided from the lower level of the townhouses.
- Private front yard:** Access provided from the upper level of the townhouses and through a gate from the sidewalk.
- i. All yards have grass lawns and partial concrete pavers.
 - ii. The yards have area drainage.
 - iii. The yards are divided by wrought iron fences.

- iv. The rear yards are enclosed by a concrete retaining wall at the rear of the property.

(9) Interior Stairs:

- i) Number of Stairs: There are two interior egress stairs, which extend from grade up to the roof bulkhead and two interior egress stairs from the cellar storage to grade. There are 8 interior convenience stairs, which extend from the cellar up to grade, one in each townhouse and 6 interior convenience stairs, which extend from the 7th floor to the roof, one for each penthouse.
- ii) Enclosure: Each egress stair will be enclosed with a reinforced concrete shear wall or 2 hour rated drywall partition. Each stair will be painted.
- iii) Stair Construction: All the stairs will be concrete.
- iv) Stringers: None
- v) Treads egress stairs: Concrete
- vi) Risers egress stairs: Concrete
- vii) Hand Rails: There shall be a steel pipe handrail in each egress stair.
- viii) Balustrade: None

(10) Interior Doors and Frames

- i) Unit Entrances: The apartment entrances shall be hollow metal door and frame and will meet the New York City Building Code requirement.
- ii) Residential Unit Interior Doors: 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 hollow-metal and will meet the New York City Building Code requirements.
- iii) Egress Stair Doors and Frames: All doors and frames shall be hollow-metal with a glass light and will meet the New York City Building Code requirements.
- iv) Roof Doors, Basement Doors & Frames: All doors and frames shall be hollow-metal. All doors will meet the New York City Building Code requirements.

(11) Elevators

- i) There shall be 1 passenger and 1 passenger/service elevator servicing the residential apartments, cellar.
- ii) The elevators shall have a capacity as follows:

One 2,000 lb. Capacity	approx. 6 people (Max. 13)
One 2,500 lb. Capacity	approx. 8 people (Max. 16)
- iii) The type of operation will be as follows: Group Automatic

- iv) Model: Geared Elevonic 2535
- vi) The elevator machine room will be located in the roof bulkhead.
- vii) Elevator cab finishes are as follows:
 - Walls: Wood Panels
 - Floor: Carpet
 - Ceiling: Metal drop-in

I. Auxiliary Facilities

a. Laundry Room – None

b. Refuse Disposal

- i) Incinerators: None
- ii) Compactors: There will be one compactor located in the cellar servicing the residential apartments only. A trash chute will be accessible from each floor with one hopper per floor.
- iii) Approvals: None required.
- iii) Storage Location: The compacted bags will be stored in the Compactor Room until they are transferred to street level.
- iv) The bags from residential compactor room will be picked up by the New York City Department of Sanitation.
- v) Compactor: Wilkinson model Blue Max Bagger.

J. Plumbing and Drainage

- 1. Water Supply: The domestic water system will be provided by one (1) 4 inch metered water service connection to the New York City water main in West 53rd Street. The service will be connected to a constant pressure triplex booster pumps set in the basement to serve all fixtures throughout the building distributed by type L copper tubing. The water supply is regulated by the New York City Department of Environmental Protection.
- 2. Fire Protection System:
 - a. Fire Water Services: The fire protection system will consist of one (1) 8 inch fire sprinkler service connected to the New York City water main in West 53rd Street. This service will connect to an automatic start 500 gallons per minute fire pump located in the cellar level fire pump room.

- b. Standpipes: The pump will supply the fire standpipe hose racks and the sprinkler system. The fire service main will be provided with a water meter used only for check purposes.
- c. Hose Rack, Hoses And Nozzles: The standpipe system will consist of hose racks in the stairwell on each floor with one hundred and twenty five feet (125) of one and one half inch hose.
- d. Sprinkler System: The sprinkler system will be a wet system with sprinklers installed throughout the building having concealed sprinkler heads in residential units and common public areas as well as pendant and upright heads in non hung ceiling areas. One flush mounted siamese connection will be located at the front of the building supplying both fire standpipe and sprinkler systems. Water flow alarms and Tamper Switches will be electrically monitored and supervised.
- 3. Water Storage tanks and enclosure: None. Service will be from city water main.
- 4. Water Pressure and How Maintained: Water pressure will be maintained between 20 and 50 pounds per square inch (psi) by the constant pressure triplex booster pump system.
- 5. Sanitary Sewage System:
 - a. Sewage Piping: The Sanitary sewage system will be a gravity system for all floors above the basement level and will consist of vertical and horizontal cast iron piping run to the house trap in the basement level.
 - b. Sump Pumps:
 - c. Sewage Disposal: The main will discharge into the New York City sewer main located in West 53rd Street. Due to the lower elevation of the basement floor, the cellar sanitary waste will be pumped to the city main by a duplex pump ejector system.
- 6. Permits required: All permits for the plumbing and drainage system will be obtained from appropriate agencies of the City of New York.
- 7. Storm Drainage System: The storm water system will consist of roof area and rear yard area drains with vertical storm leaders and gravity horizontal mains that connect into the house main at the basement level. Water will discharge into the West 53rd Street combination sanitary-storm New York City sewer system main.

K. Heating

- 1. Domestic Hot Water System: Domestic hot water will be produced by the duplex gas fired hot water storage type tank heaters at the basement room.
- 2. Space Heating: Heating in units will be achieved by the water source electrically operated heat pump air conditioning unit at the exterior windows. Toilets will be heated at the 7th floor units by electric cabinet type heaters. Heating in the lobby will be by heat pump units. Heating in the corridors will be by a gas fired roof top common area air conditioning unit. Heating for the building will be by (5) new modular gas fired hot water boilers located in the basement. Hot water circulator pumps will

circulate hot water through copper supply and return piping throughout all residential units and common areas for use by the heat pumps. Heating system capacity will provide adequate heating throughout the building.

3. Fuel: Boilers will be supplied with Natural Gas by Con Edison.

L. Gas Supply

1. Type: Gas will be used for residential units for cooking ranges. Gas will also be used for providing domestic hot water for all plumbing fixtures and showers in Residential Units and Common Elements.
2. Meters: Gas service will be provided by Consolidated Edison Company of New York and will consist of one main sized by the utility with (2) meters. One meter will be for the Buildings heating system and the other will be for the apartments gas needs. The meters will be located in the basement level gas meter room.
3. Piping Material: Black steel Schedule 40 pipe with malleable fittings for low pressure piping 4 inch and smaller and welded joints for low pressure piping over 4 inches.

M. Air Conditioning

1. Type of System: Air conditioning in the Residential Units will be by water source electrically operated vertical heat pump air conditioners located at each exterior window area.
Air Conditioning for Common Area will be by heat pump units and the air cooled, electric roof top air conditioning unit.
2. Cooling Tower And Pumps: Located on main roof in bulkhead, enclosed in cast-in-place concrete walls.
3. Individual units: Individual units are designed to meet all requirements of NY State Energy Code. Air Conditioning design is based on 72°F, 50% Relative Humidity at 95°F outside air temperature.

N. Ventilation

1. Kitchens: Generally the kitchen ranges will be provided with non-ducted Exhaust hoods having integral fans. For kitchen ranges remote from exterior windows general exhaust grilles and vertical exhaust duct work will be installed to provide general exhaust via roof mounted exhaust fans.
2. Bathrooms: The toilets will be exhausted to the roof by vertical common exhaust ducts and roof mounted exhaust fans.
3. Lobby and Corridors: The lobby and corridors will be ventilated by the roof top common area air conditioning that will include outdoor air.
4. Compactor Trash Room: Compactor trash room and disposal rooms will be exhausted to the roof by a utility fan mounted on the roof.
5. Mechanical Equipment Room: MER will be provided with ventilation and combustion air for the boilers ducted from two permanent louvers located above the entry doors at the first floor lobby.

6. Gas Meter Room:

The gas meter room will be provided with a ducted gas relief vent to a permanent louver above the entry doors at the first floor lobby.

O. Electrical System

1. Service from main Switchgear:

The Electric service will be provided by the Con Edison Company of New York and will consist of conduit and cable sets from West 53rd Street that enter the main Electric Room. Main Service is 120/208 volts, 3 phase, 4 wire and is arranged to have three (3) main service switches. One 800 Ampere switch is for the Common Elements loads for the elevator power, lights, miscellaneous power etc. One 1,200 Ampere switch is for the fire pump and one 3,000 Ampere switch is for power to all Residential Units.

2. Service to Individual Units:

The Residential Units will each be provided with individual direct utility company electric meter, and dedicated 100 Ampere and 200 Ampere 120/208 volt single phase panelboards. Panelboards will provide adequate power for residential unit lighting, power, receptacles, etc.

3. Service to Common Spaces:

The Common Elements will be provided with one direct utility company electric meter. All meters will be located in the Basement level main electric room. The Common Elements will be provided with separate electrical distribution for lighting and power for the main lobby, stairwell lighting, elevators, fire pump, domestic water pumps, sewage ejectors, domestic hot water heaters, roof top air conditioning unit, etc.

4. Lighting and Receptacles:

Lighting in residential units will be interior incandescent downlight ceiling fixtures, wall fixtures and switched table lamps. Each Convenience receptacles and appliance receptacles will be in accordance with code for spacing and for supporting all appliance equipment. Exterior fixtures will be provided at the balconies, at the rear yard and at the building entry.

P. Telephone, Intercom and Security Systems:

1. Telephone System:

The telephone system will consist of conduit provisions in the south basement foundation wall to accommodate telephone service entrance cables to be provided and installed by Verizon. Residential Units will be provided with raceways provisions from each Unit down to the basement level for the routing of backbone cables. Telephone cables within the Units will connect to Verizon's Network Interface Device located in each Unit.

2. Cable Television System:

The cable television system will consist of conduit provisions to accommodate cable television cable service provided by Cable TV supplier. Residential Units will be provided with raceways provisions from each Unit down to the cellar level for the routing of cable feeds. Cables within the Units will connect to Vendors distribution equipment within the Units.

3. Communication System: Residential Units will be provided with an audio intercom communications system. Each Unit will communicate with the main lobby. A closed circuit television system of cameras, monitors and recorders will be provided. A camera will be placed at the building entrance, at the basement entrance to the common yard and at the roof.

Q. Public and Area Lighting:

Public area lighting will be surface fluorescent in stairwells, ceiling mounted fluorescent in the 1st to 7th floor corridors, wall mounted fluorescent in the basement corridor and a combination of halogen wall and ceiling fixtures at the main entrance lobby.

R. Garages and Parking Areas: None.

S. Swimming Pools: None

T. Tennis courts, Playgrounds and other Recreation Facilities:

1. Tennis Courts – None
2. Play Grounds – None
3. Other - Recreation Room

U. Permits and Certificates :

1. Department of Buildings:
 - a. Excavation and Foundation
 - b. Fence Permit
 - c. Underground Plumbing
 - d. Full Construction (Architectural, Mechanical, Plumbing)
 - e. Sprinkler and Standpipe
 - f. Curb Cut
 - g. After Hour Variances (Monday through Friday 7:00 PM to 6:00 AM)
 - h. Weekend Variances (Saturday)
2. Department of Transportation:
 - a. Sidewalk closing for joists and cranes
 - b. Builders Paving Plan-New Sidewalk
 - c. Permits (Containers, Sidewalk Closing, Material Storage, Truck Unloading, etc.)

V. Unit Information :

Description of Units

There will be Residential units in the Basement through to the 7th floors whereby the penthouses extend onto the roof. There are mechanical uses for the Cellar and Roof Bulkhead

Each of the 66 residential units will consist of the area measured horizontally from the exterior face of the perimeter wall (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one unit from another unit and including walls dividing the units from corridors, stairs, elevators and other mechanical equipment spaces or any common elements; or to the exterior face of the opposite perimeter walls. Room dimensions will be taken from the finished face of partitions or the unit side of glass. Each residential unit will consist of the area measured vertically from the top of the concrete floor to the underside of the ceiling.

Floor	Approximate Floor To Floor Height	Approximate Floor to Underside of Slab Height	Approximate Dropped Soffit Height
Basement Floor		-9'5"-8'-9" generally	-7'-8 1/4" generally
1st Floor	-9'4 1/4"	-8'-8 3/4" generally	-7'-8 1/4" generally
2 nd -6 th Floors	-9'4 1/4"	-8'-8 3/4" generally	-7'-8 1/4" generally
7 th Floor	-9'4 1/4"	-8'-8 3/4" generally	-7'-8 1/4" generally

Finishes, Fixtures & Equipment

1) Finish Schedule – Residential Units:

<u>Space</u>	<u>Floor</u>	<u>Wall</u>	<u>Base</u>	<u>Ceiling</u>	<u>Countertop</u>	<u>Backsplash</u>
Kitchenettes	CT	GWB/ PT	WDB	GWB HC /PT	ST	SS
Kitchen	CT	GWB/ PT	WDB	GWB HC /PT	ST	SS
Bathrooms	CT	WRWB CT GLT/CT PT/GL/ GWB		GWB HC /PT	ST	ST
Foyer	WDF	GWB/ PT	WDB	GWB HC /PT	N/A	N/A
Living Room	WDF	GWB/ PT	WDB	CONC/ PT/GWB SOFFIT	N/A	N/A
Bedrooms	WDF	GWB/ PT	WDB	CONC/ PT/ GWB SOFFIT	N/A	N/A
Closets	WDF	GWB/ PT	WDB	CONC/ PT/GWB SOFFIT	N/A	N/A

2) Fixtures

Bathroom Fixtures

Master Bathrooms:

Toilet: Kohler #K-3322 Gabrielle Comfort Height One-Piece

Tub : Kohler #K-855 Tea for Two
Waterworks #CLBT03 Classic Tub 3

Tub Only Faucets: Kohler #K-T14423-4 Purist Bath. Lever Handle, #K-14427
90 Spout

Shower Only Faucets: Kohler #K-T14422-4 Purist Shower Only Trim,
Lever Handle

Tub + Shower Faucets: Kohler #K-T14421-4 Purist Bath and Shower,
Lever Handle, 90 Spout

Lavatory: Kohler #K-2210 Caxton Sink

Vanity Sink Faucet: Kohler #K-T14406-4 Short Lever Handles

Powder Room

Lavatory: Kohler #K-2210 Caxton Sink

Vanity Sink Faucet: Kohler #K-T14406-4 Short Lever Handles

Toilet: Kohler #K-3322 Gabrielle Comfort Height One-Piece

Second Bath:

Toilet: Kohler #K-3322 Gabrielle Comfort Height One-Piece

Lavatory: Kohler #K-2210 Caxton Sink

Vanity Sink Faucet: Kohler #K-T14406-4 Short Lever Handles

Tub: Kohler #K-1242-LA/RA Mariposa

Tub + Shower Faucets: Kohler #K-T14421-4 Purist Bath and Shower,
Lever Handle, 90 Spout

Kitchen/Laundry:

Refrigerator: GE Appliances #PDS22SCRRSS Bottom Freezer Drawer (L)
GE Appliances #GTL16JBRBS (S)

Gas Range: GE Appliances #JGS968SHSS Slide-in Gas Range

Dishwasher: GE Appliances #PDW9280JSS Built-in Dishwasher

Microwave: GE Appliances #JVM1871SH Microwave Hood Combination

Washer/Dryer: Bosch Condensate Dryer #WTL 5410
Bosch Washer #WFL 2060

Sink: Kohler #K-3325 Undertone Extra-Large Kitchen Sink

Faucet: Kohler #K-8220-K/K-16070-4 Tabet Kitchen Sink Faucet

Optional Hot Tubs:

As indicated on plan: Hot Spring Portable Spas-2004 Jetsetter
Prefabricated unit installed directly over pavers.

Offered at \$10,000 per unit.

W. Finish schedule of space other than units

<u>Space</u>	<u>Floor</u>	<u>Wall</u>	<u>Base</u>	<u>Ceiling</u>
Public Corridor	CPT	CONC/ PT/ VWC/GWB	VB	CONC/ PT/GWB/HC
Lobby	CONC	GWB/PT/CONC WD		CONC/PT/GWB HC
Package Room	CONC	GWB / PT		CONC/PT
Mail Room	CONC	GWB/ PT/WD		GWB HC/PT
Bathrooms	CT	GWB/CT PT		PT/ GWB HC
Stairs	CONC/ PT	CONC/ PT/GWB		CONC/PT
Refuse Rm	VCT	CONC/GWB CT/PT		CONC/ PT
Electrical Clos	CONC/ PT	GWB/ PT		CONC/ PT

ABBREVIATIONS FOR FINISHES

ACT	ACOUSTICAL TILE
CT	CERAMIC TILE
CPT	CARPET
CONC	CONCRETE
DE	DECK ENAMEL
GL	GLASS
GLT	GLASS TILE
GT	GRANITE TILE
GWB	GYPSUM WALLBOARD
HC	HUNG CEILING
LWP	LIQUID WATERPROOFING
MB	METAL BASE
MT	MARBLE TILE
PL	PLASTER
PT	PAINT
QT	QUARRY TILE
SP	SPRAY PAINT
SS	STAINLESS STEEL
SSB	STAINLESS STEEL BASE
ST	STONE
TZ	TERRAZO

V	VINYL
VB	VINYL BASE
VCT	VINYL COMPOSITION TILE
VWC	VINYL WALL COVERING
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD
WDB	WOOD BASE
WDF	WOOD VENEER FLOOR

**X. Fire and Smoke
Detection Systems**

Safety and Warning Devices: The building will be provided with a sprinkler alarm/smoke detection system to monitor the sprinkler water flow switches and tamper switches as well as the monitoring of code required smoke detectors in non residential units. Alarms will be transmitted to the Fire Department via Central Station monitoring company.

Residential units will be provided with stand-alone 120 volt wired smoke detectors for sleeping area per the code. Alarms will be localized within the respective units.

Y. Additional Information:

See Drawings

Sign before me this 30th day
of November 2004

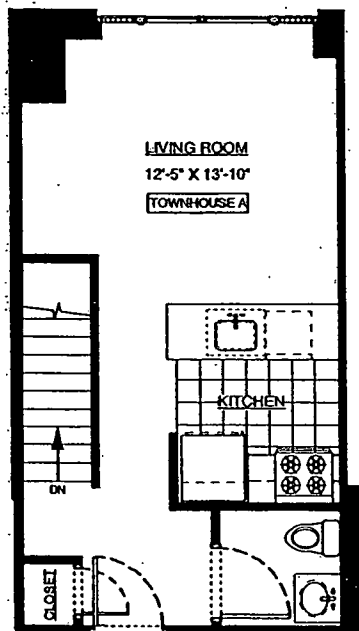
Elizabeth Maruggio Algeri
NOTARY PUBLIC

ELIZABETH MARUGGIO ALGERI
Notary Public, State of New York
No. 01AL4853432
Qualified in New York County
Commission Expires 12/22/06

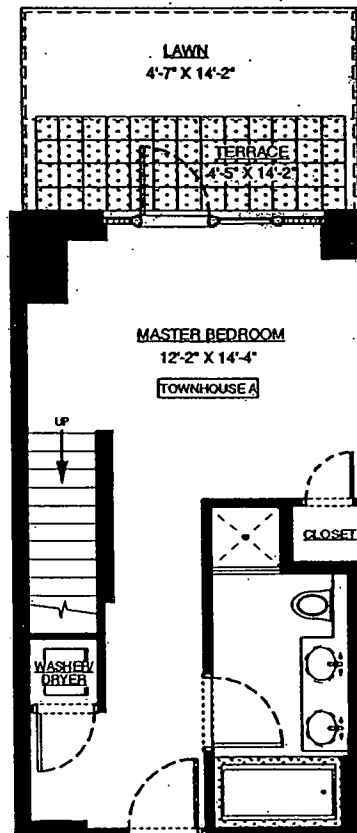


CONDOMINIUM FLOOR PLANS

All dimensions of the following floor plans and Schedule B of the Declaration are approximate and may exceed the usable floor area of the unit which is so depicted. The following floor plans are subject to variations between such floor plans and the actual condominium floor plans to be filed with the Office of the City Register, New York County, and to changes in fenestration and other revisions which are deemed advisable by the local department of buildings or other agencies having jurisdiction over same, or which are necessitated by job conditions, or are permitted to be made by Sponsor in accordance with the Plan.



UPPER LEVEL

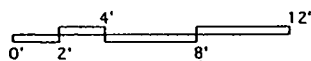
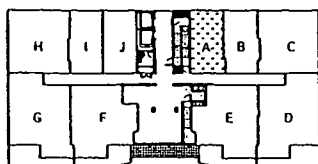


LOWER LEVEL

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NEW YORK, NY 10019

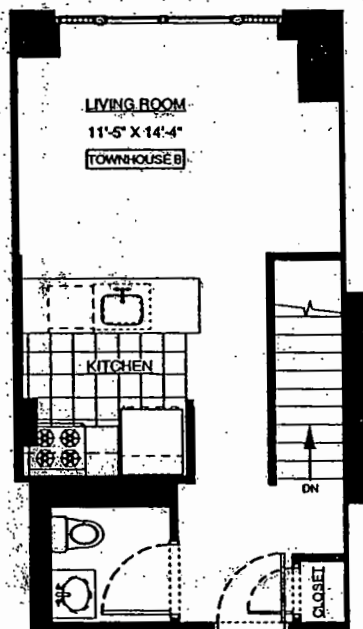
TOWNHOUSE A
1 BEDROOM
1.5 BATH

INTERIOR: 812 SF
EXTERIOR: 130 SF

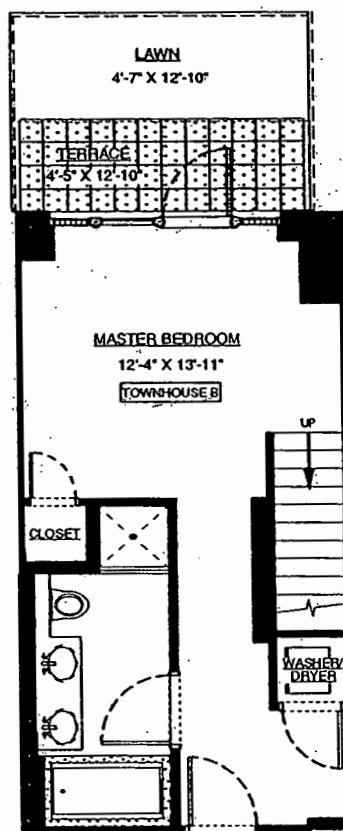


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



UPPER LEVEL



LOWER LEVEL

350 WEST 53RD STREET
NEW YORK, NY 10019

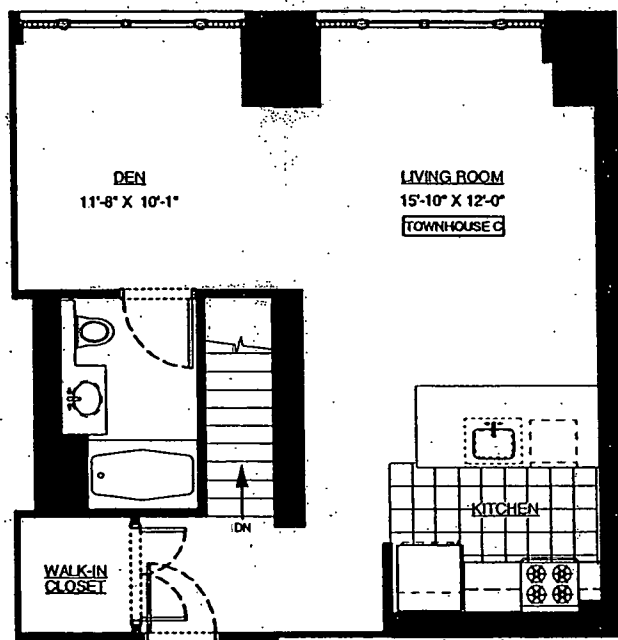
TOWNHOUSE B
1 BEDROOM
1.5 BATH

INTERIOR: 784 SF
EXTERIOR: 117 SF

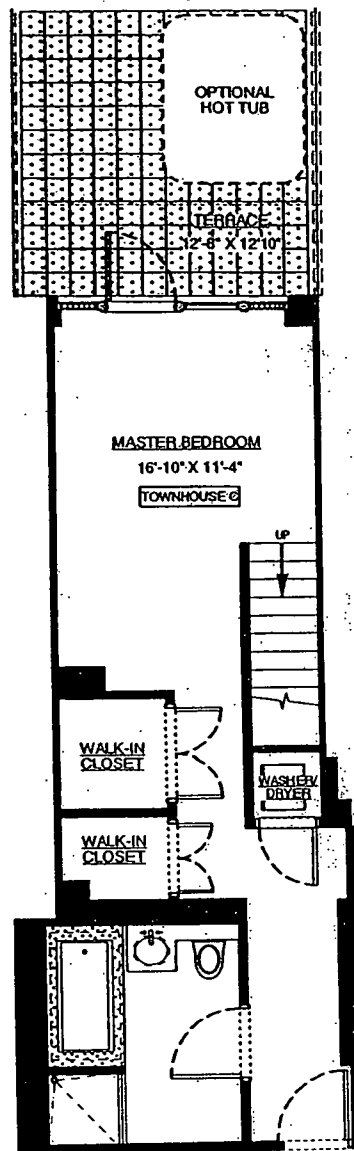


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE



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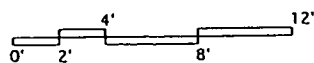
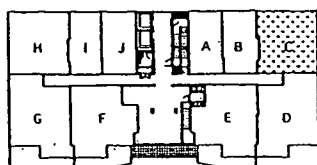


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NEW YORK, NY 10019

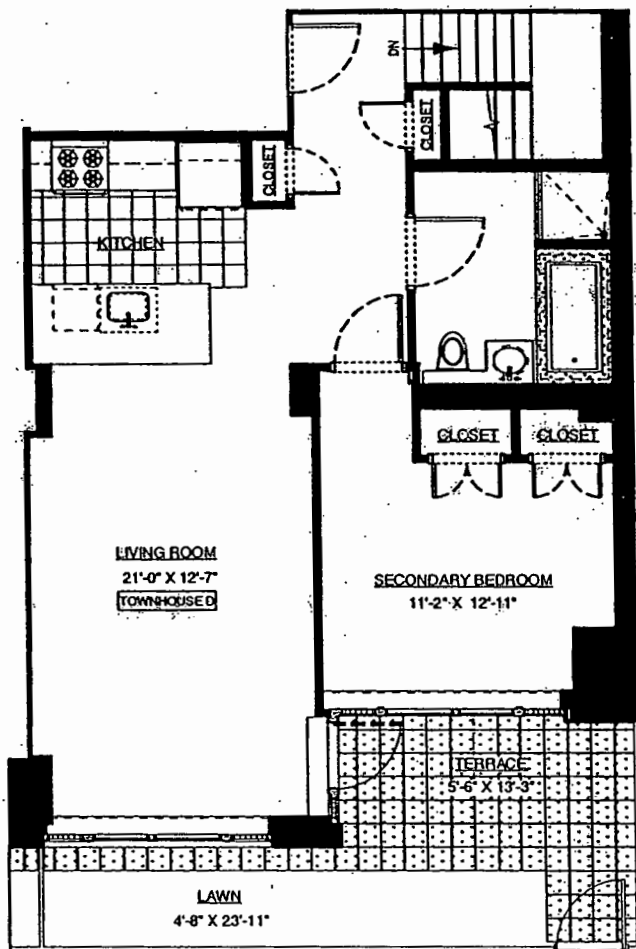
TOWNHOUSE C
1 BEDROOM
DEN / BEDROOM
2 BATH

INTERIOR: 1177 SF
EXTERIOR: 165 SF

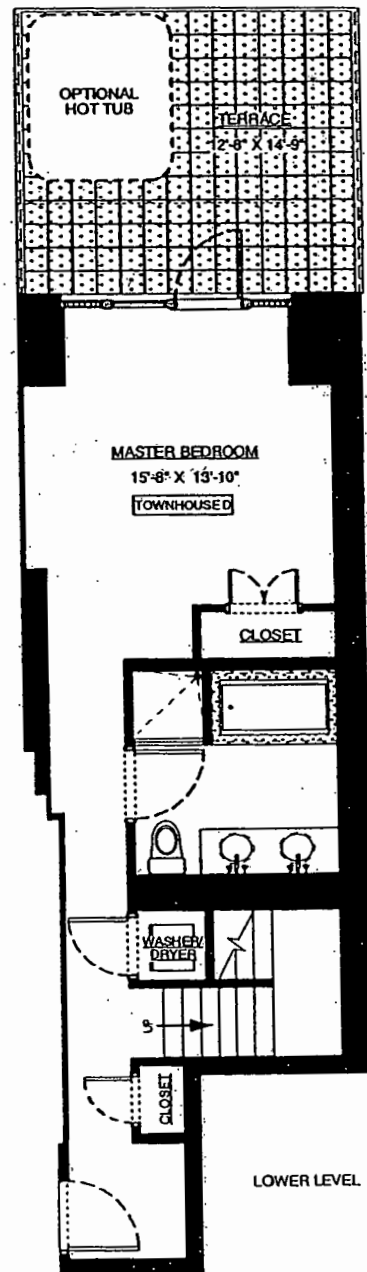


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



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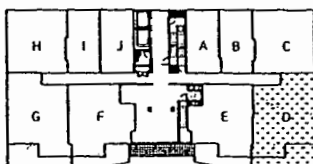


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NEW YORK, NY 10019

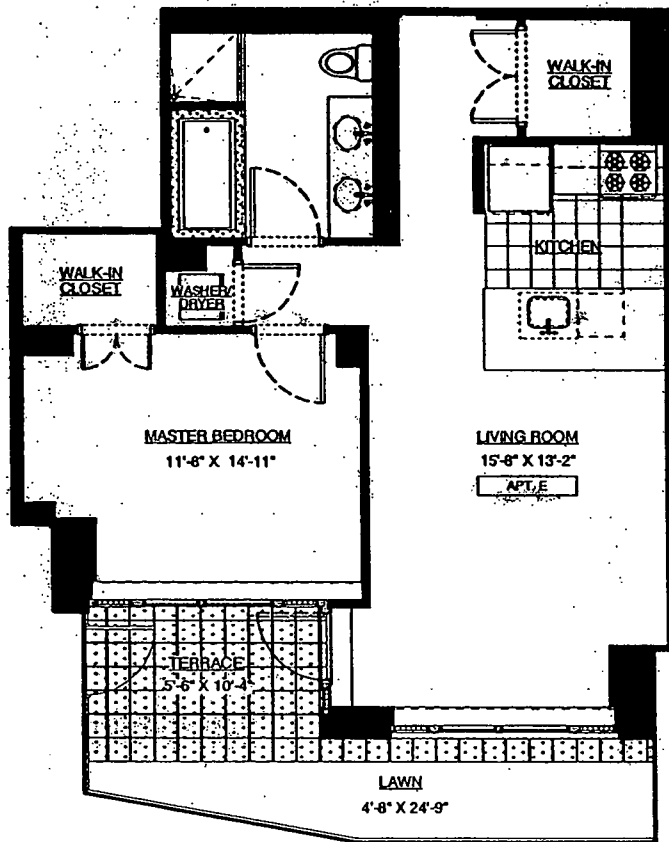
TOWNHOUSE D
2 BEDROOM
2 BATH

INTERIOR: 1384 SF
EXTERIOR: 482 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

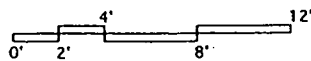
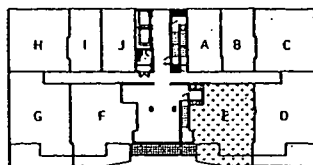
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE



350 WEST 53RD STREET
NEW YORK, NY 10019

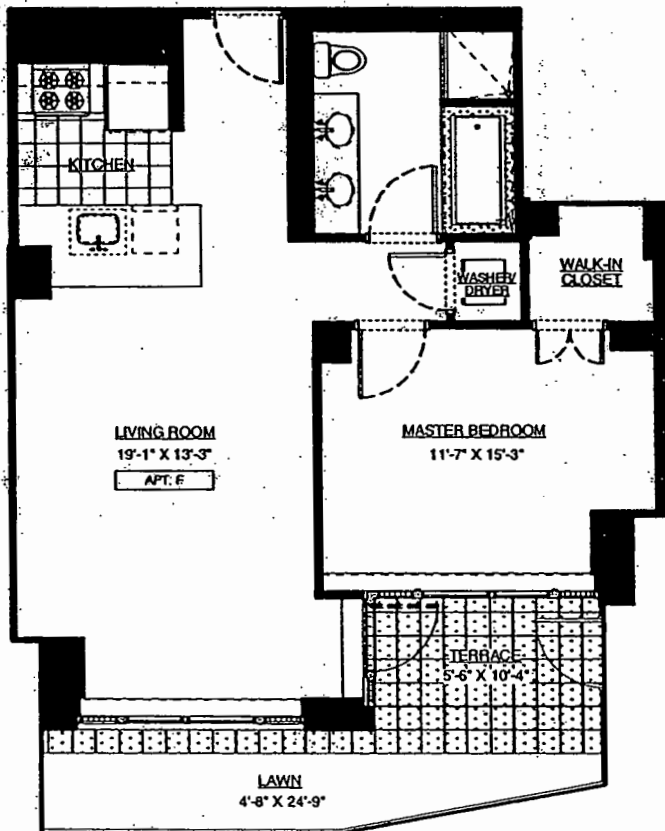
APARTMENT E - 1ST FLR
1 BEDROOM
1 BATH

INTERIOR: 758 SF
EXTERIOR: 162 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

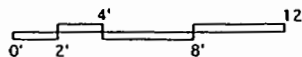
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



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NEW YORK, NY 10019

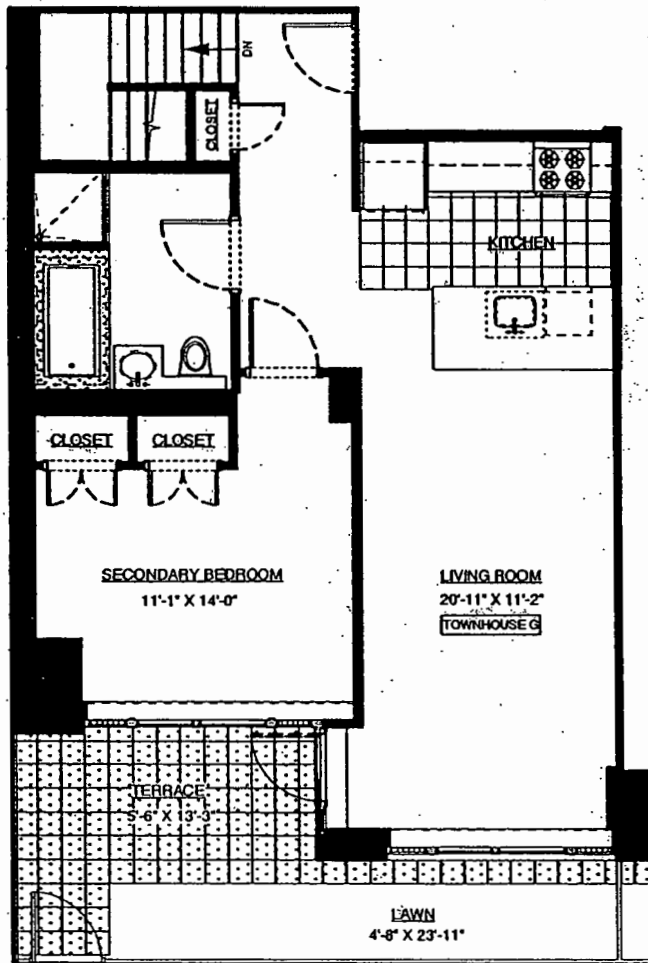
APARTMENT F - 1ST FLR
1 BEDROOM
1 BATH

INTERIOR: 771 SF
EXTERIOR: 162 SF

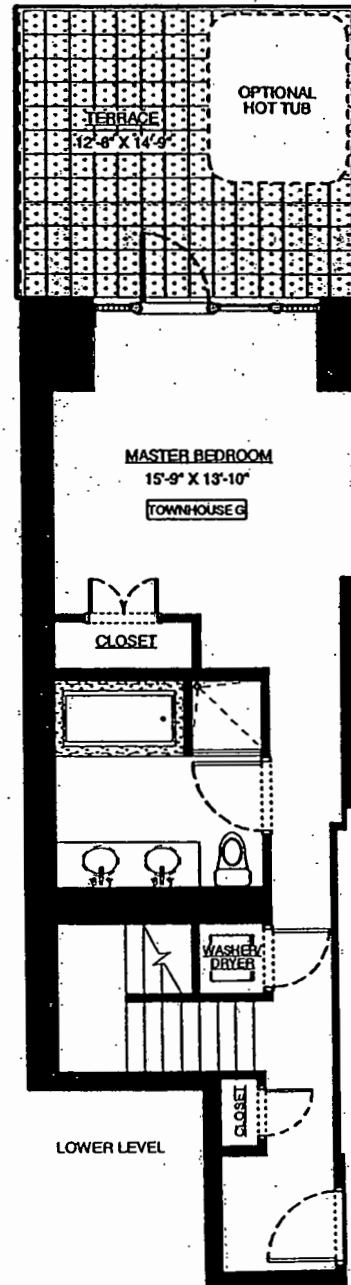


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



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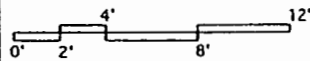
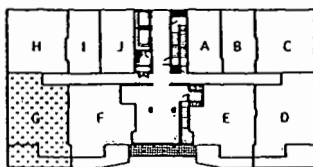


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NEW YORK, NY 10019

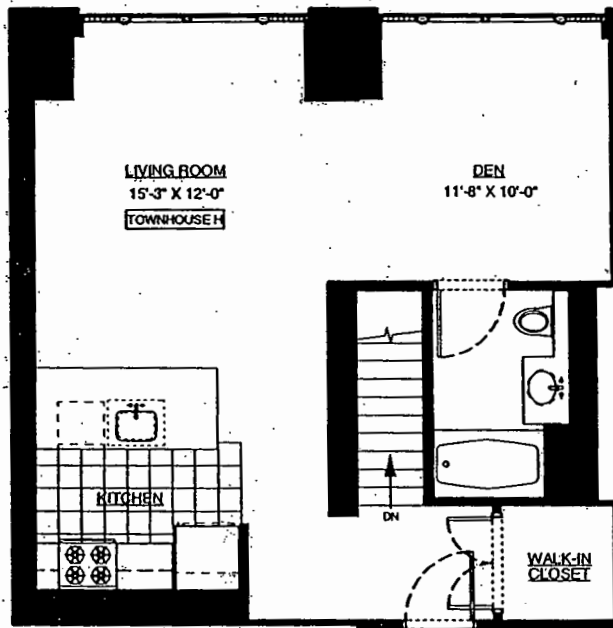
TOWNHOUSE G.
2 BEDROOM
2 BATH

INTERIOR: 1371 SF
EXTERIOR: 482 SF

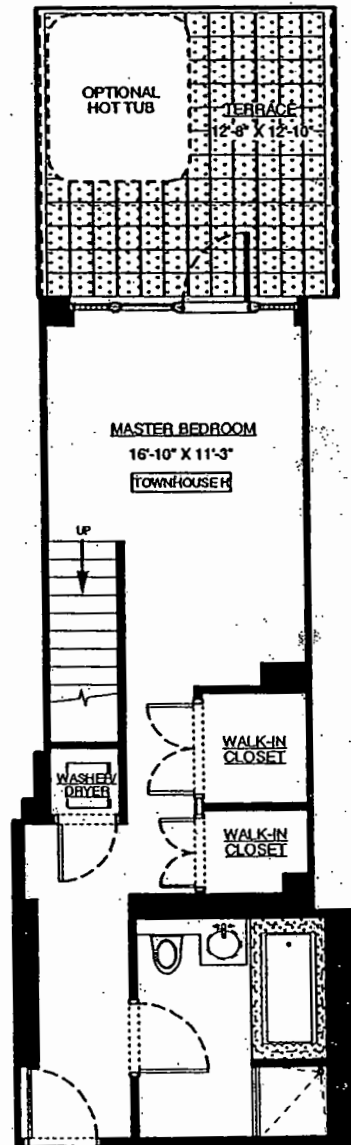


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE
195



UPPER LEVEL

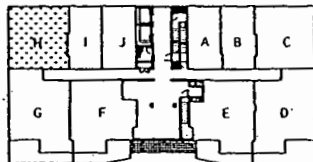


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NEW YORK, NY 10019

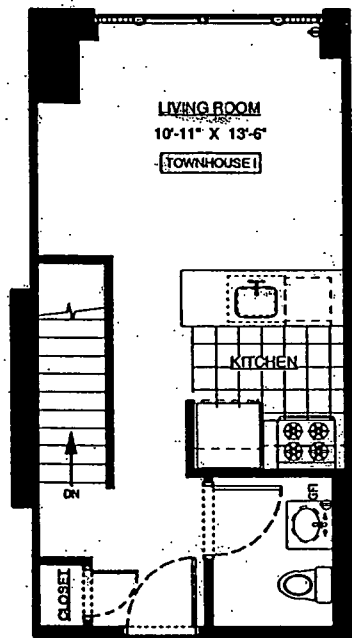
TOWNHOUSE H
1 BEDROOM
DEN / BEDROOM
2 BATH

INTERIOR: 1171 SF
EXTERIOR: 165 SF

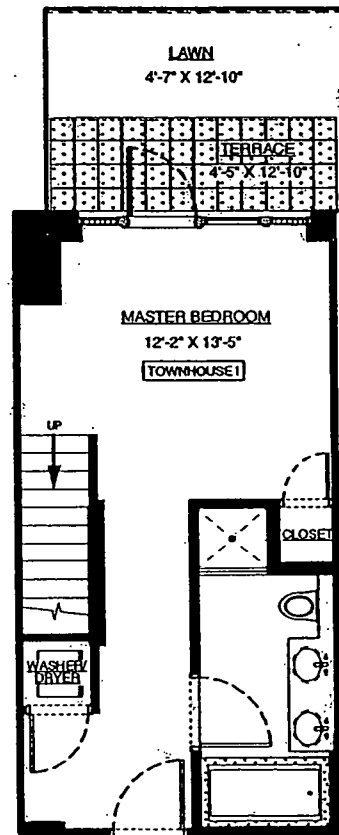


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MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE



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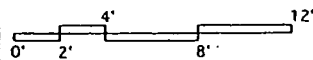
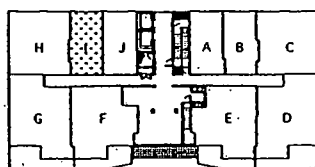


LOWER LEVEL

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NEW YORK, NY 10019

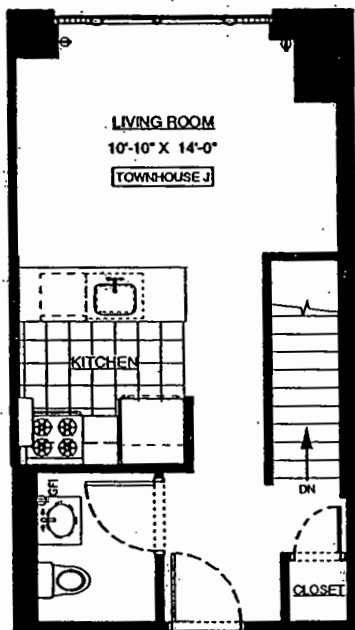
TOWNHOUSE 1
1 BEDROOM
1.5 BATH

INTERIOR: 764 SF
EXTERIOR: 117 SF

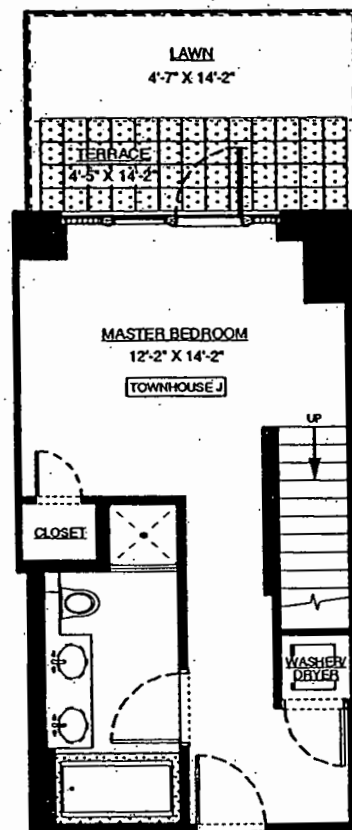


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



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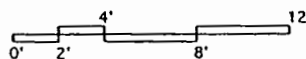


LOWER LEVEL

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NEW YORK, NY 10019

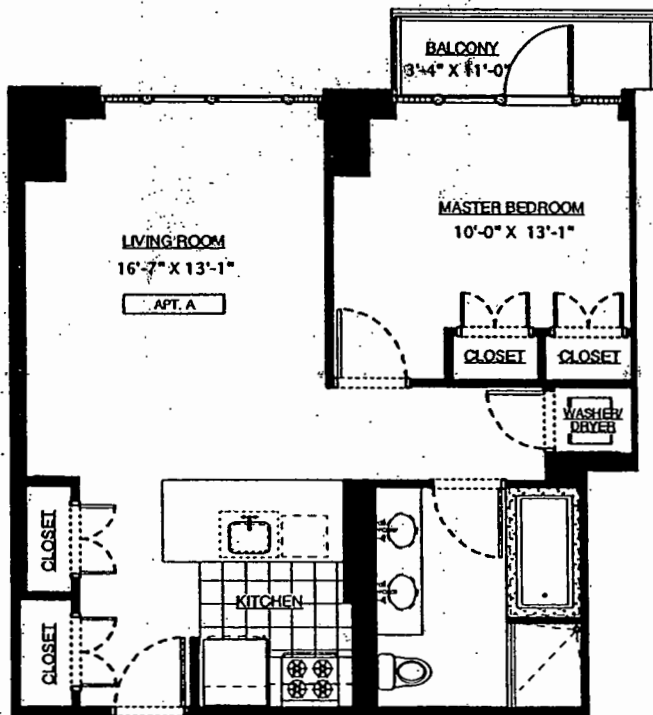
TOWNHOUSE J
1 BEDROOM
1.5 BATH

INTERIOR: 805 SF
EXTERIOR: 130 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

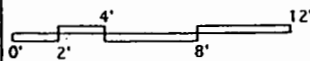
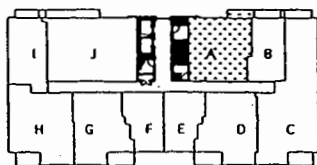
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
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350 WEST 53RD STREET
NEW YORK, NY 10019

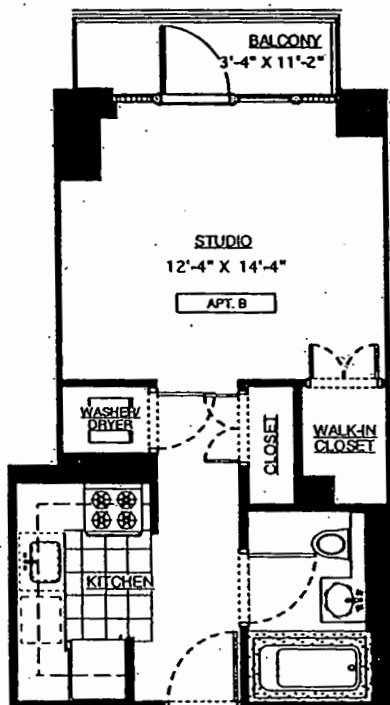
APARTMENT A - FLRS 2-6
1 BEDROOM
1 BATH

INTERIOR: 727 SF
EXTERIOR: 44 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

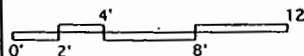
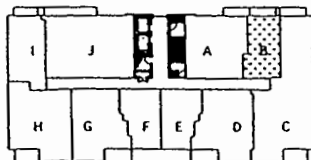
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
100% SCALE



350 WEST 53RD STREET
NEW YORK, NY 10019

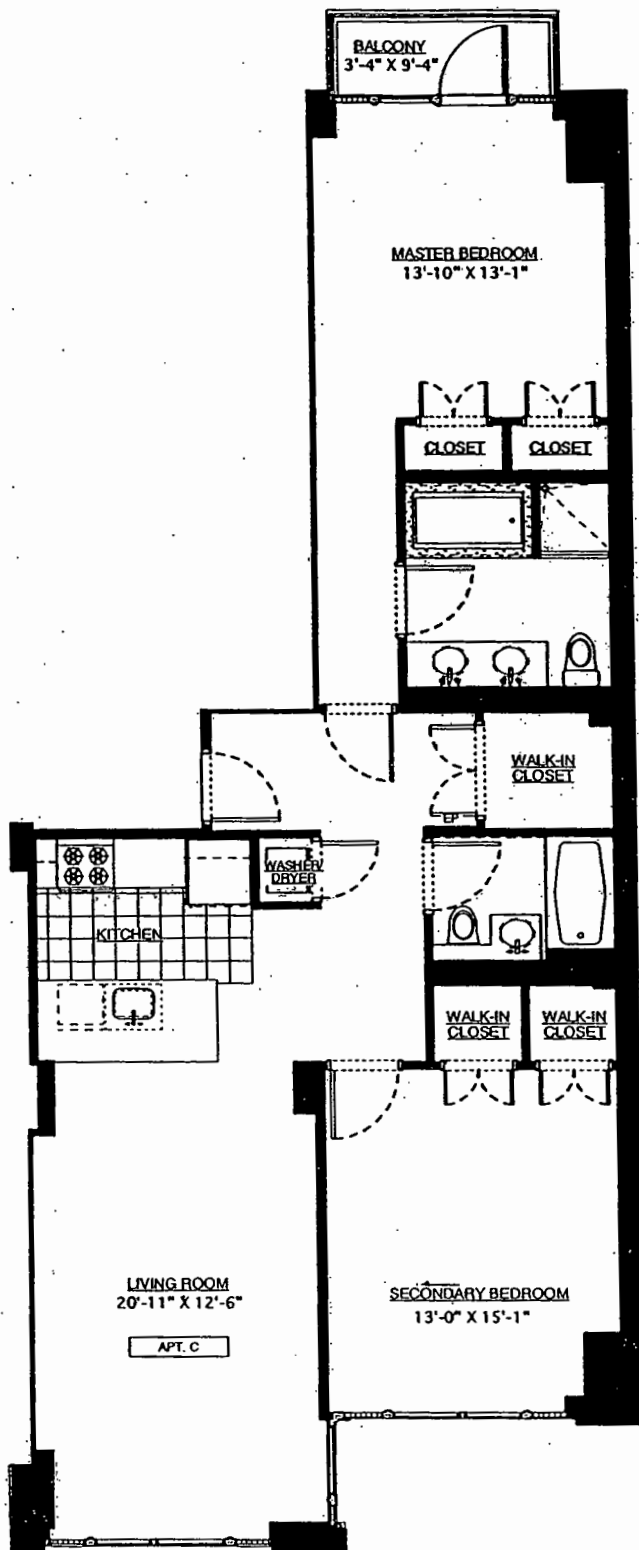
APARTMENT B - FLRS 2-6
STUDIO
1 BATH

INTERIOR: 422 SF
EXTERIOR: 45 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

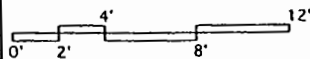
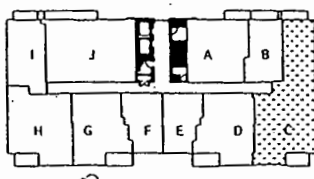
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
198' ACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

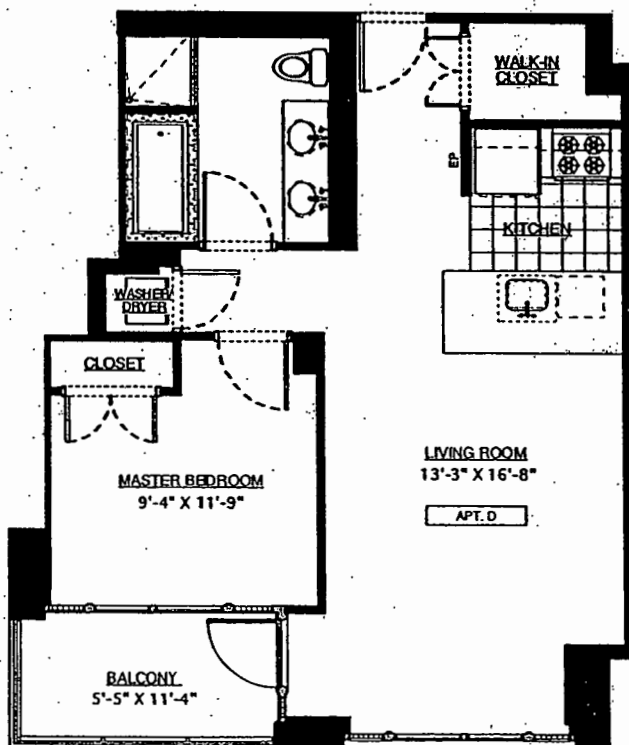
APARTMENT C - 2ND FLOOR
2 BEDROOM
2 BATH

INTERIOR: 1251 SF
EXTERIOR: 40 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
UNLESS NOTED OTHERWISE.

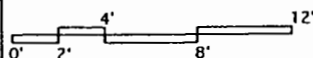
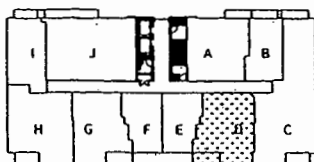


350 WEST 53RD STREET
NEW YORK, NY 10019

APARTMENT D - FLRS 3-6

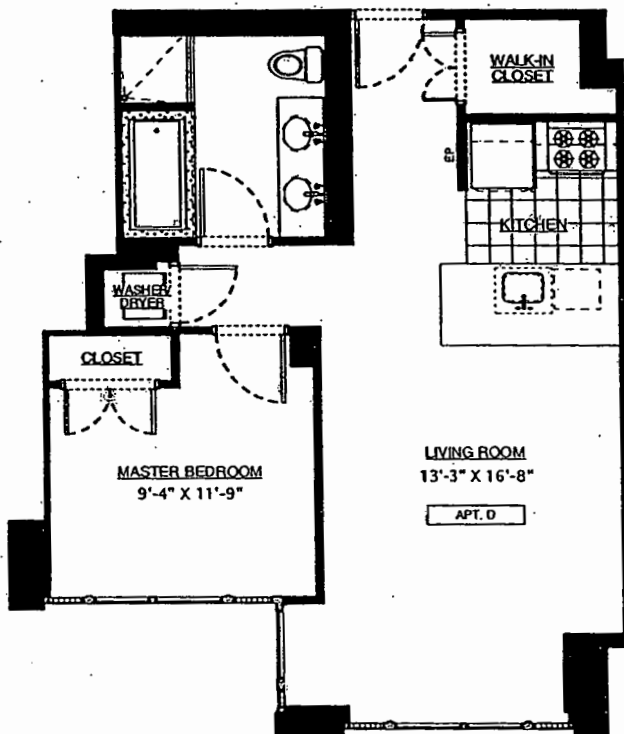
1 BEDROOM
1 BATH

INTERIOR: 713 SF
EXTERIOR: 69 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

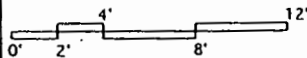
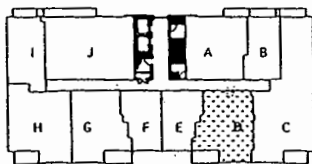
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

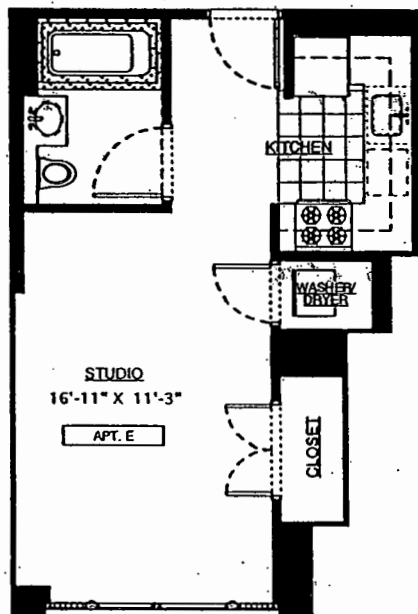
APARTMENT D - 2ND FLOOR
1 BEDROOM
1 BATH

INTERIOR: 710 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

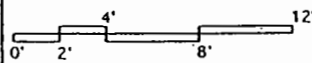
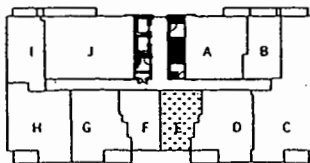
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
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350 WEST 53RD STREET
NEW YORK, NY 10019

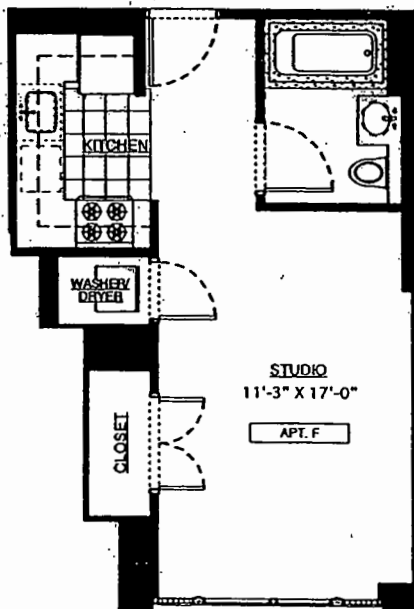
APARTMENT E - FLRS 2-6
STUDIO
1 BATH

420 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

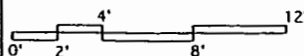
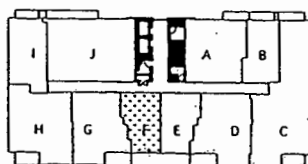
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
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350 WEST 53RD STREET
NEW YORK, NY 10019

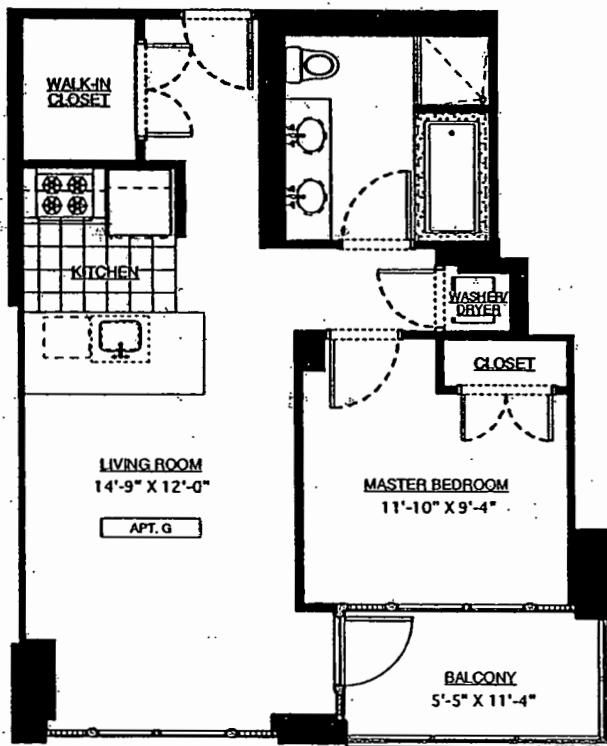
APARTMENT F - FLRS 2-6
STUDIO
1 BATH

421 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

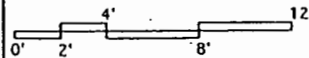
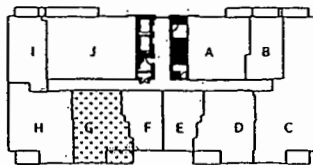
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

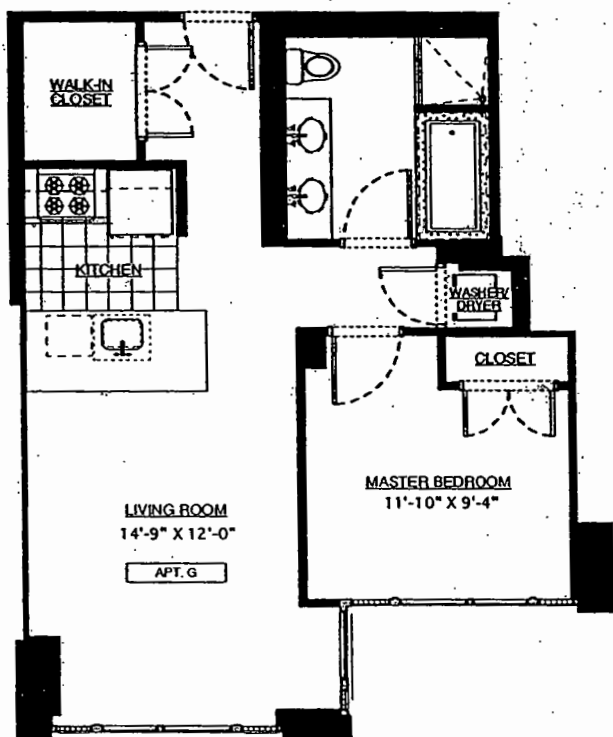
APARTMENT G - FLRS 3-6
1 BEDROOM
1 BATH

INTERIOR: 685 SF
EXTERIOR: 68 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

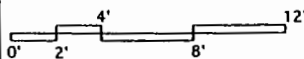
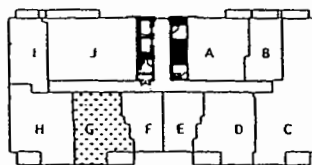
NOTED DIMENSIONS: REFLECT INTERIOR DIMENSIONS
OF SPACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

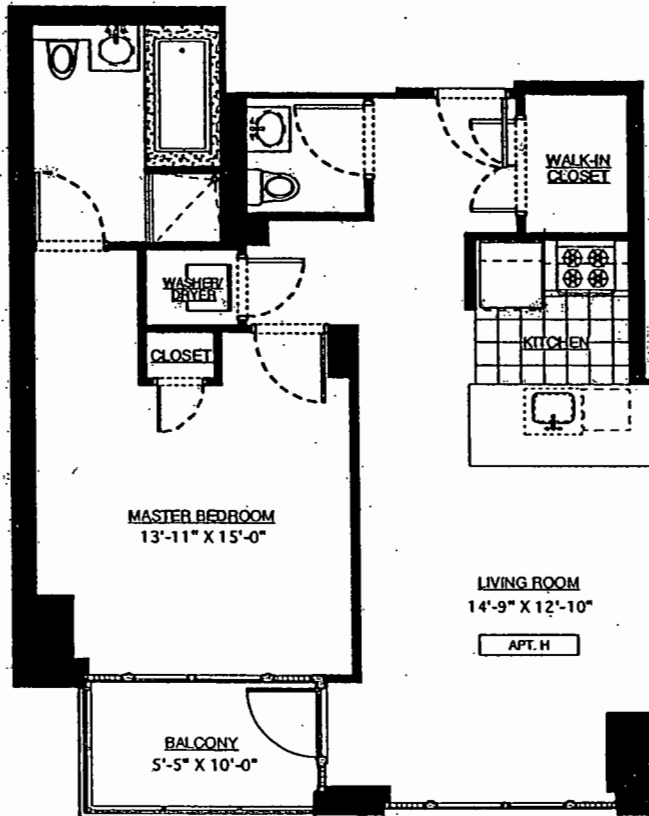
APARTMENT G - 2ND FLOOR
1 BEDROOM
1 BATH

INTERIOR: 685 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

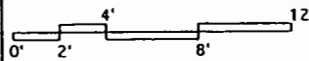
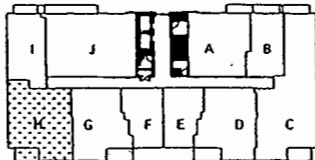
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OF SPACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

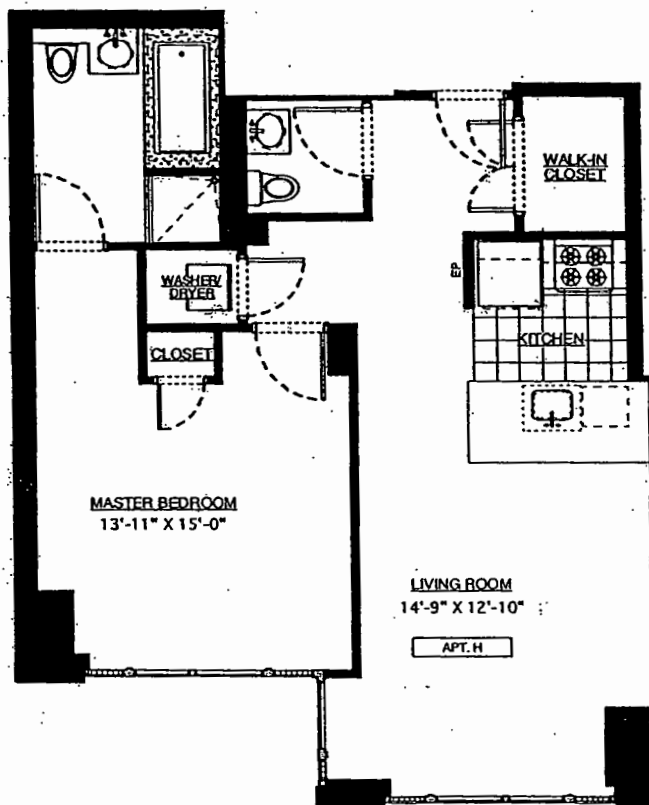
APARTMENT H - FLRS 3-6
1 BEDROOM
1.5 BATH

INTERIOR: 836SF
EXTERIOR: 61 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS
MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

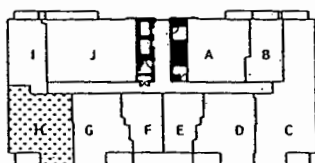
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350 WEST 53RD STREET
NEW YORK, NY 10019

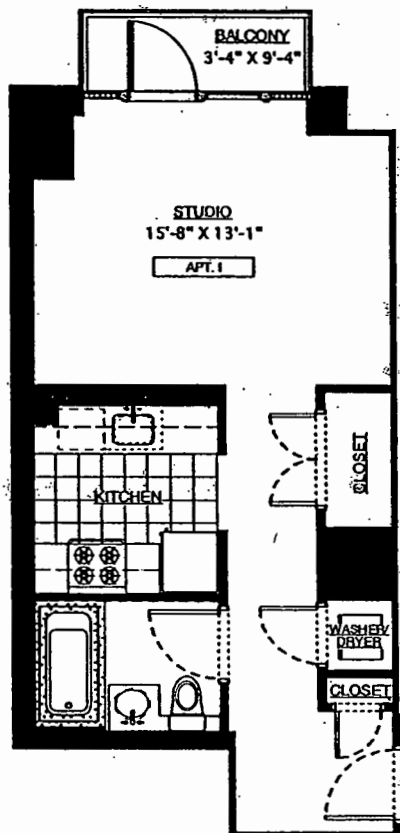
APARTMENT H - 2ND FLOOR
1 BEDROOM
1.5 BATH

INTERIOR: 836 SF



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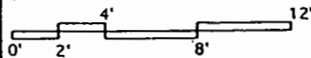
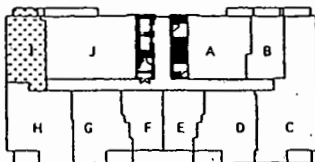
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OF SPACE.



350 WEST 53RD STREET
NEW YORK, NY 10019

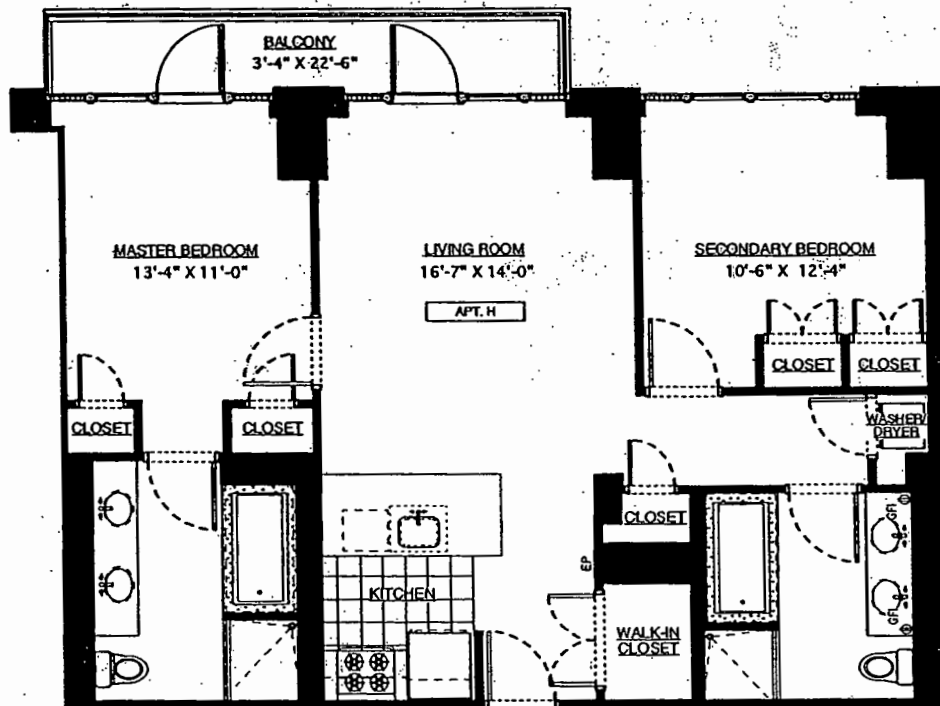
APARTMENT 1 - FLRS 2-6
STUDIO
1 BATH

INTERIOR: 502 SF
EXTERIOR: 40 SF



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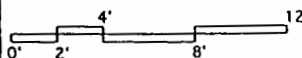
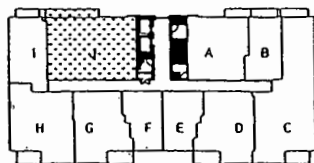
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OF SPACE



350 WEST 53RD STREET
NEW YORK, NY 10019

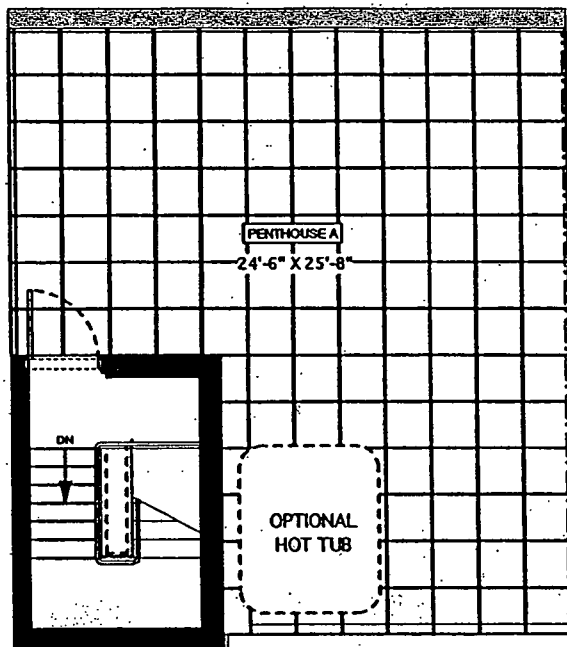
APARTMENT J - FLRS 2-6
2 BEDROOMS
2 BATH

INTERIOR: 1050 SF
EXTERIOR: 89 SF

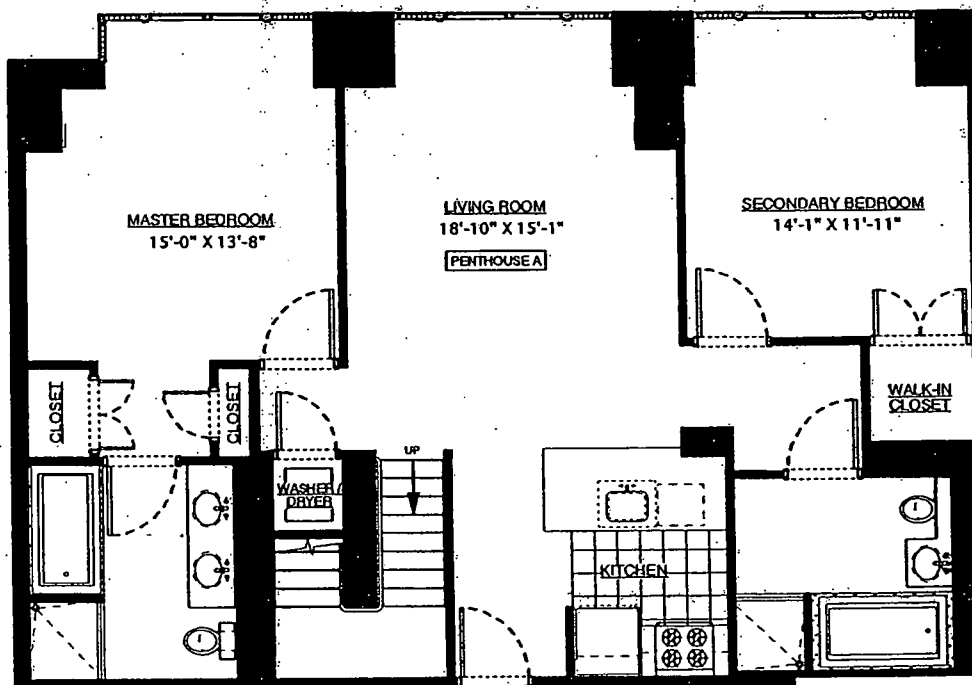


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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



ROOF TERRACE

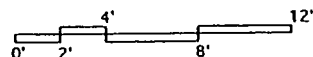
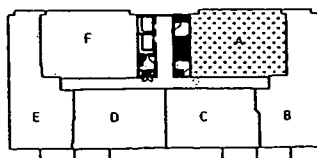


MAIN FLOOR

350 WEST 53RD STREET
NEW YORK, NY 10019

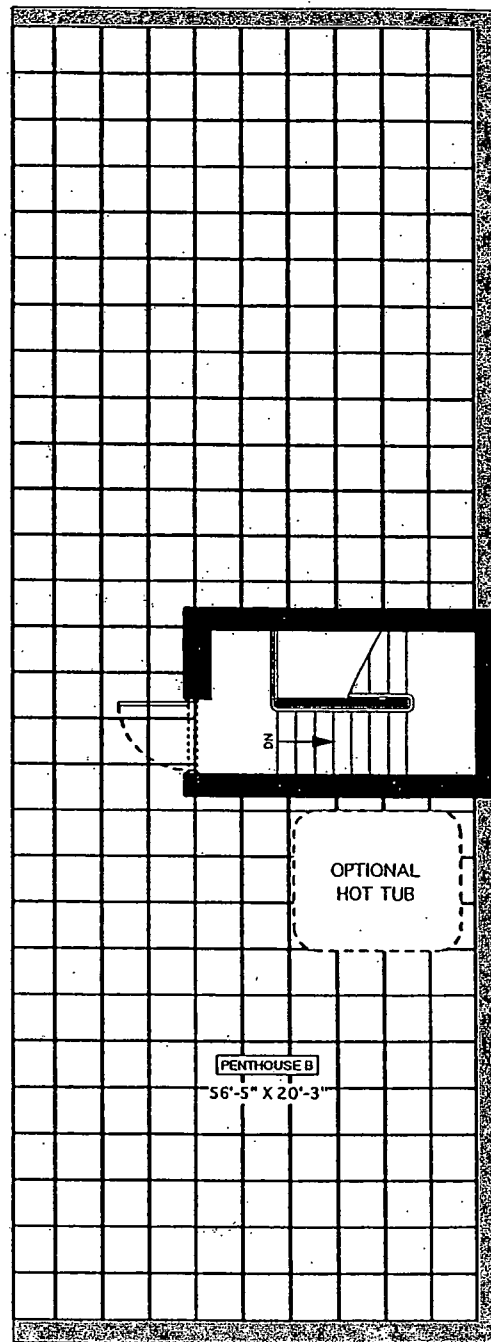
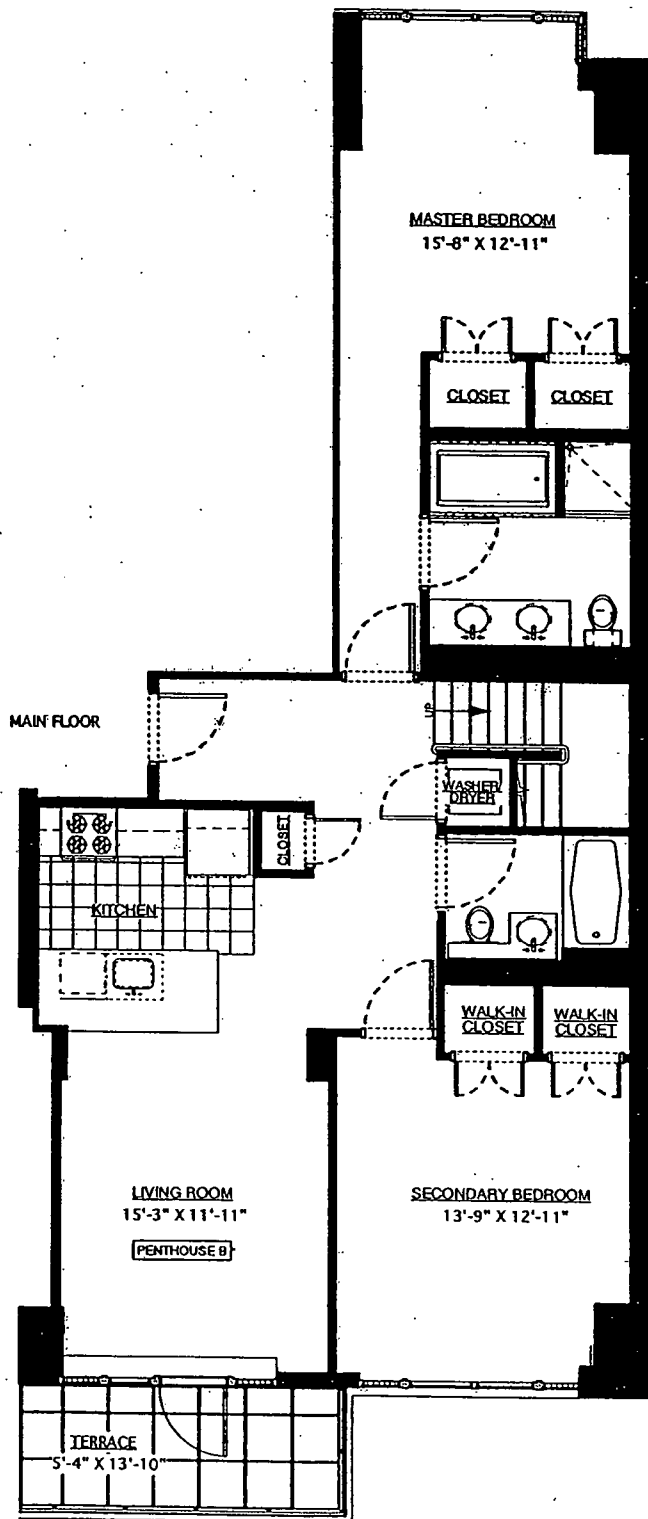
PENTHOUSE A
2 BEDROOM
2 BATH

INTERIOR: 1347 SF
EXTERIOR: 546 SF



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OF SPACE.

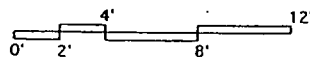
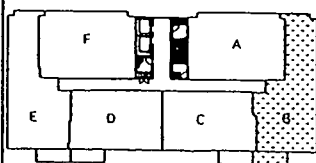


ROOF TERRACE

350 WEST 53RD STREET
NEW YORK, NY 10019

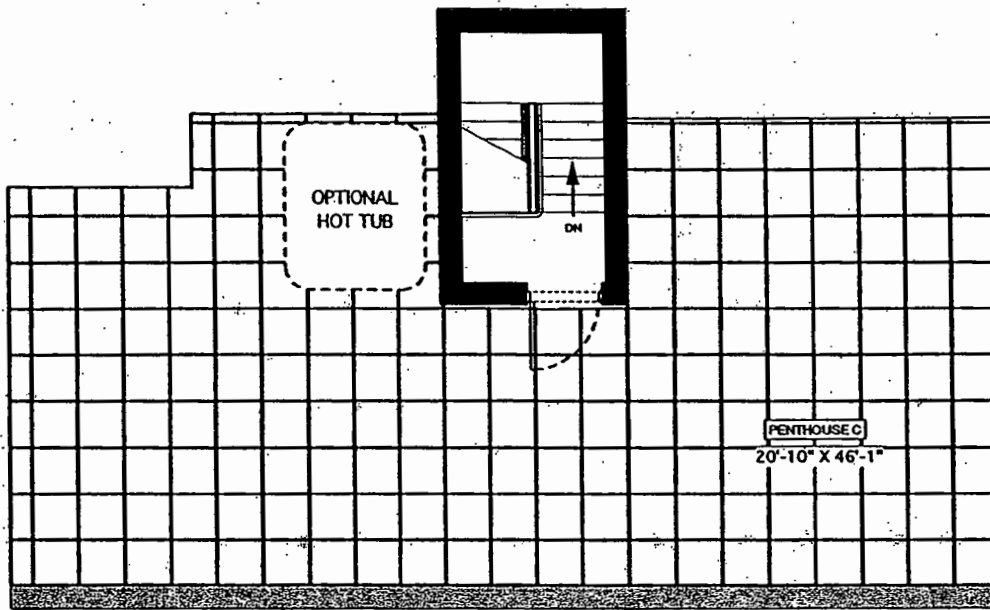
PENTHOUSE B
2 BEDROOM
2 BATH

INTERIOR: 1330 SF
EXTERIOR: 1215 SF



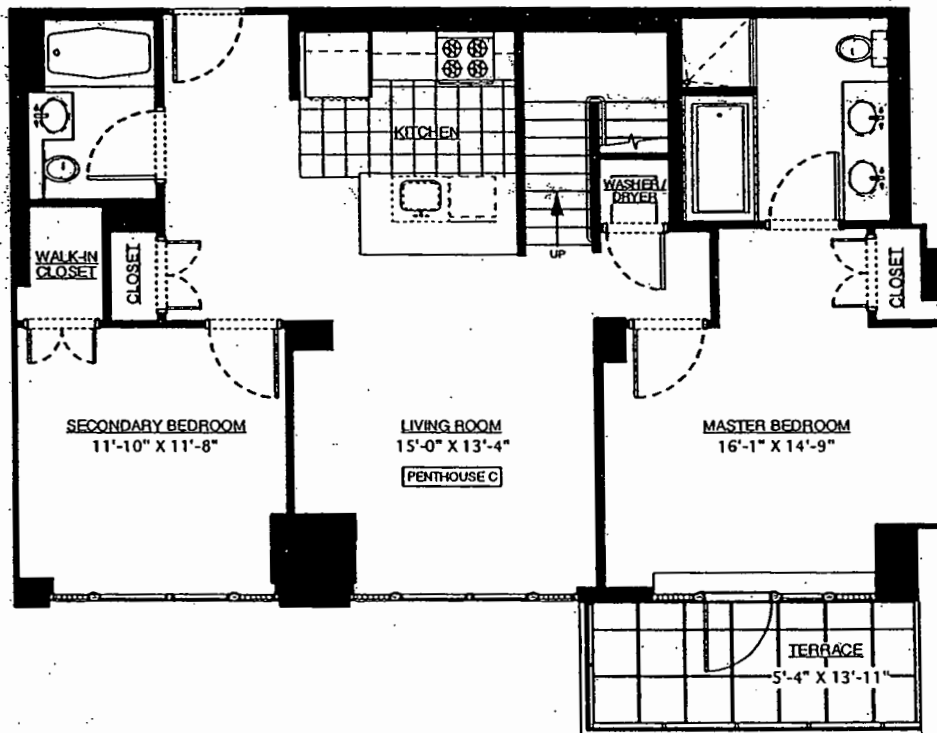
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OR SPACE.



ROOF TERRACE

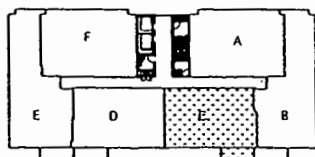
MAIN FLOOR



350 WEST 53RD STREET
NEW YORK, NY 10019

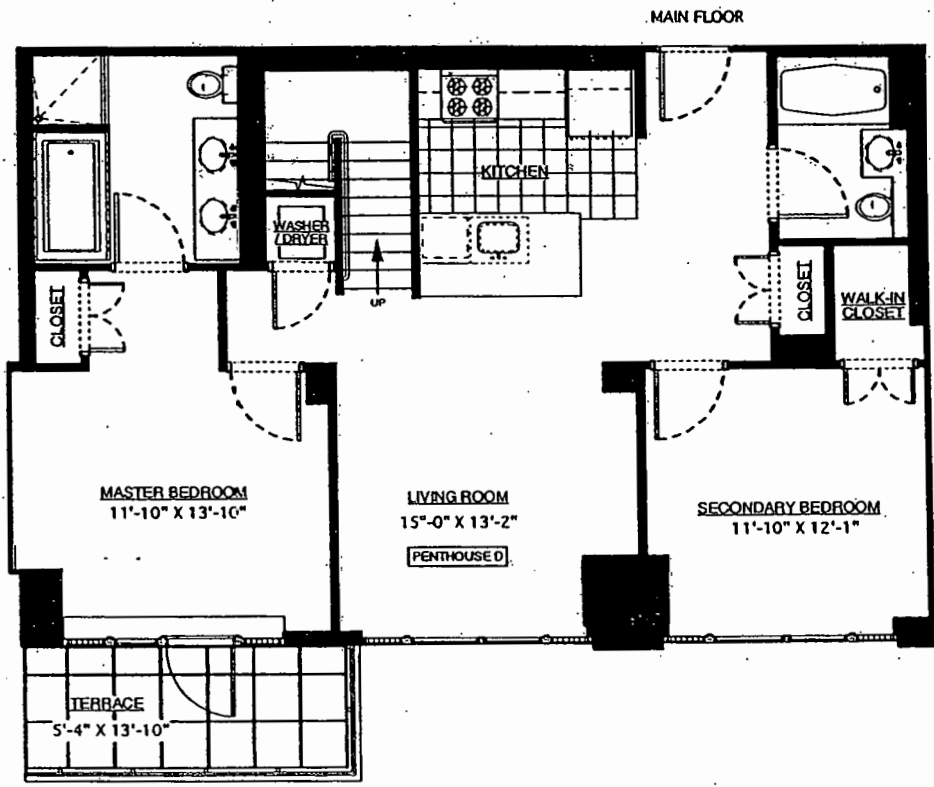
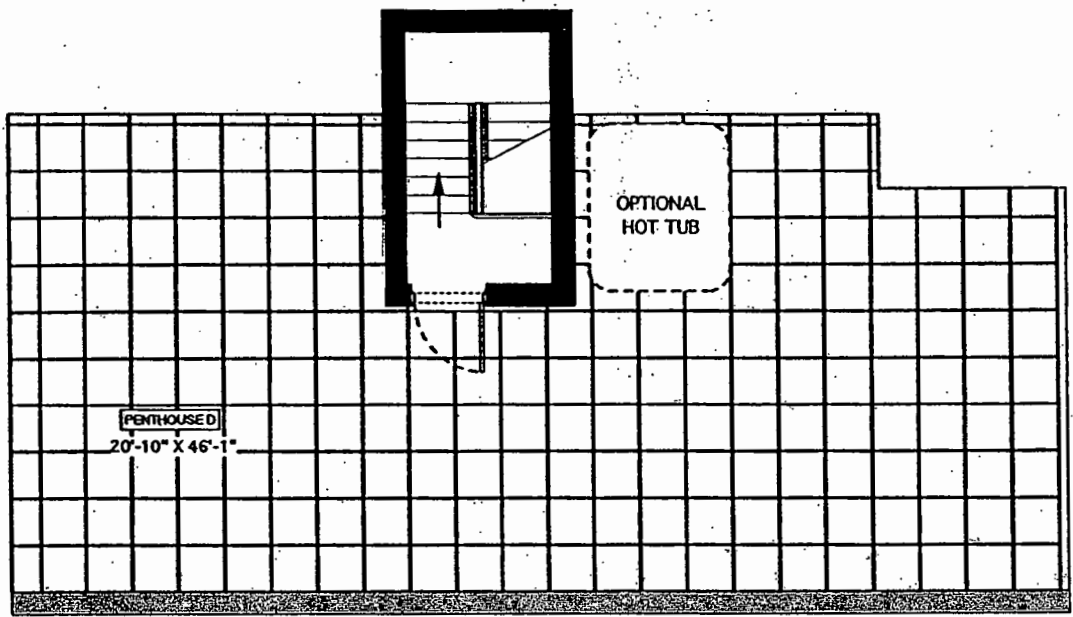
PENTHOUSE C
2 BEDROOM
2 BATH

INTERIOR: 1155 SF
EXTERIOR: 1020 SF

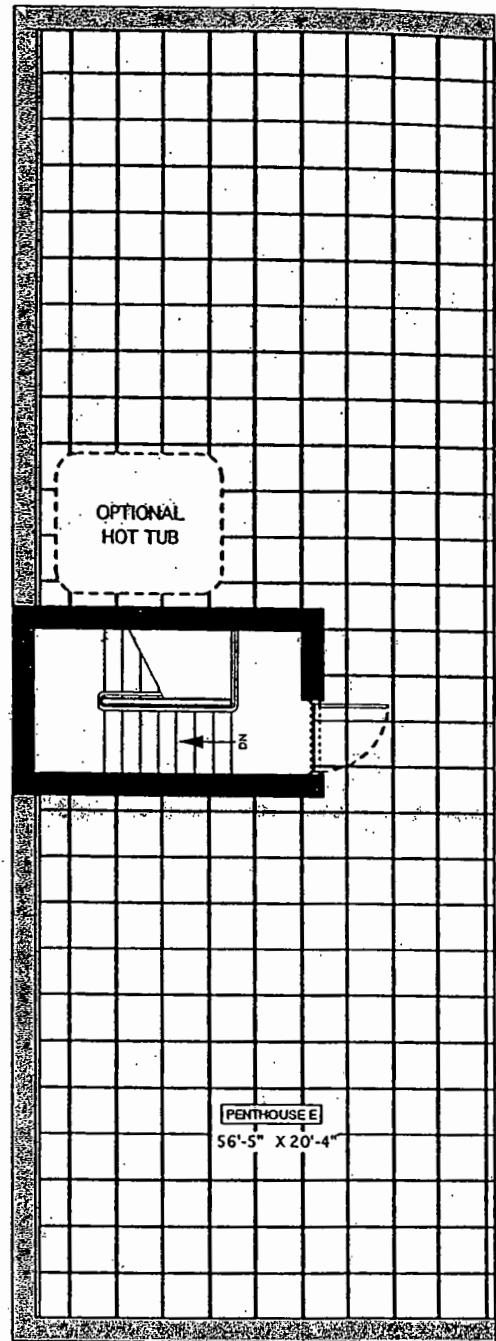
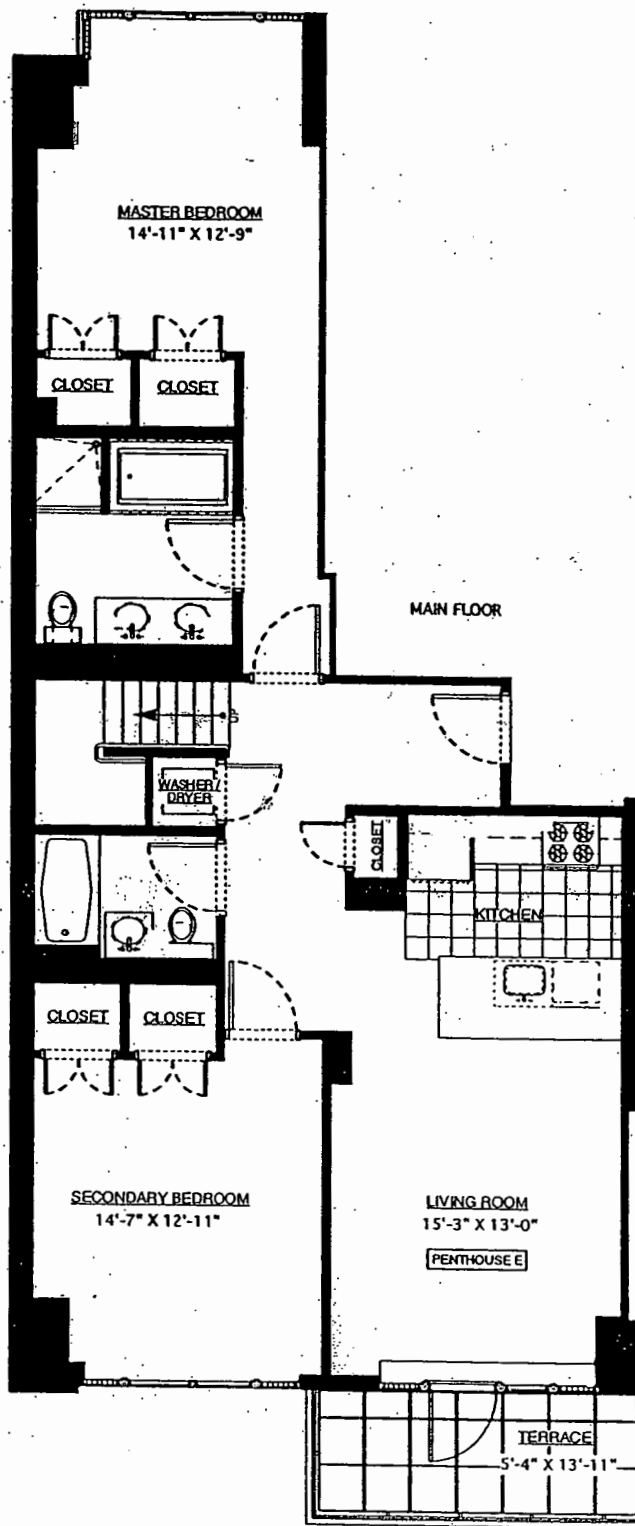


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO
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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



350 WEST 53RD STREET NEW YORK, NY 10019 PENTHOUSE D 2 BEDROOM 2 BATH INTERIOR: 1144 SF EXTERIOR: 1019 SF	A simplified floor plan diagram with rooms labeled A through F. Room A is the living room, B is the secondary bedroom, C is the kitchen, D is the master bedroom, E is the terrace, and F is the bathroom.	0' 2' 4' 8' 12' ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.
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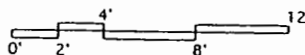
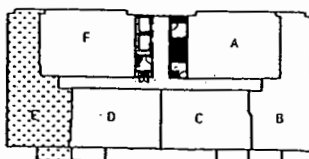


ROOF TERRACE

330 WEST 53RD STREET
NEW YORK, NY 10019

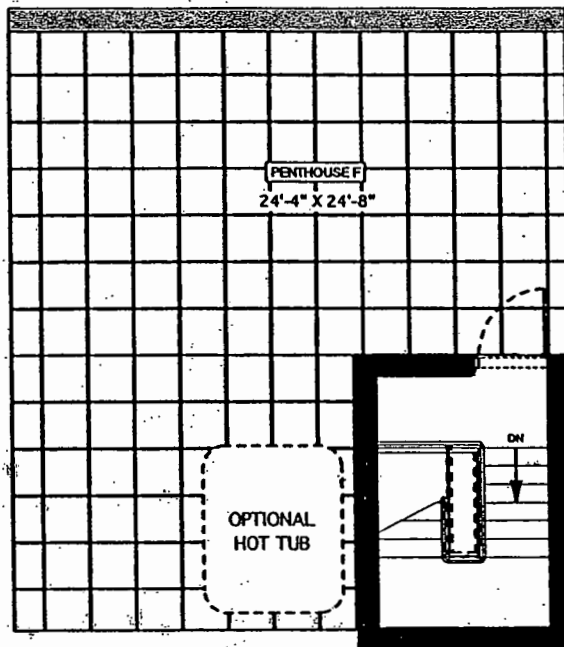
PENTHOUSE E
2 BEDROOM
2 BATH

INTERIOR: 1336 SF
EXTERIOR: 1222 SF

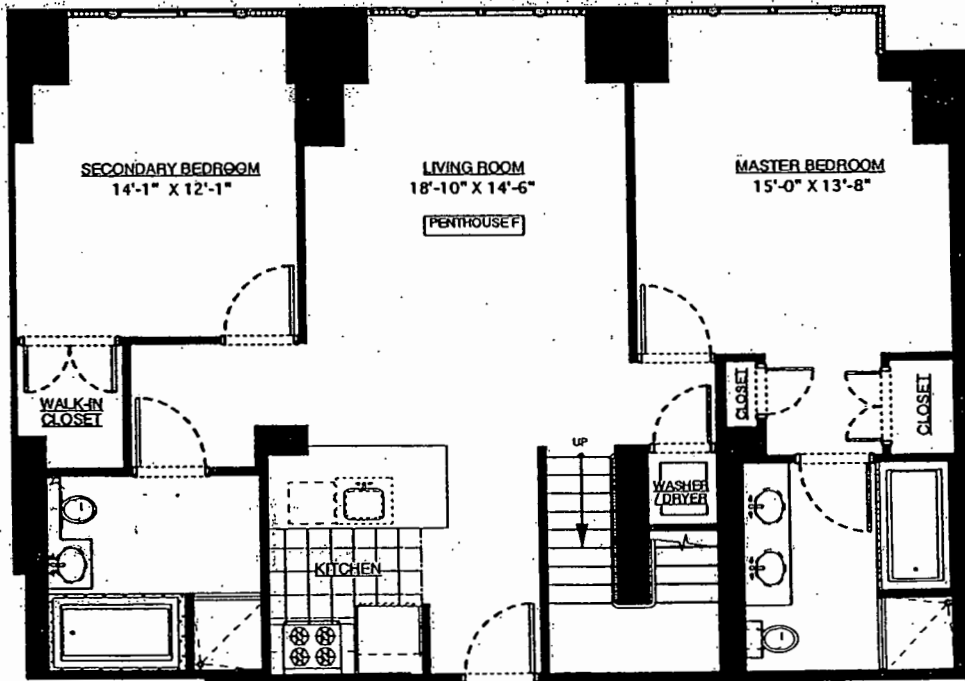


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NOTED 210 DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE.



ROOF TERRACE

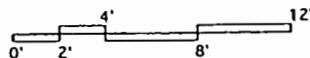
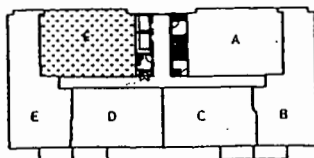


MAIN FLOOR

350 WEST 53RD STREET
NEW YORK, NY 10019

PENTHOUSE F
2 BEDROOM
2 BATH

INTERIOR: 1331 SF
EXTERIOR: 541 SF



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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS
OF SPACE

COUNSEL'S TAX BENEFIT OPINION

HERRICK, FEINSTEIN LLP

A NEW YORK LIMITED LIABILITY PARTNERSHIP INCLUDING NEW YORK PROFESSIONAL CORPORATIONS

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2 PARK AVENUE
NEW YORK, NY 10016-9301

TELEPHONE: (212) 592-1400
FACSIMILE: (212) 592-1500

WEB: www.herrick.com

September 8, 2004

Victor at W. 53, LLC
3349 Highway 138, Bldg. C., Suite C
Wall, New Jersey 07719
Attn: Mr. Ran E. Korolik

Re: 350 - 358 West 53rd Street
Block 1043, Lots 54, 56 and 58
Borough of Manhattan (the "Site")

Dear Ladies and Gentlemen:

Victor at W. 53, LLC ("Victor") has requested that we render our opinion as to the eligibility of the above referenced property (the "Property") to receive partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law, Section 11-245 of the New York City Administrative Code and the Rules and Regulations governing the 421-a program (collectively, the 421-a Program or the "Rules") and the procedures for obtaining such benefits. Unless specifically stated otherwise, the analyses and conclusions set forth herein are based on facts given to us by you or your agents.

Victor has advised us that the Property is to be developed and owned as a condominium building and is expected to contain 66 residential units ("the "Project"). In order for a completed property to be eligible for partial real estate tax exemption benefits pursuant to the 421-a program, the following major requirements will have to be satisfied:

1. Section 6-02(f) of the Rules states that the land on which the building is to be constructed must have been vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date, i.e., thirty-six months prior to the commencement of construction.
 - A. The Site was used for non-residential purposes (Lots 54 and 56 was used as parking garages and Lot 58 was used as a parking lot). The Site was improved with a non-conforming use thirty-six (36) months prior to the scheduled commencement of construction. The parking garages, located on Lots 54 and 56 (which respectively constitute approximately 45.3% and 35.7% of the Site), and the parking lot, located on Lot 58 (which constitutes approximately 19% of the Site), comprise the Site. The parking use on Lots

54, 56 and 58 is a non-conforming use pursuant to the R8 zoning district. Public Parking is a permitted use only in commercial or manufacturing zoning districts: (Section 32-10 and 42-10 of the New York City Zoning Resolution). Therefore, Lots 54, 56 and 58 satisfy the non-conforming requirement of the Program.

B. Floor Area Analysis

The following table shows the lot area and floor area calculations for the Site on the operative date.

Lot	Lot Area (square feet)	Aggregate Floor Area of existing building	Maximum Aggregate Floor Area Permitted Pursuant to Zoning Resolution	Ratio Existing Built Floor Area to Maximum Permitted Floor Area ¹
54	6065.2	7,471	25,305.84	23.8%
56	4,750	22,562	19,950	113%
58	2,510.5	0	10,544	0%

Therefore, Lots 54 and 58 qualify as under-utilized for purposes of the Rules because Lot 54 is improved with a non-residential building and which had an Aggregate Floor Area of less than fifty percent (50%) of the Maximum Aggregate Floor Area² permitted pursuant to the New York City Zoning Resolution (the "Resolution") and 58 is a vacant lot, which contains no built Floor Area.

C. Real Estate Tax Analysis

The following tables indicate the real estate assessments contained in the official records of the New York City Department of Finance for the Project Site on the operative date:

¹ In accordance with the NYC Zoning Resolution ("ZR") Section 23-90, the Property is permitted an as of right 12 FAR.

² 10 FAR, bonusable to 12 FAR.

Lot Number	Land Assessed Value	Building Assessed Value	Total Assessed Value	Ratio of Building A.V. to Land A.V.
54	\$251,550	\$121,950	\$373,500	48.5%
56	\$393,750	\$789,750	\$1,183,500	202.9%
58	\$192,150	\$0	\$192,150	0%

Therefore, Lots 54 and 58 will qualify as under-utilized land as utilizing the Assessment Valuation test.

Based on the advice of Victor and the foregoing analysis of B and C, the Site appears to qualify as under-utilized land for the purposes of the Rules.

2. The Project must be a new multiple dwelling containing not less than three dwelling units. We have been advised that the Project will contain 66 residential units, and therefore will meet the dwelling unit requirement. In addition, we have been advised that the construction will be carried out pursuant to a new building permit.
3. Section 6-02(e) Of the 421-a Rules and Regulations provides that, if the project contains more than one hundred (100) dwelling units, not less than 10 percent of such units must contain at least 4.5 rooms and, in addition, not less than 15 percent of such units must contain at least 3.5 rooms inasmuch as the Project will contain 550 dwelling units, this requirement will apply. Because the Project contains 66 units, the Project is not required to comply with 602(e)(2). Nonetheless, please be aware that the Applicant has stated that 48 dwelling units (72.7%) will contain at least three and one-half zoning rooms and that 18 dwelling units (27.3%) will contain at least four and one-half zoning rooms.
4. "Construction", as that term is defined in the 421-a Rules and Regulations, of the Project must be completed no later than December 31, 2007. We have been advised by Victor that the completion of construction will be on or before December 31, 2007.
5. Section 11-245 of the Administrative Code of the City of New York provides that 421-a tax exemption benefits shall not be available for construction commenced after November 29, 1985 if the property is located in the therein described geographic exclusion area. The Project is located within that geographic exclusion area. However, Section 11-245 provides that, under certain circumstances, 421-a benefits shall be available in the geographic exclusion area. Those circumstances are:

- a. construction carried out with substantial governmental assistance;
- b. projects where HPD certifies that twenty percent (20%) of the units in that building are affordable to households of low and moderate income ("Affordable Units"); or
- c. construction is carried out pursuant to a written agreement with HPD to create through new construction or substantial rehabilitation Affordable Units located outside the geographic exclusion area and numbering at least twenty percent (20%) of the number of units contained in the Project.

The project will comply with (c.) above.

6. Section 6-08 of the 421-a program rules and regulations are entitled "Affordable Housing Construction Requirements". This section provides the guidelines for qualifying a project for 421-a tax exemption benefits where the building is located in the geographic exclusion area and where construction commenced after November 29, 1985. Section 6-08(m) of the Rules and Regulations provides that HPD shall issue Negotiable Certificates certifying that Affordable Units have been created pursuant to a written agreement in compliance with §6-08 of such regulations. Such Negotiable Certificates will provide that a specified number of dwelling units in the geographic exclusion area are entitled to receive 421-a benefits. Section 6-08 provides, in part, the following eligibility requirements and conditions for entering into a written agreement with HPD:

- a. that for buildings located within the geographic exclusion area, Affordable Units numbering twenty percent (20%) of the number of units contained in that building must be created through new construction; and
- b. that if the average size of the residential units contained in the multiple dwelling located in the geographic exclusion area seeking 421-a benefits exceeds 1200 square feet, the number of Affordable Units which must be created shall be increased by the same ratio that the average square footage exceeds 1200 square feet.

Victor has advised us that Victor intends to purchase the appropriate number of Negotiable Certificates for the Project. Therefore, in order for the Project to meet the criteria under paragraphs 6 and 7 of this letter, Negotiable Certificates entitling more than 66 dwelling units 421-a program eligibility will be required.

7. The 421-a Rules and Regulations provide that if the Affordable Units are managed by either a qualified not-for-profit organization or a qualified managing

agent approved by HPD, failure of the not-for-profit organization or the qualified managing agent to maintain such units as affordable or in a habitable condition shall not result in a revocation of the tax benefits received by the multiple dwelling located in the geographic exclusion area. Victor has advised us that the Affordable Units which will serve as the basis for the Negotiable Certificates will be managed by a qualified not-for-profit organization or a qualified managing agent. Therefore, such benefits should not be revoked in the event the Affordable Units are not so maintained.

8. Paragraphs (5) and (6) of §6-02(c) of the Rules bar 421-a program benefits from projects situated on land mapped as a public park or utilized for ten or more years as a Private Park. The Project Site does not fall within either category.
9. Section 6-02(c)(3) and (4) of the Rules provide that any building or portion thereof which is used as a hotel or for single room occupancy are ineligible for 421-a program benefits. We have been advised that no portion of the Project will be used as a hotel or for single room occupancy.
10. The application for the Preliminary Certificate of Eligibility must be filed with HPD after the commencement of construction but prior to completion of construction. As the Project will be owned as a condominium, the Application for a Final Certificate of Eligibility must be filed with HPD prior to the first taxable status date following completion of construction. The Final Application must be completed within 90 days of the issuance of a Permanent Certificate of Occupancy or a Temporary Certificate of Occupancy covering all residential space in the Project. Both the Preliminary and Final "Certificates of Eligibility must be filed with the Real Property Assessment Bureau of the New York City Department of Finance. We have assumed that all filings and required supporting documents will be filed in a timely fashion and that all required submissions to the Community Board will be made.

The 421-a Rules and Regulations provides that rents of units contained within a building receiving 421-a benefits must be rent stabilized for the 421-a benefit period, unless exempt from rent regulation by reason of the cooperative or condominium status of the units in the case of a building for which a prospectus for condominium or cooperative formation has been submitted to the Attorney General at the time of the Final Application for 421-a benefits. An affidavit will be required stating that the sponsor will register the units as rent stabilized with the New York State Division of Housing and Community Renewal within 15 months of the issuance of the Final Certificate of Eligibility if a cooperative or condominium has not been declared effective within such 15 month time period. With respect to incidental requirements applicable to this Project, such as the current payment of water and sewer charges and real estate taxes, the payment of HPD filing fees equal to 0.4% (four tenths of one percent) of total land acquisition

Mr. Ran E. Korolik
Victor at W. 53, LLC
September 8, 2004
Page 6

and development costs, and the availability of books and records in the event the Project is selected for audit by HPD, we have assumed that they will be satisfied.

If the foregoing information and assumptions are accurate and valid, and all of the other 421-a requirements are met, it appears that the Project should receive a partial exemption from real estate taxation for local purposes, other than assessments for local improvements, for the construction period, not to exceed three years, and for ten years following the taxable status date immediately following the completion of construction, or the three year maximum construction period, which ever is less. The real estate taxes on the Project will be partially exempted in declining percentages during the ten years following completion of construction, as set forth below:

<u>Year Following Completion of Construction</u>	<u>Percentage of Value Which is Exempt</u>
1-2	100%
3-4	80%
5-6	60%
7-8	40%
9-10	20%
11	0%

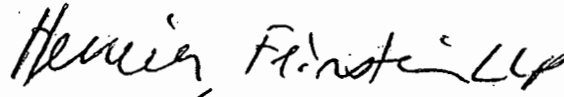
These percentages of exemption will be diminished to the extent that the Commercial, community facility and accessory use space (collectively, the "Commercial Space") exceeds twelve percent of the aggregate floor area of the Project. In the event the Commercial Space exceeds twelve percent of the aggregate floor area of the Project, Section 6-06(b) of the 421-a program rules and regulations provides that where a project contains separately assessed parcels, such as a residential condominium, the reduction of tax exemption resulting from excess Commercial Space should be allocated entirely to the non-residential parcels.

The opinions expressed above are based on our interpretations of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable HPD regulations in effect as of the date hereof. You should be aware that the laws, regulations, practices and positions of the Building Department, Department of Finance and HPD upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction. We shall not be liable if, because of any change of laws, and/or regulations, adverse determination on any unsettled law, or a changed interpretation by one or more agencies or Courts of competent jurisdiction regarding said laws and/or regulations, the Project fails to obtain, in whole or in part, §421-a benefits.

Mr. Ran E. Korolik
Victor at W. 53, LLC
September 8, 2004
Page 7

No warranties are made herein nor are any assurances or representations given that HPD, the New York City Department of Finance or any other agency with jurisdiction will approve the Section 421-a application, nor is any warranty made or assurance or representation given that a court of competent jurisdiction will determine that the Project is entitled to, in whole or in part, §421-a benefits. In addition, no warranty is made nor any assurance or representation given that the laws, rules, regulations, policies, positions and practices upon which this opinion is based will not be changed after the date of this opinion. We assume no obligation to advise you of any such changes of law or fact that may occur after the date hereof, notwithstanding that such changes may affect the legal analysis or conclusions contained herein. In addition, we do not warrant or represent the amount of tax savings if the Project receives partial real estate tax exemption benefits.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Herrick Feinstein LLP", is written over the typed name.

Herrick, Feinstein LLP

**DECLARATION
ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP
OF THE PREMISES
KNOWN AS AND BY THE STREET NUMBER
350 WEST 53RD STREET
NEW YORK, NEW YORK 10019**

Pursuant to Article 9-B
of the Real Property Law of the State of New York

Name **350 WEST 53RD STREET CONDOMINIUM**

Declarant **VICTOR AT W. 53 LLC**

Date of Declaration , 200_

The land affected by the within instrument lies in Block 1043 (f/k/a Lots 54, 56 and 58)
(n/k/a/ Lots ____ to ____) on the Tax Map of the Borough of Manhattan, City of New
York.

**HERRICK, FEINSTEIN
Attorneys for Declarant
2 Park Avenue
New York, New York 10016
Attention: Jean E. Gallancy, Esq.**

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. Submission of the Property.....	3
2. The Land.....	3
3. The Building.....	3
4. The Units.....	3
5. Common Elements.....	4
6. Determination of Common Interest in the Common Elements.....	5
7. Use of the Building and Units.....	6
8. Person to Receive Service.....	6
9. Right to Combine, Subdivide or Realign Units.....	6
10. Encroachments.....	8
11. Certain Easements and Right of Entry.....	8
12. Power of Attorney to Declarant and to Board of Managers.....	11
13. Acquisition of Units by Board of Managers.....	11
14. By-Laws and Persons Subject to Declaration and By-Laws.....	12
15. Covenant of Further Assurances.....	12
16. Amendment of Declaration.....	13
17. Termination of Condominium.....	13
18. Invalidity.....	14
19. Waiver.....	14
20. Captions.....	14
21. Certain References.....	14

DECLARATION OF 350 WEST 53RD STREET CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

VICTOR AT W. 53, LLC, a New York limited liability company, having an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719 (herein referred to as the "Declarant"), does hereby declare as follows:

1. Submission of the Property.

The Declarant is the fee owner of the "Property" as such term is defined below and hereby submits the Land (hereinafter defined) and Building (hereinafter defined) and all other property, real, personal or mixed, intended for use in connection therewith (collectively the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a condominium to be known as "350 West 53rd Street Condominium" (sometimes herein referred to as the "Condominium").

2. The Land.

The Property consists, in part, of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of New York, City and State of New York, more particularly described in Schedule A annexed hereto and made a part hereof, together with all easements, rights, privileges and hereditaments appurtenant thereto (collectively sometimes herein referred to as the "Land"). The Land is owned by the Declarant in fee simple.

3. The Building.

The Property consists in part of a building known as 350 West 53rd Street, New York, New York 10019, the exterior of which is constructed primarily of concrete. The Building contains a cellar plus seven stories at or above grade, numbered 1 through 7. The Building together with all other improvements now or hereafter erected thereon or on the Land are sometimes herein referred to as the "Building."

4. The Units.

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each unit of the Condominium necessary for the proper identification thereof: unit designation, tax lot number, approximate area, Limited Common Elements, if any, appurtenant to the Unit, Common Elements (hereinafter defined) to which the unit has immediate access and percentage interest of each unit in the Common Elements (sometimes herein referred to as the "Common Interest"). The location of each unit is shown on the floor plans of the Building certified by Gerneer Kronick & Valcarcel, Architects, P.C. and intended to be filed in the office of the Register of the City of New York in New York County contemporaneously with the recording of the Declaration (herein referred to as the "Floor Plans").

As shown on the Floor Plans, the Condominium consists in part of (i) one sixty-six (66) residential condominium units designated on the Floor Plans as Residential Units (hereinafter sometimes collectively referred to as "Residential Units" and individually referred to as a "Residential Unit") comprising portions of the cellar through seventh floors of the Building and such additional space in the Building which is part thereof as set forth below in this Section 4.

The Residential Units are sometimes collectively referred to as "Units" and individually referred to as "Unit". The owners of the Residential Units are hereinafter sometimes collectively referred to as "Residential Unit Owners" and individually referred to as a "Residential Unit Owner." Residential Unit Owners are sometimes collectively referred to as the "Unit Owners" and individually referred to as "Unit Owner."

Each Residential Unit will consist of the area measured horizontally from the exterior face of the (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one Unit from another Unit and including walls dividing the Units from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements; or to the exterior face of the opposite perimeter walls. Each Unit will consist of the area measured vertically from the top of the concrete floor to the underside of the ceiling. Any Common Elements located within any Unit shall not be considered as part of that Unit.

Each of the Units is subject to such encroachments as are described in Section 10 of this Declaration.

5. Common Elements.

(a) The Common Elements of the Condominium ("Common Elements") shall consist of all parts of the Property other than the Units and are comprised of (i) the general common elements which are described in Section (d) of this Article 5; the limited common elements (the "Limited Common Elements") which are described in Section (b) of this Article 5.

(b) The Limited Common Elements of the Condominium consist of those Common Elements which serve or benefit exclusively a particular Unit such as a terrace or balcony and which are identified as a Limited Common Element on the Floor Plans, or which are created pursuant to the terms of this Declaration (including, without limitation, the provisions of Section 9 below). In addition, if any two Units which have access to the same shared hallway shall at any time be owned of record by the same owner (other than by the Declarant or its designee), such hallway shall thereafter be treated as a Limited Common Element until such time as such Units shall have different owners; provided that once such Units shall again have different owners, such hallway shall revert to the status of a General Common Element. A Common Element which is not a Limited Common Element is a "General Common Element."

(c) The General Common Elements consist of the parts of the Property designated on the Floor Plans as General Common Elements and/or as Common Elements (exclusive of Common Elements, if any, designated on the Floor Plans as

Limited Common Elements or which are re-designated as Limited Common Elements pursuant to the terms of this Declaration including Sections 5 and 9 hereof) and include (even if within the dimensions of a Unit) the following:

- (i) The Land;
- (ii) Any foundations, columns, girders, beams, supports, exterior walls of the Building and all joists;
- (iii) All walls and partitions separating Units from the General Common Elements and Limited Common Elements;
- (iv) To the extent not located within or specifically made a part of a Unit or a Limited Common Element, the roof, stairs elevators, stairways, hallways and corridors within the General Common Elements and entrances to and exits from the General Common Elements;
- (v) The central and appurtenant installations and equipment for services such as heat, power, light, telephone, gas, hot and cold water, sewer and fire safety, including all pipes, ducts, wires, cables and conduits used in connection therewith, the cooling tower, vents, boiler room, meter room, switch gear room, water/fire pump room, mail room, lobby, house trap ejector pump, telephone room, maintenance office, elevators and elevator shafts; water cooling tower, elevator machine room, lobby heat pumps, heating/air conditioning equipment compactor, trash chutes, fire pump, life safety equipment and corridors. Appliances and equipment located in and serving only a Unit shall constitute a part of such Unit;
- (vi) Maintenance and common equipment spaces and common tanks, pumps, motors, fans and controls or other such equipment;
- (vii) All Units which may hereafter be acquired and held by the Board of Managers on behalf of all Unit Owners, but only while so held;
- (viii) To the extent not specifically made part of a Unit, the Limited Common Element by the terms of this Declaration, all other parts of the Property including all apparatus and installations existing on the Land for common use or which are necessary or convenient to the existence, maintenance or safety of the Property.

6. Determination of Common Interest in the Common Elements.

The Common Interest of each Unit in the Common Elements is set forth in Schedule B and has been determined by the Declarant in accordance with Real Property Law Section 339-I.1(iv), based upon floor space, subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the Unit.

7. Use of the Building and Units.

The Building is presently used or will be used as a class A multiple dwelling with commercial space located on the first floor and a garage located in the cellar.

The Residential Units may be used solely for dwelling purposes and such "home occupation" use under the Zoning Resolution of the City of New York as may be permitted by law.

The Declarant or its designees shall have the right to maintain a general or sales office in any Unit owned by any of them and to use any Unit owned by any of them as a model and for other promotional purposes in connection with the sale or lease of Units in the Condominium.

8. Person to Receive Service.

The Secretary of State of the State of New York is designated as agent of the Board of Managers of the Condominium (the "Board of Managers" or the "Board") upon whom process against it may be served at the Office of the New York State Department of State in the manner provided by applicable law. The Board of Managers shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Board of Managers.

9. Right to Combine, Subdivide or Realign Units.

Notwithstanding any other provision of the Declaration or By-Laws (hereinafter defined), Declarant and its designees, shall have the right, without the consent of any of the other Unit Owners, or the Board of Managers or the mortgagee of any Unit, from time to time, to (a) change its Unit or any part thereof by changing the layout, number of rooms, or size or number of such Unit or by subdividing the same into any desired number of condominium units (or by combining any units resulting from any such subdivision); (b) create and designate a Limited Common Element for the exclusive use of the newly created Units; (c) convert space or constituents of its Unit into a newly designated Limited Common Element and/or convert and designate a Limited Common Element as a part of the newly created condominium units; (d) combine Units with the consent only of the owners of such Units to be combined; (e) reapportion among any newly created condominium unit(s) resulting from any subdivision (or combination) as provided above the Common Interest appurtenant to the Units; (f) dedicate any or all utility, sewer, telecommunications or cable television and drainage easements in any portion of the Property to any governmental body, public benefit corporation, Communications Firm or utility company if such Declarant or designee of Declarant shall deem it necessary or desirable for the proper operation and maintenance of its Unit or (as to Declarant) the Property or any portion thereof and (g) amend the certificate of occupancy of the Building or obtain a new certificate of occupancy therefor in connection with the exercise of any of its rights under this Section 9. However, by reason of the foregoing, the Common Interest of the other Units shall

not be enlarged unless the affected Unit Owner consents thereto, except that Limited Common Elements may be created for the exclusive use of any or all of the aforesaid subdivided (or combined) Units as provided above, in which event the Common Expenses exclusively attributable to such Limited Common Elements shall be borne by the owners of such subdivided (or combined) Units. The Declarant and/or its designees, as the case may be, shall each have the right to reflect any of the matters described above in a duly recorded amendment to the Declaration (and the obligation to do so in case clause (a) above applies) or the By-Laws or the Floor Plans, and may further amend the Declaration and By-Laws to provide for the conduct of the affairs of a Unit as subdivided in any manner which does not increase the obligations or decrease the rights of any of the other Unit Owners under the Declaration or the By-Laws, which amendment and the recording thereof shall not require the consent of the Board of Managers and/or other Unit Owners. In making any additions, alterations, or improvements pursuant to this Section 9, Declarant or its designees, as the case may be, shall (i) make all reasonable efforts to minimize any interference with the other Unit Owners' use and enjoyment and business conduct in their Units for permitted purposes; (ii) comply with all laws, ordinances and governmental authorities having jurisdiction and (iii) hold the Board of Managers and the other Unit Owners harmless from any liability arising therefrom.

The consent of the Board of Managers and/or other Unit Owners shall not be required for the exercise by the Declarant or its designees, as the case may be, of the rights and powers set forth in this Section 9 or in Section 11 below. Neither the provisions of this Section 9 (or of Section 11 below) nor any of the other rights and powers of the Declarant or its designees, as the case may be, under this Declaration or the By-Laws, including without limitation the authority of the Declarant or its designees, as the case may be, to record an amendment of the Declaration or By-Laws or the Floor Plans pursuant to this Section 9, may be modified or deleted by amendment of the Declaration or By-Laws or otherwise. The signatures of the other Unit Owners and/or Board of Managers shall not be required in connection with any amendment to the Declaration or By-Laws or Floor Plans permitted above or to any application or other document necessary or convenient to the exercise by the Declarant or its designees, as the case may be, of any of their rights or powers under this Section 9 or under Section 11 below, including but not limited to any application or document required by the Department of Buildings, the Real Property Assessment Bureau of the City of New York or any other governmental agency in connection with an amendment to the certificate of occupancy of the Building or the establishment of separate tax lots for any newly created Units and reapportionment of assessed valuation by reason thereof. Nevertheless, the Unit Owners and the Board of Managers shall execute any such amendments, applications or other documents and they hereby grant the Declarant and/or its designees, an irrevocable power of attorney coupled with an interest and granted for a valuable consideration to execute, deliver and/or record any such amendments, applications or other documents on behalf of the Board of Managers and Unit Owners, and any such execution, delivery and/or recording shall not require the consent of the Board of Managers or the Unit Owners.

10. Encroachments.

If any portion of the Common Elements presently encroaches upon any Unit or if any Unit presently encroaches upon any other Unit or upon any portion of the Common Elements or, if as a result of the manner in which the Building was constructed or as a result of settling or shifting of or as a result of the repair, restoration, and/or alteration of the Building, the Common Elements or a Unit owned by Declarant or its designees, such encroachment shall occur, then a valid easement for the encroachment and for the maintenance of the same, so long as the Building stands, shall exist. If the Building or any Unit therein or any Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, then in such event, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements due to such rebuilding shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

11. Certain Easements and Right of Entry.

Each Unit Owner shall have an easement in common with the other Unit Owners for the use, maintenance, repair and replacement of all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units or elsewhere in the Property and serving his Unit. Each Unit shall be subject to an easement in favor of the other Unit Owners for the use, maintenance, repair and replacement of all pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to prevent damage thereto, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property subject to any restrictions on such right as may from time to time be provided in the By-Laws. Each Unit and the Common Elements shall have an easement of support, subjacency and necessity and shall be subject to such easement in favor of all the Units and the Common Elements.

The Declarant and any of its affiliates or designees and their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across all areas of the Property for ingress to and egress from all land areas of the Property and the use thereof (in common with Unit Owners) for construction of the Building, or any part thereof, the inspection, maintenance and performance of alterations, replacements, and repairs in or about Units owned by the Declarant or its designees or the Common Elements and in fulfilling the Declarant's obligations under the condominium offering plan promulgated by the Declarant for the Property (the "Plan") and for any other lawful purpose provided (i) Declarant or such other party repairs any resulting damage to the Unit or Common Elements, as the case may be, and restores the damaged portion to substantially the condition it was in prior to such entry and (ii) Declarant provides reasonable prior notice to the owner of the Unit to which access is required or the Board in the case of the Common Elements.

Declarant and/or its designees shall have an easement, without the necessity of obtaining the consent of the Board of Managers and/or Unit Owners over any part of the Property, including each Unit and the Common Elements, in order to inspect, maintain, repair, replace or alter its Units or the Common Elements as provided in this Declaration and the By-Laws.

Declarant and/or its designees shall have an easement without the necessity of obtaining the consent of the Board of Managers and/or Unit Owners (1) over the Property, including each Unit and the Common Elements, for access to and to construct, install, erect, inspect, maintain, repair, operate, use and replace from time to time one or more Signs (as hereinafter defined) on the Property (including, without limitation on any Common Element, exterior facade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Units and the leasing of the Units or of space in any of the Units; (2) over the Property, including each Unit and the Common Elements in connection with the sales and/or leasing of Units and /or any portion thereof; (3) over any part of the Property, including each Unit and the Common Elements (including, without limitation, the stairways, walkways, elevators, vestibules and other public spaces within the Property) for purposes of access to and for all purposes in connection with the installation (whether on Common Elements or within its Unit), inspection, maintenance, repair, operation, improvement or use of any Communications Equipment on any portion of the roof other than a Limited Common Element, as deemed necessary or desirable by the Declarant, alarms, gates, electric eyes or video cameras, smokestacks, heating, air-conditioning systems and devices and exhaust and ventilation fans, systems and devices, in each case, located anywhere on the Property.

The Common Elements shall be subject to easements in favor of such Communications Firm(s) selected as may be selected by Declarant as may be described in such written agreements as may be entered into by Declarant, for the installation, maintenance, repair, replacement and removal of cellular equipment, cable, internet, a satellite dish and antennas and any and all similar or dissimilar Communications Equipment and facilities including, without limitation, cables, wires, conduits, horizontal and vertical risers, shafts, terminals, multiplexes and other equipment and apparatus. In addition, such Communications Firms shall have an easement for access to each Unit for the maintenance, repair and replacement of any of the foregoing equipment, if situated within such Unit.

Declarant shall have the exclusive right, without obtaining the consent of the Board and shall have all necessary or convenient access to install, erect, construct, inspect, operate, use, maintain, repair and replace or alter Communications Equipment on any and all parts of the Property (including the Units and the Common Elements) including, without limitation, the roof (except on any Limited Common Element appurtenant to a Unit) and, shall have an easement through the Common Elements to install, erect, construct, inspect, operate, use, maintain, repair and replace or alter Communications Equipment (collectively, "Communications Rights"). Declarant shall be entitled to collect and retain all revenues of any type whatsoever derived from Communication Rights and/or Communications Equipment. Declarant shall have the

right to grant to any party (whether or not a Unit Owner) the foregoing Communications Rights, whether on an exclusive or non-exclusive basis, as Declarant may elect and such grantee(s) (and their successors and assigns) may, in turn, assign such Communications Rights. The Communications Rights described above are in addition to any Communications Equipment serving the Unit Owners. All Communications Rights granted to the Declarant shall be paramount over any similar rights and installations that may be made by the Condominium Board. In no event shall the Condominium Board approve the installation of any Communications Equipment of the type described herein or other equipment, in any location that would interfere any installation and operation of any such equipment by Declarant or successors assignees, lessees or licensees. Each Unit Owner shall provide Declarant and any such grantee(s) and successors and assigns with access to his Unit on reasonable notice. The foregoing easements shall be exercised in such manner as not to unreasonably disrupt the use by Unit Owners of their respective Units.

The Declarant and its designees, as the case may be, (without the necessity of obtaining the consent of the Board of Managers or the Unit Owners) and the Board of Managers (without the necessity of obtaining the consent of the Unit Owners) shall each have the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, Communications Equipment, water, sewer or other utility lines, flues, ducts and appurtenances (including such equipment rooms as may be required in connection with any of the foregoing) in, under and through the Property including, without limitation, within any of the Units, and to relocate any existing utility, sewer and drainage easements in any portion of the Property including, without limitation, within any of the Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of a Unit (or the Limited Common Elements appurtenant thereto) after construction thereof without the consent of the owner of such Unit.

As used in this Section 11 and elsewhere in this Declaration, the following terms shall have the respective meanings set forth below:

"Communications Equipment" shall mean, without limitation, any and all cables, conduits, ducts wires, apparatus, facilities, connective equipment, electrical lines, flues, risers, antennas, multiplexes, satellite dishes and similar or dissimilar equipment necessary or desirable in connection with the provisions of Communications Services.

"Communications Firm" means any individual, corporation, limited liability company, partnership or other entity providing Communications Services.

"Communications Services" shall include without limitation, telephone, television, radio, cellular, cable, internet, terminals, satellite, telecommunications and/or other communications services whether similar or dissimilar.

"Signs" means any sign, advertisement, notice or other lettering.

12. Power of Attorney to Declarant and to Board of Managers.

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers an irrevocable power of attorney coupled with an interest and granted for a valuable consideration to (a) acquire title to or an interest in a Unit for the use of a staff member or any Unit which a Unit Owner decides to surrender, sell or lease, in the name of the Board of Managers or its designees, corporate or otherwise, on behalf of all Unit Owners, (b) convey, sell, lease, mortgage, or otherwise deal with (but not to cast the votes appurtenant to) any Units acquired by the Board of Managers, (c) execute, acknowledge and deliver (i) any application, declaration or other document which the Board of Managers or a Unit Owner deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any governmental authority (including without limitation, the New York City Department of Buildings, the City Planning Commission and the Board of Standards and Appeals), applicable to the maintenance, demolition, construction, alteration, repair, improvement or restoration of a Unit or the Common Elements or combination or subdivision of a Unit permitted hereunder or (ii) any application, consent, covenant, restriction, easement, declaration, or other document affecting a Unit or the Common Elements as may be required or permitted under this Declaration or (iii) any amendment to the Declaration that the Board of Managers is authorized to execute pursuant to Section 16 below.

In addition, each Unit Owner shall grant to Declarant an irrevocable power of attorney coupled with an interest and granted for valuable consideration, to execute, acknowledge and deliver any application, declaration, document or other instrument affecting the Condominium that Declarant deems necessary or appropriate to comply with any Law, zoning resolution, or requirement of the Department of Buildings, or any other governmental authority applicable to the rehabilitation, maintenance, demolition, alteration, restoration, or repair of the Property or any part thereof.

13. Acquisition of Units by Board of Managers.

If a Unit Owner shall surrender his Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designees on behalf of the other Unit Owners or the proceeds of the sale or lease thereof if any, and (iii) the interest of such Unit Owner in any other asset of the Condominium (hereinafter collectively referred to as the "Appurtenant Interest") pursuant to the provisions of the Real Property Law of the State of New York, or if the Board of Managers shall purchase a Unit together with its Appurtenant Interest pursuant to Article VI of the By-Laws or otherwise, or if the Board of Managers shall acquire, at a foreclosure or other sale, a Unit together with its Appurtenant Interest, then and in such event, title to any such Unit together with the Appurtenant Interest shall be held by the Board of Managers or its designees, corporate or otherwise, on behalf of all Unit Owners in accordance with their respective Common Interests.

14. By-Laws and Persons Subject to Declaration and By-Laws.

Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the Condominium. The By-Laws (including the Rules and Regulations thereunder) as they may be amended from time to time are referred to in this Declaration as "By-Laws." All capitalized terms in this Declaration which are not defined herein shall have the meanings given to those terms in the By-Laws.

All present and future Unit Owners, tenants, visitors and occupants of Units shall be subject to and shall comply with the provisions of this Declaration and the By-Laws, as the same may be amended from time to time. Acceptance of a deed or other conveyance or the entering into of a lease or other occupancy of any Unit shall constitute an agreement that the provisions of this Declaration and By-Laws, as the same may be amended from time to time, are accepted and ratified by such Unit Owner or such other party having an interest in the Unit or by such tenant or other occupant. All of the provisions of this Declaration and By-Laws shall be deemed and taken to be covenants running with the land and shall bind any persons having at any time any interest or estate in any Unit as though such provisions were recited and stipulated at length in each and every deed, conveyance, lease or occupancy thereof. However, the provisions of this Declaration and the By-Laws, as the same may be amended from time to time, are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public.

15. Covenant of Further Assurances.

Any party which is subject to the terms of the Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board of Managers, or otherwise, shall execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or the By-Laws or of any transaction contemplated by this Declaration or the By-Laws or to confirm or perfect any right to be created or transferred pursuant to this Declaration or the By-Laws or pursuant to any such transaction.

If any Unit Owner or any other party which is subject to the terms of this Declaration fails or refuses within five (5) days after request therefor to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration or the By-Laws, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner and other party, coupled with an interest and granted for a valuable consideration, to execute, acknowledge and deliver such instrument and to take such action, in the name of such Unit Owner or other party.

If any Unit Owner, the Board of Managers or any other party which is subject to the terms of this Declaration fails or refuses within five (5) days after request

therefore to execute, acknowledge or deliver any instrument or to take any action which such Unit Owner, the Board of Managers, or other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration or By-Laws at the request of the Declarant or its designees, as the case may be, then the Declarant or its designees, as the case may be, is hereby authorized as attorney-in-fact for such Unit Owner, the Board of Managers and other party, coupled with an interest and granted for a valuable consideration, to execute, acknowledge and deliver such instrument and to take such action in the name of such Unit Owners, the Board of Managers and/or other party.

16. Amendment of Declaration.

Except as otherwise provided in the By-Laws and this Declaration with respect to the Retail Unit Owner, or Declarant or its designees, as the case may be, this Declaration may be amended by vote of not less than 80% in number and in Common Interest of all Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, provided, however, (i) any such amendment shall not be effective against a holder of a mortgage of record affecting a Unit, unless a Majority of the Mortgage Representatives shall consent thereto in writing, which consent shall not be unreasonably withheld or delayed; and (ii) if the Declarant or its designees or the Retail Unit Owner shall not have voted in favor of such amendment, then same shall not be effective unless reasonably necessary or convenient to the conduct of the affairs of the Condominium and/or the operation of the Property and such amendment shall not decrease the rights of the Declarant or its designees or increase the obligations of the Declarant or its designees.

Each amendment to this Declaration or the By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit Deed, and shall not be effective, binding or enforceable until recorded in the New York City Register's Office for New York County. In addition, a copy of this Declaration and the By-Laws and any amendments thereto shall be filed with the New York State Department of State.

The provision of this Section 16 and Section 9 may not be amended without the unanimous consent of all the Unit Owners. The terms "amend," "amended" or "amendment" as used in this Declaration shall also be deemed to mean deleting a provision of this Declaration or adopting a new provision.

17. Termination of Condominium.

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners and all of the holders of mortgages of record affecting the Units. No such vote under clause (b) in the preceding sentence shall be effective without the written consent of the mortgagees of the Units, if any. In the event said withdrawal is authorized as

aforesaid, the Property shall be subject to any 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 his share of such net proceeds, all liens on his Unit, in the order of priority of such liens.

18. Invalidity.

The invalidity of any provisions of this Declaration or any portion thereof shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and in such event all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

19. 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.

20. Captions.

The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision hereof.

21. Certain References.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural and vice versa whenever the context so requires.

The terms "herein", "hereof" or "hereunder," or similar terms used in this Declaration, refer to this entire Declaration and are not to the particular provision in which the terms are used unless the context otherwise requires.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed as of this _____ day of _____, 20____.

VICTOR AT W. 53 LLC

By: _____

Name: _____

Its: _____

STATE OF)

) SS.:

COUNTY OF)

On the ____ day of _____, before me personally came _____ to me known, and who executed the foregoing instrument and, who being by me duly sworn, did depose and say that he is the _____ which _____ is the _____ of Victor at W. 53 LLC LLC and that he executed the foregoing instrument in the name of said limited liability company and that he had authority to sign the same, and he acknowledged that he executed the same as the act and deed of said limited liability company.

SCHEDULE A

Description of Land

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of West 53rd Street distant 150 feet easterly from the corner formed by the intersection of the southerly side of West 53rd Street with the easterly side of 9th Avenue; and

RUNNING THENCE southerly parallel with 9th Avenue, 100 feet 5 inches to the center line of the block;

THENCE easterly along said center line of the block and parallel with West 53rd Street, 135 feet;

THENCE northerly parallel with 9th Avenue, 100 feet 5 inches to the southerly side of West 53rd Street, and

THENCE westerly along the southerly side of West 53rd Street, 135 feet to the point or place of BEGINNING

SCHEDULE B[illegible]

<u>Unit Designation</u>	<u>Number of Rooms</u>	<u>Tax Lot Number</u>	<u>Approximate Size of Unit in Square Feet Unit</u>	<u>Common Interest</u>	<u>Portion of the Common Elements to Which Each Unit Has Immediate Access</u>	<u>Location in Building</u>	<u>Limited Common Element</u>

BY-LAWS

of

350 WEST 53RD STREET CONDOMINIUM

ARTICLE I

General

Section 1. Purpose and Definition of Terms. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of 350 WEST 53RD STREET CONDOMINIUM, as well as certain obligations of the Unit Owners therein. All terms used in these By-Laws which are capitalized and are not defined herein shall have the same definition as in the Declaration of which these By-Laws are a part (such Declaration as amended from time to time being herein referred to as the "Declaration").

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 3. Application. All present and future Unit Owners, mortgagees, lessees and occupants of Units and their employees or guests, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws and the Declaration.

The acceptance of a deed or conveyance of, or the succeeding to title to, or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Principal Office. The principal office of the Condominium and of the Board of Managers (as hereinafter defined) shall be located at 350 West 53rd Street, New York, New York, or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

Board of Managers

Section 1. Number and Term of Office. As more particularly set forth in these By-Laws and the Declaration, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board of Managers"). From and after the first meeting of the Unit Owners, the Board of Managers shall consist of seven (7) members. Until the first meeting of the Unit Owners, the members of the Board of

Managers shall consist of three (3) persons appointed by the Declarant. Each member of the Board of Managers shall serve for a term of one (1) year or until his respective successors shall have been duly appointed or elected, except as provided in Section 1 of Article III. Each member may be re-elected any number of times.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for administration of the affairs of the Condominium, as agent for the Unit Owners, and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep, maintenance, repair, improvement and alteration of the Common Elements. Notwithstanding the foregoing, the Condominium Board must obtain the consent of Unit Owners owning Unit with aggregate Common Interests in excess of 75% of the Common Interests of all Units and a Majority of the Mortgage Representatives (as defined in the By-Laws) prior to making any addition, alteration or improvement (except those required by Law) costing in excess of \$100,000 times the CPI Factor in any fiscal year.

(b) Determination of the Common Charges (as hereinafter defined).

(c) Collection of the Common Charges from the Unit Owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements (which shall be determined by the Board of Managers, in its sole discretion).

(e) Adoption of an amendment and additions to the Rules and Regulations subject to the limitations hereinafter set forth in these By-Laws.

(f) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Accepting the conveyance of Units surrendered by Unit Owners to the Board of Managers, or purchasing Units at a foreclosure sale pursuant to Section 7 of Article V, in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners (or on behalf of the Unit Owners for whom such Unit was conveyed).

(h) Selling, leasing, mortgaging, or otherwise dealing with Units acquired by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners but not casting the votes appurtenant to such Units.

(i) Organizing corporations to act as designees of the Board of Managers in acquiring title to Units on behalf of all Unit Owners.

(j) Obtaining insurance for the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof, and adjusting and settling any insurance claims thereunder (including executing and delivering releases in connection therewith).

(k) Subject to the provisions of Article II Section 17, and Article V Section 11 making of repairs, restorations, additions and improvements to or alterations of the Common Elements or any part thereof, damaged or destroyed by fire or other casualty, or necessitated as a result of condemnation or eminent domain proceedings.

(l) Enforcing obligations of Unit Owners, including, without limitation, levying reasonable fines against Unit Owners for violation of the Rules and Regulations.

(m) Granting of licenses of Common Elements.

(n) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, maintenance and alteration of, or the making of repairs, replacements, restorations or additions to the Common Elements, provided that (i) the consent of two-thirds (2/3) in number and aggregate Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$100,000 times the CPI Factor in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or, except as expressly permitted in Section 339-jj of the Real Property Law, its Appurtenant Interest in the Common Elements without the consent of the owner of such Unit and (iii) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Board of Managers pursuant to the subparagraph (n) is not repaid by the Board of Managers, any Unit Owner who pays to the creditor thereunder such proportion thereof as his Common Interest bears to the Common Interests of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or shall have the right to file against such Unit Owner's Unit.

(o) Executing, acknowledging and delivering of any declaration or other instrument affecting the Property (i) which the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any governmental authorities (including without limitation the New York City Department of Buildings, City Planning Commission, and Board of Standards and Appeals) applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property, permitted hereunder or under the Declaration or (ii) upon request of a Unit Owner.

(p) Preparing, executing and recording on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest (A) amendments of the Declaration

and/or these By-Laws, whenever requested by the Declarant or any of its designees or (ii) as otherwise provided in the Declaration or these By-Laws; or (B) a restatement of the Declaration and/or By-Laws whenever in the judgment of the Board of Managers it is advisable to consolidate and restate all amendments theretofore made to the Declaration and/or By-Laws.

(q) Granting utilities or other easements as may, from time to time, be required for the benefit of the Condominium and Unit Owners and controlling power shut-offs and other interruptions of the normal functioning of the Condominium, to facilitate repairs to and renovations of particular Units and/or of the Common Elements. In making determinations in this area, the Board of Managers will make all reasonable efforts to disrupt the business operations of the Unit Owners as little as possible under the circumstances then prevailing.

(r) Investing any excess funds in savings accounts, treasury bills, certificates of deposit or other such money market instruments and funds which invest in any such instruments.

(s) Acquiring a Unit for the use of the Superintendent or other staff member.

(t) Acting as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements, and legal fees paid or incurred in connection with any such complaint or application.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation rate established by the Board of Managers, provided that if such rate is greater than five (5%) percent of the gross receipts of the Condominium during any fiscal year of the Condominium from time to time, then such greater rate shall be comparable to standard rates for similar properties in the vicinity of the Condominium, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (j) and (k) of Section 2 of this Article II. However, in no event may the Board of Managers delegate to the manager or managing agent, the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (l), (m), (n), (o), (p), (q), (r) and (t) of Section 2 of this Article II. The Board of Managers may retain such attorneys, accountants and other professionals as it deems advisable in exercising any of the powers enumerated in Section 2 of this Article II.

Section 4. Removal. Any member of the Board of Managers may be removed with or without cause by a Majority in Common Interest of the Unit Owners (inclusive of the Unit Owners who elected or designated such member), except that if such member

was elected by or is a designee of the Declarant or any of its designees, may be, such member may not be removed other than for cause except by the written consent of the Declarant or its designees, as the case may be. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Board of Managers caused by any reason other than as provided in Section 17 of this Article II or in Section 1 of Article III, (i) in the case of a member of the Board of Managers elected or designated by Declarant or its designees, shall be filled by the written consent of the Unit Owners owning a majority of the Common Interest appurtenant to all of the Units owned by Declarant and its designees and (ii) in the case of any other members of the Board of Managers, shall be filled by vote of a majority of the remaining members of the Board of Managers at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers, until a successor shall be elected at the next annual meeting of the Unit Owners or at a special meeting held for that purpose.

Section 6. First Meeting of Board of Managers. The first meeting of the Board of Managers shall be held immediately following the first meeting of the Unit Owners and no notice shall be necessary to the newly elected members of the Board of Managers legally to constitute such meeting, provided that a majority of the members of the Board of Managers shall be present at such first meeting.

Section 7. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers but at least four (4) such meetings shall be held during each fiscal year of the Condominium. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers by personal delivery, facsimile, mail (including overnight courier) or telegram at least five (5) business days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Managers may be called by the President by giving five (5) business days' prior notice to each member of the Board of Managers by personal delivery, facsimile, mail (including overnight courier) or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) member of the Board of Managers.

Section 9. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all members of the Board of Managers

are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Managers. At all meetings of the Board of Managers a majority of the members thereof shall constitute a quorum for the transaction of business.

Section 11. Decision of the Board of Managers. The votes of a majority of the members of the Board of Managers present at the meeting at which a quorum is present shall constitute the decision of the Board of Managers. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board of Managers or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board of Managers, no notice shall be required and any business may be transacted at such meeting. Any action required or permitted to be taken by the Board of Managers or any committee thereof, as the case may be, may be taken without a meeting if all members of the Board of Managers or the committee, as the case may be, consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board of Managers or the committee, as the case may be.

Section 12. Adjournment of Meeting. If at any meeting of the Board of Managers, the members present shall be less than a quorum, a majority of those present may adjourn the meeting from time to time. At the next meeting at which a quorum is present following such adjourned meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Managers may obtain fidelity bonds concerning any or all officers and employees of the Condominium and its managing agent, if any, handling or responsible for funds, and the premium on such bonds shall constitute a Common Expense (as hereinafter defined).

Section 14. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such member.

Section 15. Liability of Board of Managers and Officers. No member of the Board of Managers or any officer of the Condominium shall have any personal liability with respect to (1) any contract, act or omission of the Board of Managers (except with respect to the Unit Owners as provided below) or any managing agent, manager, or officer in connection with the affairs or operations of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth, or (2) any mistake of judgment, negligence or otherwise except with respect to the Unit Owners for such member's own individual willful misconduct or bad faith. Every contract made by the Board of Managers or by

any managing agent, manager or officer thereof shall state that it is made by such Board of Managers, managing agent, manager, or officer as agent for all Unit Owners, that such members of the Board of Managers or managing agent, manager or officer shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also provide that the liability of any Unit Owner with respect to any contract with respect to the Condominium 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 and, unless expressly stated to the contrary in any such contract (as determined by the Board of Managers in its sole and absolute discretion), shall be limited to such Unit Owner's interest in his Unit so that such Unit Owner shall have no personal liability for such contract. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract may also provide that it covers the assets, if any, of the Condominium on whose behalf the contract is made. The Unit Owners, including those who are members of the Board of Managers, to the extent provided below, shall indemnify and hold harmless each of the members of the Board of Managers and the officers of the Condominium against all claims, liabilities, costs and expenses (including, without limitation, liability for reasonable attorneys' fees and any contractual liability to others arising out of contracts made by the Board of Managers or officers on behalf of the Condominium) arising out or relating to the performance of his duties as a member of the Board of Managers or officer except for those arising out of such member's or officers' bad faith or willful misconduct. Each Unit Owner's liability to indemnify a member of the Board of Managers or officer, as provided above, shall be limited to an amount which is in the same proportion to the total liability of such members or officers to be indemnified by all the Unit Owners hereunder as each such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners. It is intended that the members of the Board of Managers and officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium except as Unit Owners. It is understood that the Board of Managers, which may consist of principals and/or of employees of the Declarant, may contract or effect any other transaction with any member of the Board of Managers, any Unit Owner, officer or Declarant or any of their affiliates, without incurring any liability for self-dealing, provided that the either (i) any compensation paid to Declarant or its affiliates is, if material, disclosed in the Plan (as hereinafter defined) or (ii) is commercially reasonable.

Section 16. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an executive committee to consist of one or more members of the Board of Managers with at least one of the members of such executive committee being the member of the Board of Managers elected by the Declarant, if any. Such executive committee shall have and may exercise all the powers of the Board of Managers in the management of the business affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law.

Section 17. Control by Declarant. Declarant shall be entitled to elect or designate four (4) of the members until the earlier of (i) the date that Declarant (and its designees owning Residential Units) own less than 50% of the outstanding Common interests of the Condominium, or (ii) the fifth anniversary of the Closing Date under the

Plan. From and after the earlier of (i) the date that Declarant (and its designees owning Residential Units) own less than 50% of the outstanding Common Interests of the Condominium, or (ii) the fifth anniversary of the Closing Date under the Plan, Declarant shall have the right to elect or designate three (3) members for so long as Declarant and its designees own at least twenty (20) Unsold Residential Units; two (2) of the members for so long as Declarant and its designees own at least 10 Unsold Residential Units and one (1) member for as long as Declarant owns at least one Unsold Residential Unit. In addition to any members elected or designated by Declarant, Declarant shall, at all times, also have the right to cast its votes for all positions on the Condominium Board for candidates who reside in the Building but who are unrelated to or unaffiliated with Declarant. Within thirty (30) days following the earlier of the events stated in clause (i) and (ii) above, the Board of Managers shall call a special meeting of Unit Owners for the election of a new Board of Managers in accordance with the provisions of this Section 17. From and after such special meeting of Unit Owners, a majority of the members of the Board of Managers must be Unit Owners who occupy their respective Units or members of the household of such Unit Owners who are unrelated to Sponsor and its principals.

The term "Unsold Unit" as used in this Section 17 refers to a Residential Unit until such Unit has been purchased by a bona fide purchaser for residential occupancy on or after the closing Date under the Plan or until the owner of such Unit or a person related by blood or marriage to such owner becomes the residential occupant of such Unit. Notwithstanding the foregoing, Units owned by persons who have an economic interest in or are related to or affiliated with Declarant or any of its members or its principal shall not be regarded as Unsold Units. The Declarant and its designees may not exercise a veto over expenditures conforming to the budget set forth in Schedule B of the Plan, and which are for the period covered by said budget, or over expenditures which are for capital repairs required for the operation and maintenance of the Condominium, or over expenditures which are required to comply with applicable laws or regulations.

Until the sooner of (i) the date on which the Common Interest of all Unsold Units is in the aggregate less than 25% of the Common Interests of all Units, or (ii) the fifth anniversary of the Closing Date, neither the Board of Managers, nor officers, nor Unit Owners, except upon the written consent of the owners of Unsold Units representing a majority of the Common Interests allocated to all Unsold Units, shall (a) increase the number or change the type of employees described in Schedule B; (b) provide for services other than those described in Schedule B unless the total annual cost of all services to be provided is no greater than the then estimated total cost of the services described in Schedule B; (c) establish reserves or similar funds to undertake any capital or major improvements or additions except as required by law; (d) remove any member of the Board of Managers elected by the owners of Unsold Units except for cause; (e) borrow money or cause their representatives on the Board of Managers to (i) change the insurance coverage on the Property from the coverage described in Schedule B unless the change does not cause an increase in the total annual insurance premiums then due and payable by the Condominium or unless such change is required by the holder of any mortgage on any Unsold Unit or by the insurance carrier insuring

the Property to satisfy insurance requirements that are the responsibility of the Board of Managers or (ii) take any action inconsistent with (a), (b), (c) or (d).

ARTICLE III

Unit Owners

Section 1. Annual Meetings. Within forty-five (45) days after the date the Declarant conveys title to the first Residential Unit pursuant to the Plan, the first meeting of Unit Owners shall be held. At such meeting the incumbent Board of Managers shall resign and a new Board shall be elected by the Unit Owners as provided in the By-Laws. Thereafter, annual meetings shall be held on the second (2nd) Tuesday of November of each succeeding year unless such day shall be a holiday in which event the meeting shall be held on the next succeeding business day. At such meetings the Unit Owners shall elect members of the Board of Managers to fill vacancies or to succeed retiring members of the Board of Managers as provided in Article II of these By-Laws and shall also transact such other business of the Condominium as may properly come before the meeting.

Section 2. Place of Meeting. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by not less than twenty-five (25%) percent in Common Interest of all the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. If the President fails so to call such special meeting, then any Unit Owner may so call such meeting by notice meeting the requirements of Section 4 hereof (except that such notice need not be given by the Secretary).

Section 4. Notice of Meeting. It shall be the duty of the Secretary to give a notice to each Unit Owner of record of each annual or special meeting stating the purpose thereof and the time and place where it is to be held. Such notice shall be personally delivered or mailed to the Unit Owner at the address of such Unit Owner at the Property or such other address as such Unit Owner shall have designated by notice in writing delivered to the Secretary at least ten (10) days prior to the giving of such notice of meeting by the Secretary. The giving of a notice in the manner provided in these By-Laws shall be considered notice properly served.

Section 5. Quorum of Unit Owners. The presence in person or by proxy of Unit Owners owning in the aggregate more than thirty-five (35%) percent of the Common Interests of all Unit Owners (as modified by the provisions of Section 11 of this Article III) shall constitute a quorum at all meetings of the Unit Owners.

Section 6. Adjournment of Meetings. If any meetings of Unit Owners cannot be held because a quorum is not present, a Majority in Common Interest of the Unit Owners present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

Section 7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Managers.
- (f) Report of committees.
- (g) Report of Managing Agent.
- (h) Election of inspectors of election.
- (i) Election of members of the Board of Managers.
- (j) Unfinished business.
- (k) New business.

The order of business of all special meetings of the Unit Owners shall conform to the foregoing to the extent practicable.

Section 8. Voting.

(a) The owner of each Unit or a person designated by such Unit Owner to act as proxy on his behalf and who need not be a Unit Owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating. Subject to the provisions of Article II Section 17, and the provisions contained in paragraph (d) below, each Unit Owner shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each one hundredth of one percent of the Common Interest applicable to his or its Unit. A fiduciary shall cast the votes appurtenant to any Unit owned in a fiduciary capacity.

(b) When voting for members of the Board of Managers, the voting shall be by ballot and each ballot shall state, among other things, the name of the

Unit Owner voting and the Common Interest appurtenant to his Unit and in addition the name of the proxy if such ballot is cast by a proxy.

(c) A Unit Owner shall be entitled to cast as many votes as shall equal the number of votes appurtenant to his Unit for each Member of the Board of Managers to be elected; however no Unit Owner may cumulate his votes. All elections of members of the Board of Managers pursuant to this Subsection (c) shall be determined by a plurality vote, and shall be balloted all at the same time.

Section 9. Decisions of Unit Owners. The vote of a Majority in Common Interest of Unit Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except as otherwise provided in the Declaration or these By-Laws.

Section 10. Majority in Common Interest of Unit Owners. As used in these By-Laws the term "Majority in Common Interest of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of Unit Owners determined in accordance with the provisions of Sections 8 and 11 of this Article III.

Section 11. Exclusion from Computation of Common Interests. For purposes of Section 5, 8, 9 and 10 of this Article III, the Common Interest of a Unit owned by the Board of Managers or its designee and the votes appurtenant thereto shall be excluded from any computation of the Common Interests of all Unit Owners, Unit Owners present at a meeting, or the total authorized votes of all Unit Owners.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary and such other officer as in its judgment may be necessary. Any single person may hold any combination of offices except that the office of President and Vice President shall be held by different persons.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at its annual meetings except upon removal as provided below.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, an officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and the Board of

Managers. He shall have all of the general powers and duties which are incident to the office of President, including but not limited to the power to appoint committees from amongst the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be a member of the Board of Managers.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of Treasurer.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer of the Condominium or by such other person or persons as may be designated from time to time by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as an officer of the Condominium.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) Except as otherwise provided in the Declaration and these By-Laws, the terms "Common Expense" and "Common Expenses" shall mean any and all (i) costs and expenses paid or incurred by the Condominium in connection with repair, maintenance, replacement, restoration and operation of,

and any alteration, addition or improvement to, the Common Elements (including without limitation accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or these By-Laws to be Common Expenses; and (iii) such reserves as the Board of Managers may determine to be reasonably necessary for general operating costs and expenses, working capital and/or replacement of the Common Elements.

(b) The Board of Managers shall from time to time, but at least annually, prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners pro rata in accordance with the respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), Common Charges to meet Common Expenses. The Board of Managers shall promptly advise all Unit Owners, in writing, of the amount of the Common Charges payable by each of them as determined by the Board of Managers; as aforesaid, and shall furnish to all Unit Owners copies of each budget on which such Common Charges are based.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable at reasonable rates, and to the extent determined by the Board of Managers to be appropriate, the insurance set forth below, and the premiums for such insurance shall be a Common Expense except as otherwise provided in the Rules and Regulations: (1) fire insurance with all risks extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units but excluding machinery, appliances, fixtures, furniture, furnishings or other personal property within a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the greater of (i) the then outstanding principal amount under the notes (the "Construction Loan") held by such Lender as Declarant shall designate in writing to the Board of Managers or its successors and assigns (the "Construction Lender") or (ii) at least 80% of the full replacement value of the Building (exclusive of foundations and footings), without deduction for depreciation, and each of such policies of insurance shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (2) worker's compensation insurance and New York State disability benefits insurance (if applicable); (3) comprehensive general liability coverage; (4) water damage insurance to the extent if any determined by the Board of Managers; (5) fidelity bond for managing agent to the extent if any determined by the Board of Managers; (6) errors and omissions insurance for members of the Board of Managers and officers to the extent if any determined by the Board of Managers; and (7) such other insurance as the Board of Managers may determine (including, without limitation, rent insurance in an amount equal to six months Common Charges, boiler and machinery insurance, plate glass insurance and elevator liability and collision insurance). To the extent not specified above, all such insurance shall be in such amount as the Board of Managers shall from

time to time determine to be reasonable. All of such policies shall provide that adjustment of loss shall be made by the Board of Managers and all policies of physical damage insurance shall provide that the proceeds thereof, if \$100,000 times the CPI Factor or less, shall be paid to the Board of Managers, and if in excess of \$100,000 times the CPI Factor shall be paid to the Insurance Trustee, which Insurance Trustee shall, at the option of the Construction Lender, be the Construction Lender, or its successors, assigns or designee for so long as the Construction Loan or any portion thereof is outstanding. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

All policies of physical damage insurance shall contain, if obtainable at reasonable rates, waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured or of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a casualty insurance company or otherwise of the full replacement value of the Building (exclusive of foundations and footings), without deduction for depreciation, for the purpose of determining the amount of casualty insurance to be obtained pursuant to this Section.

Each Unit Owner may carry supplemental or additional insurance for his own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such supplemental or additional insurance.

The liability insurance coverage required to be obtained by the Board of Managers as set forth above shall cover, to the extent possible, liability claims arising out of the Property, in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the officers, the managing agent, if any, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits at least once each year.

Any insurance maintained by the Board of Managers may provide for such deductible amounts as the Board determines from time to time.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not, within sixty (60) days from the date of such damage or destruction, duly resolve to proceed with repair or restoration), the

Board of Managers shall arrange for the prompt repair and restoration of the Building including the Units but excluding any machinery, appliances, furniture, furnishings (including wall, ceiling and floor decorations and coverings), fixtures or equipment in the Units, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of the applicable insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense. In the event the insurance proceeds exceed the cost of repair or restoration, such excess shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among the Unit Owners in proportion to their respective Common Interests after first paying to the Permitted Mortgagees of a Unit and any other holders of liens against the Unit (including the Board of Managers) out of the share of the Owner of such Unit, the amount of any unpaid liens on his Unit, in the order of their priority.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not within sixty (60) days from the date of such damage or destruction, duly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all of the Unit Owners in proportion to their respective Common Interests, after first paying to the Permitted Mortgagees of a Unit and any other holders of liens against the Unit (including the Board of Managers) out of the share of the owner of such Unit, the amount of any unpaid liens on his Unit, in the order of priority of such liens.

Section 4. Payment of Common Charges. The term "Common Charges" shall mean any charge assessed by the Board of Managers against any Unit Owner. A Unit Owner shall be obligated to pay the Common Charges assessed by the Board of Managers against such Unit Owner at such time or times as the Board of Managers shall determine. Unless otherwise determined by the Board of Managers, the Common Charges assessed by the Board of Managers to meet Common Expenses for a fiscal year of the Condominium shall be due and payable in equal monthly installments in advance on the first day of each month during such fiscal year.

Section 5. Collection of Common Charges. The Board of Managers shall assess Common Charges against the Unit Owners from time to time, but at least monthly, and in an amount sufficient to cover its cash requirements for such period as it shall determine, but not less than the ensuing month, and shall take prompt action to collect any Common Charges due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 6. Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of any Common Charges within fifteen (15) days of its due date (although nothing herein shall be deemed to extend the period within which such Common Charges are to be paid), such Unit Owner shall be obligated to pay (a) a late charge at the rate of \$.02 per dollar per month or any part thereof for all such overdue

Common Charges, from the due date of such Common Charges until paid, and (b) all costs and expenses, including, without limitation, reasonable attorneys' fees paid or incurred by the Board of Managers and/or another Unit Owner, in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof, or in any other manner permitted by law. All such late charges and costs and expenses shall be added to, and shall constitute, Common Charges payable by such Unit Owner. In addition, the Board of Managers shall have the right to levy against Unit Owners such just and appropriate fines as it deems advisable for noncompliance with any of the provisions of the Declaration, these By-Laws or the Rules and Regulations. All such fines shall be added to and shall constitute Common Charges payable by such Unit Owner. Sponsor shall cause the Board of Managers to file a lien as provided for in Section 339-aa of the Condominium Act on all Units in which Sponsor is in arrears of Common Charges for more than 30 days while Sponsor is in control of the Board of Managers.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought to foreclose a lien on a Unit for unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficiency.

No Unit Owner shall be liable for the payment of any part of the Common Charges against his Unit accruing subsequent to a sale or other conveyance by him of such Unit, together with its Appurtenant Interest, provided that no violation of any provision of the Declaration or these By-Laws then exists with respect to such Unit. Any Unit Owner may, by conveying his Unit and its Appurtenant Interest to the Board of Managers, or its designee, corporate or otherwise, exempt himself from the liability for Common Charges accruing after such conveyance, subject to the terms and conditions of these By-Laws, provided that at the time of such conveyance (a) such Unit is free and clear of liens and encumbrances other than a Permitted Mortgage and the statutory lien for Common Charges and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except as hereinafter provided. A purchaser of a Unit at a foreclosure sale pursuant to a Permitted Mortgage against such Unit shall not be liable, and such Unit shall not be subject to a lien, for the payment of Common Charges, accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale.

Section 8. Statement of Common Charges. The Board of Managers shall promptly provide any Unit Owner, so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Maintenance and Repairs.

(a) Each Unit Owner shall maintain his Unit in good working order and condition, ordinary wear and tear excepted. All maintenance, repairs and replacements in or to any Unit (other than maintenance of and repairs to any Common Elements contained in the Unit), any installations to the exterior of the Building made by any Unit Owner, and any electrical, plumbing, heating and air conditioning fixtures in the Unit (other than those constituting Common Elements), whether structural or nonstructural, ordinary or extraordinary (including, without limitation, painting and decoration of the Unit and window cleaning), shall be performed by the Unit Owner of such Unit, at the Unit Owner's sole cost and expense, except as provided in Section 12 hereof and except as set forth below. All repairs and replacements shall be of a quality or class equal to the original work or construction. Each Unit Owner shall give the Board of Managers prompt notice of any defect in the plumbing, heating and electrical systems in his Unit after actual notice thereof by such Unit Owner. Each Unit Owner shall perform such construction, alterations or improvements to its Unit and the Common Elements as from time to time shall be necessary to render its occupancy of such Unit lawful. The exterior surface of all windows deemed a part of a Unit shall be washed and cleaned by the owner thereof. Prior to the issuance of a permanent certificate of occupancy for the Building following completion of the construction as described in the Plan, no Unit Owner other than Declarant and its designees shall make any alterations or improvements (by himself or with any of his contractors) to such Unit Owner's Unit, including, without limitation, installation of interior walls or partitions, without the prior written consent of Declarant.

(b) Except as provided in Section 9 above, or as applicable to a Limited Common Element, or as elsewhere provided in these By-laws or in the Declaration all maintenance of, replacement of and repairs to the exterior walls of the Building and the Common Elements, if required, shall be performed by the Board of Managers and the cost and expense thereof shall be charged as a Common Expense to be borne by Unit Owners as provided in these By-Laws. In making such repairs or replacements, the Board of Managers or its designee shall make all reasonable efforts (i) to minimize any interference with the Unit Owners' use and enjoyment of and business conducted in their Units and (ii) to conceal in the walls, floors or ceilings, or if not feasible, box in without materially reducing usable areas of the affected Unit or its ceiling height, any pipes or conduits installed by the Board of Managers.

(c) If any maintenance of, replacement of or repairs to the Property or any part thereof are necessitated by the negligence of (i) any Unit Owner, his tenants or visitors or occupants of the Unit, then the entire cost thereof shall be

borne by such Unit Owner and shall be assessed by the Board of Managers against such Unit Owner as a Common Charge or (ii) the Board of Managers, then the entire cost thereof shall be a Common Expense.

Section 10. Performance of Unit Owners' Obligations and Injunctive Relief.

If any Unit Owner defaults in any of his obligations under the Declaration, these By-Laws or the Rules and Regulations other than the obligation to pay Common Charges, then in such event the Board of Managers may send to such Unit Owner a notice specifying the default. If within thirty (30) days after the service of such notice upon the Unit Owner, such Unit Owner fails to cure such default or, in the case of a default not reasonably susceptible to cure within such period, fails to commence to cure such default within such thirty (30) day period and thereafter prosecute such cure to completion with due diligence, then the Board of Managers or its designee may enter the Unit and cure such default and the Board of Managers shall be entitled to seek injunctive relief against such defaulting Unit Owner. All sums expended and all costs and expenses incurred in connection with the curing of such default 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 added to and shall constitute a Common Charge against such Unit Owner.

Section 11. Additions, Alterations or Improvements by the Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements estimated by the Board of Managers to cost in the aggregate more than \$100,000 times the CPI Factor in any one fiscal year, then in any such case, such additions, alterations or improvements shall not be made unless first approved by seventy-five percent (75%) in number and aggregate Common Interests of all Unit Owners and a Majority of the Mortgage Representatives. Any additions, alterations or improvements to the Common Elements costing in the aggregate less than \$100,000 times the CPI Factor in any fiscal year may be made by the Board of Managers without the approval of the Unit Owners provided same are reasonably necessary to the operations of the Property as a first class building and to the uses to which it is then subject. The cost and expense of any addition, alteration or improvement to the Common Elements shall, except as otherwise provided in the Declaration and these By-Laws including without limitation the Rules and Regulations thereunder, constitute part of the Common Expenses. In making such additions, alterations and improvements, the Board of Managers or its designee shall make all reasonable efforts (i) to minimize any interference with the Unit Owners' use and enjoyment of and any business conducted in their Units and (ii) to conceal in the walls, floors or ceilings or if not feasible, box in without materially reducing usable areas of the affected Unit or its ceiling height, any pipes or conduits installed by the Board of Managers (other than in the portions of the cellar of the Building which are part of the Common Elements).

The term CPI Factor means for any year, the Consumer Price Index for all Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor, U.S.. City Average, All terms (1982-1984 + 100), or any successor index thereto, appropriately adjusted. Where specified in the Declaration or

the By-Laws, certain fees and expenses shall be subject to adjustment based on increases in the Consumer Price Index from the date of the Declaration. If the Consumer Price index ceases to be published, a conversion factor, formula or table as may be published by Prentice Hall, Inc. shall be used, or failing such publication, any other nationally recognized publisher of similar statistical information as is then generally recognized and accepted for similar determinations of the cost of living increases shall be used.

Section 12. Additions, Alterations or Improvements by Unit Owners.

Except as permitted in the Declaration:

(a) No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, without the prior written consent thereto of the Board of Managers, which consent shall not be unreasonably withheld, provided the Unit Owner complies with the requirements of the Board of Managers, including, without limitation insurance requirements. The Board of Managers shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit permitted hereunder shall be executed by the Board of Managers, without, however, incurring any liability on the part of the Board of Managers to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(b) No Unit Owner shall, without obtaining the prior written consent of the Board of Managers construct any additions to the exterior of his Unit (including the exterior walls of the Building encompassing the Unit), make structural changes to any of the Common Elements, or excavate or otherwise alter Common Elements, whether such Common Elements be located in, under or adjacent to the Building. No Residential Unit Owner may erect any structure on or enclose any roof terrace.

Section 13. Right of Access. A Unit Owner shall give access to his Unit to the Condominium Board, the manager and/or the managing agent and/or any other person(s) authorized by the Board of Managers, the manager or the managing agent, for the purpose of (i) making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, (ii) performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere on the Property, (iii) correcting any condition which violates the provisions of any mortgage covering another Unit, (iv) removing violations of governmental laws or regulations against any part of the Property and (v) curing any defaults under the Declaration and the By-Laws, provided that in

each case, except as provided below, the requests for entry are made at least one (1) day in advance. Such right of access shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business in or use of the Unit. In case of an emergency, such right of access shall be immediate, without advance notice and may occur whether the Unit Owner is present at the time or not. The foregoing shall not be deemed as prohibiting a Unit Owner from having a representative present when such access is given to the Board of Managers.

Section 14. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of the Units and Common Elements (such rules and regulations as amended from time to time are sometimes herein referred to as the "Rules and Regulations"). Except as provided in the Declaration, the Board of Managers may from time to time amend such Rules and Regulations in such manner as shall be reasonably necessary for the proper operation of the Building, except that (i) a Majority in Common Interest of the Unit Owners may overrule the Board of Managers with respect to any such amendment and (ii) no such amendment may be made without the prior written consent of any (x) a Majority of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed, and (y) the Construction Lender, for so long as it has a lien on any Unit, and (iii) no amendment may be made which may have an adverse affect on the Declarant or its designees, or the Units owned by Declarant or its designees, unless approved in writing by such the Declarant or its designees, as the case may be. Copies of such Rules and Regulations as amended shall be furnished by the Board of Managers to each Unit Owner not less than thirty (30) days prior to the effective date thereof. The terms "amend," "amended" or "amendment," as used in this Section, shall also mean deleting or adopting a rule or regulation.

Section 15. Real Estate Taxes. Except as provided below, until the Units are separately assessed for real estate tax purposes, the Board of Managers as agent of the Unit Owners shall promptly pay all real estate taxes levied with respect to the Property as a Common Expense and the Common Charges collected from Unit Owners to meet this Common Expense shall be earmarked for this purpose. Prior to such separate assessment, each Unit Owner's share of such Common Expense shall be allocated among and borne by the Unit Owners as described in Condominium Offering Plan for the Property (the "Plan"). After the separate assessment of the Unit Owners, Unit Owners will be reimbursed for any overpayment or assessed for any underpayment. Declarant shall have the right but not the obligation to advance the amount of any real estate taxes due with respect to the Property. In such case, the Condominium Board shall assess each Unit Owner such Unit Owner's share thereof, collect same from the Unit Owners and promptly remit to Declarant all sums collected from the Unit Owners on account of real estate taxes.

Section 16. Water Charges and Sewer Rents. If there are water charges and sewer rents assessed against the Property, then, unless and until such charges are separately billed to each Unit Owner by the appropriate authority, such charges shall promptly be paid by the Board of Managers as a Common Expense.

Section 17. Gas. Gas may be supplied by the public utility company serving the area to each Unit for cooking and/or laundry purposes through separate meters and the owner of such Unit shall be required to pay the bills for gas consumed or used in his Unit. To the extent that gas is supplied to more than one Unit measured by a meter for such Units, the cost of such gas shall be a Common Expense payable by the owners of such Units.

Section 18. Electricity. Electricity for the Units shall be supplied by the public utility company serving the area directly to each Unit through a separate meter or sub meter and the owner of such Unit shall be required to pay the bills for electricity consumed or used in his Unit. If one such meter measures the consumption of electricity in more than one Unit, then all such Units shall pay their pro rata share (as reasonably determined by the Board of Managers) of the consumption of electricity measured by such meter. Except as provided in Section 9 of the Declaration, a Unit Owner shall not exceed the capacity of existing feeders, risers or wiring installations and shall not use any electrical equipment which in the reasonable opinion of the Board of Managers will overload such feeders, risers or installations. The cost of electricity for the General Common Elements will be borne by all Unit Owners in accordance with their respective Common Interests.

Section 19. Heating. The Board of Managers shall supply heat from the building central system to the Residential Units and the General Common Elements during such times as the Board of Managers shall establish from time to time. The cost of furnishing heat to the Residential Units and the General Common Elements from the Buildings Central System shall constitute a Common Expense payable by all Residential Unit Owners. The Residential Units are served by incremental heat source pumps. The cost of operation, maintenance, repair and replacement of individual incremental heat source pumps and air conditioning units in each Residential Unit shall be borne by the Unit Owner of such Residential Unit.

Section 20. Vault Charges. All license fees and all periodic taxes and charges for vaults or other protrusions beyond the Building line assessed against the Property shall be fairly and equitably apportioned by the Board of Managers between or among the Units having the right to use such vault or other protruding space. If said vaults are used by the Board of Managers and not any Unit Owner, such fees and taxes shall constitute a Common Expense and shall be payable by all Unit Owners.

Section 21. Utilities Serving the Common Elements. The costs and expense of heat, water and sewer, electricity and gas serving or benefiting the General Common Elements shall be a Common Expense to be borne by all Unit Owners the cost of any electricity .

Section 22. Interruption in Utilities. The Board of Managers shall have the right to interrupt all utilities for the purposes of dealing with accidents, strikes and repairs, alterations, improvements, and the like. The Board of Managers shall have no liability to any Unit Owner for any such interruption. However, the Board of Managers shall make all reasonable efforts to minimize the extent of such interference.

ARTICLE VI

Selling, Leasing and Mortgaging of Units

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. Subject to the priority of the lien of a Permitted Mortgage with respect to all unpaid sums due under such Permitted Mortgage and such other rights, if any as may appertain to a Permitted Mortgagee under Sections 339-z of the Real Property Law of the State of New York, the rights of any mortgagee of a Unit shall be subordinate to the terms and provisions of the Declaration, By-Laws and Rules and Regulations, including, without limitation, the provisions of Section 9 of the Declaration, and any such mortgage that fails to provide for such subordination shall nonetheless be deemed to provide for such subordination; provided that no revocation or amendment to Section 339-z of the Real Property Law of New York shall affect such lien priority. Although no further instrument shall be required to effectuate such subordination, each mortgagee of a Unit, by accepting such mortgage, agrees to execute and deliver any instruments and documents requested to be executed and delivered by the Board of Managers in connection with the confirmation of such subordination, and, in the event such mortgagee fails to execute and deliver any such instruments or documents, its acceptance of such mortgage shall be deemed to constitute its appointment of the Board of Managers as its true and lawful attorney-in-fact in its name, place and stead to execute and deliver any such instruments and documents, such power being coupled with an interest. A Unit Owner who satisfies a mortgage covering his Unit shall also notify the Board of Managers thereof and shall file a conformed copy of the satisfaction of mortgage with the Board of Managers. The Board of Managers shall maintain the information received pursuant to this Section 1 in a book entitled "Mortgages of Units."

Section 2. Notice of Default and Unpaid Common Charges. Whenever so requested in writing by the mortgagee of a Unit, the Board of Managers shall promptly report to such mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws, which default may to the Board's knowledge then exist. The Board of Managers, when giving notice to a Unit Owner of any such default, shall also send a copy of such notice to each holder of a mortgage covering such Unit whose name and address shall have theretofore been furnished to the Board of Managers.

Section 3. Performance by Mortgagees. The Board of Managers shall accept payment of any sum or performance of any obligation by any mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations with the same force and effect as though paid or performed by such Unit Owner.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than once a month.

Section 5. Selling and Leasing. Except as provided in Section 10 of this Article VI no Residential Unit Owner may sell or lease his Residential Unit without complying with the following provisions:

Any such Residential Unit Owner who receives a bona fide offer to (a) purchase his Unit covered by the provisions of this Section 5 ("Offeree Unit") together with its Appurtenant Interest or (b) lease his Offeree Unit (such offer to purchase or lease an Offeree Unit, as the case may be, is called an "Offer", the party making any such Offer is called an "Offeror" and the owner of the Offeree Unit to whom the Offer is made is called an "Offeree"), which he intends to accept shall give notice by certified or registered mail to the Board of Managers of the receipt of such Offer. Said notice shall also state the name and address of the Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or the intended occupancy date in the event of a lease) and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell (or lease, as the case may be) his Offeree Unit to the Board of Managers, or its designee, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Offer and shall also constitute a representation and warranty by the Offeree who has received such Offer, to the Board of Managers on behalf of all Unit Owners, that such Offeree believes the Offer to be bona fide in all respects. The Offeree shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than fifteen (15) days after receipt of such notice together with such further information as may have been requested, the Board of Managers may elect, by sending written notice to such Offeree before the expiration of said fifteen (15) day period, by certified or registered mail, to purchase such Offeree Unit together with its Appurtenant Interest or to lease such Offeree Unit, as the case may be (or to cause the same to be purchased or leased by its designee), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Offer and as stated in the notice from the Offeree.

If the Board of Managers shall timely elect to purchase such Offeree Unit together with its Appurtenant Interest or to lease such Offeree Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed at the office of the attorneys for the Board of Managers, in accordance with the terms of the Offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept the aforesaid Offer, and the Board of Managers shall then be required to perform or cause to be performed all of the terms of the Offer (except as otherwise expressly set forth in this Article VI) including, but not limited to, payment of a Down Payment or advance rentals and security deposits, or closing of title or acceptance of occupancy, as the case may be and such closing of title or the commencement of the term of the lease shall be on the date set forth in the notice to the Board of Managers referred to in this Section 5 of Article VI as the intended closing date or commencement date, as the case may be. If pursuant to such Offer, the Offeror

was to assume, or take title to the Offeree Unit subject to, the Offeree's existing mortgage or mortgages, the Board of Managers may purchase the Offeree Unit and assume, or take title to the Offeree Unit subject to, said existing mortgage or mortgages, as the case may be. At the closing, the Offeree, if such Offeree Unit together with its Appurtenant Interest is to be sold, shall convey the same to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Unit Owners, by deed in the form required by Section 339-0 of the Real Property Law of the State of New York with all tax and/or documentary stamps affixed at the expense of such Offeree, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree and the Board of Managers, or its designee, corporate or otherwise, as of the closing date. In the event such Offeree Unit is to be leased, the Offeree shall execute and deliver to the Board of Managers, or its designee, a lease between the Offeree, as landlord, and the Board of Managers, or its designee, as tenant, covering such Offeree Unit, for the rental and term contained in such Offer.

If the Board of Managers, or its designee shall fail to accept such Offer within fifteen (15) days after receipt of notice, as aforesaid, the Offeree shall have an additional ninety (90) days (immediately following such fifteen 15 day period) to accept the Offer by executing and delivering a contract or lease, as the case may be. If the Offeree shall not, within such ninety (90) day period, accept in writing the Offer or if the Offeree shall accept the Offer within such ninety (90) day period but such sale or lease, as the case may be, shall not be consummated on or before the intended closing date or commencement date of the term of the lease, as the case may be, which is set forth in the notice to the Board of Managers referred to in this Section 5 of Article VI, then, should such Offeree thereafter elect to sell or lease such Offeree Unit, as the case may be, the Offeree shall be required to comply again with all the terms and provisions of this Section.

Any deed to an Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance by an Offeree of any Offer to lease an Offeree Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board of Managers, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board of Managers and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by tenant in the performance of its obligations under

such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

Any lease executed by the Board of Managers as tenant shall provide that the Board of Managers may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of an Offeree Unit in violation of this Section 5 of Article VI shall be voidable at the election of the Board of Managers and if the Board of Managers shall so elect, the Offeree shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Offeree as the purported landlord. Said Offeree shall reimburse the Board of Managers for all expenses (including, without limitation, attorneys' fees and disbursements) incurred in connection with such proceedings.

Section 6. Consent of Unit Owners to Purchase or Lease of Offeree Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Offeree Unit without the prior approval of a Majority in Common Interest of Unit Owners. However, the Board of Managers shall have the right to release or waive such option without the prior approval of a Majority in Common Interest of Unit Owners.

Section 7. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

Section 8. Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. If any Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit.

Section 9. Financing of Purchase of Offeree Units by Board of Managers. The purchase of any Offeree Unit by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board of Managers. If the funds in such account are insufficient to

effectuate any such purchase, the Board of Managers may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Board of Managers may, in its discretion, finance the acquisition of such Offeree Unit, provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Offeree Unit to be purchased together with its Appurtenant Interest.

Section 10. Exceptions. The provisions of Section 5 of Article VI shall not apply to (A) any Unsold Unit or (B) any Unit transferred by a Unit Owner by gift, devise, will or intestacy, or (C) any lease, sale or conveyance of any Offeree Unit together with its Appurtenant Interest by (1) the Unit Owner thereof to his spouse, adult children, parents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof; (2) Declarant or any of its designees; (3) the Board of Managers; or (4) the sale, transfer or lease of a Unit by or to a mortgagee or its nominee (including, without limitation, a foreclosure); provided, however, that each succeeding Offeree shall be bound by, and his Offeree Unit subject to, the provision of this Article VI. The term "affiliate", when used with respect to any Unit Owner, means an individual who (or entity which) owns more than 50% of the legal or beneficial interest in such Unit Owner, or any entity in which such Unit Owner owns more than a 50% interest, legal or beneficial.

Section 11. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, or may devise his Unit by will or have his Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article VI.

Section 12. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges theretofore assessed by said Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit, other than any mortgages.

Section 13. Mortgage of Units. Each Unit Owner shall have the right to mortgage his Unit without restriction. However, the Unit Owner shall comply with the provisions of Section 1 of this Article VI.

Section 14. Permitted Mortgage. The term "Permitted Mortgagee" shall mean a holder of a Permitted Mortgage. The term "Permitted Mortgage" shall mean any first mortgage of record against a Unit. For so long as the Construction Loan or any portion thereof is outstanding, the Construction Loan shall be deemed to be a Permitted Mortgage and the Construction Lender shall be deemed to be a Permitted Mortgagee.

Section 15. Mortgage Representatives. The term "Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of "Institutional Mortgages" (defined below) in accordance with the terms of this Article VI, Section 15.

Except as otherwise 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 his 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 Mortgage Representatives, if any, designated pursuant to the terms of this Section 15 of Article VI, shall be deemed binding on the holders of all mortgages encumbering Units.

The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect designate not more than three 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 Article VI, Section 15, 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 encumbering Units other than Permitted Mortgagees who hold 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.

The term "Institutional Lender" shall mean (i) the Construction Lender, for so long as the Construction Loan is a lien on any Unit (ii) a savings bank, savings and loan association, bank or trust company, credit union, insurance company, real estate investment trust, or mortgage trust, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

ARTICLE VII

Eminent Domain

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers if such award amounts to \$100,000.00 times the CPI Factor or less, and to the Insurance Trustee if such award amounts to more than \$100,000.00 times the CPI Factor. If 75% or more in Common interest of all Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers, or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If the net proceeds of any such award are insufficient to cover the cost of any repairs or restorations, the deficit will be a Common Expense. If 75% or more in Common Interest of all Unit Owners do not

duly and promptly approve the repair and restoration of such Common Elements, or if there are excess proceeds remaining after such repair or restoration, then in such event the Board of Managers, or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these By-Laws. In the event of a partial taking by condemnation or by eminent domain which results in a disproportionate taking of the space of each Unit so that one Unit is left with proportionately less space compared to the other Unit than was the case prior to such taking, then the Common Interests of the Unit Owners shall be equitably adjusted by the Board of Managers.

Section 2. Awards for Trade Fixtures and Relocation Allowances. Where all or a part of the Condominium is taken in condemnation or by eminent domain, each Unit Owner shall have the exclusive right to claim all of the award made for trade fixtures installed by such Unit Owner, and any relocation, moving expense or other allowance of a similar nature designed to facilitate relocation of a displaced business concern.

ARTICLE VIII

Records

Section 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against each Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same, within four (4) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

ARTICLE IX

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the managing agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Property or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All

notices shall be deemed to have been given or served when sent as provided above as of the date of mailing, except notices of change of address which shall be deemed to have been given when received.

Section 2. Adjustments for Inflation. Whenever in these By-laws or the Declaration an amount is to be adjusted by the CPI Factor, such adjustment shall be made every five years commencing on the fifth anniversary of the date of the Declaration. All such adjustments shall be calculated by the Board of Managers and notice thereof shall be given to each Unit Owner by the Board of Managers and a written record thereof retained in the books and records of the Condominium.

Section 3. Severability. If any provision of these By-Laws is invalid or unenforceable against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

Section 4. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

Section 5. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 6. Waiver. No restriction, condition, obligation or provision contained in these By-Laws including without limitation the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 7. Title to Units. Title to Units may be taken in the name of an individual, the names of two or more persons as tenants in common, joint tenants or tenants by the entireties, in the name of a corporation, partnership, association, trustee or other legal entity, or any combination of any of the foregoing.

Section 8. Successors and Assigns. The rights and/or obligations of the Unit Owners as set forth in these By-Laws and the Declaration shall inure to the benefit of and be binding upon the Board of Managers and the Unit Owners and their successors and assigns.

Section 9. Insurance Trustee. The Construction Lender, or its successors, assigns, or designee, at its option, shall be the Insurance Trustee so long as the Construction Lender is the holder of a certain mortgage made by Declarant to such Construction Lender, and thereafter a bank or trust company in the State of New York, designated by the Board of Managers and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or is replaced by

the Board of Managers, the Board of Managers shall appoint a new Insurance Trustee which shall be a bank or trust company having an office located in the State of New York having a capital surplus and undivided profits of \$500,000,000 or more. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the New York Real Property Law.

Section 10. Consents. Wherever in this Declaration or these By-Laws the consent of the Board of Managers is provided, such consent shall be sufficient and effective if given by the Board of Managers and the consent of the Unit Owners shall, unless otherwise provided in the Declaration or these By-Laws, not be required.

ARTICLE X

Amendments to By-Laws

Section 1. Amendments to By-Laws. Except as provided in the Declaration and below, these By-Laws may be amended by the vote of not less than 80% in number and in Common Interest of all Unit Owners, at a meeting of the Unit Owners duly held for such purpose, provided, however, that (i) if Declarant or its designees shall not have voted in favor of such amendment, then such amendment shall not be effective unless reasonably necessary or convenient to the conduct of the affairs of the Condominium and/or operation of the Property and such amendment shall not decrease the rights of the Declarant or its designees or increase the obligations of Declarant or its designees and (ii) such amendment shall not be effective against a holder of a mortgage of record affecting a Unit, unless a Majority of the Mortgage Representatives shall consent thereto in writing which consent shall not be unreasonably withheld or delayed, and, as to any Unit encumbered by the Construction Loan, the Construction Lender consents thereto; however the Construction Lender may grant or withhold its consent as it sees fit). Notwithstanding anything to the contrary contained herein, without the consent of every Unit Owner affected by such amendment, (a) no provision of these By-Laws (including, without limitation, the Rules and Regulations) relating to the use of Units or appurtenant Common Interests may be amended, (b) no By-Law may be amended which would in any way affect the rights of Declarant or its designees under Section 9 or Section 11 of the Declaration and (c) the provisions of this Article X may not be amended. The terms "amend," amended" or "amendment" as used in these By-Laws shall also be deemed to mean deleting a provision of the By-Laws or adopting a new By-Law.

ARTICLE XI

Conflicts

These By-Laws (including without limitation the Rules and Regulations) are intended to comply with the requirements of Article 9B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or

any provision of the Rules and Regulations shall conflict with the provisions of said statute, the Declaration or any other applicable law, then the provisions of said statute, the Declaration or such other applicable law, as the case may be, shall control.

ARTICLE XII

Arbitration

An arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. If the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by the Supreme Court of the State of New York, in the County of New York. Each party to any such arbitration shall bear his own legal fees and expenses and other fees and expenses in prosecuting and/or defending, as the case may be, the arbitration. However the cost of the arbitrator shall be borne by the losing party. All costs and expenses of the Board of Managers in any such arbitration hereunder, including the fees and expenses of counsel and experts, shall be a Common Expense.

Notwithstanding the foregoing, any dispute by a Unit Owner or the Board of Managers against Declarant must be mediated by non-binding mediation before the Unit Owner or the Board of Managers (as the case may be) may commence litigation or binding arbitration against Declarant. A Unit Owner or the Board of Managers ("Claimant") must notify Declarant in writing of such claim within the period if any, set forth in this Plan. Unless Declarant and the Claimant mutually agree upon a different mediator within fifteen (15) business days following the giving of notice of such claim, the matter shall be the subject of non-binding mediation before JAMS. The initial cost of the mediation service to conduct such non-binding mediation shall be shared equally by the Declarant the Claimant; however the non-prevailing party, shall reimburse the prevailing party for the prevailing party's share of such mediation service; if no party is the non-prevailing party, the cost of such fees shall be borne as determined by the mediator. If the Claimant is the non-prevailing party or it is determined by the mediator that the Claimant shall pay the fees (or any portion thereof) of such mediation service, and the Claimant fails to timely reimburse Declarant the amount of such fees, the Claimant shall be precluded from commencing any arbitration or legal or equitable action against Declarant until such time as such fees are paid. If the dispute is not resolved following non-binding mediation, the Declarant shall have the right, in its sole and absolute discretion, to require (by notice to the Claimant, to be given within thirty (30) days following the conclusion of the mediation) that the dispute must be determined by arbitration.

SCHEDULE A OF THE BY-LAWS

RULES AND REGULATIONS OF THE CONDOMINIUM

1. Each Unit Owner shall keep his unit in a good state of preservation and cleanliness. He shall not allow anything whatever to fall from the windows or doors of the Building, nor shall he sweep or throw from the Building any dirt or other substance into any of the corridors or halls, elevators, ventilators or elsewhere in the Building. No Unit Owner may place any object or obstruction in or to its windows. The Unit Owners shall place their refuse in containers in such manner, at such times and in such places as the Board of Managers or its agent may direct. The Unit Owners shall obtain extermination services for the Units at such intervals as shall be necessary to maintain the Units free of rats, mice, roaches and other vermin.

2. Except as otherwise expressly provided in the Declaration, the sidewalks, entrances, corridors, exits and other Common Elements shall not be obstructed or encumbered by refuse or otherwise, or used for any purpose other than ingress or egress to and from the Units and delivering and shipping of merchandise and the like to and from the Units.

3. Employees of the Unit Owners' may not gather or lounge in the Common Elements.

4. Supplies, goods and packages of every kind for the Units are to be delivered in such manner as the Board of Managers or its agent may reasonably prescribe and the said Board of Managers is not responsible for loss of or damage to any such property, including loss or damage that may occur through the carelessness or negligence of the employees of the Building.

5. No disturbing noises or objectionable odors may be produced upon or emanate from any Residential Unit including, without limitation, from any musical instrument, phonograph, radio, television, receiver or similar instrument if the same shall disturb or annoy any other Unit Owner. Corridor doors shall be kept closed at all times except when in actual use for ingress and egress.

6. Unit Owners shall not permit or keep in their Residential Units any inflammable, combustible or explosive material, chemical or substance, except such products as are required in normal professional and business use.

7. Water closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish bags or other articles 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 such Unit.

8. No vehicle belonging to a Unit Owner or to an employee, or visitor of a Unit Owner shall be parked in such manner as to impede or prevent ready access to

any entrance to or exit from the Building or Common Elements by any vehicle of any kind whatsoever.

9. Except as provided in Section 9 of the Declaration, no Unit Owner shall (i) do or permit any act or thing to be done in or to his Unit which will invalidate or be in conflict with any public liability, fire, casualty or other policy of insurance at any time carried by the Board of Managers with respect to the Property, (ii) keep anything in his Unit which is prohibited by the Fire Department, Board of Fire Underwriters, fire insurance rating organization or other authority having jurisdiction or (iii) permit a Unit to be used in any manner (other than the use in effect on the date of the Declaration) which will increase the insurance rate for the Property over that in effect as of the date of the Declaration unless such Unit Owner paid the additional cost thereof as provided below.

Any costs, expenses, fines, penalties or damages which shall be imposed upon the Board of Managers by reason of a Unit Owner's default hereunder or any increase in the premium charged for insurance carried by the Board of Managers resulting from a change in the insurance rate for the Property attributable to a use of the Unit which is different from the use of the Unit in effect on the date of the Declaration, shall be assessed as a Common Charge against the Unit Owner. In any action or proceeding relating to the foregoing, a schedule or "makeup" of rate for the Property issued by the New York Fire Insurance Exchange or other body making fire insurance rates applicable to the Property shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate or rates then applicable to the Property.

Each Unit Owner may carry other insurance for his own benefit, provided that all such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by such Unit Owner.

10. Except as provided in Section 9 of the Declaration, no Unit Owner shall place a load upon any floor of his Unit exceeding the floor load per square foot area which it was designed to carry and which is allowed by law.

11. If any key or keys are entrusted by a Unit Owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

12. No Unit Owner shall alter, impair or otherwise affect the Common Elements without the prior written consent of the Board of Managers, except as expressly permitted herein or in the Declaration or the By-Laws.

13. Each Unit Owner shall:

1. obtain and keep in full force and effect any governmental license or permit required for the proper and lawful conduct of any business carried on in his Unit, and shall submit same for inspection by the Board of Managers;

2. Keep clean at all times the interior and exterior of windows and doors (including in each case, the frames thereof) in his Unit, with all such work to be done in conformity with law;

3. Promptly replace any and all broken or damaged glass (including in windows) in his Unit and the frames for such glass, regardless of the cause of such damage, including the negligence of the Board of Managers, its agents or employees without waiving any claims which such Unit Owner may have by reason of any of the foregoing;

4. Not at any time, either directly or indirectly, use any contractors and/or labor and/or materials in connection with alterations or improvements to his Residential Unit, if the use of such contractors and/or labor and/or materials would or will create any difficulty with other contractors and/or labor engaged by the Board of Managers and/or the other Unit Owners in the maintenance and/or operation of the Building and/or the other Units;

14. Any amounts assessed against a Unit as Common Charges which are in addition to the regular monthly installments of Common Charges due and payable as provided in the By-Laws shall be paid to the Board of Managers upon demand or if not demanded then with the next monthly installment of Common Charges due and payable as provided in the By-Laws.

15. No servant or employee of the Board of Managers or its managing agent shall be sent out of the Building by any Unit Owner at any time for any purpose.

16. Complaints regarding services or operation of the Building shall be made in writing to the Board of Managers or its managing agent.

17. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers, except that, where a consent or approval may not be unreasonably withheld as herein elsewhere provided, then such consent may be added to, amended or repealed as set forth above provided such addition, amendment or repeal is not unreasonably made. A Unit Owner may apply to the Board of Managers for a temporary waiver of one or more of the foregoing Rules. Such temporary waiver may be granted by the Board of Managers, for good cause shown, if, in the Board's judgment, such temporary waiver will not interfere with the purposes for which the Condominium was formed.

18. The fiscal year of the Condominium shall begin on the first day of January in each year or on such other date as the Board of Managers shall establish from time to time.

19. Except as provided in the Declaration no sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed from any Residential Unit on any part of the outside of the Building, hung from windows or placed on window sills in or on any Residential Unit, without the prior written consent of the Board of Managers.

20. No pets other than dogs, cats caged birds 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 or the Managing Agent. Any Unit Owner who wishes to keep more than two pets in his Unit must obtain the prior written consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet in his Unit will be required to (a) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulation of the Condominium adopted with respect thereto. The Condominium Board may require that pet owners enter into an agreement with the Board confirming such owners' obligations with respect to their pets.

21. No awnings, radio or television aerials or other projections shall be attached from any Residential Unit to the outside walls of the Building, and no blinds, shades or screens shall be attached to, hung or used on the exterior of any window or door of any Residential Unit, without the prior written consent of the Board of Managers, which consent shall not be unreasonably withheld or delayed. No blinds, shades, screens, draperies or drapery backing that are visible through the exterior windows shall be hung or used in any Residential Unit without the prior written consent of the Board of Managers.

CERTIFICATIONS
SPONSOR AND SPONSOR'S PRINCIPALS

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Re: 350 West 53rd Street Condominium

Ladies and Gentlemen:

We are the Sponsor and the Principal 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 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:
 - (b) knew the truth;
 - (c) with reasonable effort could have known the truth;
 - (d) made no reasonable effort to ascertain the truth; or

- (e) 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.

Very truly yours,

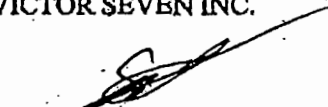
VICTOR AT W. 53 LLC

By: Victor Seven, Inc. Managing Member

By: 

Moshe Shuster, President

VICTOR SEVEN INC.

By: 
Moshe Shuster, President


Moshe Shuster

Sworn to before me this

10 day of September, 2004


Notary Public

Barbara Reinecke
Notary Public of New Jersey
My Commission Expires
September 21, 2006

SPONSOR'S ARCHITECT

CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO PART 20
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW
ARTICLE 23-A, AS AMENDED

November 30, 2004.

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

RE: Condominium Offering Plan
Victor at W. 53, LLC
53rd Street
New York, New York

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property ("Report"). We examined the building plans and specifications dated June 4th, 2004, that were prepared by us and prepared the Report dated September 14th, 2004, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect licensed in the State of New York.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report

- (i) Sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

Page 2

- (ii) in my professional opinion, affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I 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 suppression,
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we
 - a knew the truth
 - b with reasonable effort could have known the truth
 - c made no reasonable effort to ascertain the truth, or
 - d did not have knowledge concerning the representations or statement made

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing the Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

GERNER KRONICK & VALCARCEL ARCHITECTS, PC

Sworn to before me this

3rd day of NOV, 2004

Elizabeth Maruggio Algeri
Notary Public

ELIZABETH MARUGGIO ALGERI
Notary Public, State of New York
No. 01AL4853432
Qualified in New York County
Commission Expires 7/7/06

By *[Signature]*
Name: Randolph H. Gerner
Title: Principal



SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

**CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET
PURSUANT TO PART 20, SECTION 20.4 (d)
OF THE REGULATIONS OF THE DEPARTMENT OF LAW
PROMULGATED UNDER ARTICLE 23-A OF THE
GENERAL BUSINESS LAW, AS AMENDED**

8 September 2004

**TO: New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York, 10271**

FROM: Platinum Properties Of New York Ltd.

**RE: 350 West 53rd Street Condominium
350 West 53rd Street
New York, New York**

The undersigned does hereby state:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to prepare Schedule B containing projections of income and expenses for the first year of condominium operation.

We are a licensed real estate broker and our principal, directly or in association with other New York City management firms, has been engaged in the business of managing residential properties in the New York City and adjacent areas, including cooperatives and condominiums, for more than 25 years. This included management of more than 10,000 residential units in over 20 properties for varying periods of approximately one to eight years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

We have prepared Schedule B and investigated the facts set forth in such Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our and our principal's experience in managing residential buildings or apartments.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

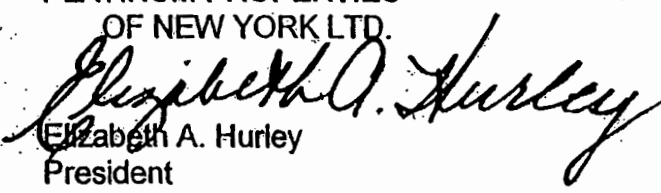
(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We note that we will receive a fee for our services rendered in connection with this certification and other opinions we are giving for inclusions in the Offering Plan.

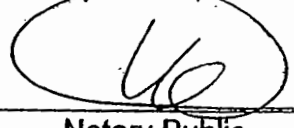
We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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.

PLATINUM PROPERTIES
OF NEW YORK LTD.


Elizabeth A. Hurley
President

Sworn to before me this 08th
day of September, 2004.


Notary Public

CAROLYN E. WOODS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 14, 2008

